Software & Information Industry Association ? Financial Information Services Division

FISD Liaison Report

September 2, 2004

Since FISD was approved as a liaison organization (August 03) we have become active participants in the work of both WG8 (International Business Entity Identification) and WG11 (Market data model and vocabulary). Our membership is pleased with the work of ISO TC68/SC4 and strongly supports the objectives of both WG8 and 11.

Market Data Definition Language (MDDL)

FISD is the originator and owner of the market data definition language (MDDL) specification. MDDL is an XML-based interchange format and common data dictionary on the fields needed to describe 1) financial instruments, 2) corporate events affecting value and tradability and 3) market-related, economic and industrial indicators. The principal function of MDDL is to allow entities to exchange market data by standardizing formats and definitions. MDDL provides a common format for market data so that it can be efficiently passed from one processing system to another and provides a common understanding of market data content by standardizing terminology and by normalizing the relationships of various data elements to one another.

The origination of MDDL was driven by market data user firms who distribute pre-defined market data to a wide variety of database applications and spend a significant amount of time and money translating market data formats and modifying applications for internal communication. From the user perspective, the goal of MDDL is to enable users to integrate data from multiple sources by standardizing both the input feeds used for data warehousing (i.e. define what's being provided by vendors) and the output methods by which client applications request the data (i.e. ensure compatibility on how to get data in and out of applications). The basis of the user requirement is for MDDL to:

1. Support multiple vendors.
2. Provide a common vendor interface (identical query and delivery protocol to all vendors).
3. Allow for a common request format for different vendors with standard request types and field names.
4. Be extensible and accommodate vendor and exchange specific fields.
5. Support entitlement and permissioning requirements.
6. Standardize and normalize data field names across multiple data sources.
7. Provide a mechanism for validation and data quality.
8. Support the automation and security identification requirements of STP

Many of our members (all around the world) are beginning to make strong commitments toward the adoption of MDDL. FISD members, as well as the FISD/MDDL Steering Committee, strongly support the full and complete integration of the MDDL data model and data dictionary into ISO 19312 -- as long as the final ISO 19312 work efforts contains the full scope of the MDDL specification (as well as the related efforts within FIX and SWIFT). It is critical that the FISD members and MDDL adopters be assured that there will be a permanent one-to-one relationship between MDDL and ISO 19312.

Standards Management Group

FISD wishes to be considered as a candidate to become a member of the Standards Management Group for ISO 19312.

For the past two years, FISD has been closely working with a growing number of exchanges, vendors and user firms to ensure that the MDDL specification and vocabulary are comprehensive for all asset classes and for all set-up, pricing and corporate actions related applications. That process has given us insight into the process of vocabulary/data model enhancement as well as the politics of normalization. Through our work on MDDL (and because of our global reputation of neutrality), we have gained the respect, trust and confidence of participants in every segment of the industry including technology/data integrators, market data vendors, exchanges, brokerage firms, banks and global custodians. We believe that the combination of our work on MDDL as well as our experience with being able to successfully overcome competitive pressures as facilitators of a diverse group toward a common result uniquely positions us to perform the SMG function.

Standard XML Distribution via fisdMessage

FISD has made significant progress on the development of a standard datafeed protocol (fisdMessage). fisdMessage is used to stream XML-based content and was developed to address the bandwidth and efficiency problems associated with the use of XML-based content in realtime streaming (front-office) applications. The widespread adoption of MDDL (and by extension ISO 19312) is enhanced if the same standardized vocabulary is used in all market data applications (front-office to back). The use of XML content in realtime applications is dependent upon being able to overcome the processing efficiency problem.

The fisdMessage specification defines a standard "on-the-wire" protocol for exchanging XML content in realtime streaming environments as efficiently as current "proprietary" protocols. In essence, user firms (and others) are interested in the use of an industry standard protocol in order to achieve economies of scale in the design, production and maintenance of datafeeds, processing systems and applications. This is in addition to the extensibility and transparency benefits associated with XML. Standardized content (MDDL/ISO 19312) coupled with fisdMessage provides a common interface between exchanges, vendors and user firms that translates into significant savings for all.

The fisdMessage specification is live and is being pilot tested by a number of industry participants. FISD believes that the fisdMessage specification should become an ISO standard. We believe it can be used efficiently and effectively for the compaction and dissemination of all ISO 20022 derived messaged, while supporting the extensibility objectives of XML and next-generation messaging systems. We seek guidance and advice from SC4 on the viability of this concept and the process we should follow to move this idea forward.

ISO Working Group 8 and 11

FISD was pleased to be able to host the June meetings of WG8 and 11. We are enthusiastic with the direction of both discussions and will continue to fully support these activities. We believe that the development of a comprehensive market data

model (terms, definitions and relationships) for all asset classes to be among the most important standards initiative currently underway. We believe that WG8 has done an exceptional job in overcoming technical, political and commercial barriers to define an IBEI standard that will be useful for both processing efficiency and regulatory compliance. From the perspective of FISD, Sandy Throne (WG11) and Marc Pomes (WG8) are to be congratulated for their leadership and outstanding results.

Respectively submitted

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