Standardising the Description of Market Data Usage Rights & Obligations

For some time, financial institutions have been concerned about the rights management of digital assets. In particular, the management of rights and obligations in the area of market data has traditionally been difficult and error prone. The lack of consistent and unambiguous vocabulary to describe what can, and can't, be done with data - usage rights - leads to failures in accurately reconciling which assets the institutions may use for any particular purpose. Hence duplication and gaps appear.

In view of the above and noting the risks that this implies for individual institutions as well as the inefficiency it implies for the value chain that they are all part of, various institutions started to carry out proofs of concept for the expression of rights in a digital form. Once in a standardised digital form, they become computer processable, and accurate statements can be made about which rights and which obligations apply to any particular asset class.

Much of this experimentation was based on ODRL, a rights expression language standardised at the W3C (World Wide Web Consortium - https://www.w3.org/) in work led by Refinitiv as well as organisations from other sectors.

The Working Group
In May 2019, recognising the need, the desire, and the practicality of combining efforts into a single supply-chain solution, a working group was established representing players in the value chain – exchanges, distributors, and consumers - consisting of Goldman Sachs International, JP Morgan, Morgan Stanley, Deutsche Bank, Fidelity Investments, Refinitiv, the Chicago Mercantile Exchange, and DataBP. Meeting every two weeks since then the working group has established that:

1. Rights automation is a supply chain solution that relies on data suppliers, vendors, and consumers all implementing it
2. Its benefits to the industry scale with its wider adoption across the industry
3. The legitimacy of automated decisions depends upon using an industry-agreed vocabulary to describe market-data usage rights and obligations
4. Establishing the necessary vocabulary with sufficient precision required to describe rights and obligations is feasible

Open Standards
Given the need for industry-wide adoption, the working group now recommends creating open, IP unencumbered, and free-to-use standards. The requirement for openness means that any institution should be able to participate in the creation and maintenance of the standard.

Various mechanisms were considered for how to achieve that. It was agreed that a neutral convening body is needed and that by preference this would be one that had existing suitable processes and procedures - in particular for management of IP, for resolving technical disputes, and for management of meetings. Further, it is important that participation in such a body would be seen as being robust from an anti-trust point of view.
The working group has determined that the work needed for this vocabulary standardisation is most appropriately carried under the aegis of the W3C - the standards body for the Web, led by Tim Berners-Lee. This approach combines the necessary elements described above. Further, the recommendation is that the technology used is ODRL, which is already a W3C standard, and which we may wish to extend and develop to meet our needs.

Therefore, the working group is pleased to announce the formation of the Rights Automation for Market Data Community Group (https://www.w3.org/community/md-odrl-profile/) at the W3C in which the industry can collaborate over a standard set of terms to describe the usage rights and obligations of market data licenses. The group is open to all and without cost.

The earlier working group will now dissolve itself and participants will continue their work, alongside other industry players, in the W3C Rights Automation for Market Data Community Group. Please join us.

The Action
We invite all members of the market-data supply chain to either:
1. Join the W3C Community Group and help in the standardisation effort, or
2. Join the mailing list to keep abreast of developments by subscribing to this list

Please email the list if you have any questions on public-md-odrl-profile@w3.org

You can also find out more on our public pages as they develop: https://w3c.github.io/market-data-odrl-profile

Meeting of the Rights Automation for Market Data Community Group occur fortnightly on Wednesdays at 11am EST, 4pm BST, starting from Wednesday, the 29th April.