



March 18, 2021

Senator Sherrod Brown, Chair  
Senate Banking Committee  
Washington, DC

Senator Patrick Toomey - Ranking Member  
Senate Banking Committee  
Washington, DC

**Subject: Proposal to Foster Economic Growth and Capital Formation**

Chairman Brown / Ranking Member Toomey,

In support of the objective of the Senate Banking Committee, to foster economic growth and capital formation, the *Enterprise Data Management Council* would like to express its support for the passing of the **Financial Transparency Act (FTA)**, which supports important data management reform that we deem essential towards achieving this objective.

The EDM Council is a non-for-profit, global professional trade association for the data management professional. Operating in our 16<sup>th</sup> year, the EDM Council is an industry leader, with over 250 member organizations, and over 10,000 professional members, focused on developing data management best practices and data standards, providing training, education and certification, and facilitating collaboration amongst subject matter experts to address data related challenges, through workgroups and events in support of its members and industry.

The Council originated in the financial services industry, however, over the past several years, has expanded to non-financial services industries, including manufacturing, auto, pharmaceutical, communications, technology, and healthcare. The Council maintains a strict position of neutrality since it has no commercial ties and is singularly focused on assisting industry.

The Council has a rich history of working with global regulators, including the US Federal Reserve System (FED), Commodities Futures Trading Commission (CFTC), FINRA, Bank of England, Financial Conduct Authority (FCA), European Central Bank (ECB), and the Monetary Authority of Singapore (MAS), to assist with data management best practices and data related standards that lead to better integration, adoption, and compliance of regulation. The Council developed DCAM – the Data Management Capability Assessment Model – a framework for data management best practices utilized by both the public and private sectors, to provide auditable evidence of data management best practices in compliance to regulatory policy.

Capital markets depends on reliable and trusted data. For many years, both the public and the private sectors have struggled with inconsistent and incongruent data. Inconsistent identifier codes for financial products and legal entities, varying financial instrument definitions, overlapping regulatory reporting requirements, have all led to inefficiencies, higher operating costs, and increased risk.

The FTA addresses the longstanding data deficiencies in regulatory reporting by requiring the eight financial regulatory member-agencies of the U.S. Financial Stability Oversight Council to adopt and apply uniform standards for information collected from regulated entities, including the adoption of a common, non-proprietary legal entity identifier. Adoption of data standards will enable better information



processing, software-enabled filing preparation, and data reconciliation. These features collectively are the basis for retail investors, regulators, and the market having better information for selecting investment opportunities and understanding risk.

Better standardization of regulatory reporting requirements would also significantly improve the ability of the U.S. public sector to understand and identify the buildup of systemic risk across financial products, institutions, and processes. Had such standards been in place, regulators may have been able to act more quickly to the 2008 Financial Crisis. The Financial Crisis was not caused by data, but inconsistent, incomplete and lack of timely data left many of the decision makers without the necessary information needed to adequately respond to the crisis.

In the 116th Congress, the FTA had bipartisan support in the House of Representatives, co-sponsored by Representatives Carolyn Maloney (D-NY) and Patrick McHenry (R-NC). Adopting the FTA will improve financial data in the U.S. for the benefit of private markets, investors, and even regulators.

In conclusion, the EDM Council strongly encourages the Senate Banking Committee to consider advancing sensible policies such as the FTA, to leverage and adopt data standard across the financial regulatory member-agencies. Given the EDM Council's expertise in data management best practices, we would be happy to discuss with the Committee, why we feel these steps would be important to the objective of fostering growth and capital formation.

With best regards,

A handwritten signature in black ink that reads "John A. Bottega".

John A. Bottega

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*EDM Council President John Bottega is pleased to provide this letter of support for the passing of the Financial Transparency Act. Please be advised these comments do not represent the views of any specific or collective Council Members but rather are provided solely to serve as general industry feedback for support of the FTA.*