



**By Electronic Submission**

October 8, 2024

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Re: Proposed Rule: Financial Data Transparency Act Joint Data Standards  
OCC Docket ID OCC-2024-0012  
FRB Docket No. R-1837; RIN 7100-AG-79  
FDIC RIN 3064-AF96

3133-AF57; NCUA-2023-0019  
FHFA RIN 2590-AB38  
CFTC RIN number 3038-AF43  
SEC File No. S7-2024-05  
Docket No. CFPB-2024-0034

The undersigned financial trade associations (the “Associations”) appreciate the opportunity to offer preliminary observations on the nine financial regulators’ proposal (“Proposal”) to implement the requirements of the first stage of the Financial Data Transparency Act (“Act”).<sup>1</sup> The Associations represent hundreds of financial services firms, including banks, broker-dealers, and investment advisers, including mutual fund managers and private fund advisers. Given the vast potential implications of the proposed rulemaking, the Associations respectfully request a 60-day extension of the comment period in order to more fully engage with their respective members on the Proposal.

The Associations are currently collecting feedback on the Proposal from their members and intend to share their input in comment letters to be filed at a later date. The task of doing so however is challenging. First, neither the Proposal itself nor the accompanying materials (e.g., the Securities and Exchange Commission’s press release and fact sheet) give any sense of the significance of including a required common identifier for financial instruments in the proposal. The plain language of the Act does not specifically require the agencies to select a common identifier for financial instruments.<sup>2</sup> Moreover, market participants could not anticipate the agencies’ selection of Financial Instrument Global Identifier (“FIGI”) as the common identifier for financial instruments, given how rarely FIGI is used in financial markets today. Second, members of each Association are often complex, large entities with numerous business lines, and analyzing and predicting the effects of the Proposal is a vast undertaking requiring input from a large number of constituents in each company. Consequently, our members need additional time to properly assess the impact of the Proposal and prepare comments that aid the agencies in their implementation of the Act.<sup>3</sup>

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<sup>1</sup> Financial Data Transparency Act Joint Data Standards, 89 Fed. Reg. 67,890 (proposed Aug. 22, 2024).

<sup>2</sup> The House Appropriations Committee recently recognized that the FDFTA does not reference securities-level identifiers and noted that “[t]he Committee expects the SEC, in its joint rulemaking, to implement the FDFTA consistent with Congressional intent and avoid disrupting the U.S. capital markets.” (House Appropriations Committee, [FY25 Financial Services and General Government Appropriations Act](#), June 13, 2025).

<sup>3</sup> SEC Commissioner Hester M. Pierce separately issued a statement on the Proposal with additional questions for the public, including important questions about the costs and benefits of implementation of the Act. Responses to these questions will be important inputs to the rulemaking process but will require additional time to prepare.

While we support the goals of the Act, we respectfully caution that, with financial markets as large and complex as those in the United States, implementation of the Act should be pursued in a thoughtful and deliberate manner, with input from as many affected constituencies as possible. Adopting standards that are not appropriately vetted through the notice and comment process could undermine the purpose of the Act and impose vast, unnecessary costs.

The Proposal has two primary components – selecting common industry-wide identifiers and setting joint standards for data transmission and schema and taxonomy formats. While many of the Associations expect to have substantive comments on both components in subsequent letters, we have provided some initial comments in this letter on the first component to illustrate its complexity and the need for additional time. Although the joint data standards will be effectuated by subsequent agency-specific rulemakings, as a practical matter the selection of “common” identifiers in this rulemaking is likely to resolve these issues once and for all. (The more principles-based standards for data formats are more amenable to agency tailoring and customization.) Put simply, to have any utility, a “common” identifier must treat like things alike, so the space for later agency discretion will practically be quite limited.

This letter focuses on three key considerations for choosing common identifiers – (i) what is the legal standard to be used; (ii) what are the available options and which option should be chosen; and (iii) what are the costs and benefits of that choice.

The standard for choosing common identifiers is set forth in Section 124(c)(1)(A) of the Act, which states that the joint data standards shall

“include common identifiers for collections of information...which shall include a common non-proprietary legal entity identifier that is available under an open license for all entities required to report....”

The Proposal appears to assume that the “available under an open license” qualifier for a legal entity identifier applies to all common identifiers. Textually, this reading is suspect. More importantly, time should be taken to ensure that the relevant provision of the Act is correctly interpreted and applied. Assuming an incorrect standard could eliminate certain worthwhile alternative options or otherwise impact the agencies’ consideration of comments and rulemaking process.

The agencies propose to establish FIGI to identify financial instruments. The primary reason cited for proposing FIGI is that it is available under an open license. As noted above, it is far from clear that this is statutorily mandated. Moreover, it is our understanding that many important data attributes underlying FIGIs are only available to subscribers of proprietary and costly data terminals, so its selection will come with significant costs, even if FIGI itself is available for free.

Most importantly, we understand that FIGIs are not fungible. (Fungibility means that a specific financial instrument is represented by the same identifier regardless of the venue where it is traded.) Today, most financial instruments are identified using CUSIP/ISIN – in large part because they are fungible identifiers. Members will need to assess the implications of using a non-fungible identifier on an entity-wide basis, including feasibility. Based on engagement with members, we do not believe FIGIs are widely used, including in existing trade, post-trade and accounting systems and processes. The implications of replacing current identifiers across their vast and diverse businesses is a high stakes exercise for our members, the markets in which they operate, and the agencies themselves.

Finally, the agencies must thoroughly analyze the costs and benefits of their choice of common identifiers, particularly common instrument identifiers. Although the Proposal contains several largely perfunctory regulatory analyses, there is no comprehensive economic analysis, which is critical to moving forward with implementation of the Act. It would appear that the selection of common identifiers will need to be coded for every relevant transaction across every market by every entity that files reports with the agencies. Subsidiaries and counterparties may also be impacted. The Proposal does not consider whether different choices will have a measurable economic impact, nor how to efficiently and effectively transition market practice when these identifiers will be mandatory. The Associations believe that it is essential that they be provided with enough time to organize and present their thoughts on this subject.

We appreciate the agencies' efforts to coordinate such a transformative rulemaking. We submit that it would be prudent to allow affected entities to have more time to better consider, prepare and coordinate their response in order to ensure the agencies' rulemaking process takes into account important industry views and practices.

Respectfully submitted,

ALTERNATIVE INVESTMENT MANAGEMENT ASSOCIATION

AMERICAN INVESTMENT COUNCIL

AMERICAS FOCUS COMMITTEE OF THE ASSOCIATION OF GLOBAL CUSTODIANS

BANK POLICY INSTITUTE

FINANCIAL SERVICES FORUM

INVESTMENT COMPANY INSTITUTE

ISLA AMERICAS

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LOAN SYNDICATIONS AND TRADING ASSOCIATION

MANAGED FUNDS ASSOCIATION

SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION

SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION'S ASSET  
MANAGEMENT GROUP