
Multiple Industry Standards:

ISO 15022 XML Working Group (WG 10)

The 7th Annual Trade Execution Congress

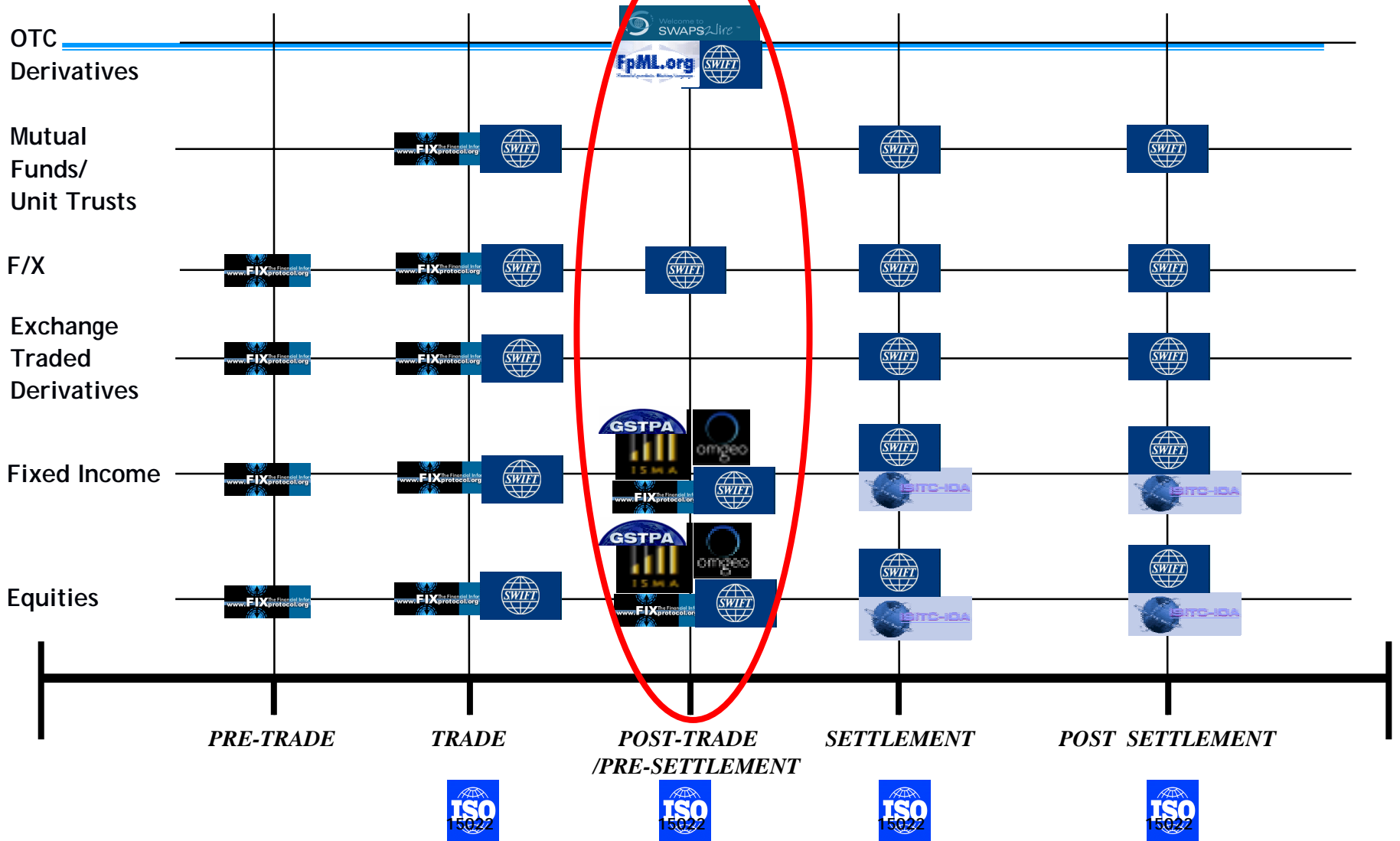
April 16th, 2002

John Goeller

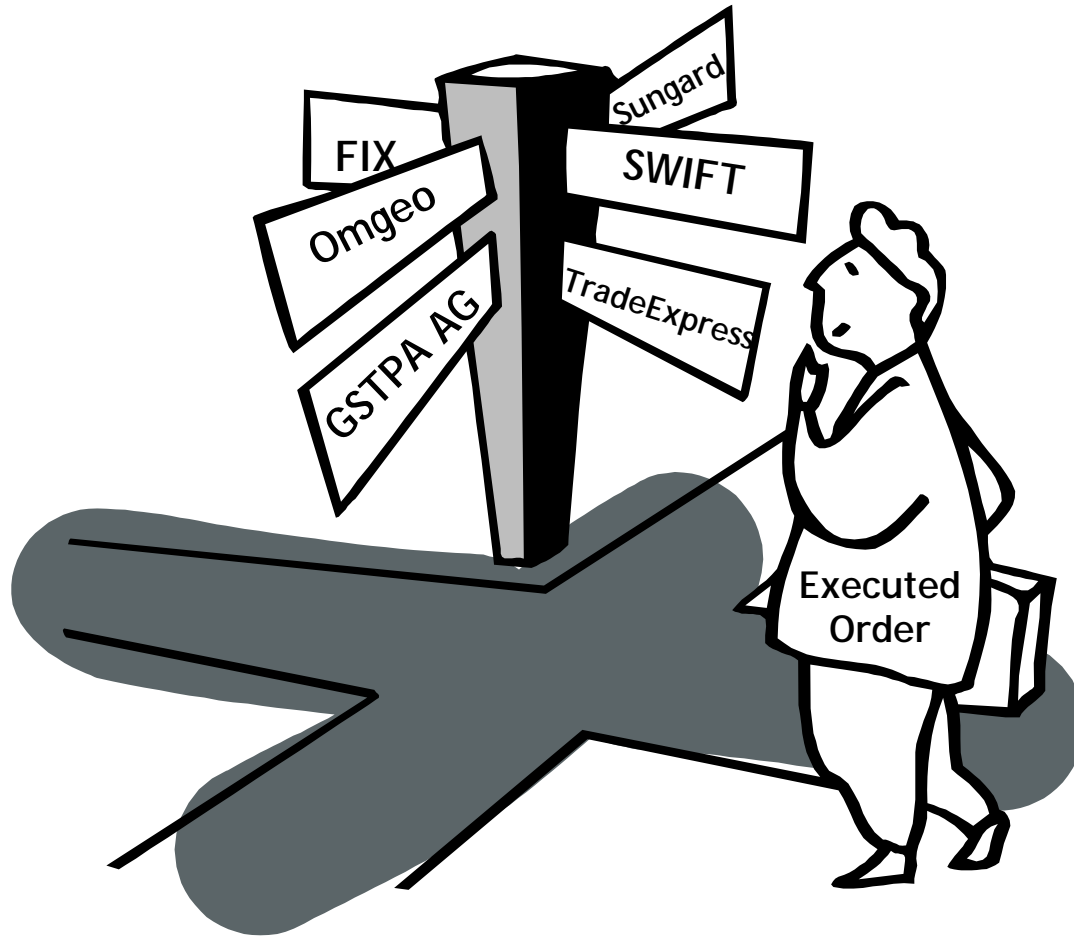
Standards Development

- Leveraging New Technology
 - Business Modeling - Unified Modeling Language (UML)
 - XML
 - Evolving Existing Standards
 - Creating New Standards
 - Standards Repository
- Expanding Asset Class Coverage
- Focusing on Market Practice

