# EEA Token Taxonomy Initiative Charter

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| **Name of the Initiative**: **Token Taxonomy Initiative**  **Proposed Chair, Vice Chair**: **Chair**: Marley Gray, Microsoft; **Vice Chair**: TBD |
| **Scope and Deliverable(s) of the Initiative** |
| Bitcoin ushered in a new asset class – financial instruments that could be a medium of exchange, securities, or token for consumer use. The virtual currency, coin, altcoin, app coin and token market has grown from zero to over $100bn in less than 10 years. This phenomenal growth is starting to attract institutional and retail investors who will require prudential and conduct controls and safeguards, particularly before and while conventional regulatory frameworks define these instruments.  This growth has spread to other vertical industries and additional networks presenting enterprise challenges for adoption due to several levels of complexity. Compounding these challenges is a general lack of understanding and entrenched mis-conceptions due to market speculation.  A Token Reboot is required. One that addresses enterprise adoption issues directly and leverages the significant work and lessons learned from Ethereum and other platforms. This reboot must expand across networks to unblock the much larger ecosystem. Enterprises will be a part of multiple networks of different types and will soon face integration and interoperability challenges that could further hinder innovation.  Creating this interoperable, technology-neutral ecosystem requires a first step. The Token Taxonomy Initiative will deliver that first step by creating a common set of terms, definitions and taxonomy for describing and defining tokens that can be understood equally by business and technology participants. It will establish common ground for business requirements, technical innovation, and legal/regulatory bodies, all of which will accelerate this ecosystem’s growth.  This common ground is not just between business and technical, but should also be common for blockchain platforms, industry competitors and start-ups. This requires that participants collaborate at a higher level to model existing tokens and define new business-based tokens neutral to any technology.  The key word is ***neutral***. By this we mean that the solution must be platform-, language-, and business implementation-neutral. This Token Taxonomy Initiative ***MUST*** include leaders and participants from non-Ethereum based platforms in order for tokens to achieve global acceptance, interoperability and adoption.  In every cycle between waves of innovation, there are windows of opportunities to make very rapid leaps forward, dramatically changing the landscape and unleashing new opportunities.  This is that window for tokens.  The EEA has the opportunity to lead and share the significant contributions and progress made in the Ethereum community with the larger ecosystem by openly inviting competitors, both inside Ethereum and across other platforms and networks.  However, in order to lead and drive this initiative, we must create a Win-Win scenario where joining will not be perceived as a lack of commitment to proprietary technology, nor risk negative press or commentary. This initiative should be seen as a sign of maturity and commitment to tokens and the enterprise.  To seize this window of opportunity will require the EEA to make some adjustments. These adjustments require non-EEA members to join this Token Taxonomy Initiative, participate in its activities and contribute, subject to agreement to and execution of the Token Taxonomy Initiative Participation Agreement and acceptance of the EEA Intellectual Property Rights Policy, Confidentiality and Non-Disclosure Policy and Antitrust Policy and Guidelines, and other EEA rules, policies and procedures for the protection of all participants in the form as approved by the EEA.  The Token Taxonomy Initiative has an option to design and adopt a trademark/logo and associated language in documentation and marketing.  Microsoft has donated the Token Taxonomy Framework (“TTF”), that will seed and boost the Token Taxonomy Initiative to rapidly bring these competitive platforms, start-ups and enterprises together and deliver this significant and historic milestone in the evolution of blockchain technology.  The Token Taxonomy Initiative will serve to evolve this donation and continue deliver an improved framework with the purpose being:   * Educate – take a step back and CLEARLY define a token in non-technical and cross industry terms. Using real world, everyday analogies so ANYONE can understand them using properties and behaviours to describe and define them; * Define a common set of concepts, terms and grammar that can be used by business and technical participants to speak the same language; * Produce token definitions that have clear and understood requirements that are implementation neutral for developers to follow and standards to validate; * Create a Token Taxonomy Framework (“TTF”) that is simple to understand and navigate for anyone interested in learning and discovering tokens and underlying implementations; * Define meta-data using the TTF syntax and grammar to be able to generate visual representations of classifications, used by modelling tools to view and create token definitions mapped to the taxonomy and can also support taxonomy to implementation or source code mapping; * Create standard control message descriptions mapped to the taxonomy that are implementation neutral and provide base schema and interaction diagrams that consortia, start-ups, platforms or regulators can use to work together; * Create solutions neutral to programming language and blockchain, distributed ledger or other distributed medium where tokens reside; * Interact in an open and collaborative way to create powerful vertical industry applications and provide innovation for platforms, start-ups and enterprises; * Encourage differentiation and vertical specialization while maintaining an interoperable base; * And support a sandbox environment for legal and regulatory requirement discovery and input.   It is NOT:   * Specific to the Ethereum family, but applies to any shared medium; * A Legal framework; * Nor a regulatory framework. |
| **Estimated timeframe for completion of deliverable(s)** |
| Token Taxonomy Initiative should aim to deliver beta framework versions that will be used in taxonomy workshops to generate taxonomy artifacts and token definitions and contribute these artifacts to the taxonomy library. These workshops will light-up improvements for the beta towards the goal of delivering a 1.0 version in the Fall 2019/DevCon5 timeframe. |
| **Does this initiative require specific technical resources or administrative support from EEA?** |
| Token Taxonomy Initiative will be using the process implemented with certain standard EEA tools provided for this initiative by EEA, and additionally will rely on mailing lists, GitHub and other, as appropriate, tools. It will also require an EEA Project Manager and Coordinator. |
| **Is participation in this initiative open to all EEA members? If not, please describe the nature of engagement and participation of non-members. All participants of the initiative must be supportive of this Charter and committed to participating in furtherance of the Token Taxonomy Initiative deliverables.** |
| Token Taxonomy Initiative will be open to all EEA members without an additional agreement, non-EEA members willing to join and participate in this initiative will be required to join subject to execution of the Token Taxonomy Initiative Participation Agreement and acceptance of the EEA Intellectual Property Rights Policy, Confidentiality and Non-Disclosure Policy and Antitrust Policy and Guidelines in the form as approved by the EEA. The participants in this initiative will have voting rights among participants of this initiative, based on simple majority of those participants attending respective meetings of this Token Taxonomy Initiative, ties will be resolved by chair, to decide, amongst other things, on matters, activities, documents, proposals and other projects related to the work of this Token Taxonomy Initiative. |
| **Please state if the deliverables will be available to participants of this initiative only, to all EEA Members, or publicly available on the EEA website?** |
| Proposals, discussions, work products and minutes will be made available to all EEA members and participants of this Token Taxonomy Initiative. All these outputs, subject to EEA management approval, may be re-classified to be available for other parties who are non-EEA members.  Work products and outputs of this initiative will be made available to all interested parties, including non-EEA members. |
| **Desired participation criteria (please be as specific as possible in detailing the types of members and other participants that would be supportive of this Charter and provide the leadership and contributions necessary for the success of the Token Taxonomy Initiative):** |
| This Token Taxonomy Initiative would benefit from a multi-disciplinary team of members and eligible and selected on a case by case non-member participants with skills covering diverse domains such as technology, law, regulation, investing, accounting, finance, economics, communications, marketing, risk, tax, etc. |
| **Do you need specific legal arrangements for this initiative that are not already covered by the EEA governing documents?** |
| Yes. |
| **How will you ensure token solutions conform to the Initiative’s Token Taxonomy Framework?** |
| TTI-Certified token solutions will be expected to undergo Certification testing by one of our independent Authorized Test Laboratories. When a solution successfully passes testing, TTI member will be granted the right to use the TTF-Certified logo. A company must be a TTI member in good standing to have its token solutions tested for certification and use the TTF-Certified logo and associated trademarks. |
| **What will be used to test conformance to the TTF?** |
| Standard control interaction message from taxonomy can be tested against the implementation using the interaction model defined. Since the interaction messages are implementation neutral, serialization or interface adapters will need to be adapted if the implementation uses serialization not supported by protocol buffers. Currently proto3 binary serialization and JSON are supported using any transport from gRpc, Http/s or native RPC. |

