

## EDM Council Members Work with DTCC to Standardize Financial Instrument Terms and Definitions

### *EDM Council Takes Positive Steps to Achieve Industry Agreement on Financial Instrument Ontology*

**NEW YORK, April 24, 2007** – Members of the EDM Council, a not-for-profit forum for financial institutions to address the business strategies and practical realities of implementing solutions to manage data across the enterprise, are now part of an industry working group formed by the Depository Trust & Clearing Corporation (DTCC) to define and standardize the data terms and definitions included in the DTCC's New Issue Information Dissemination Service (NIIDS). The DTCC initiative is another step towards standardizing the underlying data ontology for the financial industry.

According to the Council, standardization of the nomenclature and definitions of financial attributes, along with understanding their practical business relationships, is a foundational requirement for enterprise data management (EDM). The Council's role in this project is to ensure alignment between the DTCC initiative and the Standard Data Model activity of the International Organization of Standards (ISO). ISO has been working for some time on a standard Securities Data Model, ISO 19312.

"While we applaud the efforts of DTCC in recognizing the value of standardizing nomenclature to reduce misinterpretation, minimize cross-referencing and automating business processes, the Council feels there is a disconnection between the ISO proposal and the practical requirements of the financial institutions," says Michael Atkin, Managing Director of the EDM Council. "While we strongly advocate data standards, the new ISO standards proposal lacks verification of the implementation objective and organizational buy-in at the right levels within the financial institutions. From the Council's vantage point, the industry is seeking unique and precise data terms, definitions and business relationships, a data dictionary if you will, not a UML data model. We would like to see ISO pause for a moment to verify the objectives and output of its 19312 initiative."

The EDM Council views the standardization of terms and definitions as part of its overall goal to improve data quality. It claims standards help facilitate comparison and assist firms in defining the root cause of data errors.

"ISO does not yet have industry consensus on 19312 and it must have it if the standard is to effectively serve the requirements of the financial institutions," continues Atkin. "Most of the firms we work with have no real clue about either the objective or the process associated with this critical activity – and those that do are not looking for a UML data model, but rather a standard data ontology that can be mapped to internal and external data sources for data

more follows

quality comparison as well as integration into models and applications. We encourage ISO to consider the importance of getting the ontology right as the baseline and then using the results to enable financial institutions to create data models and electronic messages as needed.”

The DTCC initiative, while focused on the specific data attributes within the NIIDS feed, is being managed as an open and transparent process. The terms and definitions are available on the DTCC and EDM Council websites and are now being evaluated by DTCC participants, EDM Council members and many members from the Securities Industry Financial Markets Association (SIFMA).

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#### **About the EDM Council**

The EDM Council is a business forum for financial institutions. It has been designed to enable senior officers responsible for content management to share information on the business strategies and practical implementation realities associated with achieving enterprise-wide control over data content.

For more information on the EDM Council please visit [www.edmcouncil.org](http://www.edmcouncil.org)

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