

# FINANCIAL INFORMATION FORUM

October 21, 2024

**By electronic mail to rule-comments@sec.gov**

Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  
Attn: Secretary

**Re: Securities and Exchange Commission File No. S7-2024-05: Notice of Proposed Rulemaking for Financial Data Transparency Act Joint Data Standards**

Dear Secretary,

The Financial Information Forum (“FIF”)<sup>1</sup> appreciates the opportunity to comment on the Notice of Proposed Rulemaking (the “NPRM”) for Financial Data Transparency Act Joint Data Standards (the “Joint Data Standards”) issued by the Securities and Exchange Commission (the “SEC”) and the other covered agencies on August 1, 2024.<sup>2</sup> The NPRM was issued by the SEC and the other covered agencies pursuant to the Financial Data Transparency Act of 2022 (the “FDTA”).<sup>3</sup> The “covered agencies” are defined in the FDTA.<sup>4</sup>

The FDTA requires the covered agencies “... to jointly issue proposed rules for public comment that establish data standards for ... the collection of information reported to each covered agency by financial entities ....”<sup>5</sup> The FDTA mandates that the data standards include common identifiers, “which shall include a common non-proprietary legal entity identifier that is available under an open license ....”<sup>6</sup> In the NPRM, the covered agencies have proposed the following data standards<sup>7</sup>:

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<sup>1</sup> FIF ([www.fif.com](http://www.fif.com)) was formed in 1996 to provide a centralized source of information on the implementation issues that impact the securities industry across the order lifecycle. Our participants include broker-dealers, exchanges, back office service bureaus, and market data, regulatory reporting and other technology vendors in the securities industry. Through topic-oriented working groups, FIF participants focus on critical issues and productive solutions to technology developments, regulatory initiatives, and other industry changes.

<sup>2</sup> Securities and Exchange Commission Release Nos. 33-11295, 34-100647, IA-6644, IC-35290 (August 1, 2024), 89 FR 67890 (Aug. 22, 2024) (“NPRM”). Citations to the issuances by the covered agencies other than the SEC are provided in the Federal Register notice.

<sup>3</sup> Public Law 117-263, title LVIII, 136 Stat. 2395, 3421 (2022).

<sup>4</sup> 12 U.S.C. §5334(a).

<sup>5</sup> 12 U.S.C. §5334(b)(1).

<sup>6</sup> 12 U.S.C. §5334(c)(1).

<sup>7</sup> NPRM, at 89 FR 67905.

Identifier Type	Standard Name	Abbreviation	Standard Number or Source
Legal Entity Identifier	Financial Services - Legal Entity Identifier	LEI	ISO 17442
Swaps and security-based swaps	Financial Services - Unique Product Identifier	UPI	ISO 4914
Financial instruments that are not swaps or security-based swaps	Securities and Related Financial Instruments – Classification of Financial Instruments	CFI	ISO 10962
Financial instruments	Financial Instrument Global Identifier	FIGI	Object Management Group
Dates	Date		ISO 8601 (Basic format option)
States, possessions or military “states” of the US	U.S. Postal Service Abbreviations		Appendix B of Publication 28 – Postal Addressing Standards, Mailing Standards of the United States Postal Service
Country and their subdivisions	Geopolitical Entities, Names, and Codes	GENC	Country Codes Working Group of the Geospatial Intelligence Standards Working Group
Currencies	Currency Codes		ISO 4217

While this letter is addressed to the SEC and focused on reporting obligations by broker-dealers, the principles set forth in this letter apply to reporting by any financial entity that is regulated by a covered agency. Accordingly, FIF is submitting this letter to all of the covered agencies.

**A. Need for determination of economic implications**

Under the FDIA, the covered agencies are only mandated to establish a data standard for a legal entity identifier (“LEI”).<sup>8</sup> Accordingly, only one of the eight data standards proposed by the covered agencies

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<sup>8</sup> 12 U.S.C. §5334(c)(1)(A).

(as listed in the table above) is a data standard for an identifier type as mandated by the FDIA. FIF members are concerned that the SEC has not adequately evaluated the economic impact of the proposed data standards, as required by law.<sup>9</sup> This evaluation of economic impact is required by law. As the SEC has stated in a public memorandum setting forth the SEC's policies, the D.C. Circuit court "... has found certain Commission rules arbitrary and capricious based on its conclusion that the Commission failed adequately to evaluate a rule's economic impact."<sup>10</sup>

One challenge for the SEC and the other covered agencies is that a proper economic impact analysis can only be conducted by identifying the specific reports that the covered agencies propose to change and the specific changes to be proposed. In addition, market participants are not able to meaningfully comment on the proposed data standards without understanding how the covered agencies intend to apply these data standards to specific reports. It is possible that implementing one or more of the proposed data standards would be beneficial for certain reporting, but this determination cannot be made without consideration of the specific reports and the specific changes that are proposed. FIF members are concerned that designating specific data standards at this stage in the process could result in the imposition of data standards for specific reports in scenarios where mandating these data standards for these reports would not be appropriate.<sup>11</sup>

Given these challenges, the covered agencies should consider proposals for common identifiers on a case-by-case basis in connection with proposed rulemaking for specific reports. In other words, FIF members recommend, as an alternative to the approach proposed in the NPRM, that each covered agency adopt a rule to require it to consider common identifiers for the identifier types identified in the NPRM in future rulemaking that requires reporting of these identifier types. Under this alternative approach, the covered agencies, at this stage in the rulemaking process, would not propose a common identifier other than the LEI, but the covered agencies could propose these common identifiers in connection with future rulemaking activity.

