

# RIXML Spring 2024 All-Member Meeting

**April 16, 2024**

Meet and greet from 9:30-10AM ET (in person only)

Meeting will begin at 10AM (in person and remote)



**RIXML**

Research Information Exchange Markup Language

# RIXML Quarterly All-Member Meeting

## Agenda April 16, 2024

Welcome

Thanking our host – Eidosmedia

Treasurer's report – Jay Clarke, Raymond James

Moving forward: Impact and implications of artificial intelligence for investment research

Usage Reporting Standards Working Group update

ESG Working Group update – Don Sharp, Citi

RIXML Standards v3.0 update – Sal Restivo, Morgan Stanley

Upcoming meetings

AOB



# RIXML Antitrust Statement



RIXML has a policy of strict compliance with federal, state, and international antitrust laws. This policy applies to all meetings and events conducted by RIXML and all meetings attended by representatives of RIXML. RIXML members should avoid discussing certain subjects when they are together – both at formal RIXML events and at all-member, committee, working group, and other meetings as well as during informal contacts with other industry members.

Under no circumstances should the meetings be used as a means for competing companies or firms to reach any understanding – expressed or implied – that restricts competition or in any way impairs the ability of meeting participants to exercise independent business judgment regarding matters affecting competition. It is the responsibility of all meeting participants to be aware of antitrust regulations and to prevent any written or verbal discussions that violate, or appear to violate, these laws.

THANK YOU to

**EIDOSMEDIA**

for hosting our in-person and online meeting





# Financial Update

Jay Clarke, Raymond James



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# Financial Report

Participants from RIXML member firms can email the program office ([RIXML\\_info@RIXML.org](mailto:RIXML_info@RIXML.org)) for the full financial report.

# Implications of artificial intelligence in investment research

## Next steps for RIXML



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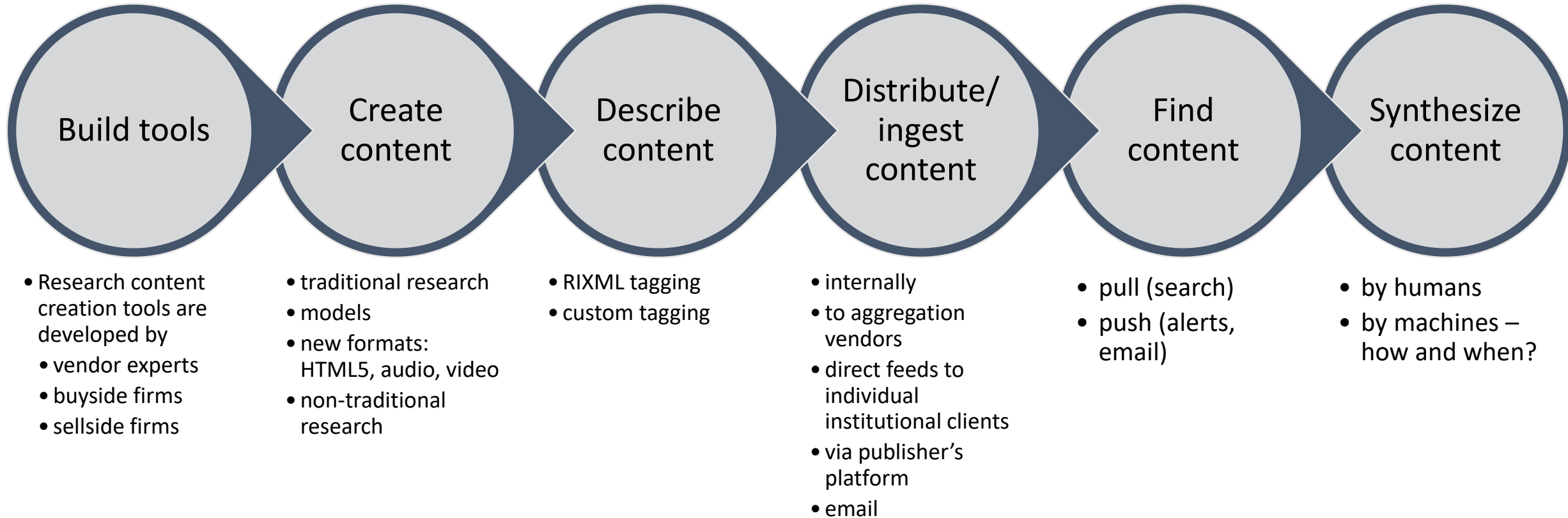
# Some ways AI may be used



