Quarterly Update
2017-Q2

RIXML Standards Committee

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Highlights

from our Last Quarterly Meeting

The RIXML organization held its second quarterly members' meeting of 2017 at Barclays 745 Seventh Avenue office in New York City.

The rainy Spring weather did not dampen Jim Ulrich's welcoming message to a well-engaged group of attendees.
2017 is proving to be a particularly productive year for the organization, and the membership can feel the urgency of the coming MiFID II changes to the regulatory climate in the Investment Research marketplace. Our working groups continued efforts developing standards and guidelines, and reviewing the business and technology landscapes.

Radek Barnert of WeConvene led us off by taking stock of where we are headed with our plan for tracking interactions. He underscored some concerns also raised by Michael Mayhew earlier in the year about insufficient MiFID II readiness on both the buy-side and sell-side. Buy-side firms aren't ready for an unbundled model, and sell-side firms aren't ready for a transaction-based process. Weak engagement in RIXML from European buy-side firms, and too much low-value information in the interactions data represent further risks to successful adoption and compliance.

Roman Kitov of Deutsche Bank followed with his quarterly *RIXML Treasurer's Report*, summarizing our revenues and expenses. We're grateful to Roman for filling this role for us effectively and keeping our house in order.

The Standards & Technical Committee is developing the next release of the RIXML Schema – v2.5. Sal Restivo of Morgan Stanley delivered a status update of that work, noting how the scope has been refined in the weeks prior. Enumeration updates for Indexes, Status Types, and Product Categories have been accepted into scope. Multi-language support for Organizations, Persons, and Titles, as well as some new Entitlement sub-elements have also been accepted. JSON support, an Inventory Checking Side-Car Schema, and a Financials Side-Car Schema were removed from scope. An assessment is still pending on consolidating Research Approach and Specialty, support for Social Media Messaging, and GICS cardinality questions.

Deirdre Goldenbogen presented her work-in-progress re-casting the RIXML Data Dictionary into an Interactions Proposal document. It included an interesting UML-style visualization of the Excel-based Interactions Model formed by the working group.

Mike Bassman of Barclays & Michelle Roxby of Citi shared their ideas for Entitlements modeling, with short-term, medium-term, and long-term scope targets. They also offered summaries of the entitlements capabilities of several prominent platforms, highlighting automation of both the creation and maintenance angles.

Featured Presentations

Radek Barnert
WeConvene

RIXML Interactions: Taking Stock of Where We Are Headed

RIXML INTERACTIONS

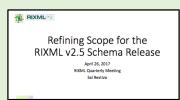Taking Stock Of Where We Are Headed
April 26, 2017

An unbiased look at the state of play and the path we are traveling. As the finance community prepares for MiFID II it's time to take stock of what is being instituted by the various players to tackle the challenges posed by the regulatory need to track meaningful interactions.

Sal Restivo
Morgan Stanley

Refining Scope for the RIXML v2.5 Schema Release

RIXML.org

Refining Scope for the
RIXML v2.5 Schema Release

April 26, 2017
RIXML Quarterly Meeting
Sal Restivo

Working toward a finalized scope for the coming RIXML v2.5 Schema release. Decisions on many proposed changes, plus some additions. Another look at Research Approach and Specialty, Social Media Messaging, and GICS industry coding.

Deirdre Goldenbogen
RIXML.org

Using RIXML for Interactions to comply with MiFID II

RIXML.org
Research Information Exchange Markup Language

RIXML Interactions Proposal - DRAFT

Using RIXML for Interactions to comply with MiFID II
Draft version 1.0
Published April 25, 2017

Beginning to take the information in the Master Interactions Spreadsheet and determine how to organize it into a specification that enables firms to comply with MiFID II.

Mike Bassman
Barclays

Michelle Roxby
Citi

Entitlement Models & APIs

RIXML Entitlements Working Group

Entitlement Models and APIs
April 2017

RIXML.org

Short Term: Generic content tags and user groups, which all aggregator platforms support. Medium Term: Standard codes for likely MiFID content. Long Term: Reduce overhead with RIXML Entitlements.