## **B. Principles set forth in the NPRM: other taxonomies; cost-benefit analysis**

The NPRM includes the following guidance, which FIF members support:

If, following notice and comment, the Agencies establish specific taxonomies as joint standards, the Agencies would clarify in the final rule that the use of one or more data element definitions from a taxonomy that is established as a joint standard would not preclude an Agency from using data element definitions from another taxonomy or using additional taxonomies, including Agency-specific taxonomies, for the same collection of information. Similarly, an Agency would not be precluded from modifying or tailoring the joint standard taxonomy in consideration of the benefits and costs to its

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<sup>9</sup> See, for example, Memorandum from the SEC's Division of Risk Strategy and Financial Innovation and Office of the General Counsel to the Staff of the SEC's Rulewriting Divisions and Offices (Mar. 16, 2012), available at [https://www.sec.gov/divisions/riskfin/rsfi\\_guidance\\_econ\\_analy\\_secrulemaking.pdf](https://www.sec.gov/divisions/riskfin/rsfi_guidance_econ_analy_secrulemaking.pdf).

<sup>10</sup> Id. at 3.

<sup>11</sup> FIF members have identified a large number of regulatory reports by broker-dealers that could be impacted by the proposed data standards. Some of these regulatory reports are discussed in further detail in Section C below.

reporting entities, in consideration of the Agency’s mission, or to comply with applicable law.<sup>12</sup>

The NPRM further provides that,

The Agencies invite comment on this approach (that is, the potential for an Agency to use multiple taxonomies in an individual collection of information, including taxonomies that are not a jointly-established standard taxonomy) to the establishment of joint standards and the flexibility needed to meet regulatory reporting requirements unique to a specific Agency or groups of Agencies.<sup>13</sup>

The passages above highlight two important principles:

- Covered agencies currently use data element definitions from multiple taxonomies for different reports. For example, the SEC’s Form 13F requires the reporting of Central Registration Depository and Investment Adviser Registration Depository identifiers assigned by the Financial Industry Regulatory Authority (“FINRA”) and file numbers assigned by the SEC, in each case, where applicable.<sup>14</sup> FIF members agree that the Joint Data Standards should not preclude the use of other taxonomies. Further, as discussed below, FIF members would be opposed to proposals that seek to restrict the use of existing taxonomies.
- There would be significant costs in requiring changes to existing reporting requirements to mandate new data elements based on the Joint Data Standards. FIF members agree that any proposed change to existing reporting requirements should include a cost-benefit analysis (including public comment) and should only be adopted if the expected benefits exceed the expected costs.

### **C. Proposed standards**

In this section, FIF members provide more specific comments on certain of the proposed standards.

#### ***Legal entity identifier***

The NPRM proposes the LEI as a data standard for collection of information reported to the covered agencies.<sup>15</sup> The LEI is an identifier for an entity, such as a corporation or partnership. There are various limitations of LEIs that must be highlighted. These limitations help to identify where mandating LEIs would or would not be appropriate. First, LEIs are focused on legal entities and are only available to natural persons when acting in a business capacity.<sup>16</sup> Second, many legal entities are not subject to any obligation to obtain an LEI, and many of these entities do not obtain LEIs.

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<sup>12</sup> NPRM, at 89 CFR 67899.

<sup>13</sup> Ibid.

<sup>14</sup> Form 13F, available at <https://www.sec.gov/files/form13f.pdf>, at 5 (“Form 13F”).

<sup>15</sup> NPRM, at 89 FR 67905.

<sup>16</sup> ISO 17442, Financial services – Legal entity identifier (LEI).

FIF members do not object to a requirement for a reporting firm to report its own LEI. FIF members would object to any requirement for a reporting firm to require a customer, counter-party or other third-party to obtain an LEI (for ease of reference, we use the term “customer” in this letter to include any third-party). FIF members also would object to any requirement to restrict a reporting firm from trading or otherwise conducting business with a customer based on the customer not having an LEI. If a customer does not have an LEI, and a firm is required to report an identifier for the customer, the firm should have the option to report an alternative identifier for the customer. FIF members also would object to any requirement for a firm to notify regulators if a customer does not have an LEI. More generally, any regulatory obligation for a legal entity or natural person to obtain an LEI should be imposed directly on that entity or person and not on any third-party. With respect to any LEI mandates, it is also important for the covered agencies to consider the potential cost to small and medium-sized entities.

The Customer and Account Information System (“CAIS”), which is part of the consolidated audit trail reporting system (“CAT”), requires that firms report a social security number for any U.S. natural person customer and an employer identification number for any U.S. legal entity customer (and for a non-U.S. natural person or legal entity customer that has such an identifier).<sup>17</sup> This is the primary identifier for these customers.<sup>18</sup> CAIS also requires that firms report an LEI for a customer if known to the reporting firm.<sup>19</sup> An LEI also can be a primary identifier for a non-U.S. customer.<sup>20</sup> FIF members do not object to the CAIS approach for LEIs because a reporting firm is only required to report an LEI for a customer if the customer has an LEI.

FIF members note that legal entities with LEIs are required to renew their LEIs on an annual basis, including the payment of a renewal fee. Legal entities sometimes are late in their renewals, resulting in a “lapsed” status. Regulations should make clear that a reporting firm is permitted to report an LEI with a lapsed status.

