The governing document of the Financial Markets SIG is the charter. This preliminary charter has been ratified by members after review by the Hyperledger team. The name of this SIG is being transitioned to Financial Markets SIG. Here is a rationale for this change.

### Description

The Financial Markets Special Interest Group (FMSIG) represents industry professionals working together to study how Hyperledger DLTs interact with Financial Markets use cases. These use cases cover issuance and trading of traditional and digital instruments to continued market-making, liquidity, short-term funding management of risk, program-trading, regulations, capital requirements, traceability, post trade settlement, custody including corporate actions and more. This group also explores architecture, standards, regulations, identity and performance related considerations specific to Financial Markets and DLTs.

### Overview

Financial Markets are a way to connect investors and borrowers for financing enterprises. These include Capital Markets for the long term provision of capital and Money Markets for short term funding of these investments. Financial Markets are a venue to invest in enterprises, so that funds from investors are put to productive use. Investors or lenders can be individuals or other entities. Borrowers are companies and governments. Although the term market applies to exchanges and associated infrastructure; financial intermediaries like banks connect the various parties together. Investors are compensated directly by borrowers or are rewarded by appreciation of long-term securities. Financial Markets include the stock market and the bond market dealing with equities, bonds, and credit markets. They also include derivatives. Securities are a way to tokenise underlying assets and have had a long history.

This large vertical is not currently covered by any SIG in Hyperledger. Finance is the Ur Use Case for blockchain.

The Financial Markets SIG will focus on Markets which deal in securities that are fungible, open, regulated heavily and have a lot more flow and participation. Please see the scope section below to get a better feel for the Financial Markets proposal.

### Scope

The Financial Markets SIG studies how Hyperledger DLTs interact with Financial Markets use cases. From issuance and trading of instruments to continued market-making, management of risk; program-trading; regulation; capital requirements; traceability; pre-trade analysis and valuation; post-trade settlement with custody; bookkeeping and corporate actions. Architecture, identity, performance related considerations specific to Financial Markets and DLTs are questions to be answered by this SIG. In the beginning, we attempt to develop a taxonomy of the domain by viewing it in multiple dimensions.

We may not discuss commodities and currency markets; although there are integration points with hedging. No macro economic or general policy discussions. Payment systems remain a question mark. Retail banking also a question mark. Even if we do not discuss these, we may have to build bridges to them.

Just like the Healthcare SIG, this may have a number of sub-groups to be decided by the participants and by the natural sub-domains, but the Financial Markets SIG can remain the overall umbrella over these sectors. The use of DLTs which is a collaborative and unifying technology unify the sub-domains under the Financial Markets SIG.

What are the oracles (external sources) needed, pricing/market data, analytics- rules and regulations, continuous KYC and other concerns and emerging trends are also the domain of the Financial Markets SIG.

The bullet list of items for scope are represented in the link from the heading. Please go there to review and change the scope items.
Communication Channels

These are the mechanisms that this working group uses to communicate.

Primary dependency is setting up an LFID.

Coordination

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIG Chair</td>
<td>Vipin Bharathan</td>
<td><a href="mailto:vip@dlt.nyc">vip@dlt.nyc</a></td>
</tr>
<tr>
<td>SIG Vice Chair</td>
<td>Hyperledger POC</td>
<td>Karen Ottoni</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="mailto:kottoni@linuxfoundation.org">kottoni@linuxfoundation.org</a></td>
</tr>
</tbody>
</table>

Meetings

SIG Capital Markets - Announcement slide template.pptx

All Hyperledger meetings are run covered by the following Antitrust Policy.

Meeting Schedule: Every four weeks on Wednesdays at 10:00 am EDT / 16:00 CET And 10:00 pm EDT/ 11:00 am HK Time on alternate calls. See the Calendar of Public Meetings for the next meeting time.

How to Get Involved

You can:

1. Propose new projects
2. Work on existing proposals
3. Just lurk or contribute to discussions

SUB-GROUPS

The Mortgage Sub-Group

Links to Completed Tasks

FMSIG Taxonomy of Instruments

Links to External Resources

Euroclear sponsored work from Oliver Wyman on Capital Markets: Blockchain In-Capital-Markets[1].pdf

Euroclear conference on collateral management- 2018: Video


Payment systems from the Fed Fednow

FinOS: Financial Services Open Source

Members

Please go to the member page for details

Recent space activity Space contributors