**General Rules of Token Taxonomy Initiative**:

1. Meetings are held at a time and recurrence that allows participants to participate regardless of geographic location.
2. Meetings should happen at least once a month or as needed based on the work, need and requirements of this initiative.
3. All meetings will be posted to a calendar accessible by participants.
4. All emails and announcements will be posted to the Token Taxonomy Initiative specific collaboration site page.
5. Adequate time to review any material should be provided.
6. It is expected that Token Taxonomy Initiative participants will review any material provided in a reasonable time prior to attending the meeting for discussion.
7. Token Taxonomy Initiative shall use the EEA branded tools unless otherwise is specified in this Charter or by the EEA management.
8. The Token Taxonomy Initiative leadership (such as Chair and Vice Chair) and/or Secretariat will be responsible for maintaining the roster and distribution list for the Token Taxonomy Initiative on EEA collaboration site.
9. All minutes and deliverables created by the Token Taxonomy Initiative must be posted to the EEA collaboration site specific to the Token Taxonomy Initiative.
10. Token Taxonomy Initiative and its participants will operate under the EEA governing documents, including without limitation, EEA Intellectual Property Rights Policy, Confidentiality and Non-Disclosure Policy and Antitrust Policy and Guidelines, and other EEA rules, policies and procedures, as amended from time to time.