

INDUSTRY WORKSHOP

Conduct Standard 3 of 2018 (CS3) · Trade Reporting

OTC Derivative Provider Technical Workshop

strate

ISDA



RDF
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15 SEPTEMBER 2026
JOHANNESBURG / HYBRID EVENT

WELCOME & REGULATORY MANDATE

Welcome by Strate & FSCA Keynote Address

Kedibone Dikokwe (Divisional Executive: Market Integrity and Decision Sciences, FSCA)

Setting the strategic scope for products, counterparties, global G20 alignment, and the path from consultation to full CS3 implementation.

SCOPE

Products & Entities

Classification of OTC derivatives, lifecycle events, and ODP responsibilities.

GLOBAL CONTEXT

G20 Harmonisation

Positioning CS3 alongside EMIR Refit and global trade reporting.

TIMELINE

Consultation to Go-Live

Key regulatory milestones, industry testing, and mandatory compliance date.

Setting the Scene: Day 1 Agenda

AM Morning – Foundation and Preparation

09:00–09:25 Welcome by Strate and Keynote Address by FSCA

09:25–09:30 Setting the Scene: Day 1 Agenda

09:30–10:45 Module 1: Data Standards, Interpretation & Preparation

10:45–11:15 Networking and Coffee Break

11:15–12:15 Module 2: Ongoing Challenges within Reporting

12:15–13:00 Panel: How firms are meeting challenges

13:00–14:00 Networking and Lunch Break

PM Afternoon – Alignment and Strategy

14:00–14:45 Module 3: The Role Trade Associations Play

14:45–15:30 Panel: Data Readiness and Gap Assessment

15:30–16:00 Networking and Coffee Break

16:00–16:15 Wrapping up Modules 1–3

16:15–17:00 Open Floor Session

ⓘ Please ensure mobile phones are put on silent to avoid interruptions.

Meet the Session Leaders

Andrew Bayley

ISDA



Andrew Bayley leads EMEA data and reporting strategies, focusing on EU and UK regulatory compliance (EMIR, MiFID).

He is a core contributor to ISDA's Digital Regulatory Reporting (DRR) project, converting reporting requirements into machine-executable logic.

Andrew spent 14 years at Bank of America Merrill Lynch implementing global regulatory reporting frameworks across jurisdictions (EMIR, HKMA, MAS, ASIC).

Dawd Haque

Industry Expert



Dawd Haque leads Market Initiatives, Regulatory Transformation, and Strategy at Deutsche Bank, sitting at the intersection of global market structure and regulatory policy.

He holds pivotal industry roles, including Chair of the Bank of England's Industry Data Standards Committee and UK Representative to ISO for financial services.

A veteran of top institutions like Goldman Sachs, JP Morgan, and Barclays, Dawd was named the 2024 European RegTech Professional of the Year.

Rav Saidha

RDF



Founder/Director of the RDF, representing the retail OTC derivatives sector on global regulatory reporting.

The RDF was founded in 2017 to resolve misalignments between transaction reporting frameworks and retail products; actively shapes policy with the regulators globally.

Rav has nearly 20 years across trading, compliance, and tech; serves on the FCA/Bank of England Transaction Reporting taskforce, the ANNA-DSB Product Committee, and COO at OANDA.

i This multi-disciplinary panel combines global standard-setting leadership with retail and institutional execution experience.

TECHNICAL FOUNDATIONS

Data Standards, Interpretation & Preparation

A rigorous exploration of why harmonized data standards exist, how CS3 adopts CPMI-IOSCO principles, and the anatomy of LEI, UTI, UPI, CDE, and ISO 20022.



CPMI-IOSCO Data Standards Model

Harmonised Architecture: LEI · UTI · UPI · CDE



ISO 20022 Schema Pipeline

Authorities Messaging · XML Validation · Ingestion Flow

A Credit Bubble Meets a Housing Boom

- **Global capital flows**

China and oil-exporting nations built large surpluses and recycled them into U.S. and European debt, pushing borrowing costs down.

- **Underpriced risk**

Credit spreads narrowed sharply — investors accepted less compensation for risk across mortgages, leveraged loans and high-yield debt.

- **A housing boom takes hold**

Cheap credit fed a sustained U.S. house-price run-up, with sharp regional booms in California, Nevada, Arizona and Florida.

U.S. HOUSE PRICES, ILLUSTRATIVE TREND

1997–2010



Deflation from the 2006 peak triggers mortgage defaults across the U.S.

From Risky Mortgages to Toxic Assets

Securitisation and credit ratings turned localised mortgage risk into a global product

1

Non-traditional origination

Lenders extended high-risk, low-documentation mortgages, fuelled by cheap credit and optimistic price assumptions.



2

Securitisation

Mortgages were pooled into MBS and re-packaged into CDOs, layering complexity between borrower and investor.



3

Credit ratings

Rating agencies assigned AAA ratings to senior tranches; investors relied on ratings rather than independent diligence.



4

Global distribution

Highly-rated tranches were sold on to banks, pension funds and investors worldwide — spreading concentrated risk.

“Buyers failed to look behind the credit ratings and do their own due diligence.” — U.S. Financial Crisis Inquiry Commission

Leverage, Derivatives and Shadow Banking

Thin capital buffers and short-term wholesale funding left the system exposed to a common shock

\$62tn

estimated notional CDS market by September 2008 — against roughly \$16tn of the private-sector debt it referenced

30:1+

leverage ratios at several major investment banks entering the crisis, amplifying both gains and losses

Basel I/II

capital rules let banks hold less capital against hedged and highly-rated securitised exposures — encouraging arbitrage



Shadow banking and repo funding

Investment banks and off-balance-sheet vehicles financed long-dated, illiquid assets with overnight repo and commercial paper — a maturity mismatch that made the system vulnerable to a sudden loss of confidence.

