FDTF Call Notes

26 Jan 2021

# Attendees

* Mike
* Rob
* Pete
* Cory

# Agenda

* Determine program of activities for these fortnightly calls in Q1

# Meeting Notes

### Program of Activities for FDTF

MB summarizes from last meeting

There is a ‘pot’ of potential things to work on.

Notes in slides (MB unravelling these slides so we have the note-taking slides identifiable distinct form the generic slides we started the last call with)

Go over those for context.

### GovDTF Status

Did not meet in December.

CC (Co-chair) less involved – Lars is doing most of the work.

He did provisionally set up a monthly meeting schedule after the December QM but formal invites have not emerged. Had requested agenda items.

First expected meeting was last week or the week before.

Possible that this is due to the lack of any agenda items.

In this group – one of our question was, where there is something like CBDC that is partially finance, and if that is no longer meeting, can and should we be doing some work in FDTF on it.

We would like to work on this and comparable areas. If GovDTF is not meeting, presumably we can simply proceed with working on these things. If someone comes back from GovDTF later, we can welcome their input on any further aspects of these items that we were not working on.

Would apply to e.g. CBDC, Crypto-currency, other such (GBA?)

Consensus: f we are prepared to put in the effort we should do that. Advertise in both TFs.

Does not need to be called the same thing.

e.g. choices are:

* Revitalize CBDC
* Do another WG with a slightly broader but overlapping remit
  + E.g. digital currency
  + And just run that
* Or just do it here as part of these meetings
  + i.e. a work stream of FDTF – either
    - as a slot on these biweekly meetings or (less preferable)
    - a separate meeting slot

Generally, we all want to avoid there being WGs that stop and start.

Any WG should have >1 active co-chair, a wiki for visible outputs etc.

## Getting Something Done

Example: BC-PSIG model – emphasizing RFIs, RFPs etc. as deliverable milestones, based on quarterly meetings

* we should do that here
* Pick one: do an RFI on this for issue at Q2 QM.

### Digital Currency

Idea of doing an RFI on CBDC or for Crypto currency more broadly.

Interest some SMEs in this stuff. Lars was bringing some good SMEs, which we hope to see again.

Scope

* Crypto currency
* Digital Currency
* Central Bank Digital Currency

Do a broader RFI. Frame in such a way as to call out those distinction.

CBDC – does this exist yet?

* China has one
* France – sounded like they had one under way

See notes posted on the CDBC Wiki.

#### The Hunt for the CDBC Wiki

Looked for the wiki

Has a mail list cbdc but not a wiki

No sign of the China CBDC article on the wiki

Looked on the Blockchain PSIG wiki in case the article was posted there. Not found (new structure made this hard to determine)

Looked for CBDC wiki

[later: there is a definitive list of OMG wikis, it’s just hard to find via the OMG web front end:

<http://www.omgwiki.org/>

There does NOT appear to be a CBDC Wiki.

]

#### Initial Research

China CBDC:

<https://omg.network/blockchain-cbdc-in-asia-2020/>

(Who are the ‘OMG Network’? - seems nothing to do with the Object Management Group ™)

#### Consensus:

Do an RFI on Digital Currency (including but not limited to Central Bank ones)

Is this reasonable?

Yes, but may not make 1st quarter – too soon to determine when it would go out.

Also not clear if this is something that would lead to OMG type standards.

Might also include crypto currency?

Who would be potential responders

* Kaiko? / and Bloomberg
* Crypto folks
* US Dept of Treasury
* US Fed
* Dept of Commerce
* Large banks (e.g Morgan Stanley do something in this area)
* Other large bans anyway to get their read o thigs (BoA, Citi etc.)

What sort of information would we be looking for (and would it potentially lead to some RFP?)

Possibles:

* Trading and transaction aspects
  + E.g. if a digital currency like a CDBC it is not like bitcoin, who would be doing or supporting the transacting (e.g. only between Reserve Banks in the Fed reserve system; or also between large banks etc.
  + Would it at some point be something a bank needs to move to (at least for CDBC)
    - Then implies standardization
* What else?

#### Potential outcomes in standards

* Lead to potential FIBO extensions

Semantic analysis:

Bitcoin – is really exactly like a commodity (with one property missing)

Would be potential to add these to FIBO as Commodity qua Commodity. Can crete commodity instruments out of that.

Funds: BitCoin fund called Skybridge – see link

<https://www.bloomberg.com/news/articles/2021-01-05/scaramucci-sees-massive-gains-for-bitcoin-in-comparison-to-gold>

You could arbitrage between crypto currencies and commodities.

Or as in the above, just use as investment (including e.g. as a safe haven investment like Gold).

Also Exchanges: there is more arbitrage between exchanges for crypto currencies.

Stablecoin – also fits the intended RFI scope

Topics to include in the questions:

* Kinds of digital currency
* Exchange and exchange matters
* Identification?
* Stablecoins

**Outcome;** we are doing an RFI!

Topic: Digital Currency

Would lead to potential future RFPs for narrower topics and / or extensions, usage suggestions etc. for existing OMG standards (principally but not only FIBO).

### Other WGs

Statistics WG – is meeting. Not discussed today.

## Horizon scanning

### FinExtra

See: <https://www.finextra.com/videoarticle/2463/sasb-and-xbrl-s-recipe-for-better-esg-reporting/sustainable>

25 min video to play at people’s leisure.

### ESG

<https://www.responsible-investor.com/articles/uk-green-taxonomy-what-we-should-learn-from-the-eu-taxonomy-and-how-the-uk-can-create-a-race-to-the-top>

(ESG agenda)/workstream

# Outcomes

Think about the cadences of these meetings e.g.

* Use this meeting for the DC RFI each time
* Alternate meetings with that and other topics
  + ESG
  + XBRL
  + RegTech
  + Other things in the list from last time
* Cover a bit of each thing on each of these bi-weekly meetings
* Do additional stream of meetings dedicated to that specific topic (and likewise for other topics) and use these meetings to report back and coordinate

Also use these main meetings for horizon scanning – just today we’ve seen 3 or so things to look at that would feed into our broader agenda.

### Topics of Interest to the Group

ESG and XBRL – there is overlap between these.

PR is interested in these.

RN: ESG link – see above

Also people in that space e.g. SASB, FASB, IASB, ESG Foundation

* Find other groups that already exist in the sustainability space
  + These seem to be in conversation
    - Where this is going
    - Potential standardization

So we should find a way into those conversations (see note from last time – OMG has not been there and could be. We should come to the table and see what’s going on)

May be too early for an RFI when we have not yet been part of the conversation – given this has been in discussion for some years.

How to do that?

We need a kind of discovery process within this group, ahead of a more public RFI.

e.g. the SASB Taxonomy work is going on.

The latest link (in the ESG sub-heading above) comes from a group Rob continues to be involved with. They have connections with SASB and people in the industry. Potential connection. This is Brigitte Waldman (sp?) who also knows Richard Soley.

So we have connections.

## Outcome

Discovery process on ESG – we have connections.

Alternate between ESG and DC RFI for now.

Do a deeper dive into the RFI in the next meeting in 2 weeks – see what state we are in for Q1. Start drafting something.

As a minimum we may have a rough draft to review at the Q1 QM. As a maximum we may be ready to issue one.

This is the agenda for 2 weeks (one fortnight’s) time.

## AoB

No