



**GFMA Global FX Division**

**Market Architecture Group**

**FX Execution Platforms – Attribute Specification for Dodd-Frank  
reporting of FX Trades**

Version: 20th September 2012

## **Background to the GFMA FX Market Architecture Group (MAG)**

### **About the GFMA FX Division**

The Global Financial Markets Association (GFMA) joins together some of the world's largest financial trade associations to develop strategies for global policy issues in the financial markets, and promote coordinated advocacy efforts. The member trade associations count the world's largest financial markets participants as their members. GFMA currently has three members: the Association for Financial Markets in Europe (AFME), the Asia Securities Industry & Financial Markets Association (ASIFMA), and, in North America, the Securities Industry and Financial Markets Association (SIFMA).

The GFMA Global FX Division, headquartered at AFME in London, was formed in June 2010 to support efforts to promote an efficient global FX market, monitor regulatory developments that could affect the foreign exchange markets and assist the industry in building out the infrastructure of the future. Its members comprise 22 global FX market participants, collectively representing more than 90% of the FX market (according to Euromoney surveys).

### **About the MAG**

The MAG is a working group of the GFMA FX Division. Its principal remit is to promote common industry standards and workflows in response to the new international regulatory environment. As such, the group wishes to foster dialogue and discussion with a wide range of market participants, vendors, industry utilities and regulators. The group works closely with ISDA in respect of other asset classes to harmonise cross-asset approaches where possible.

As the first key leg of implementing regulatory reform, the group is focusing on the approach to global trade reporting. This work includes focusing on the development of identifiers (in particular unique transaction identifier workflows and product identifiers / taxonomies) and protocols for determining various reporting responsibilities. All of the MAG's relevant documentation is posted on the GFMA's website at: [http://www.gfma.org/initiatives/foreign-exchange-\(fx\)/fx-market-architecture/](http://www.gfma.org/initiatives/foreign-exchange-(fx)/fx-market-architecture/)

Whilst the group will continue to focus on supporting regulatory reporting, it will also be discussing approaches to all new regulatory infrastructure, including in respect of clearing and execution. Market participants are encouraged to communicate with the MAG on these, or any other related issues.

### **Important notice**

Please note that any materials issued by the MAG contain suggestions and comments on approach based solely upon the views of the participants of the MAG. These materials have not been validated with regulators or any other participants, stakeholders or advisers (including legal advisers) to assess compliance with legislation in any applicable jurisdiction, and GFMA makes no representations as to the accuracy or completeness of the materials.

The materials issued by the MAG are provided for informational purposes only. They do not constitute, and should not be relied upon as, legal, tax or other advice.

It is up to individual market participants to determine how best to meet any relevant regulatory requirements and to ensure that they conduct their own appropriate due diligence when implementing processes and procedures, including, as necessary, seeking advice or guidance from local regulators and legal or other advisers.

GFMA has no obligation to update, modify or amend the materials issued by the MAG or otherwise to notify a reader thereof in the event that any such materials become outdated, inaccurate or incomplete.

Neither GFMA nor any participant of the MAG shall have any liability (in contract, tort, negligence or otherwise) to any GFMA member or any other person with respect to any use they make of these documents.

**Contacts**

MAG Chairs: Jesse Drennan ([jesse.r.drennan@us.hsbc.com](mailto:jesse.r.drennan@us.hsbc.com))

Harmeet Singh ([harmeet.s.singh@baml.com](mailto:harmeet.s.singh@baml.com))

GFMA: Matt Lewis ([mlewis@gfma.org](mailto:mlewis@gfma.org))

Email: [FXMAG@gfma.org](mailto:FXMAG@gfma.org)

## Background

This document relates to certain aspects of the reporting requirements for the foreign exchange industry as set out in 17 CFR Part 45 Swap Data Recordkeeping and Reporting Requirements (“Part 45”) and 17 CFR Part 43 Real-Time Public Reporting of Swap Transaction Data (“Part 43”) as issued by the CFTC to implement provisions of Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”).

Under Part 45, the Commission sets out the requirements surrounding the generation and transmission of unique swap identifiers (“USIs”). It covers the responsibilities of reporting parties in the case of trades that are (i) executed on a swap execution facility (“SEF”) or designated contract market (“DCM”); (ii) trades involving a swap dealer (“SD”) or major swap participant (“MSP”) as reporting party and which are executed off-facility and (iii) trades executed off-facility without an SD or MSP as the reporting party.

Off-facility trades involving an SD or MSP with reporting party responsibilities will include trades that are executed on FX electronic trading platforms, also known as electronic communication networks (“ECNs”). In the MAG’s ‘Unique Transaction Identifier – Overview Document’, the MAG suggests that, for such trades, ECNs generate and transmit a USI to each counterparty. Given the significant volume of trades that are executed on ECNs, this will facilitate and simplify the reporting workflows, reducing the volumes of trades where the USI’s will have to be exchanged between the trading parties via traditional confirmation methods. Note that this would be subject to ECNs being permitted to do so under relevant legislation<sup>2</sup>.