2007–2008: From Foreshock to Panic

A liquidity squeeze widens into insolvency fears across the global banking system

Northern Rock seeks Bank of England support as interbank lending seizes up

Bear Stearns rescued via Fed-backed acquisition by JPMorgan Chase

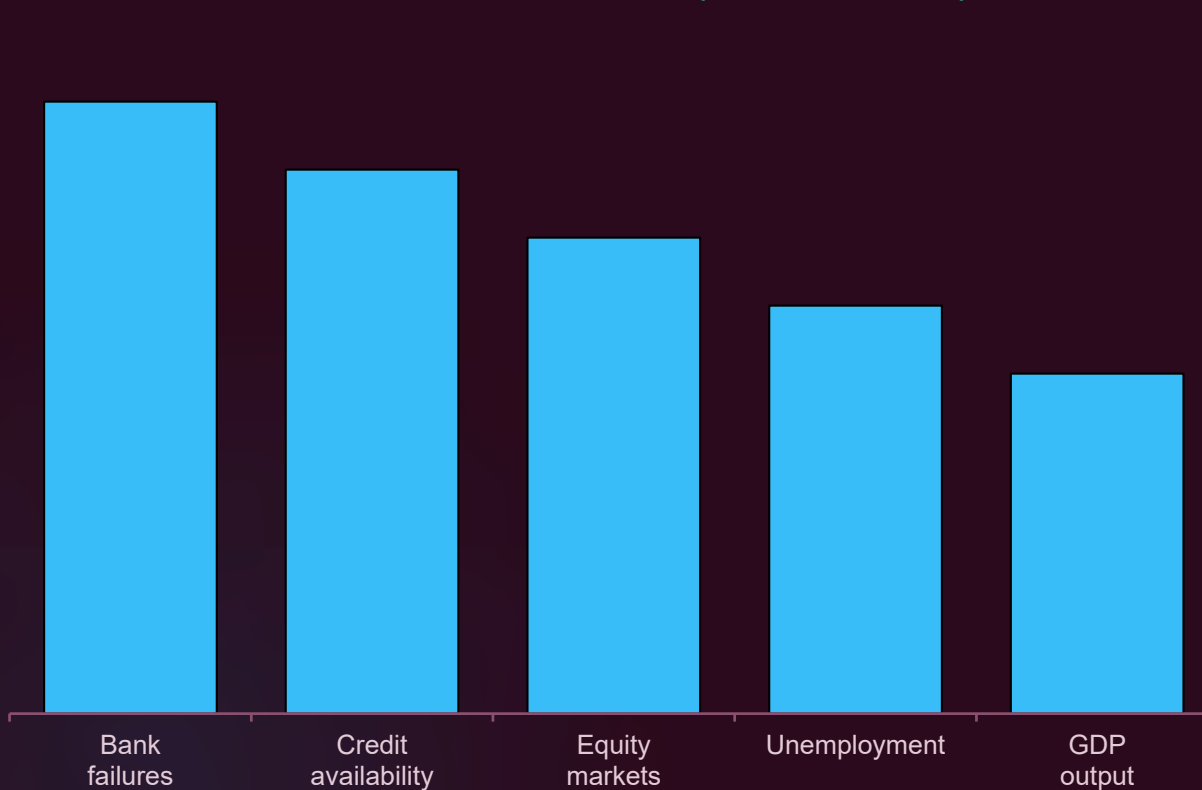
TARP (\$700bn) and UK bank recapitalisation (RBS, HBOS/Lloyds) launched



After Lehman, counterparty trust collapsed almost overnight — interbank lending froze and credit markets seized worldwide.

A Financial Shock Becomes an Economic Crisis

Where the shock hit hardest (illustrative index)



- **Credit markets froze**

Interbank lending and short-term funding markets seized up as counterparty trust evaporated.

- **Equity markets fell sharply**

Major indices, including the FTSE 100, recorded some of their steepest one-day falls since 2001.

- **Recession across advanced economies**

Output contracted and unemployment rose through 2009 as the credit contraction hit the real economy.

- **Extraordinary state intervention**

Central banks cut rates to historic lows and governments recapitalised banks judged too big to fail.

The UK Banking System Under Strain

Northern Rock: the first run on a UK bank in over a century

- Sep 2007 — depositors queue to withdraw savings after Bank of England lender-of-last-resort support is revealed
- Feb 2008 — taken into temporary public ownership under the Banking (Special Provisions) Act
- 2010 — split into a “good bank” (savings, new lending) and “bad bank” (legacy mortgage book)

£37bn

Government recapitalisation of RBS and HBOS/Lloyds, October 2008

£35k → £50k

FSCS depositor protection limit raised as confidence measures were introduced

100%

Guarantee extended to Northern Rock deposits to stop the run

Rebuilding the Rulebook: Global, EU and UK

The G20's 2009 Pittsburgh commitments set the template — implemented globally, then in the EU and UK

GLOBAL

G20 — trade reporting mandate

Pittsburgh, 2009: all standardised OTC derivatives to be reported to trade repositories, and cleared and exchange-traded where appropriate.

Basel III

Higher-quality capital, a leverage ratio backstop, and new liquidity standards (LCR, NSFR) for internationally active banks.

Dodd-Frank Act (US)

Central clearing and reporting for OTC derivatives, the Volcker Rule, and a new resolution regime for failing firms.

Financial Stability Board

Coordinates national regulators and tracks implementation of the G20 reform commitments worldwide.