Activity Summary

See the table below for a summary of RIXML activity that has taken place during the last quarter. More details are offered in subsequent sections of this document.

Date	Work Stream	Venue	Host	Main Topics
Apr 26	Quarterly Meeting	Barclays NYC	Jim Ulrich	Interactions, Entitlements, v2.5
May 10	Interactions	Call	Jim Ulrich	Interactions Model Review
May 31	Interactions	Call	Jim Ulrich	Interactions Adoption Planning
Jun 1	Entitlements	Call	Michelle Roxby	Limited Status Update
Jun 2	Emerging Technology	Call	Mark Daniels	Cyber Security
Jun 22	Quarterly Meeting	S&P Global NYC	Jim Ulrich	Interactions, Entitlements, v2.5

Emerging Technology

The group held one call since the last Quarterly Meeting. It covered progress and plans for active work streams, including Interactions and Entitlements, as well as Schema Development and other topics outlined below.

Mark led a discussion on Cyber Security, referencing several reports drawn from current events and pertinent research activity. As society becomes increasingly reliant on Information Technology and as connected systems and the Internet of Things expose new entry points, cyber-attacks seem to be on the rise in frequency, scope and notoriety. What exposures exist for the Research community?

The Wall Street Journal piece about cyberattacks against the Swift and Google networks was bracing. And the data analysis in the IBM Research piece shines a light on the vulnerability of the finance sector. The graphic visualization of the cybersecurity domain map in the Security Current article should help firms formulate defense strategies. And the best practices offered by the Harvard Business Review on public Wi-Fi use should help with security from the road.

Please find references to the articles discussed during these calls in the catalog below:

Purpose
The Emerging Technology group focuses on new technologies and examines their potential impact on the Investment Research marketplace and the Financial Services industry in general.   The group generally meets via conference call on the first Friday of each month.
Leader
Mark Daniels
Recent Activity
Jun 2: Call – Cyber Security
Upcoming Activity
Jul 7: Call
Aug 4: Call
Sep 1: Call

A series of recent cyberattacks targeting banks raises questions about the security of Swift, the global messaging network that is the backbone of payment services for more than 11,000 institutions worldwide, including banks and corporations.

The Wall Street Journal
Katy Burne & Robin Sidel
April 30, 2017

https://www.wsj.com/articles/hackers-ran-through-holes-in-swifts-network-1493575442?tesla=y

Hackers Ran Through Holes in Swift's Network
Hackers ran through holes in Swift's network
WSJ.COM

The map is about capturing key areas of cybersecurity practice in interconnected ways. The practice of cybersecurity is not just about "hacking." With the map, one should realize that hacking, perhaps a more appropriate definition of such activities should be "authorized penetration test" which is a sub-domain under "Risk Assessment," or under another sub-domain called "Active Defense" under "Security Operation."

Security Current
Henry Jiang
March 19, 2017

http://www.securitycurrent.com/en/ciso_journal/ac_ciso_journal/the-map-of-cybersecurity-domains
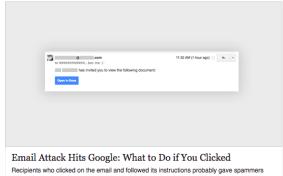

The Map of Cybersecurity Domains

Recently, I posted a picture of a mind-map that I created just called "The Map of Cybersecurity Domains (v1.0)." The map was put together as a way to clear my head by fully immersing myself in the world of cybersecurity day-in and day-out for the past few years, and constant reminder that just how c...

SECURITYCURRENT.COM

Google said it was investigating an email scam winding its way through inboxes across the country and had disabled the accounts responsible for the spam. The scheme emerged Wednesday afternoon, when spammers dispatched malicious email, appearing to come from people the recipients knew, beckoning them to click on what appeared to be a shared Google document.

The New York Times
Nicole Perlroth
May 3, 2017

https://www.nytimes.com/2017/05/03/technology/personaltech/email-attack-hits-google-what-to-do-if-you-clicked.html

Email Attack Hits Google: What to Do if You Clicked

Recipients who clicked on the email and followed its instructions probably gave spammers access to their contact lists, letting them send more email.