Standards Landscape



Post-Trade Through Pre-Settlement - Standards Crossroads



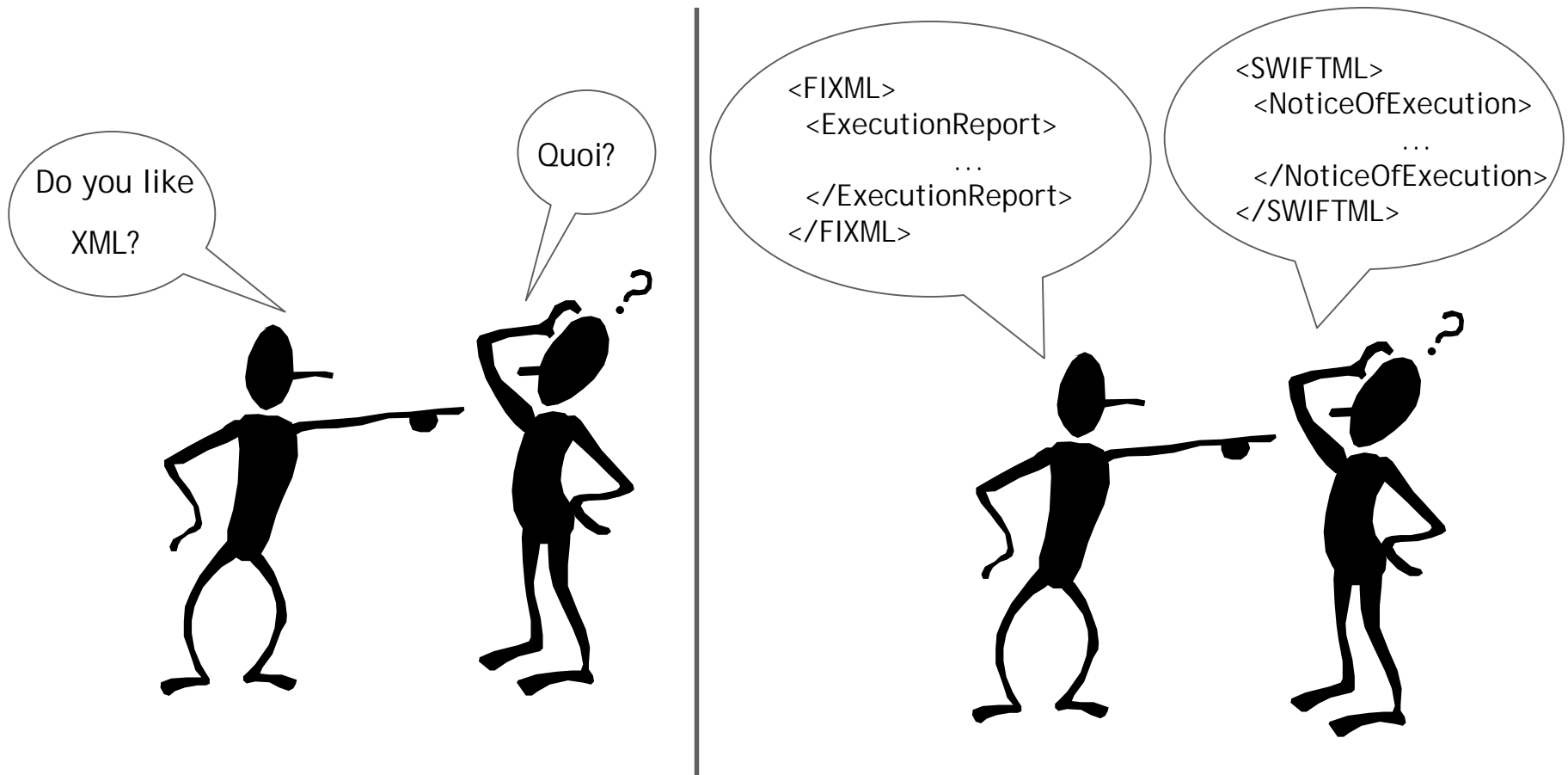
Standards Complexity: Post-Trade - Pre-Settlement

	FIX	SWIFT	GSTPA	Omgeo
Field	Side	Indicator	Buy/Sell Indicator	Buy/Sell Indicator
Values	1=Buy 2=Sell 3=Buy Minus ...	BUYI=Buy SELL=Sell	BUYI=Buy SELL=Sell	BUYI=Buy SELL=Sell
Syntax	54=1 or <Side Value='1'>	:22a::/BUSE// BUYI	<BuySellInd> BUYI </BuySellInd>	<BuySellIndicator> BUYI </BuySellIndicator>
Codes	Proprietary plus ISO Codes	ISO Codes	ISO Codes	Proprietary plus ISO Codes