EU & UK

EMIR

The EU's implementation of the G20 mandate: mandatory central clearing and trade reporting for OTC derivatives.

MiFID II / MiFIR

Extends transparency and transaction-reporting obligations across trading venues and asset classes, including FX instruments in scope.

Basel III via CRD IV/CRR

EU implementation of higher capital and liquidity standards for banks and investment firms.

UK ring-fencing

The Banking Reform Act 2013 separated retail banking from investment banking within larger UK banking groups.

The throughline: opacity and under-capitalised leverage caused the crisis — transparency, capital and central clearing are the response.

Global Data Standards at the Heart of CS3

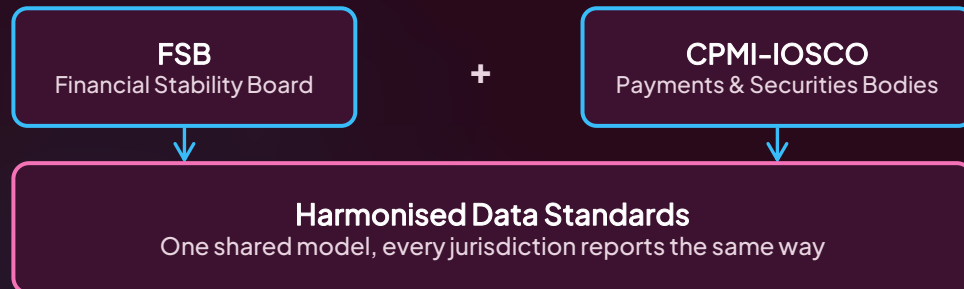


PFMI Principle 22 Mandate

The Financial Stability Board (FSB) + Committee on Payments and Market Infrastructures – International Organisation of Securities Commissions (CPMI-IOSCO)

Developed harmonised data standards so that every jurisdiction could report the same information in the same way.

Principle 22 requires every Financial Market Infrastructure (including Trade Repositories) to use internationally accepted messaging and data standards to enable cross-border aggregation.



ISO 20022

Global Adoption

Consistent reporting across CFTC, EMIR, ASIC and MAS.

Data Depth

Underlying model is sophisticated enough for capturing complex OTC derivatives.

Future-Proof

Extensible architecture without breaking legacy schemas.

Technical Rigor

Unambiguous XML validation against universal standards.

Operational Scale

Reusable pipelines across multiple jurisdictions.

✓ By adopting ISO 20022, South Africa avoids fragmented, proprietary schemas and reduces total build cost for market participants.

THE FOUR PILLARS

The Essential Building Blocks: LEI, UTI, UPI & CDE

Deconstructing the four universal standards that turn unstructured bilateral trade agreements into deterministic, aggregatable regulatory records.

LEI

WHO IS TRADING?
Legal Entity Identifier

LEI (ISO 17442)

20-character global identifier for legal entities, managed by GLEIF.

UTI

WHAT IS THE TRADE?
Unique Transaction Identifier

UTI (ISO 23897)

Up to 52-character unique lifecycle identifier for individual trades.

UPI

WHAT IS THE PRODUCT?
Unique Product Identifier

UPI (ISO 4914)

12-character product taxonomy code issued exclusively by ANNA-DSB.

CDE

WHAT ARE THE FIELDS & DEFINITIONS?
Critical Data Elements

CDE Guidance

100+ CPMI-IOSCO standardized field definitions and allowable formats.

Legal Entity Identifier (LEI – ISO 17442)

20 – Character Structure

Mandatory for Legal Entities: Every corporate counterparty must maintain an active, renewed LEI, as well as other key data points.

Natural Persons: Identified via Client Code = [Reporting LEI] + [SA ID / Passport] (max 72 chars).

LOU in SA: Strate is an authorized Local Operating Unit (LOU) able to issue and renew LEIs directly.

[1-4 LOU ID] + [5-18 Entity ID] + [19-20 Check Digits]

Practical Offshore Problem

Unregulated Counterparties: Many offshore counterparties (entities) are not required by their home regulators to hold an LEI.

Rejection on Submission: Under CS3, trades missing a valid counterparty LEI will be rejected by Strate TR.

Action Required: SA banks must execute a proactive counterparty outreach plan to onboard LEIs well before go-live.

 Warning: A lapsed or retired LEI prevents trade lifecycle reporting in Strate TR. Active maintenance is an operational imperative.

Unique Transaction Identifier (UTI – ISO 23897)

Core Principles & Persistence

Global Uniqueness: Up to 52 characters, uniquely identifying a single derivative transaction globally.

Immutability: The UTI must never change throughout the entire lifecycle of the trade (modifications, valuations, terminations).

Pairing Requirement: Both counterparties must report the exact same UTI to achieve dual-sided pairing.

Strate UTI Generator Structure

REST API Service: Strate provides an automated UTI generation API.

Asset/Instrument Codes: IR, FX, CR, EQ, CO paired with SW, FR, FW, OP, DS, CD, FU, SB, ST.

Internal Generation: Firms can generate their own UTIs provided ISO uniqueness rules are met.

```
[LEI Party A (20)] + [LEI Party B (20)] + [Asset (2)] + [Instrument (2)] + [Base-36 Time (7)]
+ [Random (1)]
```

 **Hard Deadline:** The generating party must communicate the UTI to the counterparty by 10:00 UTC on T+1.

Who Generates the UTI? The Decision Waterfall

STEP 1

Contractual Terms

Whoever is explicitly named in the bilateral agreement / confirmation terms generates the UTI.

STEP 2

Single ERR Entity

If only one party is an Entity Responsible for Reporting (ERR), that entity must generate the UTI.