### ***Identification of financial instruments***

The NPRM proposes various data standards for classification of financial products and instruments: ISO 4914 (Financial Services - Unique Product Identifier) (“UPI”); ISO 10962 (Securities and related financial instruments – Classification of financial instruments (“CFI”)); and Financial Instrument Global Identifier (“FIGI”), created by the Object Management Group.<sup>21</sup> CFI is focused on classification of categories of

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<sup>17</sup> CAT Reporting Customer & Account Technical Specifications for Industry Members, Version 2.2 (July 18, 2024), available at [https://catnmsplan.com/sites/default/files/2024-07/07.18.24\\_Full\\_CAIS\\_Technical\\_Specifications\\_2.2\\_CLEAN.pdf](https://catnmsplan.com/sites/default/files/2024-07/07.18.24_Full_CAIS_Technical_Specifications_2.2_CLEAN.pdf), at 7-10. Firms are required to report a hashed social security number for natural person customers.

<sup>18</sup> Id. at 8.

<sup>19</sup> Id. at 51.

<sup>20</sup> Id. at 8-9.

<sup>21</sup> NPRM, at 89 FR 67905.

financial instruments, while FIGI is focused on the identification of individual financial instruments. FIGI is a U.S. National Standard under ANSI X9.<sup>22</sup>

FIF members are not aware of any current SEC report that requires the reporting of a CFI identifier. Any proposal to require the reporting of a CFI identifier should be subject to public comment and an appropriate cost-benefit analysis.

FIGIs are included in certain current reporting systems for broker-dealers, but FIGI is not currently mandated as an exclusive identifier in any regulatory report by broker-dealers. The following is a list outlining the use of FIGIs in certain regulatory reports by broker-dealers:

- As proposed by FINRA, a firm must report an identifier for a security to the Securities Lending and Transparency Engine (“SLATE”) system. The four permitted identifier types are symbol, CUSIP, FIGI and ISIN.<sup>23</sup>
- For the SEC’s short position reporting requirement, a firm must report a FIGI for a security, if a FIGI has been assigned.<sup>24</sup>
- For reporting of non-centrally cleared bilateral repos to the Treasury Department’s Office of Financial Research (“NCCBR repo reporting”), a firm must report one of the following identifiers or indicate that none of these identifiers has been assigned: CUSIP; FIGI; or ISIN.<sup>25</sup>
- A firm is not permitted to report a FIGI to FINRA’s Trade Reporting and Compliance Engine (“TRACE”) system for reporting bond trades, but a firm can obtain a FINRA identifier for a bond by submitting a FIGI to FINRA.
- FINRA disseminates a FINRA symbol, CUSIP and FIGI for corporate bond transactions.<sup>26</sup>
- For the SEC’s Form 13F reporting, a firm is permitted to report a FIGI for a security.<sup>27</sup>

The list above is not intended to be a comprehensive list of all regulatory reports that involve the use of the FIGI identifier.

There are a number of other financial instrument identifiers that are used in various reports filed by broker-dealers. Set forth below is a list outlining regulatory reports by broker-dealers that involve the use of other financial instrument identifiers. The list below is not intended to be a comprehensive list of

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<sup>22</sup> See: ISO 4914, Financial services – Unique product identifier; ISO 10962, Securities and related financial instruments – Classification of financial instruments (CFI) code; and Object Management Group, Financial Instrument Global Identifier (FIGI).

<sup>23</sup> Participant Specification for Securities Lending and Transparency Engine (SLATE), Draft Version 1.0 (undated), available at <https://www.finra.org/sites/default/files/2024-05/slate-participant-specification.pdf> (“SLATE Participant Specification”), at 5.

<sup>24</sup> Securities Exchange Act Release No. 98738 (Oct. 31, 2023), 88 FR 51000 (Nov. 1, 2023), at 88 FR 75187 (“SPR Adopting Release”), at 88 FR 75187.

<sup>25</sup> Office of Financial Research, Reporting Instructions for Preparation of the Report of Non-centrally Cleared Bilateral Transactions in the U.S. Repurchase Agreement Market (Sept. 25, 2024), available at [NCCBR Reporting Instructions \(financialresearch.gov\)](https://www.finra.org/financialresearch/nccbr-reporting-instructions) (“OFR Reporting Instructions”), at 5.

<sup>26</sup> FINRA Bond Trade Dissemination Service (BTDS) For OTC Corporate Bond Transactions Data Feed Interface Specification, Version 4.6A (May 14, 2018) (“FINRA BTDS Specification”), at 5-1 and 7-12.

<sup>27</sup> Form 13F, at 7.

all regulatory reports by broker-dealers that involve the use of these identifiers. We are attaching as Schedule A to this comment letter a list provided by CUSIP Global Services to FIF of reports, statutes and regulations that reference the CUSIP or ISIN identifier.

- CUSIP
  - The SEC’s short position reporting requires the reporting of the CUSIP for every security.<sup>28</sup>
  - A firm must submit a CUSIP to obtain a symbol from FINRA for a new security to be reported to the FINRA Over-the-counter Reporting Facility (the “OTC Reporting Facility”).<sup>29</sup>
  - TRACE requires the reporting of a CUSIP or an exchange symbol.<sup>30</sup>
  - FINRA disseminates a FINRA symbol, CUSIP and FIGI for corporate bond transactions.<sup>31</sup>
  - The Municipal Securities Rulemaking Board (“MSRB”) requires the reporting of a CUSIP for a municipal securities transaction.<sup>32</sup>
  - As proposed by FINRA, a firm must report an identifier for a security to SLATE. One permitted identifier is a CUSIP.<sup>33</sup>
  - For NCCBR repo reporting, a firm must report one of the following identifiers or indicate that none of these identifiers has been assigned: CUSIP; FIGI; or ISIN.<sup>34</sup>
  - A firm must report a CUSIP number to FINRA’s Electronic Blue Sheets reporting system (“EBS”).<sup>35</sup>
  - A firm must report a CUSIP number for Form 13F reporting.<sup>36</sup>
  - A firm must report a CUSIP number for Schedule 13D and 13G reporting.<sup>37</sup>
- Symbol assigned by listing exchange
  - The symbol assigned by the listing exchange is a common identifier used in reporting.

