FDTF Call Notes

*29 June 2021*

# Attendees

* Mike Bennett
* Rob Nehmer
* Juergen Boldt
* Pete Rivett

# Agenda

* Q3 planning

# Meeting Notes

## Review of the QM session notes

Was mainly a continuation of the review of the RFI with some strong new ideas on the ontology of money and some questions about what has utility for OMG standards-setting, interoperability etc.

## See Also

<https://www.bbc.com/news/business-57632831>

## OMG Motivations

As discussed at the Quarterly Meeting

In general we have 2 motivations for any piece of work:

* Potential standards
* Vocabulary and concepts (per VCoI) for use in standards or in the wider community

### Comments?

Unclear how this fits with the GovDTF CBDC WG activity.

CBDC = Central Bank Digital Currency

Lars reiterated intent to restart once some US government activity is in place. It was not made clear why we would wait for that, as an international standards body. Also noted that there are activities of relevance in China among others.

What we did determine from this group's POV was that it will help that we can sort out the conceptual and definitional questions around money and currency as something that would be helpful as a starting point for the CBDC WG when it does get started.

Proposal (PR): When CBDC WG does get started can we either:

* Make is an FDTF activity, or better:
* Make it a joint activity between GovDTF and Finance DTF

### Definitional Activities

So for the definitional activities

* Follow the VCoI framework
  + Terms and Definition by Context
  + Abbreviations also by context
  + References

Right away: CBDC is an acronym to define.

* Define it
* Capture the 'context' in which it is defined

Here the context for CBDC spans GovDTF and FinanceDTF

OR OMG as a whole.

One proposition on that is to be able to propagate terms/definitions, acronyms, references, across TFs / SIGs, e.g. from one TF or SIG to another e.g. DLT terms from Blockchain to Finance, Money terms from Finance to GovDTF and Blockchain and so on.

Also contact Marketing at OMG on this. We can post documents (as publicly available) and marketing can refer to them.

We should consider the governance arrangements here e.g. it would not be right for one WG to define something for the whole OMG – e.g. for CBDC to define something as a WG, especially if this were not a government specific term.

Would also need a scoping approach. For example would it be up to GovDTF or Finance DTF to provide a definition for Currency?

Sometimes easy e.g. Currency = Finance so FDTF

Other time it won't be so obvious.

So ideally we would have TFs / SIGs to work together to agree on definitions.

We also don't have an approach for creating definitions other than how to define things within a given document.

Needs AB coordination (plus OMG management coordination?)

Also OMG trying to do something better on collaboration and wikis. Improving on the current crude software.

This will be done via the notion of 'Communities' but we currently await an announcement in September on this. Depends on infrastructure changes and updates. Timelines are not guaranteed.

Meanwhile templates and infrastructure for LaTeX specs generation using GitHub, sets us up for a more standards boilerplate glossary.

We see the document tables as outputs from VCoI rather than a point of control of it.

### Way Forward

One thing we discussed at VCoI was how to socialize these ideas across OMG.

Also the proposition for how groups can share with each.

The one thing VCoI will NOT do is define any definitions of any terms. That's always up to the TF or SIG.

VCoI will develop a simple concept model to support the 'Context'.

The other thing did talk about at VCoI was to do an initial 'example' Domain Concept Ontology, for the FDTF's 'Ontology of Money'.

Those questions are broader than what is needed for the DC RFI. But would feed into it.

## Our Quarter Plan

We alternate between

* The DC RFI
* The broader stuff
  + New things that come out
  + The Ontology of Money

### The Ontology of Money

What do we mean by that?

VCoI approach:

Concept (with definition)

Context of the definition (might be simply 'banking' or 'finance')

Some Contexts:

* Finance as a whole
  + Wholesale finance
  + Retail finance
* Blockchain / DLT
  + Concepts e.g. liquidity
  + Words e.g. Ledger

### Directions for Q3 Work

RN: While the Ontology of Money is a good thing to work on as it segues into the DC RFI (and uses the VCoI approach); if we are talking of potential outputs for this FDTF group and series of calls, there is no call for an ontology of money – should be clear we are not setting a standard for that (there are also good academic papers on that for example). Maybe an ontology of risk, and applicable risk standards, might be a good long-term project to work on

e.g. in Finance: Systemic Risk remains an issue.