STEP 3

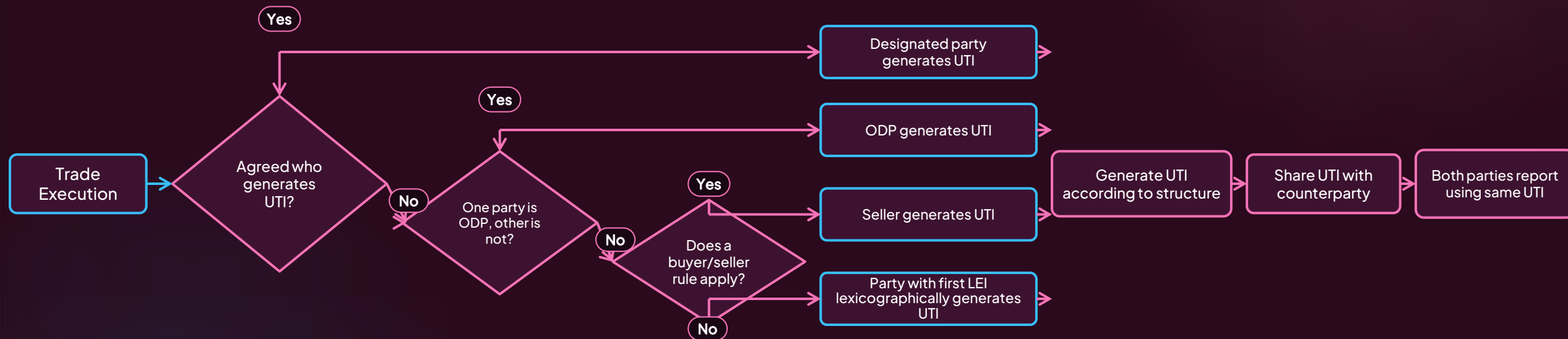
The Seller (Both ERRs)

If both counterparties are ERRs and no contract rule applies, the seller generates the UTI.

STEP 4

Alphabetical LEI

If buyer/seller is not clear, the party whose LEI appears first alphabetically generates the code.



🚩 Protocol for Missed Deadlines

If the UTI is not received by 10:00 UTC on T+1, the receiving firm must **query the generator**. Never create a competing UTI, as this creates reconciliation breaks.

↔ Bilateral Pairing

Both ERRs must submit the identical UTI to Strate TR to allow automated dual-sided trade pairing in accordance with PFMI Principle 17.

Unique Product Identifier (UPI – ISO 4914)



Structure & ANNA-DSB Authority

Designated Sole Issuer: ANNA-DSB is the sole global UPI issuer designated by FSB.

12-Character Code: Restricts vowels to prevent unintended word creation.

TR Validation: Strate TR verifies the UPI exists in the DSB registry and matches reported attributes.

"QZ" + [9 Alphanumeric (No A,E,I,O,U,Y)] + [1 Check Char]



Look-Up First Workflow

Search Existing Registry: Always query DSB database before requesting a new UPI.

Standard vs Non-Standard: Where product features (e.g. CFD return payouts) do not fit standard templates, use Non-Standard templates carefully.

Automation Requirement: Embed DSB lookup directly into trade booking engines to prevent bottlenecks.



Golden Rule: The Trade Repository performs real-time validation of UPI attributes against ANNA-DSB. Schema mismatches trigger instant rejections.

Critical Data Elements (CDE Guidance)

CPMI–IOSCO Harmonisation

100+ Core Fields: Harmonises field names, technical formats, and allowable values globally.

Common Vocabulary: Gives every G20 regulator a uniform technical baseline for OTC derivative data.

Semantic Consistency: Ensures values like spread, day-count convention, and notional currency mean the same thing everywhere.

Where Convergence Stops

Mandate Divergence: Guidance does not mandate which fields each regulator must adopt—field sets still differ.

Lifecycle Event Discrepancies: Event models (partial terminations, corporate actions) vary across jurisdictions.

CS3 Application: South Africa closely aligns with EMIR Refit CDE selections, with selective domestic adjustments.

 Firms reporting across multiple jurisdictions must manage a core common dataset alongside regional field variance.

Key Takeaways: Data Standards & CS3

Foundational Principles

Global Harmonisation: CS3 is not an isolated regime; it inherits lessons and structures from G20, CPMI-IOSCO, and EMIR Refit.

Universal Identifiers: LEI (who), UTI (what trade), UPI (what product), and CDE (what field names, values and definitions) form the immutable core of every trade record.

ISO 20022 Rigour: Validated XML schemas mean zero tolerance for syntactical or structural errors.

Priority Action Items for ODPs

Counterparty Outreach: Identify and remediate counterparties lacking key data points e.g. LEI, classification type, etc.

UTI Logic & APIs: Implement the UTI generation waterfall and potentially, connect to Strate's REST API.

UPI Workflow: Embed UPI lookup and creation into your systems.

Specification mapping: Map your internal systems to the Strate TR specification, which encompass the CDE data dictionary.

✓ The foundation is set. Up next: addressing the operational friction points that arise during live daily reporting.



Networking & Coffee Break

Reconvene at 11:15

Module 2: Ongoing Challenges within Reporting

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PRACTICAL IMPLEMENTATION

Ongoing Challenges **Within Reporting**

Deconstructing reporting operational risk, timely UTI generation, DSB template management, dual-sided reporting friction, and return message reconciliation.



Operational Risk Drivers

Data Integrity · Late UTI Exchange · DSB Template Gaps



Dual-sided Reporting

ODPs will always be the entity responsible for reporting

Framing: The Biggest Risk to Reporting is Operational Risk



1. Data Integrity

Is the data complete and accurate?