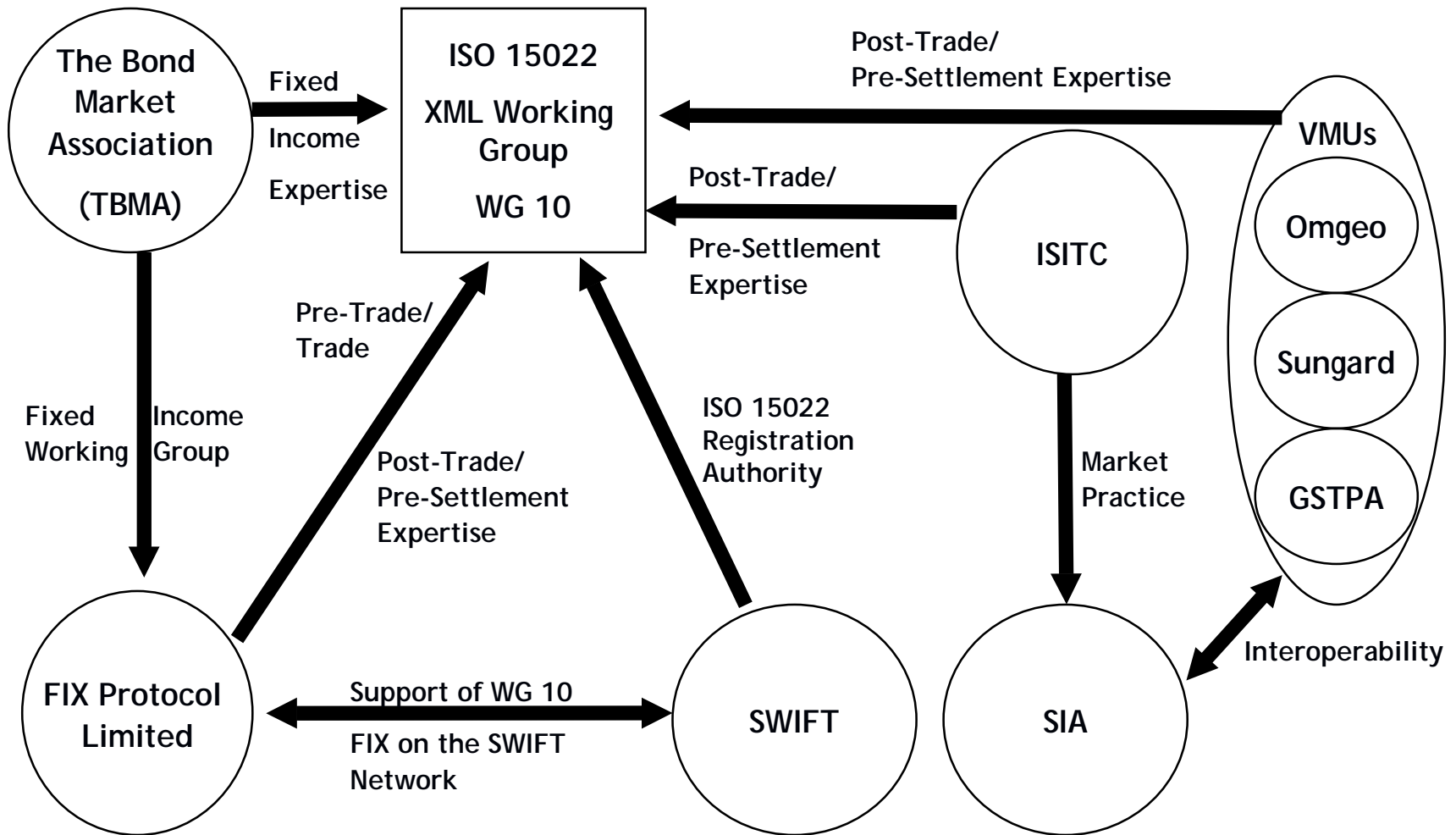
What's XML's role?