Including recovery from Covid in the Global Financial System.

So in terms of scope for the Quarter:

If we did risk, would not be with the expectant of a new work product, but may be a good component of the 'Other things coming up' discussion, since many of those things are directly related to DC plus broader issues, while Risk is a much broader issue. Much broader (and more relevant) than whether cattle can be considered as currency.

Als with SMEs we may struggle to arrive at a god concept ontology for these things anyway.

### Risk

A broader ontology of Risk would cover a broader Context:

If Risk = Probability x Impact

(of some event, on some Goal)

Really belongs in BMI.

With Financial risk as a sub-set of those concepts needing to be defined.

Language varies e.g. Hazard in insurance, Threat in military and (I think) government. These are all cases where the different contexts call up different words for the same concepts as framed by the overall ontology.

Systemic Risk – from a government v company PoV – see Basel conventions on these things.

Again we would need SMEs in that space – without someone in that space asking for our help this may be a bit cheeky. Can perhaps draw in more involvement from the GovDTF on these things.

Particularly as the Europeans are moving ahead with these questions whether or not the US currently is looking at these things.

### Other Topics for Q3

Other comparable topics:

* ESG

A lot of new stuff exploding on the accounting side, much of it relating to risk (wrt climate change)

e.g. Governance is aimed at reducing risks (of various sorts).

Many of the names of the metrics have changed on these. Things like # gallons jet fuel per customer mile. This is for carbon not efficiency, therefore targeted at (climate) risk.

Also: if someone is about to invest in a given fund, they choices based on a number of criteria, one of which is risk (including but not limited to avoiding the risks of climate change).

### Topics Conclusions

Risk is a nice topic for bringing a lot of these things together.

The risks in play in finance and ESG are themselves not limited to financial risk!

This goes back to Pete's issue about what happens if a small WG or TF ends up defining something for the whole OMG.

Conversely, the alternative is that as at present, terms are defined narrowly within one single written document.

### Using the VCoI Approach

What we (or VCoI) might do is look at some of the definitions in existing documents (what VCoI already did for 'metadata' as a term).

May add to the VCoI process: start by looking at specs or other OMG documents that might already have definitions for a term someone needs.

How searchable are OMG docs? e.g. can you grep across a whole set of documents (e.g. from one PSIG or one TF) and search across all of their documents for e.g. 'Algorithmic Governance'

There is a Search Bar in the OMG Home page.

Does that do the Grep?

Also if you use document boilerplate, that already contains a number of existing references. Some of these would get you to a definition in a given specification.

There may be work to have a Definitions page up and running.

There was also discussion at the AB on this, at the last meeting. VCoI has concrete proposals to contribute to that. VCoI will contact Jason on this.

As a WG, VCoI can get on anyone's agenda. Does not need clearance from the 'owning' TF.

### Summary

Aim at a Risk concept model, but with BMI.

- is BMI the right place to go?

We think so.

Especially if we are interested in their core concepts (not the detail of financial risk, which would need to be articulated in FDTF). May find the BMI might not be too interested in doing a core ontology for something they would not otherwise use.

- also, some of the investment related risk factors are broader e.g. operational risk concepts. And climate risk, ESG / Compliance etc.

Anything that is goal oriented (including business, project, NFP, military, Gov etc.) has a corresponding risk metric.

Add that vocabulary to the VCoI stuff along with the DC RFI Terms for the vocabulary of the FDTF DC RFI.

### Actions

Talk to GovDTF to collaborate on the DC RFI and on future vocabulary work e.g. risk, money, finance concepts.

The OMG needs to handle the scoping question generally between TFs in order to be able to handle the scoping questions for vocabulary definitions. In principle the Charter for each group should address these questions but the fact we are seeing crossing of scope across groups suggests this might be wholly effective at present.

We should chat to Jason about that.

## AOB

None

## Next Meeting

Next Tuesday 6 July.