

FINAL
DRAFT

INTERNATIONAL
STANDARD

ISO/FDIS
18774

ISO/TC 68/SC 4

Secretariat: SNV

Voting begins on:
2005-10-20

Voting terminates on:
2005-12-20

Securities and related financial instruments — Financial Instrument Short Name (FISN)

*Valeurs mobilières et instruments financiers connexes — Nom court de
l'instrument financier (FISN)*

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Reference number
ISO/FDIS 18774:2005(E)

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Foreword

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International Standards are drafted in accordance with the rules given in the ISO/IEC Directives, Part 2.

The main task of technical committees is to prepare International Standards. Draft International Standards adopted by the technical committees are circulated to the member bodies for voting. Publication as an International Standard requires approval by at least 75 % of the member bodies casting a vote.

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights.

ISO 18774 was prepared by Technical Committee ISO/TC 68, *Financial services*, Subcommittee SC 4, *Securities and related financial instruments*.

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Introduction

The Financial Instrument Short Name (FISN) code has been developed to provide a consistent and uniform approach to standardize short descriptions for financial instruments. It aims to harmonize the existing market practices that are in use on a national and individual entity level.

With the growth of cross-border trading, the requirement to improve communication of information among market participants has become critical. A worldwide implementation of Straight Through Processing in the securities business requires the use of standardized data elements. For instance ISIN and CFI are key information elements for identifying and classifying financial instruments. The market players of the securities industry usually report on securities transactions by using short descriptions of the involved financial instruments. Currently, market data vendors, banks and securities exchanges describe financial instruments in their databases using their own short names. The names vary in length and also with regard to the attributes composing them and their sequence. The fact that they are defined in local languages limits their use to the local area.

Besides the requirements of Straight Through Processing there are other developments which make the use of standardized short names an urgent issue such as the internet technology which has allowed the growth of e-issuing, e-trading and e-settlements. The prices reported on websites are usually accompanied by short names of the involved securities. Screens limit the space available for the different data elements displayed and especially for short names. Therefore, a standardization of the short name's length, structure and contents will be a benefit for communication and processing purposes. In addition, the retail investor is more likely to identify his securities by using the instrument short name, rather than any identification number.

The solution envisaged consists of using a standard maximum length as well as a standardized structure of the field. The short issuer name which builds the first element (beginning from the left) is followed by a set of abbreviated main characteristics of the financial instrument. The abbreviations to be used must be in conformity with ISO 18773.

The development of these codes will encourage market participants to take advantage of other ISO standards, particularly ISINs and Securities Messages to simplify the communication process among market participants and increase the efficiency in the securities business processes.

The improved identification of financial instruments will lead to a better understanding by investors, giving them more confidence to make investment decisions and leading to more active markets. This, in turn, will result in improved market liquidity.

It is understood that some users may not, for practical reasons, be in a position to implement this International Standard immediately. However, in order for the International Standard to fulfil its objective, users are recommended to implement it as soon as possible.

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Securities and related financial instruments — Financial Instrument Short Name (FISN)

1 Scope

This international standard defines and describes rules for an internationally valid system for building short names of any kind of financial instrument within a defined structure. The FISN applies to both international and domestic financial instruments as covered by ISO 10962. The term “financial instruments” refers not only to classical securities, it also covers the innovative financial products that have emerged in different markets — a trend that is expected to continue in the future.

This International Standard is intended for use in any application in the trading and administration of securities globally.

The FISN has been developed after taking into account the need of human-readability as well as interoperability with existing standards and systems (e.g. ISO 15022).

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2 Normative references

The following referenced documents are indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 6166:2001, *Securities and related financial instruments — International securities identification numbering system (ISIN)*

ISO 10962:2001, *Securities and related financial instruments — Classification of Financial Instruments (CFI code)*

ISO 15022-1:1999, *Securities — Scheme for messages (Data Field Dictionary) — Part 1: Data field and message design rules and guidelines*

ISO 15022-2:1999, *Securities — Scheme for messages (Data Field Dictionary) — Part 2: Maintenance of the Data Field Dictionary and Catalogue of Messages*

ISO 18773:2005, *Securities and related financial instruments — Abbreviations*

3 Conventions and principles

The FISN incorporates the issuer short name and the abbreviated characteristics for the financial instrument.

The FISN has a maximum length of 35 alphanumeric characters. Rules and guidelines are provided to specify the data elements, sequence, delimiters and punctuation related to the financial instrument short name.