*Does It Solve Security Standards
Interoperability Issues?*

XML Doesn't Solve Interoperability



Here's the good news: Industry coordination is happening



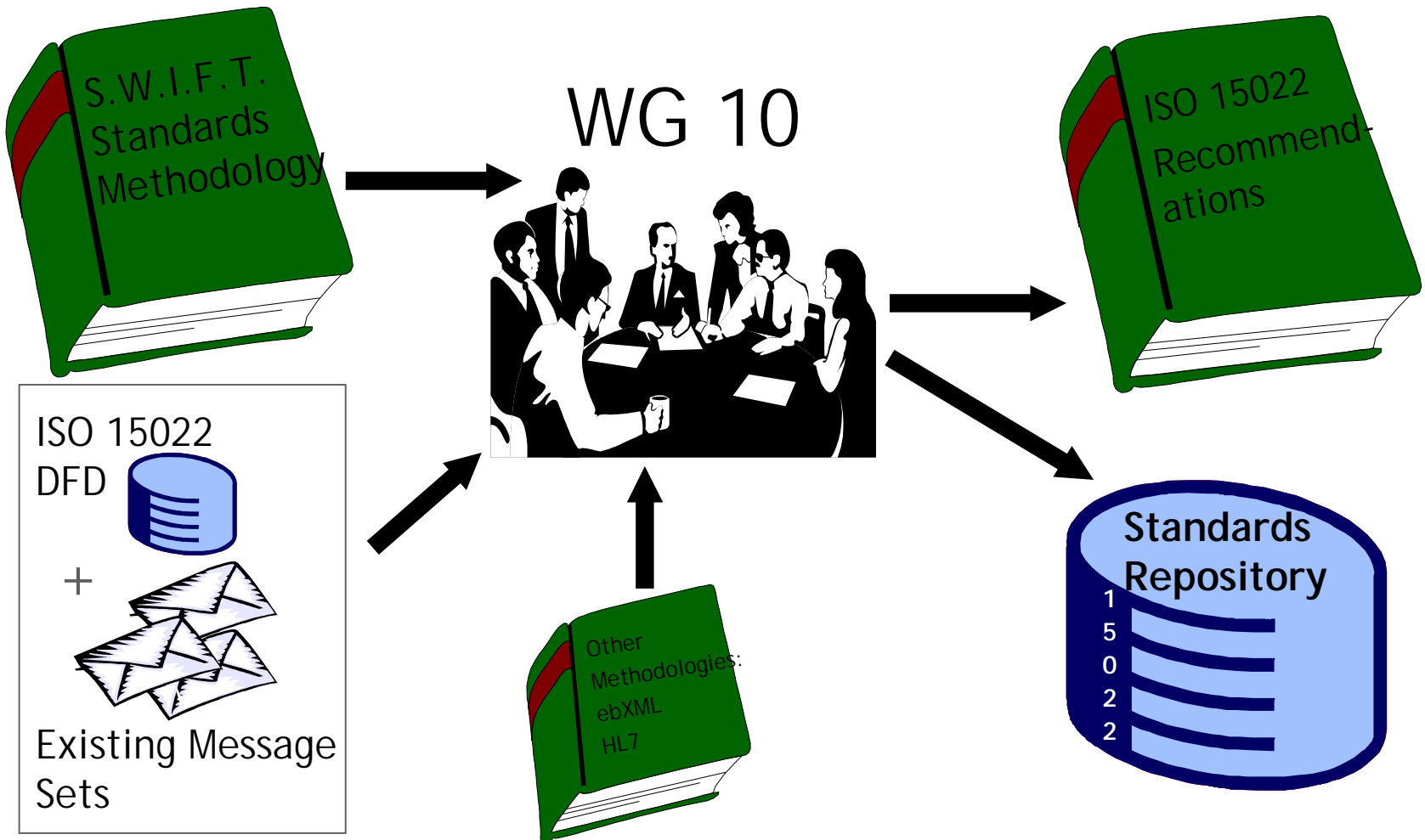
*Industry Solutions: ISO 15022 XML Working Group
WG 10**

**WG 10 is a working group created in 2000 by the ISO Technical Committee TC68 (Banking, securities and other related services) under their sub-committee SC4 (Securities and related financial instruments)*

WG 10 Mission Statement

Evolve ISO 15022 to permit migration of the securities industry to a standardized use of XML, guaranteeing interoperability across the industry and with other industry sectors, particularly but not restricted to the financial industry.

