



**RIXML.org**

# Quarterly Update

## 2016-Q4

### RIXML Standards Committee



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## Highlights from the September Meeting

The RIXML organization held its fourth and final quarterly members' meeting of 2016 at the IHS Markit offices in New York. We are grateful to IHS Markit for hosting and for their continued participation in our efforts.

We began by welcoming Jim Ulrich as our incoming Executive Director. Jim provides leadership to RIXML as the organization evolves and responds to the impact of new regulation and technology on the research marketplace. Jim oversees the RIXML Program Office, which manages all of our operational functions. He's been a long-standing and active member of the RIXML organization and most recently managed the Finance Administration & Treasury function for us. He's enthusiastic about taking on this new role, and commented, "Being involved with RIXML for over 10 years, I have seen the dedication of the volunteers from the industry to improve the distribution of research. I look forward to building upon the foundation Jack developed over the last 9 years."

During the meeting, Jim presented his Treasurer's Report, Deirdre Goldenbogen presented her Marketing Update, and Sal Restivo presented his Standards Committee Update. The group discussed progress and challenges in our work streams for both Link-Back Landscape and Componentization. Then we had a broader conversation about expectations for the fourth quarter and priorities for the new year. Lastly, the meeting featured an interesting Q&A session on Buy-Side Perspectives led by Steve & Paul.



*Jim Ulrich & Jack Roehrig*

### *Featured Presentations*

Steve Moreno

*Research Relationship Manager, Capital Group*

Paul Booth

*Americas Director of Research, BlackRock*

**Buy-Side Perspectives  
Question & Answer Session**



## 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
Sep 22	Quarterly Meeting	IHS Markit	Jack Roehrig	Interactions standard
Oct 7	Emerging Technology	Call	Mark Daniels	Interactions standard
Oct 11	Standards Committee	Call	Jim Ulrich	Schema release planning
Nov 4	Emerging Technology	Call	Mark Daniels	Artificial Intelligence
Nov 9	Interactions	Jordan & Jordan	Jim Ulrich	Interactions standard
Nov 29	Componentization	Call	Mark Daniels	Planning and resourcing
Dec 2	Emerging Technology	Call	Mark Daniels	Blockchain Technology
Dec 21	Interactions	Call	Jim Ulrich	Interactions Standard
Jan 6	Emerging Technology	Call	Mark Daniels	Alternative Data
Jan 6	Componentization	Call	Mark Daniels	Document corpus and related work
Jan 12	Interactions	Call	Jim Ulrich	Interactions Standard

## Emerging Technology

The group held four calls since the last Quarterly Meeting. Each call covered progress and plans for both Link-Back Landscape and Componentization, as well as other topics outlined below.

The October call focused on how the RIXML organization can help the research community adapt to the need for standardization related to buy-side and sell-side interactions. We've formed a new Interactions work stream and will make it a top priority in our 2017 plan.

The November call focused on Artificial Intelligence as a new topic of interest. We discussed a posting to the Integrity Research blog that examined the impact of artificial intelligence technology on the investment management community and on the investment research marketplace. The author discussed three ways in which AI is expected to change the landscape:

1. Investors will be forced to place more value on the quality of a company's AI assets
2. Investors themselves will rely far more on AI-based techniques to support their approach
3. Investors will compete head-to-head for AI talent with the technology sector

The December call focused on Blockchain Technology as a new topic of interest. Blockchain gained prominence in facilitating Bitcoin transactions. Now the technology is being applied to a wide range of transactional services to open markets and to add liquidity.

The January call previewed the January Quarterly meeting and updated in flight efforts. The emerging technology discussion focused on Alternative Data as a new topic of interest. Investor desire to generate

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
Oct 7: Call - Interactions standard
Nov 4: Call - Artificial Intelligence
Dec 2: Call - Blockchain Tech
Jan 6: Call - Alternative Data
Upcoming Activity
Feb 3: Call
Mar 3: Call
Apr 7: Call

Alpha is fueling interest in data sources and methods that may provide an edge. The discussion covered underlying drivers, enabling technologies, and impact to the Investment Research marketplace.

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

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Blog post that examined the impact of AI technology on the investment management community and on the research marketplace.

