Open Protocol Working Group: 5th Anniversary and Template Update

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Today, 11th August 2016, is the fifth anniversary of the Open Protocol Initiative. Over the last five years, the Open Protocol initiative has gone from strength to strength. We now have 680 funds with around $1.7tr AUM reporting in the Open Protocol format and it has now become a well-established industry standard. We have had multiple encouraging dialogues with various regional regulators about considering Open Protocol for their systemic risk reporting requirements.

We have kept our promise and avoided making any changes to the template so far. However, recently, S&P Dow Jones Indices and MSCI Inc. have elevated Real Estate from an Industry group under the Financial sector to an additional 11th sector.

Feedback we received from managers and risk systems developers suggested that it would be difficult to continue using the 2011 GICS structure for Open Protocol reporting because it is incompatible with the 2016 GICS version. More information regarding changes made to the GICS structure can found here.

The Open Protocol working group has therefore decided to change the OP template to bring it in line with 2016 GICS structure. The sector breakdown has been changed in the Equity, Credit, Convertible Bond, and VaR sections. Apart from this, there are two other minor changes to the template. First, a revision of the Currency tab to facilitate non-USD base currency managers. This change will not affect any USD base currency funds. Second is the addition of new instrument types under Mortgages on the Credit tab at Grade 3. This change will affect all managers filling in the Credit tab, but only those producing Grade 3 reports will need to provide additional information.

The updated template and manual are available for download from http://www.hfsb.org/toolbox/open-protocol-op-risk-reporting.

Thank you for your support to date and we hope that we can also count on it in the future.