WG 10 Overview



WG 10's Focus

*WG 10 is creating a framework to establish agreement on how we **develop, implement and maintain** securities industry standards*

Four Building Blocks

- Applying **Business Modeling** to Standards Development
- Harmonizing the **Use of XML**
- Implementing a Centralized **Standards Repository**
- Leveraging **Industry Coordination**

Evolving ISO 15022

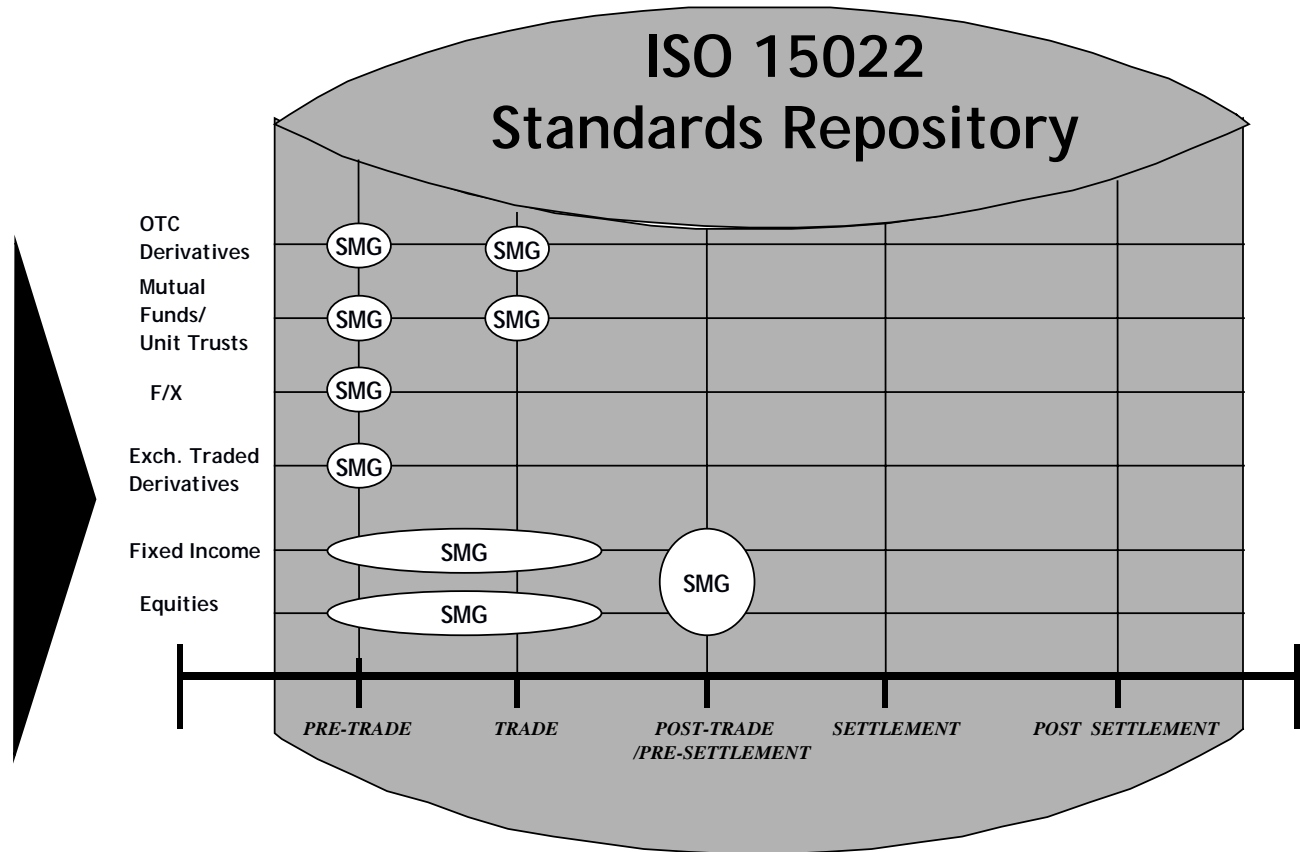


SSAB	ISITC	7775	E7775	EDIFACT
s1		:10:	:21::	
s2	a1	:11:	:22::	
	a2		:23::	
s3			:24::	