- Structured data
  - to create the tagging/metadata (structured data) for research content
  - to eliminate the need for manual tagging
  - to ascribe heavier weight to content in structured data (e.g., RIXML tagging), perceiving intentionally-added metadata as a measure of higher significance
- Research content creation
  - to provide guidance to authors regarding grammar, style guidelines, etc.
  - to create abstracts, summaries, etc. that are part of the research item
  - to facilitate creation of multiple customized versions of research content
  - to create the research content itself – e.g., use of one analyst’s research to train the tool to write in that analyst’s voice
  - to perform or inform the underlying research
- AI-facilitated idea generation and analysis
  - to speed up process for creating summaries, abstracts, overviews, daily compilations, etc.
  - to identify trends, synthesize findings, etc. by using research content as input into AI tools



# Research Lifecycle



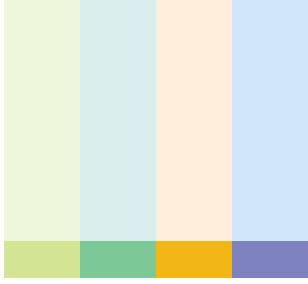
Value is being added all along the way

# AI-facilitated content creation



- As tools become available to speed up the research process and the process of writing content, firms will need to consider when, whether, and how to incorporate them into the research creation process.
- While these tools may help create a basic structure for a report or an investment idea, the analyst will always be responsible for the content they produce.
- At present, many firms have decided that these tools cannot be used in the research creation process at all, because the risk of incorrect data passing through the review/authorization process is too high.
- Fact-checking will be key, and Supervisory Analysts, compliance teams, etc. will need a mechanism to identify what parts of a research report were created using these tools.

# AI-facilitated customization and summarizations



- Generating multiple, customized versions of a research report will become easier: an analyst might write a research report for distribution to investment professionals and use an AI tool to create a version aimed at the general public.
- Another potential use of these tools is to speed up the process of creating summaries, abstracts, and overviews.
- Use of highly curated input data seems likely; e.g., NLP tools that use one analyst's research reports to train the tool to write in that analyst's style vs. generic input.

# AI-facilitated idea generation and research



- Use of AI to speed up the idea generation process: analyzing large amounts of data, identifying trends, spotting connections, etc.
- Tools will need to connect each generated idea to the source, as buy-side firms have strong relationships with their sell-side partners, and value and trust their ideas and individual analysts' expertise.
- Identifying content that was created using AI tools will also be important so that research consumers are aware.

# Implications for structured data



- AI and NLP tools might impact the structured tagging that RIXML tag files provide for investment research reports in two ways: it could replace the need for structured tagging, or it could leverage it, making accurate structured tagging more important.
- For RIXML v3.0, we are determining how to allow publishers to indicate whether AI-powered tagging has been included in any particular RIXML tag file. We are looking at adding tag source and tag confidence, and will likely begin by adding this capability for 8-12 key tags.
- We would welcome the input from any AI/NLP experts regarding additional considerations.

# Regulatory and compliance issues

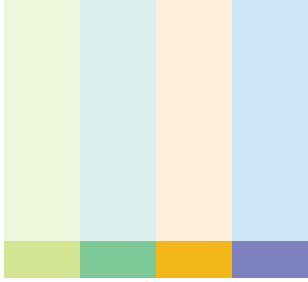


- Different countries/regions will be developing different regulations – how will the industry keep up with them, particularly for companies that operate in multiple areas
- It will be important to keep the required disclaimers and other fine print connected to information that travels through AI tools.

## Related issue: TRUST

- In order for an AI tool to be useful, it would require feeding trusted data into a tool, having the output provide links to the data sources for each assertion, and ensuring that the tools were only ingesting authorized content and providing the output only to authorized users.
- Buyside analysts/PMs trust individual analysts' opinions. AI tools will need to maintain the connection between statements in AI-generated summaries with the **individual** analyst who made them.

# Considerations regarding input data



- What is fair use of input data?
- Who owns the output?
- How to identify/cite sources
- How to ensure accuracy
- Who assumes the risk for the output?
- At what point does the content creator's responsibility end from a compliance standpoint?
- At what point does their ownership of the generated idea end?
- How will consumers know when content they are using as input data has been created using AI?

# Our approach

- Identify key issues
- Assemble task teams
- Determine action plan for each key issue





# Proposed initial key focus areas



**Fair use:** what is fair use of research content and of AI tools?

**Disclosure:** what needs to be disclosed regarding AI usage, and how does it need to be indicated?

**Regulatory:** what regulatory issues need to be addressed?

# Challenges



- Constantly-evolving landscape
- Need to get the right people in the room for each topic
- Some issues will require fast action, while others will require a more deliberate approach.