Validation at ingestion, strict pairing rules, and active UTI/UPI validation ensure the TR remains a single source of truth.

How do you ensure the counterparty information that you capture, remains updated?

Strate explicitly validates LEI status against the GLEIF database.



2. Security and Handshakes

Is it protected? Are you sharing your data securely with the repository or, if applicable, vendor?

Are you receiving confirmation messages back? You must ensure the data reaches the end point and was accepted.



3. Business Continuity

Is it available? High availability, fault tolerance, and disaster recovery ensure you can meet daily T+1 reporting obligations.

How do you ensure your connectivity to third party providers like ANNA DSB do not fail in critical moments e.g. creating a UPI?

⚠ Every downstream reporting challenge—from breaks to rejections—directly threatens TR data integrity. Clean reporting by ODPs is essential.

Generating & Sending the UTI: The T+1 10:00 UTC Rule

The Strict Time Window

10:00 UTC on T+1: The generating counterparty must construct and transmit the UTI to the receiving party before this cutoff.

Trade Day Plus One: Gives receiving counterparty sufficient runway to ingest the UTI and submit their report before EOD deadline.

Automated Exchange: Manual email dissemination is a major operational risk; firms must leverage electronic confirmation feeds.

Handling Late UTIs: Query vs Create

Do Not Fabricate: If the UTI is not received, the receiving party *must* never invent their own UTI code.

Mandatory Query: Issue a formal query to the generating counterparty immediately.

Reconciliation Threat: Creating a competing UTI breaches PFMI Principle 17 and creates unpairable orphan records in the TR.

 Late transmission is an issue; competing UTIs are a crisis. Always follow the query protocol.

UTI Generation When Both Parties Are ODPs



Deterministic Priority Rules

- 1. Contractual Terms:** Pre-agreed bilateral Master Agreement terms take precedence.
- 2. Sole ERR:** If only one counterparty is an ERR, that entity generates.
- 3. Seller Generates:** If both are ERRs, the selling counterparty generates.
- 4. LEI Tie-Breaker:** If buyer/seller is undefined, the lower alphabetical LEI generates.



Reconciliation in Strate TR

Two Sides, One UTI: Both ODPs submit independent auth.030 messages containing the exact same UTI.

Automated Pairing: Strate TR pairs the reports and compares economic terms (notional, rate, currency).

Mismatch Detection: Generates reconciliation statistical reports (auth.091) flagging any discrepancies.



Adherence to the deterministic waterfall guarantees that both trading desks independently assign the generation role to the same party.

The Strate UTI Format

```
[LEI Party A (20)] + [LEI Party B (20)] + [Asset (2)] + [Instrument (2)] + [Timestamp (7)] + [Random (1)]
```

Cross border

The format is jurisdiction-agnostic — both LEIs already encode each party's home register, so no separate cross-border variant of the UTI is required.

Timezone

The 7-character timestamp is always expressed in UTC, keeping the sequence unambiguous regardless of where the trade was executed.

Wait

If two systems generate a UTI for the same trade at the same instant, the waterfall's LEI tie-breaker — not the timestamp — decides which one is authoritative.

🛡️ Base-36 encoding (0-9 + A-Z) allows massive integer timestamps to fit inside compact character limits while maintaining global uniqueness.

Sharing the UTI: Pre-Reporting Allegements

Automated Allegement Flow

Trade Ingestion: Party A submits an auth.030 report to Strate TR.

Allegement Generation: Strate TR automatically generates an "allegement" event.

Copy to Counterparty: Dispatches a copy of the trade to the LEI in Counterparty 2 field.

Transport Flexibility: Delivered via MQ, Kafka, SFTP, REST API, or web portal.

PFMI 3.22.5 Compliance

Participant Data Exchange: Directly aligns with PFMI guidance for TRs to exchange trade info with market participants.

Confirmation Platforms: Facilitates integration with third-party matching and affirmation platforms.

Accelerates Pairing: Allows Counterparty 2 to ingest the UTI and pre-validate trade attributes prior to reporting.

 Strate's allegement engine provides a built-in safety net, ensuring receiving counterparties obtain the UTI even if bilateral feeds fail.

Timely UTI Exchange: Eliminating Pairing Breaks

10:00 UTC Deadline

The deadline is non-negotiable. Missing it cascades delays down the counterparty's operational validation and submission pipeline.

Query, Don't Create

A missing UTI must trigger an automated bilateral query. Fabricating a surrogate UTI guarantees a dual-sided pairing rejection.

PFMI 17 Breach

Unpaired records distort market-wide gross notional figures, undermining the TR's role as a trusted source of regulatory truth.

 Reconciliation breaks require manual investigation and resubmissions. Prevention at trade inception is 10x cheaper than remediation.

Foundations of the Unique Product Identifier

THE IDENTIFIER PYRAMID

CFI · ISO 10962 High Level

Standardised 6-character categorization of financial instruments.

UPI · ISO 4914 Product Level

Granular product attributes enabling G20 cross-border systemic risk aggregation.

OTC ISIN · ISO 6166 Instrument Level

Specific instrument identification for market abuse surveillance & transparency.

Attributes inherit downward: UPI embeds CFI; ISIN embeds UPI.

12-CHARACTER CODE ANATOMY ISO 4914 SPEC

QZ

Prefix

4B58PW852

9 Alphanumeric (No Vowels)

7

Check

Standard QZ Prefix

Identifies code as an ANNA-DSB issued UPI record globally.

Vowel Exclusion Rule

Excludes A, E, I, O, U to prevent unintended real-word formation.

Modulo Check Digit

Validates transmission integrity and prevents transcription errors.

Applicable across Rates, FX, Credit, Equity, and Commodities.

