

Commodities Working Group

1. Group Charter

Title of Working Group	FpML Commodities Working Group
Chair of Working Group	Owen King (Markit)
Mission: To extend the FpML Standard to include the OTC commodities markets.	
Scope: <ul style="list-style-type: none"> The Commodities Working Group will extend the product coverage of the FpML Standard to include trade types and products for the OTC commodities markets, following the structure and coverage of the 1993 ISDA Commodity Derivatives Definitions and the 2005 ISDA Commodity Definitions. Although it is acknowledged that a vast and complex array of physical properties associated with the underlying commodity products exist (more so than the properties of the underlyers associated with other asset classes included in the FpML Standard), the Commodities Working Group will attempt to cover as many commodity underlyers as practically possible in the final model. The initial focus of the Commodities Working Group was the Commodity Underlyer (on the basis of the Asset Model approach), Vanilla Fixed/Floating Swaps, Basis Swaps and Options, (European, American, and Asian style). "Shaped" Swaps/Basis Swaps and strips of Options were also covered. These products were included in FpML version 4.5. The group is currently working on physically-settled trades and it will focus on Cash Flow Matching at a later stage. The Commodities Working Group will liaise with the Architecture Working Group, the Validation Working Group and other asset classes' Working Groups in order to ensure consistency with the rest of the FpML Standard. Where appropriate, the Commodities Working Group will liaise with other industry groups for the benefit of cross-leveraging other industry standards in other markets (for example, the physical delivery markets) in order to provide consistency for participants who may be active in more than one arena. The Commodities Working Group's deliverables will be in the form of an XML Schema, together with supporting documentation. 	
Milestones	Date for completion:
Kick-Off Meeting	18 April 2008
Initial Off Site Meeting	18 April 2008
Commodity Underlyer, Swaps, and Options (FpML 4.5)	

Working Draft for Review	Summer 2008
Working Draft Published	August 29, 2008
Recommendation Released	March 2009
Physically-settled transactions (FpML 4.6)	
Working Draft for Review	Spring 2009
Working Draft Published	Spring 2009
Recommendation Released	Summer 2009
Dissolution of the Products Working Group	TBD

Meeting Schedule

The whole Commodities Working Group will meet on a weekly basis by telephone conference call (duration of approximately one hour).
A central group discussion list will be used to manage group communication and to provide an archive of discussions and decisions.

Rules of Operation

The Commodities Working Group will adopt the FpML Rules of Operation (Working Group section), which outlines best-practices for meetings, managing member participation, reaching group consensus and voting.

Estimated time commitment from Participants:

Working Group Members should be prepared to commit at least 1 day per month in a manner as described below. Full members must have the agreement and support of their management before signing up to the Working Group.
It is expected that participants will sign up for action items and proposals, and will generally participate in discussions during the week. Participants will also need to liaise with members of other Working Groups to ensure the consistency of the Standard.
Experience has shown that occasional face-to-face meetings can expedite the process, so members should be aware that some travel and full-day meetings might be required.

2. Chair Contact Information

Chair of Working Group:	Owen King (Markit)
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