<http://www.integrity-research.com/artificial-intelligence-means-investors-investment-research-part-1-2/>

#### Artificial Intelligence – What It Means For Investors & Investment Research: Part 1 • Integrity Research

The following is a guest article from Cyrus Mewawalla, Founder of CM Research, which is the first installment of a two-part examination of the impact of artificial intelligence technology on the investment management community—and investment research. AI is the path to maximum profitability Artificial...

INTEGRITY-RESEARCH.COM

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Blockchain Technology gained prominence in facilitating Bitcoin transactions. Now the technology is being applied to a wide range of transactional services to open markets and to add liquidity. This is a useful introduction.

<http://www.forbes.com/sites/joeharpaz/2016/05/31/will-blockchain-become-the-internet-of-finance/print/>



#### Will Blockchain Become The Internet Of Finance?

For anyone who's been following innovation in the financial technology space, the word blockchain has become the buzzword du jour in the span of about 12 months. Conference sessions, news stories, regulatory testimony – they are all consumed with the underlying...

FORBES.COM | BY JOE HARPAZ

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Discusses practical applications of Blockchain.

<http://deloitte.wsj.com/cio/2016/09/19/blockchain-shows-promise-in-financial-services/>



#### Blockchain Shows Promise in Financial Services

deloitte.wsj.com • Financial services institutions are fertile ground for blockchain technology, the distributed public ledger protocol that can verify transactions and establish trust between parties, removing the need for intermediaries in a transaction. Here,...

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This is a very basic visual introduction to the concepts behind a Blockchain. They introduce the idea of an immutable ledger using an interactive web demo.

<https://youtu.be/160oMzblY8>



#### Blockchain 101 - A Visual Demo

This is a very basic visual introduction to the concept behind a blockchain. We introduce the idea of an immutable ledger using an interactive web demo. If y...

YOUTUBE.COM

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Investor desire to generate Alpha is fueling interest in data sources and methods that provide an edge.

<http://tabbforum.com/opinions/applying-alternative-data-to-find-alpha-in-the-marketplace>

#### Applying Alternative Data to Find Alpha in the Marketplace :: TabbFORUM - Where Capital Markets Speak

To successfully capture alpha in the current environment, firms must locate untapped sources of data for both public and non-public companies. Two types of business performance data in particular can contribute to investment models but remain largely untapped because they have been so hard to obtain...

TABBFORUM.COM

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A new species is prowling America's most obscure industry conferences: the data hunter. The opportunity under chase is that in all this huge data there are little nuggets of alpha gold.

<http://www.wsj.com/articles/wall-streets-insatiable-lust-data-data-data-1473719535>



#### Wall Street's Insatiable Lust: Data, Data, Data

A new species is prowling America's most obscure industry conferences: the data hunter. Hedge funds and other sophisticated investors are increasingly relying on these data hunters, as they seek insights into a company's sales and health that aren't readily available from...

WSJ.COM | BY BRADLEY HOPE

## Interactions

One result of our Q&A session at the last quarterly meeting was the identification of an opportunity for RIXML to help the industry prepare for the coming MiFID II unbundling requirements.

We will create a standard for describing sell-side/buy-side interactions. We aim to cover all services rendered and services received, consumed, and valued – e.g. research content, meetings with experts, one-on-one meetings, conference calls, phone calls, emails, corporate access, conferences, non-deal roadshows, field trips, and more.

Our November kick-off workshop was very well-attended, reflecting a great deal of interest in the topic. The workshop covered some key questions and discussion items:

- Is there interest in pursuing an interactions schema?
- Does cross-platform permissioning need to be addressed?
- Who else should be involved in the discussions?
- Do we need a formal process for requesting data?
- Should the schema include a protocol for adjustments?
- Should there be a standard format for transmitting data?
- Creation of a minimum vendor lead-time prior to requesting changes?
- Can any current RIXML schema objects be re-used here?

Volunteers emerged to help gather requirements and assemble the right data structures. We had some group calls and one-on-one calls with vendors, buy-side, and sell-side firms to create a draft schema model for discussion at the January quarterly meeting.

