Main issues discussed

· ISDA had requested a meeting to advocate for the replacement of OTC derivatives ISIN (International Securities Identifying Number) with the OTC derivatives UPI (Unique Product Identifier).

· ISDA has been advocating against the OTC derivatives ISIN for the last nine years. The ISIN works well for securities (such as bonds or shares) but does not work for OTC derivatives. This is particularly true for interest swaps and FX derivatives.

· Systematic Internalisers are required to create ISINs ‘on the fly’, which is highly problematic. Due to the granularity of the ISIN transactions in the same derivative (but executed on a different day for example) receive a different ISIN. The UPI would be up to date for a significantly longer period. ISDA mentioned to probably need to apply once a month for a UPI.

· ISDA estimates that more than 120 million OTC derivative ISINs have been issued since the uptake of this identifier.

· The ISIN is not suitable for aggregation, which is one of the main purposes of public transparency. In addition no time series analysis can be made on the basis of ISIN.

· EMIR data requirements are linked to MiFIR data requirements. EMIR requires the UPI to be used in those cases where no ISIN is available. Clearing on the basis of ISIN also leads to complications. When two counterparties report different ISINs for the same transaction, it cannot be processed in a CCP. UPIs would be much easier to correct, since only the product would be identified via that identifier, but several additional details (such as maturity date) can be populated (and corrected) manually.

· The US currently applies no legally mandated identifier but will start in 2024 with prescribing the UPI, as will several other jurisdictions.