GLOBAL PURPOSE

Why the Regulator Needs UPI

Allows authorities to aggregate positions across markets and understand exact economic product exposures without reconciling full trade contracts.

FSB Sole Issuer Mandate

ANNA-DSB operates as the sole global provider of the UPI reference data library.

Live across EU, US, UK, Australia, Japan & SA.

 The UPI identifies what product is being traded. Paired with the LEI (who) and UTI (what trade), it forms the immutable triad of CS3 reporting.

UPI Lifecycle: Look Up, Request, Report

STEP 1

Query DSB Registry

Search ANNA-DSB database using standardized product attributes (underlier, payout, settlement).

STEP 2

Match Found?

If a matching UPI already exists, pull the 12-character code into local booking systems.

STEP 3

Request New UPI

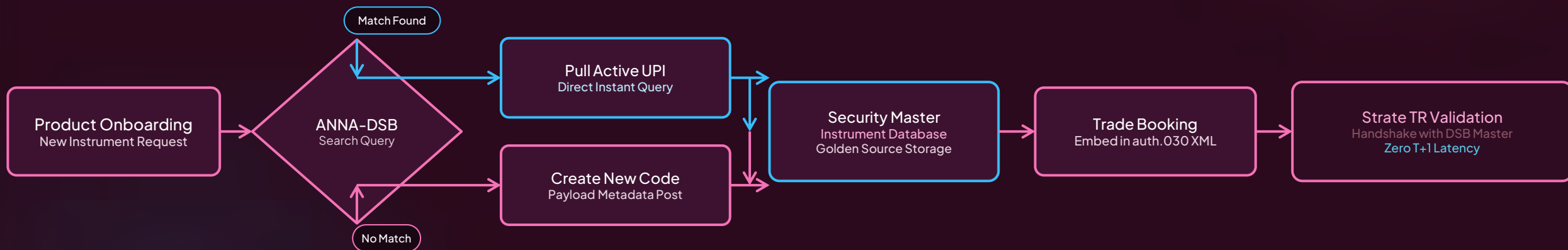
If no match exists, submit product metadata to DSB to mint a new globally unique UPI.

STEP 4

TR Verification

Strate TR validates that the UPI exists and that reported attributes match the DSB master record.

END-TO-END TECHNICAL ARCHITECTURE PIPELINE PRE-TRADE SOURCING TO REGULATORY INGESTION



⚡ Best Practice: Maintain an active local cache of ANNA-DSB UPIs to avoid latency during peak trade booking and reporting runs.

Navigating UPI Templates: The Retail CFD Challenge

THE INHERITED TAXONOMY GAP ⚠️

CFI Constraints Flow Down

Because the UPI is built on top of ISO 10962 (CFI), any structural omission or lack of granularity in the CFI standard is directly carried forward into the resulting ANNA-DSB templates.

CASE IN POINT: Rates.Forward.Debt

The standard CFI template lacks a designated **return or payout trigger** suitable for retail debt CFDs, leaving firms without a native standard payoff mapping.

PROPER CLASSIFICATION 🏠

When to Use "Non-Standard"

"Non-Standard" is frequently misunderstood as a failure state. In practice, it is the designated regulatory container for bespoke payout triggers.

CFD Options

Mandatory route for CFD instruments with optionality payoffs.

Exotic Payout Triggers

Enables true economic reporting rather than distorting product facts.

Preserves accurate product mechanics for FSCA oversight.

COMMITTEE SURVEILLANCE 🚫

The "Other Other Undefined" Trap

Defaulting to **OTHER / OTHER / UNDEFINED** when a template search gets tricky is an immediate regulatory red flag.

A small percentage of firms use this path. It invites regulatory scrutiny and audit queries.

❗ Trade associations bridge the gap between regulatory intent and template mapping, ensuring all SA ODPs report identical products consistently.

Embed UPI Sourcing into Core Architecture

SOURCING MODELS

Select Model by Need

Manual Web GUI

Best for low-volume brokers with static catalogues doing ad-hoc searches.

Search-Only API

Programmatic connectivity for systematic high-volume query without minting.

Full API (Search + Create)

Direct programmatic FIX/REST pipeline for issuers minting bespoke products.

Vendor Intermediary

Leverage third-party reporting hubs to manage DSB connectivity on your behalf.

Choose based on creation frequency and automation scale.

LIFECYCLE TIMING

When to Source the UPI

AT INSTRUMENT CREATION **RECOMMENDED**

UPI is populated into the security master during product setup. Zero latency at execution; zero T+1 reporting bottlenecks.

POST-TRADE BOOKING **HIGH RISK**

Scrambling to create after execution triggers downstream validation queues, schema rejections, and late submissions.

Eliminates dependency bottlenecks during trade spikes

CONTROL FRAMEWORK

No Static Spreadsheets

DSB updates product templates; manual lookup files drift and cause breaks within months.

Pre-Execution Exception Alerting

Flag any booked trade lacking an active UPI before it enters reporting queues.

Audit Trail Logging

Deterministic records of template selection and confirmation timestamps.

Controls are the foundation of your reporting architecture

 Sourcing the UPI at instrument setup ensures zero latency at trade execution and 100% compliance with Strate TR ingestion cutoffs.

Dual Sided Reporting: ODP vs ODP

- ODP entities are responsible and legally liable for the reporting of all executed in-scope OTC derivatives.
- When two ODP's face each other, **both entities must report**. In such cases, fields identified as reconcilable are expected to match.
- An ODP can delegate its obligation to submit a report, but it **cannot delegate liability**, i.e. the ODP remains the entity responsible for reporting and retains responsibility for what is reported. This is known as **Voluntary Delegated Reporting**.
- Therefore, the ODP that delegates the submission of transaction reports retains the regulatory reporting risk and should have **due controls in place to validate what is submitted on its behalf**.
- Reconciliation, identification of errors, and remediation is essential in your build.



