The CFI Service for OTC Derivatives Explained

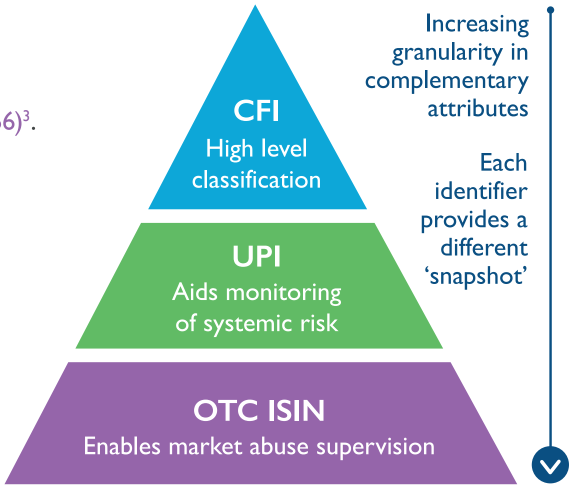
Introduction

The Derivatives Service Bureau (DSB) issues three OTC derivatives identifiers which are part of the International Organization for Standardization (ISO) framework. Together, they form an identification hierarchy for OTC derivatives:

1 the Classification of Financial Instruments – CFI (ISO 10962)[1]:

2 the Unique Product Identifier – UPI (ISO 4914)[2]: and

3 the International Securities Identification Number – OTC ISIN (ISO 6166)[3].



These three identifiers are designed to be complementary whilst having different levels of granularity. The level of granularity depends on the purpose for which the identifier has been created[4].

25 May 2025 marks the launch of the CFI Service, offering new functionality to support implementation of revisions to the CFI standard, starting with the CFI 2021 standard. This paper explains the changes and what this means for DSB users.

What is the CFI?

The CFI is an internationally recognised ISO standard used to classify financial and referential instruments in a consistent way across global markets. Authorities and market participants use the CFI to support regulatory reporting and data harmonisation, enabling the grouping of instruments with similar features by providing a common set of classification definitions.

With respect to the CFI construct, a CFI code is a 6-character alphabetic code that classifies key characteristics of a financial or referential instrument with each of the six characters representing an attribute. For example, the CFI code SESTXC represents an Equity Total Return Swap, illustrated in the below table:

	Category	Group	Attribute 1	Attribute 2	Attribute 3	Attribute 4
Name	-	-	Underlying assets	Return or payout trigger	Not applicable/ undefined	Delivery
Code	S	E	S	T	X	C
Value	Swap	Equity	Single stock	Total return	N/A	Cash

Why is a new version of the CFI being made available?

As part of the ISO standards revision process, the CFI standard has been updated via the collaborative and consultative process of the relevant ISO Technical Committee and subcommittee, TC68 / SC8, responsible for the specification of the standard. Additionally, where a need has been determined for an ISO standard to be updated or implemented on an ongoing basis, ISO will designate a competent body to serve as a Maintenance Agency and/or Registration Authority[5]. SIX is the Maintenance Agency for the CFI standard, responsible for managing the modification and enhancement of the CFI code set. The DSB is the numbering agency for OTC derivatives responsible for supporting the implementation and adoption of revisions to the CFI standard to meet stakeholders' needs.

The CFI 2021 standard (CFI 2021) has been introduced to:

- **Expand coverage**, covering a wider range of instruments, including newer asset types and more granular classifications.
- **Improve clarity**, with definitions and criteria for assigning codes refined to reduce ambiguity and improve global consistency in how instruments are classified.
- **Align with market needs**, following feedback from authorities, market participants, and data providers to ensure the classification standard keeps pace with evolving financial products.

To date, the EU and UK use the CFI 2015 standard (CFI 2015) in regulatory reporting, with the relevant authorities planning to transition to CFI 2021. Through the launch of the CFI Service, both versions of CFI 2015 and CFI 2021 will be available to support authorities' and industry's transition, when it takes place.

What is the CFI Service?

The DSB derives the CFI from data provided by users when requesting an identifier via the OTC ISIN or UPI Services and stores the CFI 2015 code in the 'Classification Type' field of each OTC ISIN and UPI record.

To support the transition to CFI 2021, and future revisions to the CFI standard, the DSB is introducing an integrated CFI Service which will enable users to retrieve a comprehensive set of CFI information for OTC ISIN and UPI records.

