



[EDM Council, OMG Build a Rosetta Stone for Data](#)

The industry groups are working to ease the burden of mapping existing data models to new standards.

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New standards currently being developed by the Enterprise Data Management (EDM) Council and the Object Management Group (OMG) could have a big impact on how firms comply with the reporting requirements of post-crisis regulations in the near future.

The standards, known as the Financial Industry Business Ontology (FIBO), began taking shape last year when officials at the EDM Council recognized the need for a set of standards that could be used by the entire financial industry. To ensure the quality of the final product the EDM Council teamed up with the OMG, which specializes in producing just this type of global standard for various industries.

FIBO's first set of standards, Foundations, lays out "the business terms and relationships associated with financial instruments, pricing concepts and financial processes," according to an EDM Council statement, and has recently been finalized. The Foundations set is the most abstract and general set of standards in the FIBO process, and will be followed by roughly 30 other sets of standards covering more specific areas in greater detail.

The overall goal is to provide a set of standards that cover, in a simple and useful manner, all of the various business terms, relationships, pricing concepts and other financial processes used by the industry, to allow all market participants to be on the same page.

"Essentially, we're trying to build a complete and accurate model of how things really work in the real world, in order to give all of our members a single, standardized reference point," Michael Atkin, managing director at the EDM Council, told *FTF News* in a [previous interview](#). "It's kind of like a data Rosetta Stone, in a sense."

This Rosetta Stone for data is becoming increasingly important as firms continue to grapple with the reporting burdens of post-crisis regulation. In the past, firms were able to get by using completely different data sets and standards than other market participants — often datasets within different data silos at a firm aren't even standardized.

By pinning down legal and technical definitions for every type of dataset used by the markets, the

FIBO initiative seeks to provide a single reference point that can be used to help align and harmonize data across all those different silos. For that reason, many financial firms, especially banks, are eagerly awaiting the ongoing roll-out of the FIBO standards.

“What banks realize, in looking at regulations like Dodd-Frank and Basel III, is that as those go online, they are going to need to report data in consistent ways,” says Richard Beatch, PhD, a content architect at Bloomberg and leader of the FIBO Content Team (FCT) for the forthcoming Securities and Equities set of standards. “The fact is that one bank doesn’t have any idea what’s going on behind the doors of another, and vice versa, for good reason.”

“They’re all dreading this moment for the simple reason that they’re going to have to take their existing data model and map it to a standard dictated by the regulatory agencies,” Beatch adds. “The sooner a standard can be pointed to, the sooner the banks can start working on this. So they’re all very desperate for those standards.”

Mike Bennet, head of semantics and standards at the EDM Council, says it’s becoming clear that the only serious contender to fill that need is the FIBO standards. While Bennet says nothing official has happened yet, regulators say in talks with EDM representatives that they seem to realize and accept that fact as well.

Regulations like Dodd-Frank and Basel III “require much more flexible reporting and effective data governance,” Bennet says. As the FIBO standards continue to be rolled out, he’s confident their widespread adoption could move the industry significantly farther toward those goals. “That could be quite huge,” he says.

The next set of standards, Financial Business and Commerce (FBC), is set to be rolled out sometime next year, with additional sets coming afterwards.

The FBC standards, says Elisa Kendall, a member of the OMG’s architecture board and team ontologist for the equities standards, “are definitions for very high-level financial instruments, which we can then extend into securities, loans, derivatives and other areas. So, it provides us with a high-level scaffolding to help glue those things together.”