Destination 1: Strate Trade Repository

Mandate: Conduct Standard 3 of 2018 (CS3) / FSCA market conduct oversight.

Granularity: Transaction-by-transaction, lifecycle event reporting via ISO 20022.

Function: Market transparency, abuse detection, and bilateral trade reconciliation.



Destination 2: Prudential Authority (PA)

Mandate: Prudential supervision, capital adequacy, and solvency surveillance.

Granularity: Balance sheet exposure, margin buffers, and capital-at-risk prudential returns.

Challenge: Reporting the same economic activity under different technical pipelines and formats.

↻ Operational Recommendation: ODPs should maintain synchronized data feeds so that transactional data at Strate reconciles with prudential returns at PA.

Key Takeaways: Operational Friction Remediation

1. Operational Discipline

Operational risk is a reporting risk:

- Data to be managed through the life of each trade – transaction data and counterparty data
- Respect the T+1 10:00 UTC UTI cutoff
- Adhere to deterministic waterfalls,
- Never generate duplicate competing UTIs.
- Counterparty onboarding (valid LEI and reportable counterparty data)

2. Upstream Integration

Embed ANNA-DSB lookup directly into pre-trade and booking workflows to ensure UPI consistency before transactions hit reporting queues.

3. Controls

ODP's are **responsible and legally liable** for the completeness and accuracy of reporting

- Comprehensive compliance review of reporting rules with justification for reporting decision
- Controls and reconciliations essential
- Delegated reporting is not delegation of liability

EXPERT PANEL DEBATE

How firms are **meeting challenges**

Practitioners share their experience on being ready to untangle the operational cost and complexity of LEIs, UTIs, and UPIs before the final trade reporting rules drop.

MODERATOR

Dawd Haque

Deutsche Bank

PANELLISTS

Standard Bank · Unum Capital · RDF

ODP and the Industry Voice





Networking & Lunch Break

Reconvene at 14:00

Module 3: The Role Trade Associations Play

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INDUSTRY COLLABORATION

The Role Trade Associations Play

Bridging the gap between high-level regulatory rules and deterministic technical interpretation through Standard Operating Procedures, shared best practices, and collective advocacy.

Why Industry–Wide SOPs Matter

Regulation Sets Rules, Not Interpretation

Ambiguity Creates Breaks: Regulation defines what to report, but leaves room for differing technical interpretations.

Innocent Mismatches: When two counterparties interpret CFD return triggers differently, both generate valid XML that fails TR pairing.

High Remediation Cost: Uncoordinated interpretation forces firms to waste resources investigating artificial breaks.

Examples of EMIR best practices:

- ‘Effective date’ – caters for: Amendments; cleared trades; novations; swaptions; Credit (index and single name)
- ‘Price’ – caters for: Equity swap; Equity basket; Credit swaption; Commodity basis swap; zero coupon swap; IR Bond Forward
- ‘Exchange rate 1’ and ‘Forward exchange rate

Trade Associations: Strength in Numbers

Single Agreed Interpretation: Convenes market participants to agree on unified template mapping for all common products.

Real-World Guidance: Associations like ISDA and the RDF publish practical guidance for specific areas ODPs must interpret—for example, how to create a UPI.

Unified Regulatory Dialogue: When something genuinely can't be resolved, a trade association can raise it with the regulator on an ODP's behalf.

Experience from Global Regimes: CFTC to CS3

1. CFTC (2012) First Wave

The US (CFTC) was first to implement G20 Pittsburgh mandates. Suffered early pairing friction, schema confusion, and severe data quality breaks.

2. CPMI–IOSCO Evolution

Early TR struggles directly informed global CDE guidance, UTI/UIP standards, and PFMI disclosure principles.

3. CS3 2nd–Gen Benefit

South Africa inherits a mature, battle-tested framework. CS3 adopts the refined EMIR Refit model, avoiding first-generation pitfalls.

 South Africa benefits from a decade of global implementation lessons—if market participants adopt proven industry standards.

Concrete Best Practices: Three Core Frameworks

UPI CFD Template Guide

Standardized DSB template mapping specifically for Contract for Difference (CFD) products, ensuring uniform return triggers across all ODPs.

E&O Materiality Matrix

Metric-based thresholds (% of monthly volume) to determine when reporting breaks warrant formal regulatory notification vs routine remediation.

Lifecycle Event Matrix

Decision matrix mapping real business scenarios (compressions, partial terminations, corporate actions) to exact Action/Event Type pairs.

 These three artifacts represent ready-to-deploy operational templates that slash implementation risk for member firms.

Concrete Best Practices: UPI Construction Template

CFD on Single Share Equity

TEMPLATE

```
Equity.Forward.Price_Return_Basic_Performance_Single_Name_CFD
```

UPI Code

QZX5XSBK4M1R

CFI Code

JESXCC

Delivery Type

Cash

Standard performance template for vanilla cash-settled single-name equity swaps & CFDs.

CFD on Equity Share Option

TEMPLATE

```
Equity.Forward.Non_Standard
```

UPI Code

QZJ23LPNHFCK

CFI Code

JE0XCC

Underlier Setup**Single Underlier · Options**

If Option ISIN is missing, report the Ultimate Underlying ISIN (Cash ISIN).

February 2026 Update

Return or Payout Trigger equal to "Contract for Difference (CFD)" has been added to this Product Template

 The RDF's UPI construction template was agreed with its members and regulatory bodies have also had visibility over it.