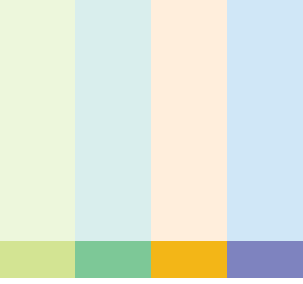
## Recommendation:

- iterative approach
- focused meetings for the various AI-related topics
- guidance bulletins rather than waiting for a cohesive guide

# Working groups/task teams



- Targeted topic teams: we will have one or more groups that develop best practices guidance for the industry regarding various aspects of AI.
- We may also find that an ongoing Regulatory Issues working group would be helpful.
- Technical Committee: this existing committee will oversee the discussion of any changes needed in our standards, for v3.0, 3.1, and beyond.



Any questions?

# RIXML Research Standard v3.0 update

Sal Restivo, Morgan Stanley



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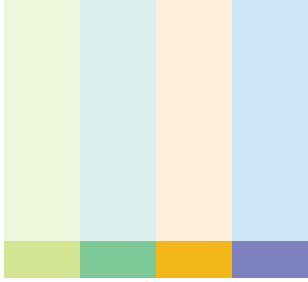
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# Since our last release...



- Significantly more audio/video content
- HTML5 delivery of research
- Increased ESG-related content, requiring more sophisticated tagging
- AI usage in the research process
- Research creation tools are now used for more content types: sponsored research, sales/marketing content, consumer-facing content, etc.
- We have learned how entitlement tags are actually used
- We have identified ways that certain tags could be improved
- We have received change requests, enumeration list additions, and other suggestions

# RIXML v3.0 will address these by ...



- Adding tagging to enable identification of tagging/content created using AI
- Enhanced ability to add tagging for
  - components within a research item (charts, sections, etc.)
  - individual resources within a research item (models, etc)
  - Customized title, subtitle, abstract, and synopsis tags for different audiences
- Better support for episodic tagging, with ability to add separate description and other tagging for the series
- Better support for identifying related content
- Simplifying entitlements to be in line with how the tags came to be used in the industry
- Enhanced ESG tagging
- Updating sector/industry tagging to indicate more clearly tagging that describes the content vs. tags that are added for reference
- Combining security type, asset type, and asset class into a single list; hierarchical like the sector/industry list
- individual audience tags
- Enhancing ability to add multiple language support for author, etc
- Adding ability to identify research defined by rule, sponsored research, and redacted research
- Adding basic ability to identify content created using AI

# Next steps

- Finalize ESG approach
- Technical forum to discuss specific changes
- Circulating release candidate to interested member firms
- Testing forum – we still need testers!
- Enumeration list review
- Documentation update is underway
- What else would be helpful?

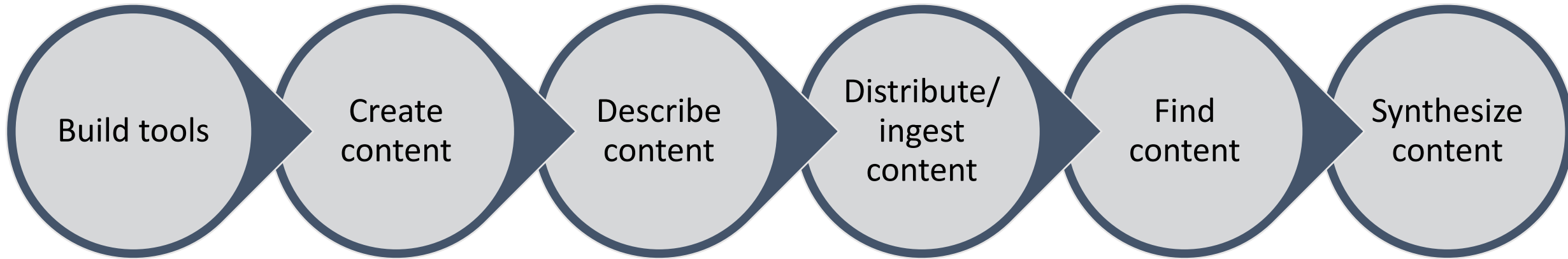




# Moving from v2.5 to v3.0



Will require coordination across multiple constituencies



We must work together to make the transition



Any questions?

# Upcoming meetings

- All-member meetings
  - Summer meeting: June 11, hosted by Bloomberg
  - Autumn meeting: tentatively September 19
  - Winter meeting: timing?
- AI Working Group kickoff/planning meeting
- Technical forum
- Testing meetings
- Taxonomy/Documentation task team meetings



Thank you all for participating