NYTIMES.COM

In today's busy world, convenience seems to outweigh consequence, especially with how people use their mobile devices. Using free public Wi-Fi networks, for example, comes with any number of serious security risks, yet surveys show that the overwhelming majority of Americans do it anyway.

Harvard Business Review
Luke Bencie
May 3, 2017

https://hbr.org/2017/05/why-you-really-need-to-stop-using-public-wi-fi

Why You Really Need to Stop Using Public Wi-Fi

INTERNET DIGITAL ARTICLE by Luke Bencie

Especially when you're traveling for business.

SAVE   SHARE   MAY 03, 2017

The financial services sector has been a magnet for cybercrime for over two decades now, and that was certainly true again in 2016. …2016 saw an average 29 percent increase in attacks on financial services organizations—up from 1,310 attacks in 20151 to 1,684 in 2016.

IBM Security
Michelle Alvarez
April 2017

https://techcrunch.com/2017/02/16/looking-to-become-the-os-for-financial-services-openfin-raises-15-million/

Security trends in the financial services sector

With money and data both at stake, 2016's leading attack target remains a magnet for cybercrime

IBM X-Force® Research

Interactions

The Interactions working group brings buy-side, sell-side, and vendor firms together to create an open standard for capturing the inter-firm interactions required under the second Markets in Financial Instruments Directive (MiFID II). This new open standard is designed to facilitate the process of capturing the data necessary to comply with MiFID II's requirements for paying for advisory services.
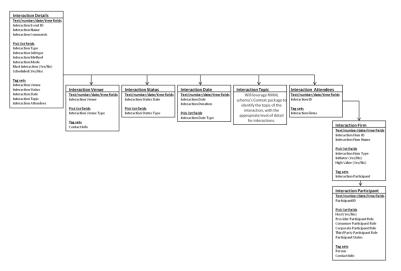
The group met twice during the past calendar quarter to refine our Interactions Model, initially expressed in Microsoft Excel. Ultimately, the Model will be translated into an XML Schema representing the final work product. We anticipate that the new schema will be delivered by Q3 2017, in order to give firms time to implement before MiFID II's January 3, 2018 effective date.

We've already spent a great deal of time determining exactly what information needs to be captured for each inter-firm interaction. Now we're working to determine the exact tags, tag relationships, and valid values needed in order to best capture this information. "We are excited to be a member of the RIXML initiative. We believe strongly that the open standard can drive greater transparency and automation in processes which today are opaque, largely manual and onerous on resources," stated Radek Barnert of WeConvene.

Jim Ulrich noted that "the RIXML organization is in a unique position to leverage the existing RIXML schema, the deep understanding of how to identify what needs to be captured and transform it into an efficient XML schema, and the long history of productive dialogue among member firms to create an open source standard to comply with the new MiFID II requirements."

"Over the past few years, we have put interactions data templates in place for our clients that are now being used for transformation and ingestion by multiple channels," said Charles Poliacof of Visible Alpha. "As firms begin thinking about their MiFID II compliance strategy and creating a research valuation framework, having an industry standard for consuming interactions data is vital and we are excited to be a part of the team that will be able to deliver this to the community."

Entitlements

The Entitlements Working Group, co-chaired by Mike Bassman and Michelle Roxby, has been busy behind-the-scenes framing out a potential strategy.

The key aspect of the plan is a short-term solution of creating categories and utilizing RIXML Entitlements to have additional controls for supporting distribution under MiFID II. While the longer term automated and transparent solution is preferable, given the compressed timeline, the strategic solution will be more difficult to deliver by January 2018. Not to unnecessarily delay the automated solution, we will be working on both the tactical and strategic plan concurrently.

In order to validate that the plan is workable, and the aggregation platform vendors can implement the solution, we need both business and technology resources to develop the technology specification and confirm the functionality.