The FISN is composed of:

- an issuer name with a maximum length of 15 alphanumeric characters; to ensure uniformity, the same Issuer Short Name should be used for different financial instruments of the same issuer (see ISO 18773);
- a “/” as the delimiter between the issuer name and the instrument description;

- an instrument description with a maximum length of 19 alphanumeric characters, assuming that the available length of the issuer name has been fully used; in the event that all the 15 characters have not been used in the Issuer Short Name, the remaining space may be used to describe the characteristics of the financial instrument.

In the event that only preliminary information is available, the abbreviation shall be distributed and updated as more complete information becomes available.

The FISN shall be assigned upon issuance of the related financial instrument together with the ISIN (see ISO 6166) and the CFI (see ISO 10962); it should be updated to reflect any change in the involved attributes of the financial instrument.

4 Structures

4.1 General

For the purposes of this International Standard, the following structures reflect all possible attributes as being potential components per type of financial instrument. In most cases, not all of them will apply to the same instrument. However, the indicated sequence shall be applied.

4.2 Debt

For debt groups listed in ISO 10962, the sequence of the components considered critical will be as follows:

Interest Rate/Type + Abbreviated Security Type Description + Maturity date + Rank + Pool Number + Class + Series + Tranche + Trust + Program + Guarantee + Restrictions (144A, Reg S, Accredited Investors).

EXAMPLE: If the security type description has 2 characters left, and the next component in the sequence is "rank", then this component is incorporated within the financial security short name structure to allocate a maximum of 35 characters. If the information relating to "rank" does not exist, then "Pool Number" will be used accordingly.

Interest Rate/Type will consist of the interest rate, which could be either numeric or alphanumeric. The percent sign will not be included. The decimal point will be used in the interest rate.

The abbreviated security type description will be in accordance with the abbreviations list (see ISO 18773).

Maturity date will consist of 8 characters, which will include YYYYMMDD (see ISO 15022-1 and ISO 15022-2). In the event that the security is perpetual, the associated abbreviation will be used.

4.3 Equity

Equity groups shall have the following structure and sequence of components that are critical for equity securities.

Share: Abbreviated security description (Sh) + Non-Voting + Class + Series + Partly Paid + Restrictions (144A, Reg S) + Par Value.

The abbreviated security type description Sh and not Com or Ord shall be used in order to provide uniformity across all markets.

Certificates: Abbreviated security description [S (for Sponsored) ADR, GDR, IDR] + Restrictions + Underlying (only included if the underlying security is an instrument other than shares).

Depository Shares: Abbreviated security description + Class + Series.

Preferred/Preference Securities: Dividend Amount + Characteristics (Cum, Conv, Exch, Red) + Issue Type (Preference, Preferred, Preferred Share of Beneficial Interest) + Class + Series.

Investment Trust Shares (incl. SICAF, SICAV): Abbreviated fund description + Class + Series.

The issuer name will consist of the abbreviated company name.

Mutual Funds: Abbreviated fund description + Class + Series.

Mutual Funds shall be treated according to the CFI guidelines, where funds are categorized as Investment Trusts (constituted as companies and classified under “equities” group “shares”) and Mutual Funds that are categorized as collective contracts.

The issuer name will consist of the fund name.

4.4 Entitlements

Rights: Issue type + expiration date + nil/partly/fully paid

Warrants: Warrant type (Call or Put, using the appropriate abbreviation) + Abbreviated security description (Wt) + Underlying (limit issuer name, commodity, index or currency to 6 bytes) + Strike price + Expiration date (YYMMDD) + Class + Restriction.

In the event that the underlying issuer is the same as the issuer of the warrants, the issuer name should not appear in the instrument description.

Units: Security abbreviated description (Ut) + Components (1Sh + 1Wt) + Mandatory separation year (YYYY).

Hybrids: Hybrid acronym + Maturity year (YYYY).

Limited Partnership: Partnership unit + Class + Series.

4.5 Options and Futures

The critical elements and sequence suggested are as follows:

Options: Security abbreviated name (O) + Month + Expiration Year + Type of option (Call or Put) + Strike Price.

Futures: Security abbreviated name (F) + Month + Expiration Year.

Future Options: Security abbreviated name (F) + Month + Expiration year + call/put + strike price.

5 Responsibilities of the Registration Authority

5.1 General

In accordance with the provision of Annex N of Part 1 of the IEC/ISO Directives, the ISO Council has designated the Association of National Numbering Agencies (ANNA S.C.) as the Registration Authority for this International Standard.

5.2 Issuer Short Names

The Financial Instrument Short Name shall be allocated and maintained by the Association of Numbering Agencies (ANNA) along with the ISIN (International Security Identification Number) as defined in ISO 6166.