

Object Management Group

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Financial Product Management Facility

Request For Proposal

OMG Document: finance/99-10-01

Submissions due: June 1, 2000

Objective of this RFP

The Financial Product Management Facility defines the interfaces and their semantics that are required to enable the interoperability of product development and administration systems with other financial systems as well as other distributed objects and applications.

This RFP solicits proposals for specifications for the common features of a Financial Product Management Facility for the financial services industry.

For further details see Chapter 6 of this document.

6.0 Specific Requirements on Proposals

6.1 Definition

A financial product is an intangible good or service of perceived economic value that, when received, generally provide for a revenue stream at some future point in time or protect one or more parties against the risk of financial loss. The product management facility maintains definition of financial products. The following is the financial markets supported by this RFP:

A. Primary Market

In this situation the issuer of the product is the same institution that offers transactions in them. The institution typically customizes product line features, and then may negotiate a particular agreement – sometimes based on an agreement template - with each individual client.

B. Secondary Market

Here the issuer is different from the financial institution that offers clients. The agreement is typically a registration involving this instrument alone, or an account, providing for transactions. In this Market a product may be called an Instrument.

6.2 Problem Statement

An essential aspect of the finance business is the ability to design and maintain products. One way financial service organizations can stay competitive is by developing products to meet the needs of a constantly changing marketplace. These products must be created in a timely fashion, be flexible and durable, and ensure commonality by taking advantage of common product structures and definitions.

A further benefit of common financial product interfaces is the relative ease of accommodation of acquisitions and mergers. Communities that will be interested in such a facility include the insurance, banking, brokerage, and securities sectors.

6.2 Scope of Proposals Sought

6.2.1 This RFP seeks responses that identify the external interfaces, relationships, and semantics that are required for product management application interoperability with other financial systems.

The key concepts of product management are defined as follows:

- financial product lifecycle – definition, deployment, production, and termination.
- product categorization (classification, families, and types) – arbitrary groupings of products
- jurisdictional variations of products – adaptation of a product to various sets of regulations
- product versioning – the ability to change the product while still providing a point in time view of the product as well as making retroactive changes to a product definition.

- creation of products through composition from other products and features.
- 6.2.2 This RFP does not seek proposals for internal interfaces of a Financial Product Management Facility or other functions that are not required for general interoperability with other financial systems.
- 6.2.3 This RFP does not seek proposals for other financial applications, as found in the FDTF White Paper, Finance 98-12-08, such as:
 - Agreement Management
 - Non-financial products such as bottles and cars
 - Claims Management
 - Investment Pool Management
 - Portfolio Management
 - Asset Management
- Risk Management

This RFP explicitly does not cover creation and maintenance of agreements resulting from product production or sale. During the lifecycle of a product, numerous agreements may be produced, but management of these is deferred to the agreement management facility.

The facility will not assume knowledge of any individual agreements or parties. Proposals must, however, define how other applications, such as those mentioned previously, could interface and interoperate with the Financial Product Management Facility using OMG IDL interfaces.

6.3 Relationship to Existing OMG Specifications

- 6.3.1 The Financial Product Management Facility may (at the submitters' option) reuse or depend upon the following existing OMG technologies. Whether these technologies are utilized or not, the submitters shall address relationships to these OMG specifications in their proposals:

- Security Service.
- Transaction Service

- 6.3.2 Submitters shall also be prepared to discuss relationships to other OMG technologies in the evaluation process of the Financial Product Management Facility proposals. Some of these potentially relevant technologies are in the process of adoption at OMG. In particular, submitters should be aware of:

- Unified Modeling Language (UML)
- Currency Facility
- Workflow Facility
- Common Facilities Time and Internationalization
- Event Service
- Pass-by-Value
- Notification
- Party Management Facility
- GL Facility

6.4 Related Documents and Standards

- Common Facilities RFI #2 (Financial Services) Responses
- Reference Model for Open Distributed Processing (RM-ODP)
- CORBAfacilities Architecture
- Financial Agreement Facility RFP
- FDTF White Paper (Finance 98-12-08)
- Calendar Facility RFP

6.5 Mandatory Requirements

- 6.5.1 All interfaces of the Financial Product Management Facility shall be described in OMG IDL and include specification of exception conditions on operations. Proposals shall define the Financial Product Management Facility in a manner that supports programming language independence. Proposals shall exclude dependence upon specifications that do not provide for implementation independence.
- 6.5.2 Proposals shall provide sufficient level of description to allow for independently developed financial applications (including legacy) to interoperate using submitted Financial Product Management Facility interfaces.
- 6.5.3 Proposals shall provide Financial Product Management Facility support for multiple domestic currencies. For example, this requirement derives from the phased transition in the European Union from single indigenous National currencies, to the Euro. For a protracted period, both currencies will be used simultaneously as *domestic* currencies. The combination of US Dollars and UK Sterling is an example of mixed currency support that is not necessarily domestic. General support for multiple international currencies is not mandatory because the vast majority of financial applications do not require nor implement this capability.
- 6.5.4 Proposals shall support financial product persistence in a manner that is transparent to financial applications.
- 6.5.5 Proposals shall include examples of the behavior of Financial Product Management Facility interfaces for clarification.
- 6.5.6 Proposals shall provide for several viewpoints of the financial product with respect to specific points in time.
- 6.5.7 Proposals shall support financial product assembly via composition from other financial products and from financial product features.
- 6.5.8 Proposals shall provide full product lifecycle management support, from definition to deployment, to production, to termination.