7775	E7775	EDIFACT
520	540	
521	541	
522	542	
523	543	
534	548	

SMG - Standards Management Group



- Business Process Warehouse
- Data Dictionary

Proposed ISO 15022 Standards Environment

User Community



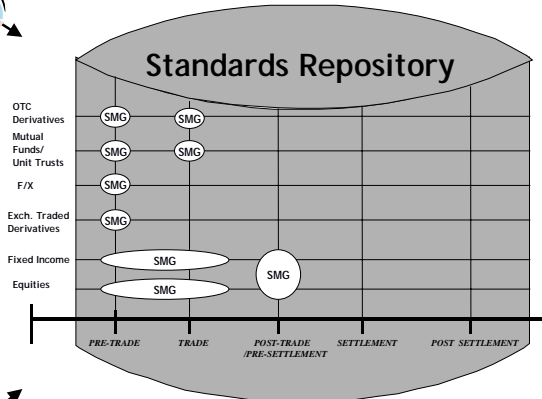
Standards Management Group



Registration Authority



Registration Management Group



Standards Management Group



User Community

Web - Site



Standards Management Group

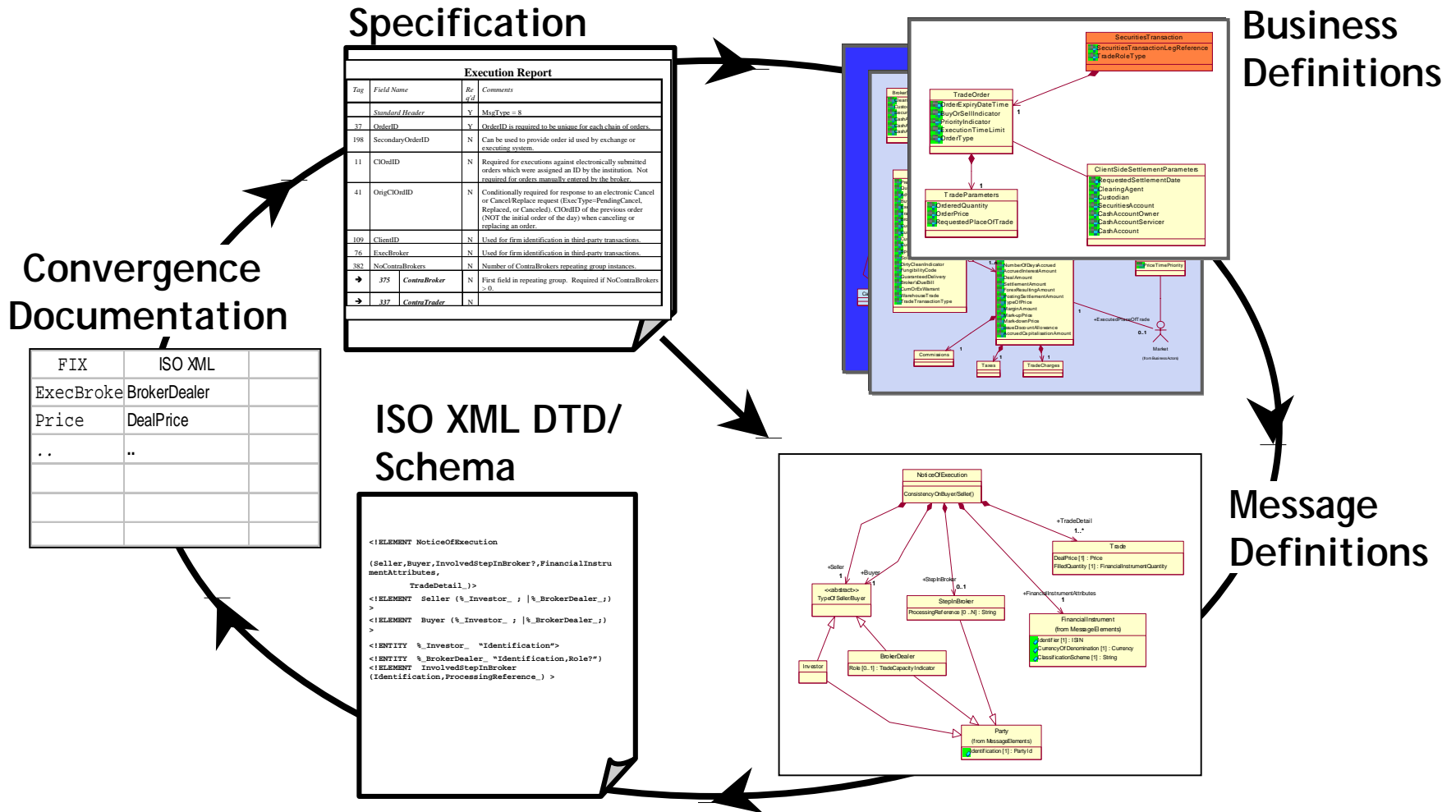
User Community



WG 10 Objectives & Scope of Activities

- 1) **Update** the ISO 15022 Standard
 - Draft New Standard
 - ISO 15022 - Part 1
 - ISO 15022 - Part 2
 - Supporting Documents
 - Circulate to ISO Member Countries
 - Finalize and Publish International Standard
- 2) **Create** the Standards Repository
 - Reverse engineer existing standards

Reverse Engineering: Start from one or more existing standards and create XML-aware message standards



Pre-Trade / Trade Working Group:

FIX Protocol Limited (FPL) and WG 10

- Focuses on the pre-trade / trade domain
 - IOIs, Quotes, Order Processing
- Ensure that the functionality offered by FIX messages are fully integrated into the ISO 15022 XML repository
- Recent Activity
 - [October 2001](#) - New York WG 10 Review Session
 - [November 2001](#) - New York Pre-Trade/Trade Working Session
 - [March 2002](#) - Completed Pre-Trade Business Model (IOIs)

Post-Trade / Pre-Settlement Working Group:

FIX, GSTPA, Omgeo, ISITC, etc

- Focuses on the post-trade / pre-settlement domain
 - Allocation, Confirmation, Matching, etc
- Covers the functionality of the existing message standards
 - ISO 15022:1999, FIX v4.3, GSTPA v1.3, Omgeo v1.1 and TBMA
- Aims to deliver a **common message standard** for post-trade / pre-settlement
- Recent Activity
 - **February 2002** - WG 10 has placed a call for experts