Purpose
The Entitlements work stream examines the feasibility of standardizing the authentication and entitlement process across providers. A standard process will significantly reduce the time required to manage access rights.
Leaders
Mike Bassman, Barclays
Michelle Roxby, Citi
Recent Activity
Jun 1: Call – Status Update
Upcoming Activity
TBD

Componentization

Dave White and our other Componentization working group members are delayed in their plan for a demonstration platform to showcase features and semantics. They expect to have more resources to apply toward the effort as we get into the Summer months.

Purpose
The Componentization work stream is about defining standards for addressing internal document components beyond the basics of title, synopsis, and abstract. By providing component-level addressability we can improve the precision of tagging and searching – and improve the overall experience of interacting with research content.
Leader
Dave White, Quark
Recent Activity
None
Upcoming Activity
TBD

RIXML v2.5 Schema Release

One of our key organizational goals for 2017 is to complete the production release of v2.5 of the RIXML Schema. The v2.5 release will cover change requests we've received from both members and non-members since our v2.4 release in February 2013.

Below is a listing of all the change requests considered for inclusion, along with the current status of both the scope decision and the implementation work.

#	Change Item		Status
1	Add "EUROSTOXX50" to the IndexEnum enumeration	✓	Implementation Complete
2	Add "CSE-COMPOSITE" to the IndexEnum enumeration	✓	Implementation Complete
3	Add "SPTSX-COMPOSITE" to the IndexEnum enumeration	✓	Implementation Complete
4	Add "BackFilled" to the StatusTypeEnum enumeration	✓	Implementation Complete
5	Add "TagsUpdated" to the StatusTypeEnum enumeration	✓	Implementation Complete
6	Add "RevisedMaterialChange" to the StatusTypeEnum enumeration	✓	Implementation Complete
7	Add "RevisedNoMaterialChange" to the StatusTypeEnum enumeration	✓	Implementation Complete
8	Add new optional sub-element ProductCategoryEntitlement beneath Entitlement	✓	Implementation Complete
9	Add new optional sub-element AssetClassEntitlement beneath Entitlement	✓	Implementation Complete
10	Add new optional sub-element OrganizationTypeEntitlement beneath Entitlement	✓	Implementation Complete
11	Add new optional sub-element AudienceSegmentEntitlement beneath Entitlement	X	Deferred
12	Add new optional sub-element ActionEntitlement beneath Entitlement	✓	Implementation Complete
13	Allow multiples beneath the Entitlement element	X	Deferred
14	Support named specifications for Entitlements	X	Deferred
15	Add support for Organization Name in multiple languages	✓	Implementation Complete
16	Add support for Person Name in multiple languages	✓	Implementation Complete
17	Add support for Person Group (Team) Name in multiple languages	✓	Implementation Complete
18	Add support for Title in multiple languages	✓	Implementation Complete
19	Add support for Sub-Title in multiple languages	✓	Implementation Complete
20	Add support for Synopsis in multiple languages	✓	Implementation Complete
21	Add support for Abstract in multiple languages	✓	Implementation Complete
22	Address overlap between Research Approach and Specialty	★	Needs More Work
23	Add "EventInvitation" to the ProductCategoryEnum enumeration	✓	Implementation Complete
24	Add "PostEventSummary" to the ProductCategoryEnum enumeration	✓	Implementation Complete
25	Incorporate ideas from our Social Media Messaging workstream	★	Needs More Work
26	Offer a JSON-based alternative to the standard RIXML Schema	X	Deferred
27	Support Themes (Specialties) in the CoverageUpdates Side-Car Schema	✓	Implementation Complete
28	Add a Side-Car Schema for Inventory Checking	X	Deferred
29	Add a Side-Car Schema for Financials	X	Deferred
30	Fix cardinality bug in TitleFormatted element in RIXML v2.4	✓	Implementation Complete
31	Add "DUNS" to the IssuerSecurityIDTypeEnum enumeration	✓	Implementation Complete
32	Downgrade the use of GICS for SectorIndustry tags to optional	★	Needs More Work

Once the schema implementation is fully complete, we will need to update the corresponding documentation for the Release Notes, Data Dictionary, and Level One Addendum. That work is still pending.