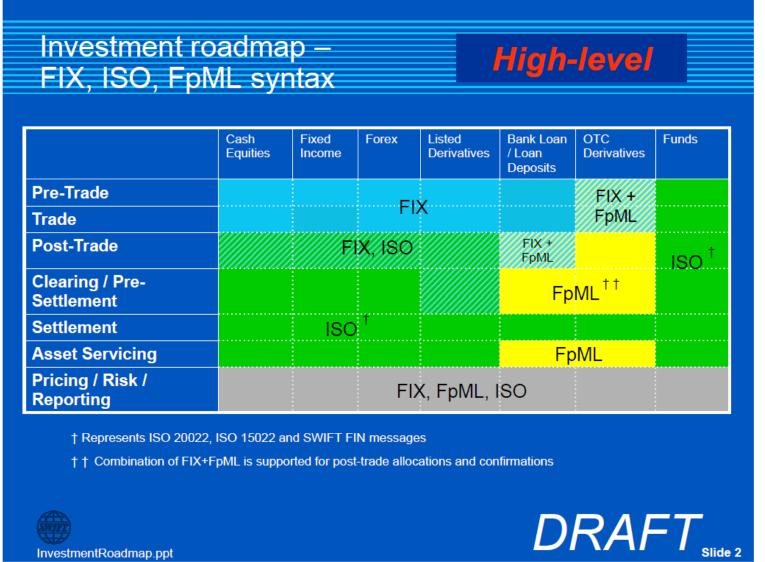
Ontology-based Financial Standards: Some ongoing work

Ontology Based Standards Miniseries
7 November 2013

Introduction

- What standards are there in the financial services industry?
- What moves are there towards semantic representation of business concepts in the industry?
 - As assertions of meaning
 - As formal ontologies
- Challenges in semantics: making models really meaningful
 - Common / shared meaning across standards / ontologies
 - Getting business validation of concepts
- Uses for Semantic Standards
 - Common Language
 - Semantic Technology applications
 - Regulatory reform

The Financial Standards Landscape



Where are they now?

- Most industry standards started out as physical message schemas or database schemes
- Growing recognition of the need to elevate these to a "Logical" level
 - FIX (front office / trading)
 - MISMO (Loans)
 - ACORD (insurance)
- Some standards groups are working to assert formal meanings as part of standards, principally in ISO:
 - ISO 20022: improvements to the logical model, toward semantics; "Semantic layer" WG
 - ISO 15944-4: formal transactions semantics
 - XBRL: has its own unique way of modelling accounting semantics; XBRL-GL initiative to capture common meanings across XBRL silos
- Semantics is a new thing to the industry
 - Perceived variously as a threat, a new paradigm or some irrelevant philosophy
 - Demonstrations of the capabilities of reasoning based applications are winning hearts and minds, including in the regulatory community

Today's Focus

- Common, formal semantics
 - Transactions, accounting and the re-use of common concepts
 - Taming the complexity of semantics
 - The use of a common conceptual framework, ontology partitions etc. to align concepts semantically across the industry
- Regulatory Use Case
 - Use of common semantics in the framing of regulatory rules and requirements
 - Interfacing with the business domain to ensure accuracy of concepts

Session Agenda

- Presentations
 - Professor Bill McCarthy (Michigan State U) "ISO 15944-4 (2nd edition) and the REA accounting ontology"
 - Mr. Dave McComb (Semantic Arts) "Taming Complexity in the Financial Services Industry"
 - Mr. Mike Bennett (EDM Council) "FIBO and Shared Semantics"
 - Dr. Elie Abi-Lahoud (University College Cork, Ireland) "Use of SBVR to create regulatory ontologies"
 - Mr. John Hall (Model Systems, UK) "Interpreting Regulation: some snippets from a methodology"
- Discussion