

Demonstrating the power of interconnected standards for value-added analysis

Eurofiling

2nd July 2016

Frankfurt

Usage of standards for financial transactions

- In Financial Services, industry participants such as investment managers, custodians, market infrastructures (securities depositories, central counterparties, payment systems) use standards to communicate details of transactions.
- Standards also are used to address the security of financial services transactions, data and information.

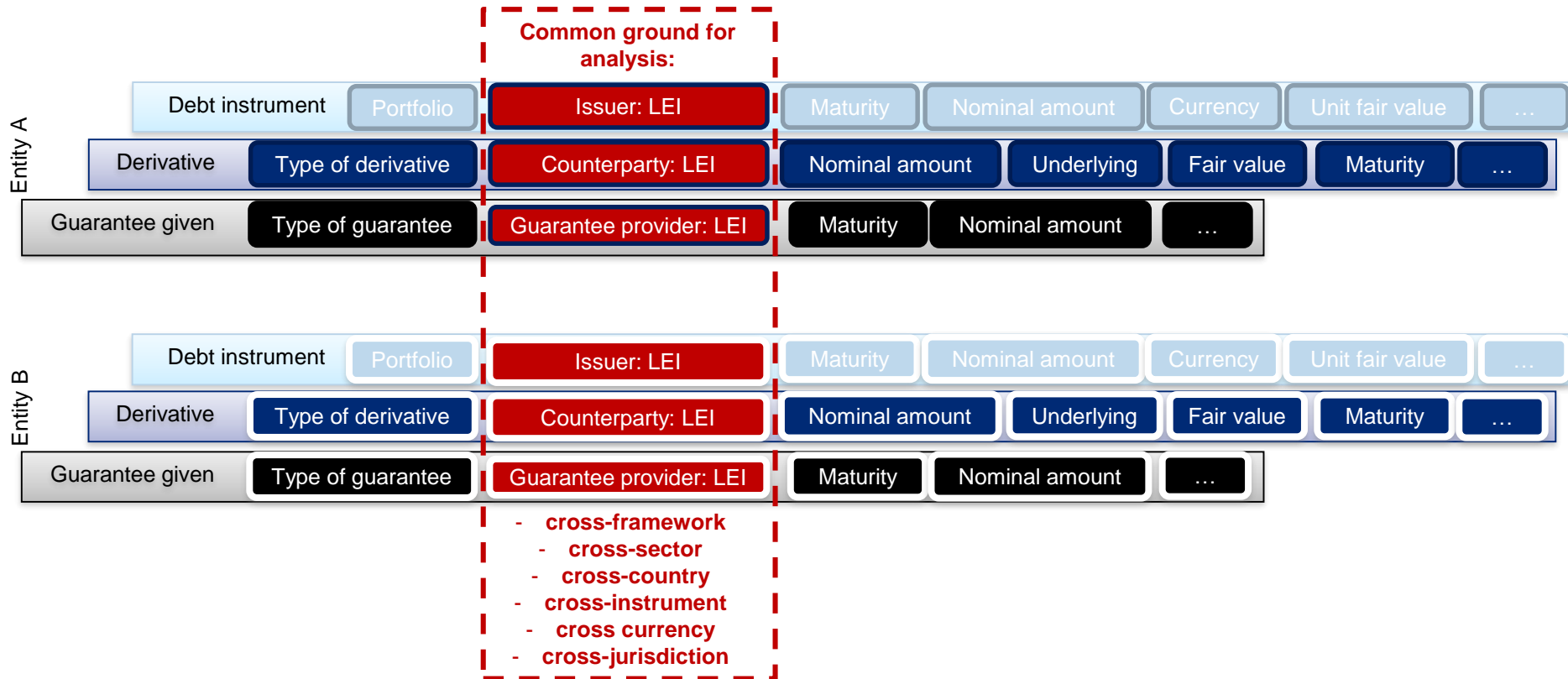
Usage of standards for financial transactions

Examples of transactions types covered are securities trade execution, matching, allocation, clearing and settlement, foreign exchange execution and settlement, reconciliation and reporting (both on holdings and activity), investment funds subscriptions, transfers and redemptions, corporate event and action notification and processing, instructions, advices and reconciliation reporting for cash payments, credit card interchange

- Examples of general areas of security standards - PIN, Biometrics, Key management, PKI, Encryption, Cryptography, Tokenization
- Standardization on specific data elements through the usage of codes and identifiers. Examples: the LEI legal entity identifier, the IBAN (International Banking Account Number), transaction type code lists
- Standardization of financial messaging that supports exchanges or transport of data. Examples: ISO 20022, credit card interchange messaging

Linking data: benefits using a single standard data point

- Example: Using the LEI to link disparate sources of data.



- Levels of counterparty exposure could be linked and aggregated using the LEI.
- If included in the reporting of data, the amounts of counterparty exposure can be sourced - from different business activities, for different asset classes, jurisdictions and geographies - and aggregated using the LEI.