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- 6.5.9 Proposals shall manage variations in financial products due to jurisdictional differences, as well as other arbitrary differences.
- 6.5.10 Proposals shall provide a facility for specifying financial product rules, such as product rating, premium calculation rules, and rules for instantiation of the product.
- 6.5.11 Proposals shall support the externalization of financial product information for various reasons, including profitability simulation and pricing analysis. For markets on which the product is transacted examples are, prices/quotes, regulators, and responsible coordinating organizations.
- 6.5.12 Proposals shall support financial product categorizations, including but not limited to classification, families, Issuer, and types.
- 6.5.13 Proposals shall provide for financial product versioning to support variations over time.

6.6 Optional Requirements

- 6.6.1 Proposals may provide for retroactive changes to products currently in production. This requirement may be required for sectors of the marketplace whose products are subject to regulatory review.
- 6.6.2 Proposals may provide for localization of the product facility with respect to natural languages and local practices.
- 6.6.3 Proposals may provide support for multiple textual descriptions of product entities, such as product name variations. For example, this capability is desirable in multilingual enterprises to support user-selected language preferences. Note that multiple textual descriptions can be manually entered automatic transaction is neither necessary nor recommended to support this requirement.

6.7 Issues to be discussed

- 6.7.1 Security and integration with the OMG Security Service and the requirement for additional security services, models, or profiles.
- 6.7.2 Considerations for the integration of legacy systems to implement the product management interfaces. This includes interoperability with compliant (OMG) and non-compliant (wrapped) systems.
- 6.7.3 Relationships and dependencies on other OMG or non-OMG technologies.
- 6.7.4 Support of time and time zones
- 6.7.5 Exchange of product information between multiple implementations of the facility.
- 6.7.6 Providing a means of searching for products based on a variable set of criteria.
- 6.7.7 Providing a means for multi-lingual searching.
- 6.7.8 Assure that products will be identified uniquely across multiple domains.
- 6.7.9 The ability to navigate requests between related facilities in the future (e.g. Agreement, Party, Investment Pool).
- 6.7.10 Record and maintain an audit trail. (To enable retroactive changes requires an audit trail, except perhaps for the indication of who made the change).
- 6.7.11 Handle extensibility of the product entities.
- 6.7.12 Distinguish between corrections and actual changes.
- 6.7.13 Handle multiple concurrent users and resolve contention issues.

Submitters should discuss the differences between generic and domain specific interfaces.

6.8 Evaluation Criteria

The contents of this RFP establish the criteria for evaluation of the Financial Product Management Facility submissions. Submissions will be evaluated by the Financial Product Management Facility Evaluation Team of the OMG's Financial Domain Task Force (FDTF). The Evaluation Team will consist of a small group of interested OMG member organizations. The evaluation will be based on the stated mandatory and optional requirements, as well as, the other stated and referenced requirements of this RFP.

6.9 Other information unique to this RFP

6.10 RFP Timetable

The timetable for this RFP is given below. Note that the TF may, in certain circumstances, extend deadlines while the RFP is running, or may elect to have more than one revised submission step. The latest timetable can always be found in the Member Services section of OMG's Web page (URL <http://www.omg.org/>)

Approx Day	Event or Activity	Actual Date
	<i>Preparation of RFP by TF</i>	<i>11/99</i>
	<i>Approval of RFP by Architecture Board Review by TC ("Three week rule")</i>	
<i>0</i>	<i>TC votes to issue RFP</i>	
<i>60</i>	<i>LOI to submit to RFP due</i>	<i>March 10, 2000</i>
<i>120</i>	<i>Initial submissions due</i>	<i>June 1, 2000</i>
<i>134</i>	<i>Voter registration closes</i>	
<i>141</i>	<i>Initial submission presentations</i>	
	<i>Preliminary evaluation by TF</i>	
<i>240</i>	<i>Revised submissions due</i>	
<i>261</i>	<i>Revised submission presentations</i>	
	<i>Final evaluation and selection by TF Recommendation to AB and TC</i>	
	<i>Approval by Architecture Board Review by TC ("Three week rule")</i>	
<i>330</i>	<i>TC votes to recommend specifications</i>	
<i>360</i>	<i>BOD votes to adopt specifications</i>	