

October 21, 2024

Re: Comments on Proposed Rule: Financial Data Transparency Act Joint
Data Standards, RIN 3064-AF96 (August 2, 2024)

Via Electronic Submission

James P. Sheesley
Assistant Executive Secretary
Attention: Comments/Legal OES (RIN 3064-AF96)
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Dear Mr. Sheesley:

The Object Management Group (“OMG”), a Voluntary Consensus Standards Body¹ (“VCSB”), appreciates this opportunity to commend, as well as comment on, the proposal (“Proposal”) by nine federal agencies (“Agencies”) to establish joint (i.e., cross-agency) data standards for collections of information reported to the Agencies under Section 124 of the Financial Stability Act of 2010, which has been added pursuant to Section 5811 of the Financial Data Transparency Act of 2022 (“FDTA”). With this comment letter we wish to urge the Agencies to adopt the Proposal, and to commend the Agencies on the tremendous and important progress being made towards standards-based financial reporting, and to

- Provide additional information to support the designation of the Financial Instrument Global Identifier (“FIGI”, an OMG-maintained standard) as the cross-agency identifier of financial instruments
- Support the designation of a schema for describing the properties of financial instruments
- Encourage the Agencies’ ongoing work, under the FDTA, to increase the use of semantics in financial data collection and processing

As an established technology standards development consortium with long and deep experience in financial sector standards and specifications that has long supported the effort to pass and implement the FDTA, OMG is pleased that the Agencies are working together to promulgate rules for common standards.

OMG Overview

¹ As required by the FDTA and as defined in (as “voluntary, private sector, consensus standards bodies”) in P.L. 104-113,

OMG was founded in 1989 with the mission to develop technology and data standards that provide real-world value for nearly every industry and sector. It was structured from the beginning as a VCSB, in order to ensure integrity and quality. We bring together an international community of end-users, vendors, government agencies (including US agencies such as NIST, NASA, and the Departments of Defense and Commerce), universities, and research institutions. Members collaborate to build and revise these standards as requirements and technologies change throughout the years; moreover, OMG works closely, through official liaisons, with other standards development entities such as ISO (many OMG standards also become ISO-recognized standards).

OMG establishes “domain” and “platform” Task Forces, and through them are developed enterprise and industry standards for a wide range of technologies and an even wider range of industrial sectors. When tech organizations, government, and academia need to solve discrete pieces of a technology puzzle or discuss matters of common interest—they often look to join or form a consortium. Over its 35 years of work OMG has created and nurtured a productive community with common technology interests and problems to resolve. We are global, not-for-profit, and vendor-neutral, with all of its standards available at www.omg.org. All standardization and specification activities are rigorously developed and governed throughout their lifecycles strictly according to OMG’s open and transparent Policies and Procedures Manual (‘P&Ps’).² All activities, including monitoring of compliance with the P&Ps is accountable to OMG’s Architecture Board and Board of Directors.

OMG’s engagement in financial standards and specifications started in the late 1990s, especially through its Financial Sector Domain Task Force. OMG supported the development of XBRL as a general standard and encouraged the Securities and Exchange Commission’s adoption of it in the 2000s. It also co-hosted (through 2023) with the Enterprise Data Management Council the development of the FIBO ontology for financial instruments. Currently, OMG maintains the FIGI and will be engaged in the development of specifications for the use of sustainability data for financial reporting.

1. FIGI[®] as a Financial Instrument Identifier

We respectfully support the proposal of the Agencies to establish the Financial Industry Global Identifier as the cross-agency identifier of financial instruments. As noted by the Proposal, the “FIGI provides free and open access and coverage across all global asset classes, real-time availability, and flexibility for use in multiple functions.”³ Like with all OMG-maintained specifications, the FIGI is global, non-proprietary, and freely available under an open license. *To be clear, this means that FIGI data can be downloaded and used freely by anyone, and without any subscription or other*

² <https://www.omg.org/cgi-bin/doc.cgi?pp>

³ Proposal, II(C)

requirement. The original specification was published in 2015 following reviews and comment periods carried out according to OMG's P&Ps. Given the characteristics of the FIGI, its open availability business model, and the fact that it was developed and is maintained and managed by a VCSB, OMG is satisfied that we have made it possible for the Agencies to be able to select an identifier that is both fit for purpose and compliant with the requirements of Section 124. The Agencies can be assured that the OMG community will continue, through the OMG process encoded in the P&Ps, to work on revisions to incorporate improvements as well as additional asset classes.