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<sup>28</sup> SPR Adopting Release, at 89 FR 75187.

<sup>29</sup> FINRA, FIX Specifications for the Over the Counter Trade Reporting Facility, Version 1.11 (Jan. 8, 2024), available at [ORF FIX Specs \(finra.org\)](https://www.finra.org/filing-reporting/market-transparency-reporting/trade-reporting-faq#105) (“OTC Reporting Facility Specifications”), at 19. FINRA, Trade Reporting Frequently Asked Questions, available at <https://www.finra.org/filing-reporting/market-transparency-reporting/trade-reporting-faq#105> (“OTC Reporting Facility FAQs”), FAQ 105.1.

<sup>30</sup> FIX Specifications for the Trade Reporting and Compliance Engine system (TRACE®) Trade Reporting for OTC Corporate Bonds and Agency Debt (Corporates & Agencies), Version 1.5 (May 16, 2022), available at [CA FIX Spec \(finra.org\)](https://www.finra.org/filing-reporting/market-transparency-reporting/trade-reporting-faq#105) (“TRACE Specifications”), at 19.

<sup>31</sup> FINRA BTDS Specification, at 5-1 and 7-12.

<sup>32</sup> Municipal Securities Rulemaking Board, Specifications for Real-Time Reporting of Municipal Securities Transactions, Version 4.1 (Nov. 2022), available at <https://www.msrb.org/sites/default/files/RTRS-Specifications.pdf>, at 15, 58, 65 and 73.

<sup>33</sup> SLATE Participant Specification, at 19.

<sup>34</sup> OFR Reporting Instructions, at 8.

<sup>35</sup> FINRA Regulatory Notice 20-19, Electronic Blue Sheet Submissions (June 23, 2020) (“FINRA Regulatory Notice 20-19”), available at [Regulatory-Notice-20-19.pdf \(finra.org\)](https://www.finra.org/regulatory-notice-20-19), at 6.

<sup>36</sup> Form 13F, at 7.

<sup>37</sup> 17 CFR §240.13d-101; 17 CFR §240.13g-101.

- For example, the consolidated audit trail system (for equities),<sup>38</sup> SEC Rule 605,<sup>39</sup> the FINRA / Nasdaq Trade Reporting Facility,<sup>40</sup> the FINRA / NYSE Trade Reporting Facility,<sup>41</sup> and the FINRA short interest reporting system<sup>42</sup> require the reporting of the symbol assigned by the listing exchange.
- TRACE requires the reporting of a CUSIP or an exchange symbol.<sup>43</sup>
- The large options position reporting system (“LOPR”) requires the reporting of the exchange symbol of the underlying stock.<sup>44</sup>
- Title (name) of security
  - The SEC’s short position reporting system<sup>45</sup> and the FINRA short interest reporting system<sup>46</sup> require that a firm report the title (i.e., name) of a security.
  - A firm must report the name of the issuer and the title of the class for Form 13F reporting.<sup>47</sup>
  - A firm must report the name of the issuer and the title of the class for Schedule 13D and 13G reporting.<sup>48</sup>
- Symbol assigned by self-regulatory organization (“SRO”)
  - For options events, firms must submit to CAT an OSI Symbol<sup>49</sup>; OSIs are assigned by each exchange based on an initiative coordinated by the Options Clearing Corporation.
  - Firms must submit an OSI symbol for options for EBS reporting.<sup>50</sup>
  - Firms must submit to the OTC Reporting Facility a symbol assigned by FINRA.<sup>51</sup>
  - FINRA disseminates a FINRA symbol, CUSIP and FIGI for corporate bond transactions.<sup>52</sup>
  - As proposed by FINRA, a firm must report an identifier for a security to SLATE. One permitted identifier for an OTC security is the symbol assigned by FINRA.<sup>53</sup>

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<sup>38</sup> CAT Reporting Technical Specifications for Industry Members, Version 4.1.0 r3 (July 24, 2024), available at [07.24.24 CAT Reporting Technical Specifications for Industry Members v4.1.0r3 CLEAN.pdf \(catnmsplan.com\)](https://www.catnmsplan.com/07.24.24%20CAT%20Reporting%20Technical%20Specifications%20for%20Industry%20Members%20v4.1.0r3%20CLEAN.pdf) (“CAT Transaction Reporting Technical Specifications”), at 11.

<sup>39</sup> Appendix A – Text of Proposed Plan, available at <https://www.nasdaqtrader.com/content/MarketRegulation/SECRule605/appendixa1.pdf>, at 5.

<sup>40</sup> Nasdaq FIX for Trade Reporting Programming Specification, Version 2018-01 (Mar. 2018), available at [Microsoft Word - Trade Reporting FIX Spec 2018-01 Revised 060618 \(nasdaqtrader.com\)](https://www.nasdaqtrader.com/Word-Trade-Reporting-FIX-Spec-2018-01-Revised-060618), at 32.

<sup>41</sup> FINRA/NYSE Trade Reporting Facility (TRF) Messaging Specification, V5.7 (Nov. 2, 2023), available at [nyse-trf-fix-specification.pdf \(finra.org\)](https://www.finra.org/nyse-trf-fix-specification.pdf), at 5.