The CFI Service, which has been designed in collaboration with the DSB Technology Advisory Committee[6], will separate the CFI code derivation from the core identifier system, simplifying the maintenance required when adopting revisions of the CFI standard. This approach also ensures minimal impact to users.

A CFI component will be attached to the returned message or displayed on the GUI for each OTC ISIN and UPI, with all DSB-supported CFI version(s) included in the CFI component. The DSB-supported CFI codes (CFI 2015 and CFI 2021) will be derived using the same data users provide today when they request UPIs and OTC ISINs.

Why is the DSB adopting this approach?

The Maintenance Agency responsible for maintaining the CFI standard has indicated that future revisions may be released on a more frequent basis (no more than annually). The CFI Service will improve the timeliness and efficiency of implementing changes, and can support more than one version of the CFI standard, easing stakeholder transition should adoption timelines vary across jurisdictions.

What is the CFI Component?

The DSB is introducing a CFI component as part of all OTC ISIN and UPI records. Users will receive the DSB-supported CFI version(s) (CFI 2015 and CFI 2021) along with the CFI attributes, names and values, when creating or retrieving an OTC ISIN or UPI. The returned set of CFI version(s) will be clearly labelled in a structured response as follows:

Information

- **CFI Code Version:** Specifies which CFI standard version has been used to derive the CFI code.
- **Version Status:** Indicates whether the returned CFI code is the 'Current' version or a 'Previous' version.
- **Value:** Specifies the 6-character CFI code which represents the classification of a financial instrument.
- **Category:** The first character of the CFI code specifies the category of the financial instrument at the highest level, e.g. "S" = Swap.
- **Group:** The second character of the CFI code specifies the group within the category, e.g. "R" = Rates.

Attributes

The fourth to sixth characters of the CFI code specify attributes reflecting the characteristics that are important to the category and group of the instrument.

The two figures below are examples of the CFI data a user will receive within the CFI component for an Inflation Swap: Figure 1 shows the information provided for CFI 2015 and Figure 2 for CFI 2021. Changes between CFI 2015 and CFI 2021 versions are highlighted in **Orange**. The output data is derived from the same input data with the differences due to changes to the CFI standard.

Figure 1: CFI 2015

Information	
Version	
2015	
Version Status	
Previous	
Value	
SRGCS**C**	
Category	
Code	S
Value	Swap
Group	
Code	R
Value	Rates

Attributes	
Attribute 1	
Name	Underlying assets
Code	G
Value	**Inflation rate index**
Attribute 2	
Name	National
Code	C
Value	Constant
Attribute 3	
Name	Single or multi-currency
Code	S
Value	Single currency
Attribute 4	
Name	Delivery
Code	**C**
Value	**Cash**

Figure 2: CFI 2021

Information	
Version	
2021	
Version Status	
Current	
Value	
SRGCS**N**	
Category	
Code	S
Value	Swap
Group	
Code	R
Value	Rates

Attributes	
Attribute 1	
Name	Underlying assets
Code	G
Value	**Inflation swap**
Attribute 2	
Name	National
Code	C
Value	Constant
Attribute 3	
Name	Single or multi-currency
Code	S
Value	Single currency
Attribute 4	
Name	Delivery
Code	**N**
Value	**Non-deliverable**

What is the CFI Service launch timeline?

26 October 2024: Changes to the CFI Service were deployed into the User Acceptance Testing (UAT) environment enabling users to test this new functionality since October 2024.

12 April 2025: A UAT release will be deployed to align certain OTC ISIN templates with UPI functionality for the CFI code derivation and to enhance file downloads by incorporating the new CFI component. For further information on this release, please see **here**[7].

25 May 2025: The DSB will deploy the CFI Service changes into the live OTC ISIN and UPI platforms.

For further information please see **here**[8].

[1] CFI 2021 standard: www.iso.org/standard/81140.html

[2] www.iso.org/standard/80506.html

[3] www.iso.org/standard/78502.html

[4] See The OTC Derivatives Identifier Framework Explained www.anna-dsb.com/wp-content/uploads/2023/08/DSB-The-OTC-Derivatives-Identifier-Framework-Explained.pdf

[5] www.iso.org/maintenance_agencies.html

[6] www.anna-dsb.com/technology-advisory-committee

[7] www.anna-dsb.com/download/2025-01-31-update-notification-delay-to-the-cfi-service-project

[8] www.anna-dsb.com/cfi-service-implementation