Blockchain PSIG Notes

*1 August 2019*

# Attendees

* Allen Brown
* Jim Lynch
* Karen Shunk
* Nelson
* Richard Beatch
* Mike Bennett

Copy these notes to RB

# Agenda

* Housekeeping
* IDs for Crypto Assets WG update
* Plans for Nashville
* AoB

# Housekeeping

## Wiki

Has a Public and a Private area.

Can we move the minutes to the Public space?

* No objections to that.
* MB to action / find out how to do this

### Wiki Access

GS1 is a member of OMG

MB to make a login for Jim Lynch

Nelson also (IOTA is a member)

### GS1 Presentation

Possible 5 September (or 19th)

**Decision:** We go with the 5th.

# ID of Crypto Assets

Update from Richard Beatch

The WG Started in Amsterdam

Started with scope:

* Crypto tokens (BTC etc.)
* Things that can be stored and represented on DLT e.g. artworks

Had 3 meetings to date; every other Wed at 11am ET. Next call 7 Aug

Includes (now) the group address for bc-psig

Looking to add a 2nd meeting. TZ considerations e.g. Pac Rim / Aus. Probably early ET.

### Scope

Included: things like bitcoin

DLT representations of artworks – assume not

### Conclusions on Scope:

* Crypto currency
* Crypto representations of financial instruments
	+ E.g. Cadence – have a crypto representation of a basic FI of the sort a normal data vendor would know about
	+ Trad FIs as underlyer as it were

### What to include at a more granular level?

**Crypto ccy:** minimal requirements to create one. Server, programming know-how

Server could be somewhere problematic e.g. Iran. Problem for data vendors

Have to distinguish between good and less reputable Crypto Ccys.

**Decision:** instead of adjudicating these, look at crypto exchange. If a good Crypto exchange or a percentage of the list it, include them.

Then: what is a good Crypto exchange. Harder but possible.

If the Crypto exchange does crosses between a crypto and fiat ccy, and works with banks, that makes it legit.

Then if a % of these recognize the ccy then we include it.

### Further:

Also realize just the ccy is not sufficient, because:

* It doesn’t match what we do with other ccys
	+ E.g. no ID for EUR but one for EUR / USD Cross
* So we should include crosses as what is identified
	+ But the cross between 2 ccys may be radically different on 2 exchanges
	+ So need IDs at the Crypto exchange level also

This means there is a hierarchy as in FIGI. So extend FIGI to cover this.

Things like Cadence – assets that allow to exchange on crypto exchanges. Not clear if FIGI needs to be identified to cover those.

All these conversations ongoing.

### Who is involved?

* Crypto Compare
* ITSA
* IOTA
* Cadence
* Blockchain Research Inst
* Kaiko (Paris)
* Bloomberg
* State Street

More joining.

### Questions and Discussion

#### Assets:

May mainly need to extend the underlying data ontology

e.g. hierarchical spot structure for general cross v exchange specific cross

#### Crypto assets and kinds of underlyers

Most input coming from Cadence. Not all trad assets, sometimes a crypto asset serves as the underlyer. Whatever model we come up with, the one with crypto underlyers would extend.

The FIGI ontology is not a ontology of instruments but of identifiers for them. Deliberately did not include instruments – FIBO does that. Then if it is an ID for an X, say something intelligent.

MB: Classifying the underlying things that are identified presents the same challenges as dictionary whereby you need to know some structure within what is identified – whether taxonomy, ontology etc.

#### IOTA

Nelson (SDN): Challenge is to explain what we are doing to the Board. We have diverse backgrounds. We have e.g. the woman who helped write the ZA constitution, an MD transitioning to tech, math geniuses, tech and programmers. Positioned as ‘ELI5’ (Explain it like I am 5).

IOTA good at explaining these kinds of thing e.g. a 1 page blog.

Makes sense. Come up with not only update to FIGI tech spec, some approachable materials.

SDN – would be happy to work with RB on that. Not really ‘5’ but explain to some suitable audience.

Challenge in determining of the crypto asst you are identifying is a benevolent player in the world.

#### Perceived Legitimacy

If we recognize a thing, we are giving it legitimacy. Need to be v thoughtful of when and how, what criteria we use. There are Qs about how we implement these in FIGI. May ed up partnering with one of the other orgs (Kaiko, Crypto Compare have interest in this). Will impact how the FIGI spec gets extended. Having IOTA insights would be help, given her background on this. Focus on social good.

* Technical governance (DIDO-RA)
* Social responsibility

FIGI issuance can end up being interpreted as endorsement – or e.g. legislation in other jurisdictions may mandate this, as Russia stock exchanges did for CFI. Really is an endorsement.

If the server is in a basement in Iran. Traceability and transparency.

#### Is this about bad actors, or sanctions (Iran)?

In the above example it is both. So these are actually distinct issues. Need to manage these issues separately. Iran sanctions are a specifically US issue.

There are also likely other banking regulations that come into play i.e. countries that one can’t do business with from this or that perspective.

So there is national v international e.g. Basel considerations.

From international PoV – difficult problem. Artificial boundaries etc.

Distinguish between:

* Good v bad participation (selfish or not)
	+ e.g. IOTA built-in tech on node reputation
* Corporate culture on social good

#### Do we have a FIGI?

Go to openfigi.com to find out.

#### MVIOTA

There is something called IOTA with a FIGI already, which raised some questions.

This is a commodity Index with IOTA (or MIOTA) as its reference point.

Index is a kind ‘referential index’, already covered in the FIGI structure.

#### Social goods

We even need a DLT for people’s assertions about e.g. social good.

# Plans for Nashville

## Meetings we have:

* Joint session with Blockchain PSIG and FDTF on the ID4CA WG.
* Nashville half day

### Timings

BoD meets Tuesday afternoon

Accommodate European dial-in for BC PSIG so morning better.

**Conclusion:** Tuesday Morning for BC PSIG

Joint session with ID4CA WG as the last session of that. 1 hour.

*[NOTE: Since this meeting, this has been moved to the Wednesday morning, except the ID4CA WG joint session which remains as stated]*

### Other topics for Nashville

IOTA update

MAM – Masked Authenticated Messaging

Doesn’t depend on IOTA Tangle. Can work independently.

MAM Draft standard at Nashville AND a IOTA Node standard.

MB would do a general update on that. Helped by…?

DSN getting backup to MB for the presentation. Will expect to see some folks who can help answer questions, including via telecon.

Long Beach – expect the big hitters for IOTA.

### The Interoperability RFI

Working session – frame the RFI and be ready to digest answers and frame a future RF (Long Beach).

### Governance in general – discussion

Bring in DIDO-RA and the more general topics we covered earlier today i.e. social, technology governance, technical capability etc. etc.

# AoB? / Other updates

KS: Denis Gerson considering coming to Nashville

Contact him, see if coming, strategize his time e.g. short presentation on framing the interoperability issue in terms of business problems.

Next Wed FDTF Monthly Update Call. This will finalize the FDTF Agenda.