<sup>42</sup> FINRA, Short Interest Reporting Instructions, available at [Short Interest Reporting Instructions | FINRA.org](https://www.finra.org/short-interest-reporting-instructions) (“Short Interest Reporting Instructions”).

<sup>43</sup> TRACE Specifications, at 19.

<sup>44</sup> The Options Clearing Corporation, Large Options Positions Reporting (LOPR) Reference Guide for LOPR Firms, Version 2.6 (Dec. 2022), available at [Large Options Positions Reporting \(LOPR\) Reference Guide for LOPR Firms \(theocc.com\)](https://www.theocc.com/lopr-reference-guide) (“LOPR Reference Guide”), at 20.

<sup>45</sup> SPR Adopting Release, at 89 FR 75187.

<sup>46</sup> Short Interest Reporting Instructions.

<sup>47</sup> Form 13F, at 7.

<sup>48</sup> 17 CFR §240.13d-101; 17 CFR §240.13g-101.

<sup>49</sup> CAT Transaction Reporting Technical Specifications, at 12.

<sup>50</sup> FINRA Regulatory Notice 20-19, at 6.

<sup>51</sup> OTC Reporting Facility Specifications, at 19. OTC Reporting Facility FAQs, FAQ 105.1.

<sup>52</sup> FINRA BTDS Specification, at 5-1 and 7-12.

<sup>53</sup> SLATE Participant Specification, at 19.



- ISIN
  - As proposed by FINRA, a firm must report an identifier for a security to SLATE. One permitted identifier is an ISIN.<sup>54</sup>
  - For NCCBR repo reporting, a firm must report one of the following identifiers or indicate that none of these identifiers has been assigned: CUSIP; FIGI; or ISIN.<sup>55</sup>
- Securities that are identified through an aggregation of fields
  - There are multiple reports where a security is identified through an aggregation of multiple fields; this includes aggregation of the identifiers listed above with other fields (for example, aggregation of a symbol field with a symbol suffix field).
  - As another example, for LOPR reporting, an option is identified through the aggregation of multiple fields, including Symbol, Security Subtype (exchange-traded or OTC option), MMY (maturity date), StrkPx (strike price), and PutCall (Put or Call).<sup>56</sup>

Given the use of various types of security identifiers for different reports, FIF members would be concerned with a regulatory approach that seeks to set standards for security identifiers without consideration of each specific report that could be impacted. The covered agencies would need to consider and seek comment on a number of questions for each regulatory report, including the following:

- Which security identifiers are used for the report and how is each security identifier used?
- Do regulators consider it appropriate to propose modifying the current usage of security identifiers for the report?
- What is the potential impact of modifying the current usage of security identifiers in light of identifiers used by market participants outside the U.S. and identifiers mandated by non-U.S. regulators?
- If the regulators intend to propose modifications to the current usage of security identifiers for the report:
  - Will the modifications be optional or obligatory?
  - Will the modifications relate to the submission of security identifiers by firms, the dissemination of security identifiers by regulators, or both?
  - Will the changes involve the supplemental reporting or dissemination of new identifiers or the replacement of one or more existing identifiers?

Because of the number of questions and issues that must be addressed for any regulatory report, FIF members consider it inappropriate at this stage for the covered agencies to identify specific identifiers as standards without first conducting an economic assessment of the impact for each report that could be affected.

One important advantage of FIGIs relative to certain other financial instrument identifiers is that there is no licensing cost for FIGIs. While there is no licensing cost for FIGI, there are anticipated costs to market participants that must be considered if changes are made to the current reporting requirements for

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<sup>54</sup> Ibid.

<sup>55</sup> OFR Reporting Instructions, at 8.

<sup>56</sup> LOPR Reference Guide, at 20-21.

security identifiers. Depending on the changes that are adopted, there are submission costs (i.e., the costs to submit different identifiers to regulators) and/or receipt costs (i.e., the costs to receive different identifiers disseminated by regulators) that must be considered. The cost considerations are different depending on whether the regulatory changes are mandatory or optional and whether a new security identifier would be reported or disseminated in addition to a current identifier or as a substitute for a current identifier. For example, for SLATE, the submission of a FIGI by a reporting firm is optional. This should not impose a material cost on industry members. However, if FINRA were to mandate (and the SEC were to approve) the submission of a new identifier, the cost could be significant. At this time, it is not clear how FINRA will disseminate security identifiers for SLATE transactions. Depending on the identifier or identifiers that FINRA determines to disseminate for SLATE transactions, there could be costs for firms to process and manage new identifiers. FIF members would be concerned if FINRA's dissemination of SLATE transactions restricted firms from processing the SLATE output based on existing commonly-used identifiers. It should be noted that, while the TRACE system disseminates three security identifiers (symbol, CUSIP and FIGI), a firm can process the TRACE output based on any of these identifiers.<sup>57</sup> These are complex issues that should be considered in the context of each specific report.

As a general principle, permitting firms to optionally report identifiers other than symbols, ISINs and CUSIPs should not involve significant processing costs for market participants, but mandating the submission of new identifiers could involve significant costs. Similarly, disseminating additional identifiers should not involve significant costs, but only if these identifiers are not substituting for existing identifiers. If a covered agency disseminates a new identifier as a replacement for an existing identifier, this could involve significant costs for a firm, including reconfiguration of the firm's systems that receive the new identifier and reconfiguration of other firm systems that do not currently process or record the new identifier. Accordingly, FIF members would be opposed to regulatory changes that mandate the reporting of new identifiers or replace existing identifiers that are currently disseminated.

