The Financial Data Transparency Act (FDTA) amends securities and banking laws to make the information reported to financial regulators electronically searchable to further enable the development of regulatory technologies and artificial intelligence applications. The ultimate goal of the bill is to harmonize and reduce the private sector's regulatory compliance burden, improve the reporting infrastructure for regulated firms to improve accountability, and to provide better information to the American public, investors, regulators, and private sector firms.
SUMMARY OF KEY PROVISIONS

The FDTA directs the Department of the Treasury, Securities and Exchange Commission, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, Consumer Financial Protection Bureau, Federal Reserve Board, National Credit Union Administration, and Federal Housing Finance Agency to implement data standards developed through a joint rulemaking. The joint rulemaking is intended to promote cooperation and interoperability across the financial regulatory infrastructure, while also promoting consultation between departments and agencies in developing data standards for respective reporting processes. The data standards would address information reported to each agency by financial institutions under their respective jurisdiction and data collected from member agencies on behalf of the Financial Stability Oversight Council.

The FDTA defines “data standards” to include:

» Common Identifiers

The FDTA asks for the establishment of “common identifiers” for information reported to covered regulatory agencies, which could include transactions and financial products/instruments. It specifically requires the adoption of a common, non-proprietary legal entity identifier for regulated organizations. The entity identifier would have to be made available under an “open license,” which in existing law (per P.L. 115-435, Title II) means “a legal guarantee that a data asset is made available - at no cost to the public; and with no restrictions on copying, publishing, distributing, transmitting, citing, or adapting such asset.” (Sec. 101)

» Searchable, Machine-Readable, Open Data Standards

The FDTA includes a set of required characteristics which builds upon industry and technology best practices, accounts for lessons learned from existing federal regulatory standard setting, and incorporates relevant federal policy and international standards definitions. The data standards require that data be rendered fully searchable, which is facilitated by the requirement to be “machine-readable” as now defined in federal law as meaning “data in a format that can be easily processed by a computer without human intervention while ensuring no semantic meaning is lost” (per P.L. 115-435). The data will be made available under “open license” format which will reduce barriers for industry, academia, and others to incorporate or reuse the data standards and information definitions into systems and processes. This requirement will also facilitate competition among multiple vendors for creation, data collection, and analysis tools, which reduces long-term costs (Sec. 101).

Aligning with Government-Wide Policy for Open Data Publication

The FDTA requires each covered agency to publish collected information, as appropriate, as “open data.” The FDTA reiterates the requirement for disclosable public data assets to be made available as an “open Government data asset” (per P.L. 115-435). This ensures the data assets published under the regulatory authorities of the FDTA’s covered agencies are presented in a manner consistent with existing government-wide data policy ("machine-readable," “open license,” and appropriate “metadata”). The FDTA directs that these datasets are to be made available at the regulatory agencies for bulk download in a “human-readable format.” (Sec. 102, Sec. 202, Sec. 302, Sec. 401, Sec. 501, Sec. 601, Sec. 702, Sec. 802)

No New Reporting or Disclosure Requirements

The FTA does not authorize any new regulatory information collections and does not authorize the publication of any information that is not already required to be published by existing law. (Sec. 103, Sec. 206, Sec. 304, Sec. 403, Sec. 503, Sec. 604, Sec. 704, Sec. 804)

Implementation Timeframe

The covered agencies have two years from the date of enactment to develop and publish the required data standards through a joint rulemaking. Covered agencies then have two years to implement the data standards into their respective regulatory compliance reporting. (Sec 101 (a), Sec 203, Sec 303, Sec 402, Sec 502, Sec 603, Sec 703, Sec 803)