As some other commenters are noting, Bloomberg the L.P., developed the original concepts underlying the FIGI. But, in 2014 it assigned to OMG all rights and interests such that there was (and is) no conflict. The FIGI completed in 2015 all the steps in the formal OMG specification review process, as required by the P&Ps. OMG is uniquely and entirely responsible for maintaining the standard; other entities, currently Bloomberg and Kaiko, have responsibilities of Registration Authority and Certified Provider. The point is that any company or individual can freely acquire and use any or all FIGIs, which is a critically important difference from other identifiers that have been considered by the Agencies based on FDIA Section 124. With respect to its origins, many standards from OMG and other standards development organizations are based on innovations by one or another commercial entities that contribute their rights in the public interest. All industry participants, not just the contributor of a technology, benefit when the efficiencies of such an innovation can become a public good. Already more than 150 data vendors incorporate the FIGI into their data products as a unique security identifier, and it is officially endorsed as an ANSI standard. OMG is providing further detailed comments in a separate comment letter to the Agencies.

Adoption of a common, freely available and restriction-free financial instrument identifier across the whole of the US financial supervisory and regulatory system enhances the ability for agencies to collect and manage data they collect from regulated and supervised entities. It also ensures and assures consistent, precise, and efficient governance over financial activities. Most importantly, the FIGI will enable the Agencies to be more effective at identifying and remedying threats to consumers, markets, and overall financial systemic stability.

2. Describing and Transmitting the Properties of Financial Instruments

Section II(D) of the Proposal discusses how to standardize formats for data assets that contain financial information by using "high-quality machine readable descriptions" of data assets, such as schemas and ontologies, that represent the semantic meaning of the data assets and their elements. OMG strongly supports the use of the term "semantics" in Section 124, and hopes that it means that the slow but steady increase in the use of semantics, ever since the implementation of XBRL⁴ taxonomies by the FDIC and SEC in the mid-2000s, will accelerate. Semantics, properly

⁴ **EX**tensible **B**usiness **R**eporting **L**anguage

implemented, are vital to solving the problems associated with the massive and complex data collection, management, and processing required by the Agencies together and separately.

In fact, we hope that the Agencies will consider further an existing and outstanding example of a schema, specifically a modular set of ontologies - the Financial Industry Business Ontology (“FIBO”)⁵ - that has been developed by VCSBs and was studied by the Agencies, in particular the Office of Financial Research.⁶ FIBO provides a common vocabulary, usable across all the agencies, for financial contracts and related concepts. It was developed as a joint effort between OMG and the Enterprise Data Management Council (EDM Council) to develop a standards-compliant business natural language and ontology for financial services. Each FIBO concept (e.g., in a security) is framed in a way that is unambiguous and that is readable both by humans and machines. Joint releases were published in 2017. The EDM Council took on, in 2023, full responsibility for managing FIBO's ongoing development. Part of the value of FIBO, and the Agencies' proposed approach, is that the concepts are general and movable and able to ensure interoperability; for example, certain concepts developed for FIBO have been moved into OMG's Commons Ontology Library for wider availability. This approach is powerful, efficient, scalable, and potentially appropriate for the interoperability requirements of the financial sector.