Without understanding the specific changes that are being proposed to existing reports, it is difficult to state whether the costs of any change will or will not be significant. This is why the introduction of a new identifier should be evaluated in the context of a specific regulatory report, when a meaningful economic analysis can be conducted. It is not appropriate for the covered agencies to designate new identifiers at this stage in the process. Any regulatory change involves costs. Accordingly, it is important that the covered agencies, when proposing any regulatory change, also identify the expected benefits of the proposed change and explain why the expected benefits outweigh the expected costs. Market participants should have the opportunity to comment on this cost-benefit analysis.

FIF members also want to emphasize that it is far more cost efficient for a covered agency to manage different identifiers as opposed to restricting firms from reporting or receiving existing identifiers. Given the global nature of many reporting requirements, it is also important for the covered agencies to carefully consider and include in any economic impact analysis the anticipated cost impact for transactions in foreign securities that are subject to reporting. This also must be analyzed in the context of each specific report.

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<sup>57</sup> FINRA BTDS Specification, at 5-1 and 7-12.

### ***Dates, states, countries and currencies***

The NPRM proposes various data standards for reporting dates, states and possessions, countries and their subdivisions, and currencies. FIF members note that there are date, time, state, country and currency fields in many current regulatory reports. Many of these fields follow the same or similar formats to the formats proposed in the Joint Data Standards. It is important that any proposal to change the format of an existing date, time, state, country or currency field in a regulatory report be subject to public comment and an appropriate cost-benefit analysis.

#### **D. SRO rulemaking**

FIF members request that the SEC clarify whether the NPRM applies to reporting systems operated by SROs. Broker-dealer reporting systems operated by SROs include the TRACE system operated by FINRA, the FINRA/NYSE Trade Reporting Facility jointly operated by FINRA and the New York Stock Exchange, the FINRA/Nasdaq Trade Reporting Facility jointly operated by FINRA and Nasdaq, the OTC Reporting Facility operated by FINRA, the short interest reporting system operated by FINRA, the EBS system operated by FINRA, the SLATE system to be operated by FINRA, the CAT system operated by the Participants in the National Market System Governing the Consolidated Audit Trail, the Real-Time Transaction Reporting System (RTRS) operated by the MSRB, and the LOPR system operated by the Options Clearing Corporation. As one example of the need for additional clarity on this question, while the SEC does not operate the CAT system, the CAT system was developed pursuant to SEC Rule 614, and SEC surveillance personnel have access to the CAT system.

#### **E. Implementation**

The FDTA provides that “Not later than 2 years after the date of enactment of this section [i.e., by December 23, 2024], the heads of the covered agencies shall jointly promulgate final rules that establish the data standards described in ...” the FDTA.<sup>58</sup> The FDTA further provides that these data standards “... shall take effect not later than 2 years after the date on which those final rules are promulgated ...”<sup>59</sup> FIF members are not clear as to what is meant by the joint data standards “taking effect”, including what actions the regulators intend to take during the two-year period between adoption of the Joint Data Standards and the joint data standards “taking effect”. FIF members request that the regulators provide further clarification on this point.

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<sup>58</sup> 12 U.S.C. §5334(b)(2).

<sup>59</sup> 12 U.S.C. §5334(d).

FIF appreciates the opportunity to comment on the NPRM and the proposed Joint Data Standards. If you would like clarification on any of the items discussed in this letter or would like to discuss further, please contact me at [howard.meyerson@fif.com](mailto:howard.meyerson@fif.com).

Very truly yours,

/s/ Howard Meyerson

Howard Meyerson  
Managing Director, Financial Information Forum

## Schedule 1

### Agency Forms, Regulations and Rules Referencing CUSIP and / or ISIN

Agency / Subdivision or Bureau	Form	Form Title
SEC	Form 1-A	Regulation A Offering Statement
SEC	Form 12b-25	Notification of Late Filing
SEC	Form 13F	Information required of institutional investment managers pursuant to Section 13(f)
SEC	Form 144	Notice of proposed sale of securities pursuant to Rule 144
SEC	Form CB	Tender offer/rights offering notification form
SEC	Form N-CEN	Annual Report for Registered Investment Companies
SEC	Form N-CR	Current Report, Money Market Fund Material Events
SEC	Form N-CSR	Certified shareholder report of registered management investment companies
SEC	Form N-MFP	Monthly Schedule of Portfolio Holdings of Money Market Funds
SEC	Form N-PORT	Monthly Portfolio Investments Report
SEC	Form N-PX	Annual Report of Proxy Voting Record of Registered Management Investment Company
SEC	Form N-RN	Current Report For Registered Management Investment Companies and Business Development Companies
SEC	Form NR SRO	Application for Registration as a Nationally Recognized Statistical Rating Organization (NRSRO)
SEC, CFTC	Form PF	Reporting Form for Investment Advisers to Private Funds and Certain Commodity Pool Operators and Commodity Trading Advisors
SEC, FDIC	Form TA-2	Form for reporting activities of transfer agents
SEC	Form TCR	Tip, Complaint, or Referral
SEC	Form X-17F-1A	Missing/Lost/Stolen/Counterfeit Securities Report
SEC	Schedule 13D	Information to be included in statements filed pursuant to § 240.13d-1(a) and amendments thereto filed pursuant to § 240.13d-2(a)
SEC	Schedule 13G	Information to be included in statements filed pursuant to § 240.13d-1(b), (c), and (d) and amendments thereto filed pursuant to § 240.13d-2
SEC	Schedule 13E-3	Schedule 13E-3, Transaction statement under section 13(e) of the Securities Exchange Act of 1934 and Rule 13e-3
SEC	Schedule 13E-4F	Schedule 13E-4F. Tender offer statement pursuant to section 13(e) (1) of the Securities Exchange Act of 1934 and § 240.13e-4 thereunder