Concrete Best Practices: Three Core Frameworks



UPI CFD Template Guide

Standardized DSB template mapping specifically for Contract for Difference (CFD) products, ensuring uniform return triggers across all ODPs.



Suggested Operational Practices

Industry interpretations of reporting requirements and how it is expected that market participants can comply with them. This will include industry best practices for specific fields, products, and business scenarios.



E&O Materiality Matrix

EU EMIR includes guidelines on when errors and omissions are to be notified to the regulator, using a metric-based thresholds (% of monthly volume). These regulatory published guidelines have been supplemented by common industry best practice.

 These three artifacts represent ready-to-deploy operational templates that slash implementation risk for member firms.

Key Takeaways: The Power of Association

Strategic Alignment

Common Domain Consensus: Bilateral trading requires bilateral agreement on data standards. Trade associations provide the neutral forum to reach it.

Global Precedents: Leverage ISDA and RDF insights to avoid expensive trial-and-error in template selection and schema design.

Immediate Implementation Value

Adopt Published Matrices: Integrate known decision matrices into internal build specs.

Establish Materiality Baselines: Implement metric-based error notification governance before live reporting commences.

- ✔ Collaboration does not compromise competitive advantage; it protects the entire market from systemic compliance and operational risk.

EXPERT PANEL DEBATE

Data Readiness & Gap Assessment

Experts unpack the front-line friction of trade reporting, covering data lineage, identifier workflows, and buy-versus-build trade offs; weighing critical regulatory choices and risks of local schema fragmentation.

MODERATOR

Rav Saidha

Retail Derivatives Forum (RDF)

PANELLISTS

KOR · S&P Global Cappitech · REGnosys

Regulatory Tech Vendors





Networking & Coffee Break

Reconvene at 16:00

Wrapping up Modules 1-3

strate

ISDA



RDF
RDF.GLOBAL

SYNTHESIS & OUTLOOK

Conclusion & Day 1 Summary

Consolidating the strategic themes of Day 1: standards adherence, operational resilience, trade association alignment, and preparing for Day 2 machine-executable rules.

Day 1 Summary: Standards & Identifiers

Foundations

G20 Commitment: Following the Financial Crash, the G20 made a commitment to ensure they were better prepared.

Harmonisation: CS3 is not an isolated regime; it inherits lessons and structures from other G20 implementations

Key acronyms

LEI: Legal Entity Identifier, know who you are trading against.

UTI: Unique Transaction Identifier, know what the trade was and the “up to” 52-character structure.

UPI: Unique Product Identifier, what is the product you are trading, and the 12-character DSB code

CDE: Critical Data Elements – the data dictionary.

ISO 20022 Engine

Authorities Family: Standardized XML schemas.

Zero Vendor Lock: Open standards enable reusability across global regimes.

- ✔ Unified identifiers and ISO 20022 transform complex bilateral derivatives into clean, regulatory data, that can be aggregated.

Day 1 Summary: Operations & Readiness

Operational Timing

T+1 10:00 UTC: Strict deadline for UTI bilateral dissemination.

Query Protocol: Never create competing UTIs; always trigger bilateral queries.

Strate Allegements: Leverage built-in TR pre-reporting trade affirmation to **help** ensure you are not under reporting, or reporting inaccurately.

Trade Association Power

Interpretation: Regulation sets rules, but removing ambiguity as an industry is key.

Collective Voice: Constructive dialogue with FSCA and Strate.

Best practice: Rules are never going to be perfect. Agree on the approach you take as an industry.

Plan Your Execution

Outreach: Validate the counterparty information you have now.

Data source: Validate upstream data lineage now, rather than later.

Buy vs Build: Choose technology architecture early based on scale.

Controls: Without having something in place, you could miss picking up a breach.

 Success requires tight alignment across legal, technology, trade booking, and compliance teams.

Looking Ahead to Day 2: ISDA DRR & CDM



FINOS Common Domain Model (CDM)

Single Digital Blueprint: A standardized, machine-readable data representation of financial products and lifecycle events.

Unambiguous State Machine: Eliminates differing bilateral interpretations of trade events across platforms.

Open-Source Standard: Governed by FINOS, enabling broad industry adoption and interoperability.



Digital Regulatory Reporting (DRR)

Executable Code as Regulation: Converts human-written rulebooks into unambiguous, open-source computer code.

Gold-Source Interpretation: Firms execute the exact same logic, producing identical ISO 20022 reports across jurisdictions.

Drastic Cost Reduction: Slashes multi-million dollar regulatory change build costs across the industry.

Day 2 Alternative (Virtual): Practical Burden Reduction



UK, EU & US Initiatives

Practical lessons from UK FCA (PS26/15) and ESMA reforms reducing field counts, removing redundant data, and streamlining back-reporting.



Practical Insights

Real-world operational playbooks for ODPs navigating daily validations, rejection remediation, and counterparty communication workflows.



Hands-On DSB Portal

Live walkthrough of the ANNA-DSB UPI portal: querying, template selection, attribute mapping, and API integration best practices.

→ Join us in the morning for the hands-on technical and operational execution modules.

AUDIENCE ENGAGEMENT

Questions & Answers

An open floor discussion addressing specific ODP implementation hurdles, timeline queries, and technical schema edge cases.

SESSION MODERATOR

Strate Executive Leadership

Facilitating questions from both in-room participants and virtual attendees.

EXPERT PANELISTS

Andrew Bayley · Dawd Haque · Rav Saidha

Answering technical, legal, and operational trade reporting questions.



END OF DAY 1

Conduct Standard 3 of 2018 (CS3)

Thank You for Attending

We look forward to welcoming you back tomorrow morning.

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