

Regulatory Alert

Regulatory Insights for Financial Services

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Joint Data Standards: Interagency Proposal

KPMG Insights:

- **Data Trend:** Continues a trend to integrate financial and risk data stores.
- **Data Sharing Among Agencies:** Proposed data standards are intended to facilitate sharing of information among the financial services agencies by setting common parameters for data identification and transmission.
- **Dependent on Future Rulemaking:** Data standards will not impact regulatory reporting requirements without further action by the individual Agencies to implement the new standards through Agency-specific rulemakings.
- **Steps Toward Data Standardization:** Financial services companies should anticipate system updates, including mapping, may be needed to align with the data standards, including common identifiers.

Eight financial services regulatory agencies (FRB, FDIC, OCC, SEC, CFTC, CFPB, NCUA, and FHFA) and the Department of the Treasury (individually Agency, collectively Agencies) jointly [propose](#) data standards that aim to promote interoperability of financial regulatory data across the Agencies (Joint Rule).

The proposed Joint Rule is required by the Financial Data Transparency Act of 2022 (FDTA) and would establish technical standards for 1) certain collections of information reported to each Agency by financial entities under the jurisdiction of the Agency, and 2) the data collected from the Agencies on behalf of the Financial Stability Oversight Council (FSOC).

The FDTA also requires each of the Agencies, except for the CFTC and the Department of the Treasury, to individually issue rules (i.e., Agency-specific rules) that adopt the data standards for certain collections of data that are regularly filed with or submitted to the Agency. The Joint Rule data standards, when finalized, would take effect through adoption by the implementing Agencies in these Agency-specific rulemakings.

As proposed, the Joint Rule data standards would entail:

- **Common Identifiers**, which would include identifiers for:
 - *Legal entities:* Legal Entity Identifier (LEI) – ISO 17442-1:2020
 - *Swaps and security-based swaps:* ISO 4914 – Financial services – Unique product identifier (UPI)
 - *Financial instruments that are not swaps or security-based swaps:* ISO 10962 – Securities and related financial instruments — Classification of financial instruments (CFI)
 - *Financial instruments:* Financial Instrument Global Identifier (FIGI)
 - *Dates:* as defined by ISO 8601 using the Basic format option
 - *Geographic locations:* US Postal Service Abbreviations for U.S. states or possessions; Geopolitical Entities, Names, and Codes (GENC) for countries and their subdivisions
 - *Currencies:* the alphabetic currency code as defined by ISO 4217

- A **principles-based joint standard** that would require a data transmission or schema and taxonomy format to:
 - Render data fully searchable and machine-readable.
 - Enable “high-quality” data through schemas, with accompanying metadata that clearly define the semantic meaning of the data.
 - Ensure that data that exists to satisfy an underlying regulatory information collection requirement be consistently identified as such in associated machine-readable metadata.
 - Be nonproprietary or available under an open license.

- A **definition of “collections of information”** to mean a collection of information as defined in the Paperwork Reduction Act of 1995.

Effective Date, Comment Period. The Agencies propose that the Joint Rule would take effect on the first day of the next calendar quarter that begins at least 60 days after the final rule is published in the Federal Register. However, the joint standards would take effect through adoption by implementing Agencies through Agency-specific rulemakings, not the Joint Rule. As such, the proposed effective date for the Joint Rule would not change any reporting requirements without further action by the Agencies.

The Agencies request comment on the proposed Joint Rule data standards by October 21, 2024.

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