Agency / Subdivision or Bureau	Form	Form Title
SEC	Schedule TO	Schedule TO. Tender offer statement under section 14(d)(1) or 13(e)(1) of the Securities Exchange Act of 1934
SEC	Schedule 14D-1F	Schedule 14D-1F. Tender offer statement pursuant to rule 14d-1(b) under the Securities Exchange Act of 1934
SEC	Schedule 14D-9	Schedule 14D-9
SEC	Schedule 14D-9F	Solicitation/recommendation statement pursuant to section 14(d)(4) of the Securities Exchange Act of 1934 and rules 14d-1(b) and 14e-2(c) thereunder.
SEC	Schedule 14N	Information to be included in statements filed pursuant to § 240.14n-1 and amendments thereto filed pursuant to § 240.14n-2.
CFTC	Guidebook for Part 17.00	Reports by Reporting Markets, Future Commission Merchants, Clearing Members, and Foreign Brokers
FRB, OCC, FDIC	FFIEC 031	Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices
FRB, OCC, FDIC	FFIEC 041	Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only
FRB, OCC, FDIC	FFIEC 051	Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less than \$5 Billion
FRB	FFIEC 002	Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks
FRB, OCC, FDIC	FFIEC 009	Country Exposure Report
FRB, OCC, FDIC	FFEIC 009a	Country Exposure Information Report
FRB, OCC, FDIC	FFIEC 019	Country Exposure Report for U.S. Branches and Agencies of Foreign Banks
FRB	Form 13F	Report of Institutional Investment Managers Pursuant to Section 13(f) of the Securities Exchange Act of 1934
FRB	FR Q-1	Capital Requirements for Board-Regulated Institutions Significantly Engaged in Insurance Activities
FRB	FR Y-10	Report of Changes in Organizational Structure
FRB	FR Y-10S	Supplement to the Report of Changes in Organizational Structure
FRB	FR Y-14Q	Capital Assessments and Stress Testing
Treasury	FS Form 1050	Creditor's Request for Payment of Treasury Securities Belonging to a Decedent's Estate Being Settled Without Administration
Treasury	FS Form 1455	Request by Fiduciary for Distribution of United States Treasury Securities
Treasury	FS Form 1849	Disclaimer and Consent with Respect to United States Treasury Securities
Treasury	FS Form 2243	Supplemental Statement for United States Securities

Agency / Subdivision or Bureau	Form	Form Title
Treasury	FS Form 5394	Agreement and Request for Disposition of a Decedent's Treasury Securities
Treasury	FS Form 5446	TreasuryDirect® Offline Transaction Request
Treasury	FS Form 5511	TreasuryDirect® Transfer Request
Treasury	FS Publication 0026	Questions and Answers for Series EE Savings Bonds Issued May 1997 Through April 2005
Treasury	FS Form 1832	Special Form of Assignment for U.S. Registered Definitive Securities
Treasury	FS Form 5179	Security Transfer Request
Treasury	FS Form 5336	Disposition of Treasury Securities Belonging to a Decedent's Estate Being Settled Without Administration
Treasury	FS 5367	Investing Directly with the U.S. Treasury
Treasury	FS 4144	FHA Debenture Transfer Request
Treasury	FS 5237	Subscription for Purchase and Issue of U.S. Treasury Securities
Treasury	Form SHC/SHCA	Mandatory Annual Report to the Federal Reserve Bank of New York: Report of U.S. Ownership of Foreign Securities, Including Selected Money Market Instruments (SCHA)
Treasury	Form SHL/SHLA	Report of Foreign Holdings of U.S. Securities, Including Selected Money Market Instruments
Treasury / Alcohol and Tobacco Tax and Trade Bureau ("TTB")	TTB F 5110.56	Distilled Spirits Bond
Treasury / TTB	TTB F 5120.36	Wine Bond
Treasury / TTB	TTB F 5200.25	Tobacco Bond – Collateral
Treasury / TTB	TTB F 5200.29	Tobacco Bond
Treasury / TTB	TTB F 5100.30	Continuing Export Bond for Distilled Spirits and Wine
Department of the Treasury / Financial Crimes Enforcement Network ("FinCEN")	FinCen111	FinCEN Suspicious Activity Report
OCC	Monthly Schedule of Short-Term Investment Funds	
FHFA / Fannie Mae	Form 2014	Guaranteed Mortgage-Backed Securities Program—Delivery Schedule

Agency / Subdivision or Bureau	Form	Form Title
NCUA	NCUA Supervisory Stress Test: Annual Data Request Instructions (Jan. 2024)	

Agency / Subdivision or Bureau	Statute	Title
SEC	15 USC § 78m Periodical and Other Reports	Periodical and Other Reports