Purpose
The Interactions work stream was launched to create a standard for describing sell-side/buy-side interactions that captures services rendered and services received, consumed, and valued. This will aid the industry in its efforts to comply with the coming MiFID II unbundling requirements.
Leader
Jim Ulrich
Recent Activity
Nov 9: Workshop at J&J in NYC
Dec 21: Call
Jan 12: Call
Upcoming Activity
TBD

## Componentization

After a period of inactivity earlier in the year, we're attempting to re-engage this work stream and move forward on the overall plan.

We've had two calls in which we reviewed current state and considered options for applying additional resources to the tasks on the plan.

Dave White from Quark continues his interest in the standardization effort and has been instrumental in providing salient guidance.

We recently reviewed sourcing options for our document corpus with Susan Walton from Frost Consulting. Her advice has also been a big help, leading us to a set of a few thousand example reports from Gold Council and Edison Research.

As we head into the new year, we're keeping Componentization on the agenda with renewed focus.

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
TBD
Recent Activity
Nov 29: Call - Resourcing
Jan 6: Call - Document corpus
Upcoming Activity
TBD

## Link-Back Landscape

We have no activity to report since Sara Noble presented the results of a broker survey she conducted in the Spring.

Her survey queried brokers about their current status and plans for Link-Back related areas, such as:

- Research Link Authentication
- Device Registration
- Cookie Authentication
- Entitlement Types
- Vendor Link-Backs
- Vendor Link-Back PDF
- Offline Workflows

The survey attempted to help us all understand the process of transitioning to digital content relative to our industry peers. It identified focus areas to prioritize development of best practices and standards around the rollout and adoption of digital content.

Purpose
With many research publishers broadening their platforms to embrace various forms of digital content delivery, issues around Identity & Access Management (IAM) and workflow support arise between publishers, consumers, and aggregators. RIXML is exploring how to add value under the banner of our Link-Back Landscape work stream.
Leader
TBD
Recent Activity
None
Upcoming Activity
TBD

## 2017 Objectives

We're carrying forward our organizational objectives into the new year, with two significant additions. We're planning to develop and release v2.5 of the RIXML Schema. And we're launching our Interactions work stream. Componentization and Link-Back Landscape are two areas that were impacted by leadership transitions. We plan to re-energize them and gain traction as we look forward to the coming weeks.

### *RIXML Schema Update*

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. We will also address social media messaging, spot tags, updates to our "side-car" schemas, author identity management, and other items in the queue.

### *Interactions*

With MiFID II unbundling requirements on the horizon, RIXML has an opportunity to create a standard for describing sell-side/buy-side interactions. We aim to cover all services rendered and services received, consumed, and valued – e.g. research content, meetings with experts, one-on-one meetings, conference calls, phone calls, emails, corporate access, conferences, non-deal roadshows, field trips, and more.

### *Componentization*

Finalize and productize our documentation detailing the guidelines for componentization agreed by our working group. Complete a pilot program to illustrate and exercise our ideas.

### *Link-Back Landscape*

With many research publishers broadening their platforms to embrace various forms of digital content delivery, issues around Identity & Access Management (IAM) and workflow support arise between publishers, consumers, and aggregators. RIXML will continue our conversations about how to add value in this space.

## Other Event Notes

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### MiFID II and Unbundling... The Changing Client Servicing Equation

October 6, 2016  
Baruch College, New York City

The advent of "unbundling" commissions and MiFID II compliance in Europe will change the client service model (from broker-dealers to asset managers) forever. Full service brokers as well as asset managers will have to evolve to remain competitive and viable. Research and related services from broker-dealers to asset managers have to be "priced" explicitly. Additionally, asset managers have to be more accountable to their asset owners when it comes to paying brokers for their services. Consequently, the use of data and related analytics as part of the client service value chain is likely to grow in its importance. Intelligent technology solutions to manage the evolving client relationships will be integral to long-run commercial sustainability for broker-dealers, while helping with the accountability requests of the buy-side.

[http://www.analec.com/MiFID\\_II\\_and\\_Unbundling\\_The\\_Changing\\_Client\\_Servicing\\_Equation](http://www.analec.com/MiFID_II_and_Unbundling_The_Changing_Client_Servicing_Equation)



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