



OBJECT MANAGEMENT GROUP

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European Securities and Markets Authority  
<http://www.esma.europa.eu>

13th February 2015

Dear Sirs,

Please find enclosed Object Management Group's response to your consultation on technical standards on reporting under Article 9 of EMIR (ESMA/2014/1352, 10th November 2014).

We are sending you this consultation response to bring OMG's Financial Industry Global Identifier (FIGI) standard to your attention, because we believe that it is relevant to Article 9 EMIR reporting.

You can download the most recent version of FIGI at this URL:

<http://www.omg.org/spec/FIGI>

Specific answers to consultation questions listed in Annex I of ESMA/2014/1352 that are relevant to FIGI are attached to this letter. I trust you will find them complete and informative, but if any further information or clarification is required, please do not hesitate to contact me via telephone (+44 7710 469624) or email ([andrew@omg.org](mailto:andrew@omg.org)).

Yours faithfully,

A handwritten signature in blue ink that reads 'A J Watson'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that extends to the right.

Andrew Watson  
Technical Director  
Object Management Group

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**HEADQUARTERS:**

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# Response to European Securities and Markets Authority consultation ESMA/2014/1352

Object Management Group  
9th February 2015

## Introduction

Object Management Group (OMG) is an international, open membership, not-for-profit technology standards consortium. OMG encompasses both vendors and users of Information Technology products, and our hundreds of member organisations include commercial companies, academic institutions and government agencies. Working together under the OMG umbrella, experts from OMG's Member organisations co-operate to produce standards for building Information Systems in a broad range of industries and applications.

OMG believes that use of its open, royalty-free Financial Industry Global Identifier (FIGI) as a permitted method of Instrument Identification under the European Markets Infrastructure Regulation (EMIR) would be of great benefit to ESMA and the institutions it regulates.

The most recent version of the FIGI standard can be downloaded at this URL:

<http://www.omg.org/spec/FIGI>

FIGI identifiers have the following key features:

- Free to use. The FIGI standard is published under a perpetual, worldwide, free license that allows anyone to use it and to create and distribute software based upon it without having to pay royalties to, or seek permission from, any copyright holders. In addition, each organisation that worked under OMG's auspices to create the FIGI standard has covenanted not to assert any patents that it owns now (or may own in the future) against FIGI implementers. For the definitive statement of these IPR guarantees, please see the FIGI specification itself, and the OMG Intellectual Policy Rights Policy available here:

<http://doc.omg.org/ipr>

- Already widely deployed. Although the FIGI standard is controlled by OMG and released as an open standard under a free licence, it inherits the 200 million unique identifiers already created by Bloomberg LP under the Bloomberg Open Symbology (BSYM). These cover a broad range of financial instruments including derivatives, equities, fixed income, indices, currency and structured products. Allowing the use of a derivative identifier that is already widely-used would permit financial institutions to comply more rapidly with EMIR, as well as reducing the costs of their compliance.
- Persistent. A FIGI identifier is never re-allocated to any other financial instrument; it continues to exist even when the instrument that it identifies has expired, matured or otherwise ceased to exist. Allowing use of FIGIs in EMIR reporting would therefore reduce the scope for ambiguity or error.
- Identifies both the financial instrument and the venue where it trades, so that there is a separate FIGI per instrument per trading venue. Once again, this reduces the scope for error.
- Includes a check digit that safeguards the integrity of the entire FIGI identifier, including its identification of trading venue.
- Uses a 12-digit format compatible with systems already deployed at financial institutions, potentially shortening EMIR compliance timetables.

## Responses to selected consultation questions

**Q4: Do you think the adaptations illustrated in this section adequately reflect the derivatives market and will help improve the data quality of reports? Will the proposed changes cause significant new difficulties? Please elaborate.**

Paragraph 35 highlights the difficulties with the Alternative Instrument Identifier (All) approach to identifying derivatives. In contrast to Alls, FIGIs have the following advantages:

- FIGIs are used internationally, while Alls are not used outside the EU.
- A FIGI is a pure 12-character identifier that does not directly encode the semantics of the asset being identified. By contrast, an All is a concatenation of data fields describing the characteristics of the instrument in question. Hence, FIGIs are more compact than Alls. Using FIGIs could significantly reducing the volumes of data that regulated institutions must pass to the regulator.

**Q5: Do you think the introduction of new values and fields adequately reflect the derivatives market and will help improve the data quality of reports? Will the proposed changes cause significant new difficulties? Please elaborate.**

In paragraph 47 ESMA notes that there are many derivatives for which there is neither an ISIN nor an All. By contrast, FIGI is capable of identifying assets of all classes, including derivatives. FIGIs could therefore play useful role as unique, persistent identifiers for these instruments.

In paragraph 48, ESMA's proposes to clearly distinguish product identifiers from product classifiers. OMG agrees that identifiers should not directly contain semantic information about the instrument being identified. FIGI conforms to this design approach.

**Q8: Do you envisage any difficulties with the approach described in paragraph 45 for the identification of indices and baskets? Please elaborate and specify what would be the most practical and industry consistent way to identify indices and baskets.**

In paragraph 49, ESMA points out that "For baskets composed, among others, of financial instruments traded on a trading venue, it is proposed to identify each such individual financial instrument with a view to align this reporting requirement with the upcoming MiFIR transaction reporting requirements". This perfectly describes the design criteria for FIGI identifiers, which would provide an excellent solution to this requirement.