 - **April 2002** - Initial Working Session

WG 10 Liaison

WG 10 will continue to support liaisons with relevant industry groups focused on standards

- Recent Contacts
 - FISD – MDDL
 - The Bond Market Association - Securities Master Database

- Next Targets
 - FpML
 - TWIST

Two Levels of Interoperability/Convergence

■ Standards **Development**

- Using Business Analysis and Design Techniques
- Agreeing on a Common Set of XML Design Rules
- Establishing a Standards Repository which will contain the Components of the Standards

■ Standards **Implementation**

- Supporting the migration to the new standards
- Does the Benefit of Migrating to the New Standards Outweigh the Switching Costs?

WG 10 Challenges

■ General Issues

- Agreement is difficult
- Existing standards groups must consider their installed base
 - Vendors that support the standard's growth
 - Potential switching costs

■ WG 10 Specific Issues

- Business Modeling - Unified Modeling Language (UML)
 - New Technology/Concepts
- Standards Repository
 - Governance Issues
 - Intellectual Property
- XML
 - Implementation Changes

WG 10 Current Activity

- October, 2001 - Circulate Drafts to WG 10 Members
- November, 2001 - Complete WG 10 Review
- December, 2001 - Circulate Drafts to ISO Member Countries
- 2002 to 2003 - Create Initial Standards Repository
 - Current Coverage of ISO 15022 Data Field Dictionary and Catalog of Messages
 - Pre-Trade/ Trade (FIX Protocol)
 - Post-Trade - Pre-Settlement (GSTPA, Omgeo, FIX, etc)
 - Collective Investments Vehicles

Conclusion

- Standards
 - Lots of Initiatives
- T+1 Implications
 - The Securities Industry needs to focus on the Post-Trade to Pre-Settlement standards overlap
- Interoperability/Convergence
 - WG 10 is working on a solution
- Challenges
 - Timing
 - Education
 - Governance