Agency / Subdivision or Bureau	Regulation	Title
SEC	17 CFR § 240.17Ad-19	Requirements for Cancellation, Processing, Storage, Transportation, and Destruction or Other Disposition of Securities Certificates
SEC	17 CFR § 275.204A-1	Investment Adviser Codes of Ethics
SEC	17 CFR § 240.15c3-3	Customer Protection – Reserves and Custody of Securities
SEC	17 CFR § 270.6c-11	Exchange-Traded Funds
SEC	17 CFR § 240.13d-102	Schedule 13G – Information to be Included in Statements Filed Pursuant to § 240.13d- 1(b), (c), and (d) and amendments thereto filed pursuant to § 240.13d-2.
SEC	17 CFR § 240.17Ad-16	Notice of Assumption or Termination of Transfer Agent Services
SEC	17 CFR § 240.17f-1	Requirements for Reporting and Injury with Respect to Missing, Lost, Counterfeit or Stolen Securities
SEC	17 CFR § 240.14n-101	Schedule 14N – Information to be Included in Statements Filed Pursuant to § 240.14n-1 and Amendments Thereto Filed Pursuant to § 240.14n-2
SEC	17 CFR § 240.13d-101	Schedule 13D – Information to be Included in Statements Filed Pursuant to § 240.13d- 1(a) and Amendments Thereto Filed Pursuant to § 240.13d-2(a)
SEC	17 CFR § 230.172	Delivery of Prospectuses



Agency / Subdivision or Bureau	Regulation	Title
SEC	17 CFR § 230.134	Communications Not Deemed a Prospectus
SEC	17 CFR § 240.14d-101	Schedule 14D-9
SEC	17 CFR § 240.14d-103	Schedule 14D-9F. Solicitation/Recommendation Statement Pursuant to Section 14(d)(4) of the Securities Exchange Act of 1934 and Rules 14d-1(b) and 14d-2(c) Thereunder
SEC	17 CFR § 240.14d-102	Schedule 14D-1F. Tender Offer Statement Pursuant to Rule 14d-1(b) under the Securities Exchange Act of 1934
SEC	17 CFR § 240.17g-2	Records to be Made and Retained by Nationally Recognized Statistical Rating Organizations
SEC	17 CFR § 240.10c-1a	Securities Lending Transparency
SEC	17 CFR § 240.13e-102	Schedule 13E-4F. Tender Offer Statement Pursuant to Section 13(e)(1) of the Securities Exchange Act of 1934 and § 240.13e-4 Thereunder
SEC	17 CFR § 270.2a-7	Money Market Funds
SEC	17 CFR § 240.13e-100	Schedule 13E-3, Transaction Statement under Section 13(e) of the Securities Exchange Act of 1934 and Rule 13e-3 (§ 240.13e-3) thereunder
SEC	17 CFR § 240.14d-100	Schedule TO. Tender Offer Statement under Section 14(d)(1) or 13(e)(1) of the Securities Exchange Act of 1934
SEC	17 CFR § 240.17g-7	Disclosure Requirements
Treasury	17 CFR § 403.5	Custody of Securities Held by Financial Institutions that are Government Securities Brokers or Dealers
Treasury	17 CFR § 420.4	Recordkeeping
Treasury	17 CFR § 420.3	Reporting (Large Position Reporting)
Treasury / Bureau of the Fiscal Service ("BFS")	31 CFR § 356.31	How Does the STRIPS Program Work?
Treasury / BFS	31 CFR § 356.2	What Definitions do I Need to Know to Understand this Part?
Treasury / BFS	31 CFR § 356.10	What is the Purpose of an Auction Announcement?
Treasury / BFS	31 CFR § 357.20	Securities Account in Legacy Treasury Direct
Treasury / BFS	31 CFR § 356.13	When Must I Report My Net Long Position and How Do I Calculate It?
Treasury / BFS	31 CFR § 356.5	What Types of Securities Does the Treasury Auction?

Agency / Subdivision or Bureau	Regulation	Title
Treasury / BFS	31 CFR § 357.2	Definitions (Regulations Governing Book-Entry Treasury Bonds, Notes and Bills Held in Treasury/Reserve Automated Debt Entry System (Trades) and Legacy Treasury Direct)
Treasury / Internal Revenue Service (“IRS”)	26 CFR § 1.6049-7	Returns of Information with Respect to REMIC Regular Interests and Collateralized Debt Obligations
Treasury / IRS	26 CFR § 1.6045-1	Returns of Information of Brokers and Barter Exchanges
Treasury / IRS	26 CFR § 1.1012-1	Basis of Property
Treasury / IRS	26 CFR § 1.6031(c)-1T	Nominee Reporting of Partnership Information (Temporary)
Treasury / IRS	26 CFR § 1.142(f)(4)-1	Manner of Making Election to Terminate Tax-Exempt Bond Financing
Treasury / IRS	26 CFR § 1.6045A-1	Statements of Information Required in Connections with Transfers of Securities
Treasury / IRS	26 CFR § 1.165-12	Denial of Deduction for Losses on Registration- Required Obligations Not in Registered Form
Treasury / IRS	26 CFR § 301.6501(c)-1	Exceptions to General Period of Limitations on Assessment and Collection
Treasury / IRS	26 CFR § 1.6045B-1	Returns Relating to Actions Affecting Basis of Securities
Treasury / IRS	26 CFR § 1.671-5	Reporting for Widely Held Fixed Investment Trusts
Treasury / Monetary Offices	31 CFR Pt. 148, App. A	Appendix A to Part 148 – File Structure for Qualified Financial Contract Records
OCC	12 CFR § 9.18	Collective Investment Funds
CFTC	17 CFR § 1.25	Investment of Customer Funds
CFTC	17 CFR § 1.27	Record of Investments
CFTC	17 CFR § 30.7	Treatment of Foreign Futures or Foreign Options Secured Amount
FDIC	12 CFR Pt. 370, App. C	Appendix C to Part 370 – Credit Balance Processing File Structure
FDIC	12 CFR Pt. 371, App. B	Appendix B to Part 371 – File Structure for Qualified Financial Contract Records for Full Scope Entities