3. Additional and Ongoing Work in Financial Semantic Standards

With further respect to II(D), and the Agencies' request for comment on “data transmission formats” and “schema and technology format”, OMG is continuing to manage its current, and develop new, specifications and standards for semantics across the range of formats that are used in financial services (as well as in other industries), which is practical given the wide usage of such formats as CSV that otherwise contain no semantics. Even more so, certain standards will ease the challenges and increase the uptake of semantics by agencies and regulated entities alike.. For example, OMG just released a Request for Information (“RFI”) titled Augmenting Data Sets with Semantics⁷ that was developed by its Financial Sector Domain Task Force to address the problem that data providers - including agencies as well as vendors - are regularly providing all kinds of information that does not include documentation, much less definitions, of the data in the datasets.

OMG also wants to ensure that the Agencies are aware of the larger body of standards and specifications that have been developed by OMG Task Forces that are not finance specific but which could meet the requirements called for in II(D) and even II(E).

⁵ <https://edmcouncil.org/frameworks/industry-models/fibo/#:~:text=The%20Financial%20Industry%20Business%20Ontology,can%20relate%20to%20one%20another.>

⁶ <https://www.financialresearch.gov/frac/2014/02/25/committee-meeting/recommendation/instrument-database/>

⁷ <https://www.omg.org/news/releases/pr2024/10-01-24.htm>

- Multiple Vocabulary Facility (MVF), which supports modeling of controlled vocabularies, including but not limited to as ontologies (<https://www.omg.org/spec/MVF>)
- Languages Countries and Codes (LCC), which includes ontological support for ISO 639 language codes and ISO 3166 country and country subdivision codes, with plans to add the US-equivalent to ISO 3166 as well as ISO currency codes in an upcoming release (<https://www.omg.org/spec/LCC>)
- Commons Ontology Library (Commons), which is a library of small, widely needed patterns for representing concepts such as names, identifiers, codes and code sets, parties and roles, and the like, based primarily on ISO standards, and has been integrated into FIBO as well as other ontologies at OMG and elsewhere (<https://www.omg.org/spec/Commons>)
- Pedigree and Provenance Model and Notation (PPMN), which supports representation of data lineage, chain of custody and control for supply chain representation, and so forth (<https://www.omg.org/spec/PPMN>)
- Distributed Ontology, Model and Specification Language (DOL), which enables model and ontology mapping and alignment (<https://www.omg.org/spec/DOL>)

Other work in progress includes:

- Data Products Ontology (DPROD), an extension to the W3C Data Catalog (DCAT) standard for supporting descriptions of data products at a high level (<https://www.omg.org/news/releases/pr2024/09-24-24.htm>)
- Standard Business Report Model (SBRM), an emerging effort to create a standard reporting envelope and mechanism for developing reports independently from the payload of those reports (<https://www.omg.org/news/releases/pr2024/02-06-24.htm>)
- Statistical Metadata Interoperability <https://www.omg.org/news/releases/pr2024/05-15-24.htm>

OMG would welcome the opportunity to brief the Agencies on these current and prospective standards, and invites the participation of Agency staff.

Conclusion

OMG has long supported the move to draft and pass a financial data law, and was pleased when the FDTA was passed and signed in 2022. In March 2023 OMG held a “FDTA-Day” series of panels and presentations for the industry on the content and promise of the FDTA. Long-time collaborators such as the EDM Council and the Data Foundation, along with leaders from industry and regulatory agencies (including the SEC) informed hundreds of participants on what the FDTA meant and - more importantly - about how standardized identifiers, formats, and semantics would improve the functioning, safety, and stability of the financial system. Eighteen months later, it is exciting to see the prospect of the first fruits of the FDTA, as represented in the Proposal. OMG hopes that the Agencies will all move quickly to adopt the current Proposal through their respective processes, and that they will move aggressively on further standardization initiatives.

OMG looks forward to participating in the ongoing process of the Agencies to adopt standards for interoperability of financial data and technologies. We are keen to provide briefings, engage identify OMG members with appropriate expertise, and answer any questions the Agencies may ask. It will be OMG's privilege, and mine, to provide any support or insights that the Agencies may wish in order to complete its analysis and decision-making on this important Proposal.

Respectfully submitted,



William (Bill) Hoffman
Chairman and CEO