During the outreach sessions conducted by the MAG, certain participants requested feedback as to which new or additional data attributes the MAG believes would be helpful for ECNs to communicate to counterparties to the trade. The MAG’s response is set out as follows:

- Section 1: covers data attributes that the MAG believes is important for meeting the Part 45 & 43 reporting requirements, which currently have a compliance date in January 2013;
- Section 2: sets out further data attributes that may be of assistance for reporting and which, depending upon the capabilities of the relevant platform, participants may wish to consider incorporating into any development work.

Note that this document only covers suggested trade attributes in respect of non-SEF platforms. Under the CFTC rules, SEFs are intended to be subject to different reporting and dissemination obligations, including in respect of trade attributes. Participants intending to register as SEFs should review these requirements.

---

<sup>1</sup> Please see the GFMA website at: <http://www.gfma.org/initiatives/foreign-exchange-%28fx%29/fx-market-architecture/>

<sup>2</sup> This flow is dependent upon ECNs being permitted to generate and transmit a USI to the trade. In order to support this, the GFMA FX Division has approached the CFTC to request that ECNs may be able to apply for a USI namespace without the requirement for the ECN to register as a SEF and subsequently to generate and transmit the USI.

## Section 1 - Trade Attributes

No.	Field	Format	Applicable trade types	Proposed Max. Length	Values
1.	USI Prefix (note 1)	String	All reportable	10	As per CFTC requirements
2.	USI Value (note 1)	String	All reportable	32	As per CFTC requirements
3.	Execution Venue (note 2)	String	All reportable	42	LEI; or Name of venue
4.	Execution Venue Type	Enumeration / Text	All reportable	12	"SEF" or "Off-facility"
5.	Execution Timestamp	Coordinated Universal Time (UTC)	All reportable	25	Date & Time (hh:mm:ss)
6.	Link ID (note 1a.)	String	For FX Swaps	42	USI of far leg can be a potential value.
7.	USI Prefix Far Leg (note 1a.)	String	For FX Swaps	10	See 1 above
8.	USI Value Far Leg (note 1a.)	String	For FX Swaps	32	See 2 above

### Notes:

#### 1. USI Prefix & Value

- These are the unique swap identifier Prefix (or namespace, in Part 45 terminology) and Value (the unique, platform-generated trade ID) that are generated for each distinct and reporting-eligible trade.
  - a. FX Swaps<sup>3</sup>
    - The MAG believes that FX swaps should be identified by two separate USIs representing each leg.
    - Where FX Swaps are communicated as two separate trades, individual legs would contain the relevant USI and a unique link ID (that is not necessarily a USI) that is common to both legs would be specified.

<sup>3</sup> Please see 'Unique Transaction Identifier – Overview Document' section 3.3 for more information, at: <http://www.gfma.org/initiatives/foreign-exchange-%28fx%29/fx-market-architecture/>

- Where FX Swaps are sent as a single trade, USI Prefix and Value (fields 1 & 2) would contain the near leg USI, whilst the far leg USI will be contained separately (fields 7 & 8).
  - b. Option Strategy<sup>4</sup>
    - The MAG suggests that USIs should be generated for individual legs for option strategies.
2. Execution Venue
- Part 45 states that field values should be “Identifier (if available) or name of the [SEF] or [DCM]...” The MAG suggests that these be applied in that order of preference, if available. For European entities, where LEI is not available, a MIC code could be used.

## Section 2 – Further Trade Attributes

No.	Fields	Format	Max. Length	Values
9	Indication of Clearing Exception (note 1)	Boolean Flag	1	Y/N
10.	Indication of Other Price Affecting Term (note 2)	Boolean Flag	1	Y/N
11.	Indication of Allocation (note 3)	Boolean Flag	1	Y/N
12.	Clearing Venue	String	42	LEI or Name of the Clearing House
13.	Clearing Indicator	Boolean Flag	1	Y/N
14.	Transaction Repository	String	42	LEI or Name of the Repository

### Notes:

1. Indication of clearing exception
  - If a trade will not be cleared, this is intended to indicate whether this is as a result of an exception or exemption being elected (please see Part 45 for more details<sup>5</sup>).
2. Indication of other price affecting term
  - Information to indicate whether the trade is non-standardised (bespoke) and whether there are one or more additional terms or provisions other than those to be

<sup>4</sup> Please see ‘Unique Transaction Identifier – Overview Document’ section 3.3 for more information, at: <http://www.gfma.org/initiatives/foreign-exchange-%28fx%29/fx-market-architecture/>

<sup>5</sup> See 77 FR 2216

disseminated publicly, that materially affects the price of the publicly reportable trade (please see Part 43 for more details<sup>6</sup>).

3. Indication of Allocation

- An indication of whether the trade will be allocated.

---

<sup>6</sup> See 77 FR 1252