

Cambridge Centre for Alternative Finance

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# THE REGULATORY GENOME PROJECT MACHINE-READABLE REGULATION AS A PUBLIC GOOD

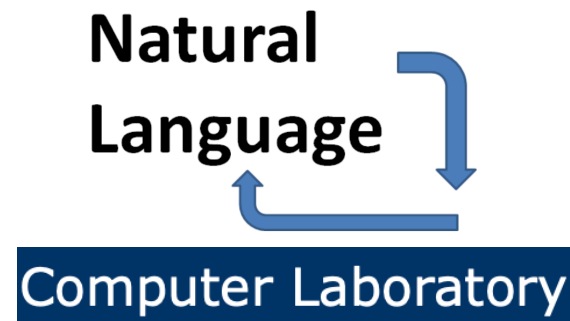
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The **Regulatory Genome Project** is creating a comprehensive repository of **open** machine-readable data representing the world's financial regulation.

It will also provide a platform enabling developers to create **interoperable** regulatory applications.



## National strategies for Digital Economy transformation prioritise digital regulation as necessary infrastructure

- New digital infrastructure (e.g. distributed ledger technology) has the potential to make financial services **more efficient** and **more inclusive**
- **But...financial services transactions can't be automated faster than their regulatory data flows can be processed!**
- Unlocking the potential of digital financial services requires **machine readable regulation** that can be executed by digital systems **at scale**

## AND INDUSTRY URGENTLY NEEDS STANDARDISED MACHINE-READABLE REGULATION

*“Firms and infrastructure providers typically use their own unique set of representations for transaction events and processes. This is inefficient and expensive...and has the potential to result in data capture errors, disputes, and inconsistent regulatory reporting [and] excessive customisation often provides little benefit and increases complexity...**Overcoming these challenges and creating the foundation for digitization and increased automation requires greater standardization.**”*

Joint Association Letter on a Digital Future for Financial Markets to the BIS and IOSCO

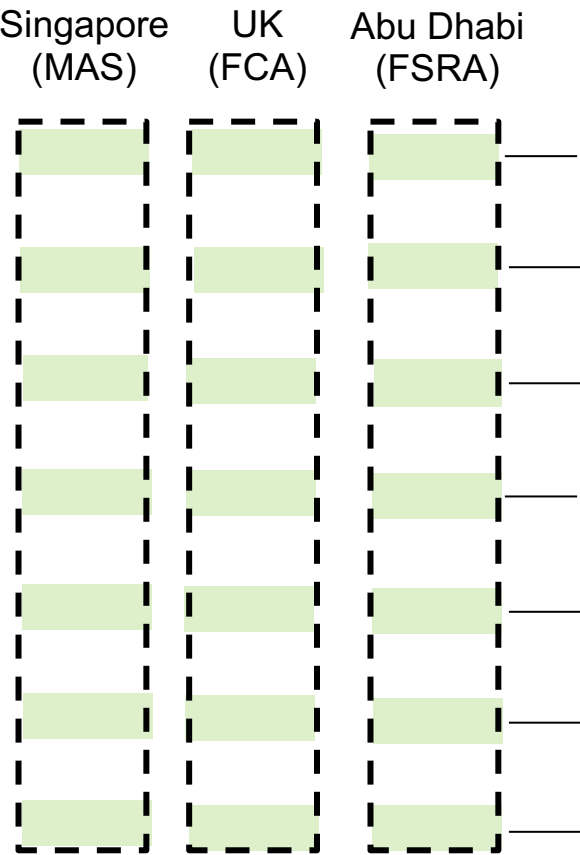
July 29, 2020



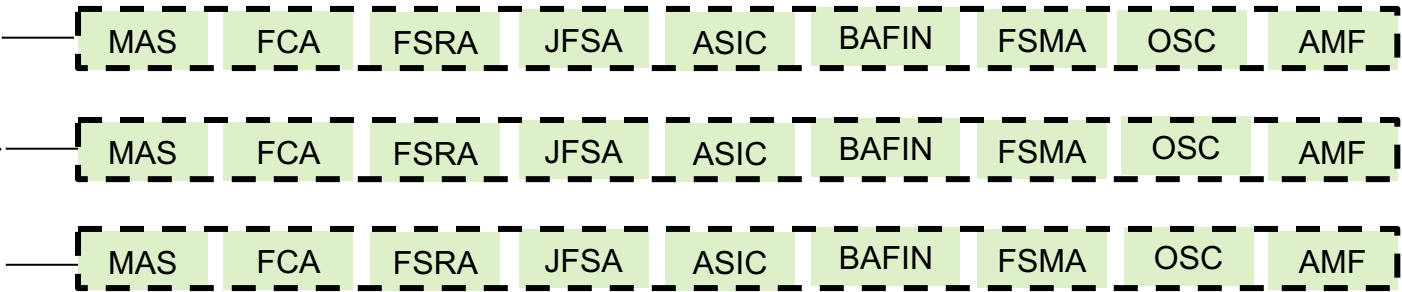
# INITIATIVES DIGITISING REGULATION ARE CREATING FRAGMENTATION, NOT STANDARDISATION

The ‘vertically siloed’ approach of *national* regulators is a product of their *national* mandates

## Vertical ‘intra-rulebook’ approach of national regulators



## Horizontal ‘multi-jurisdictional’ approach

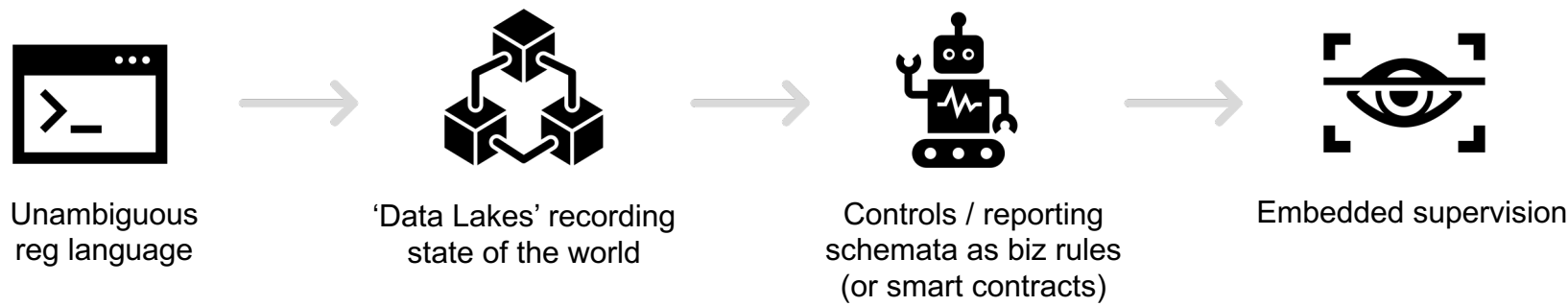


***Commercial developers adopting a horizontal approach are not incentivised to create an open repository***

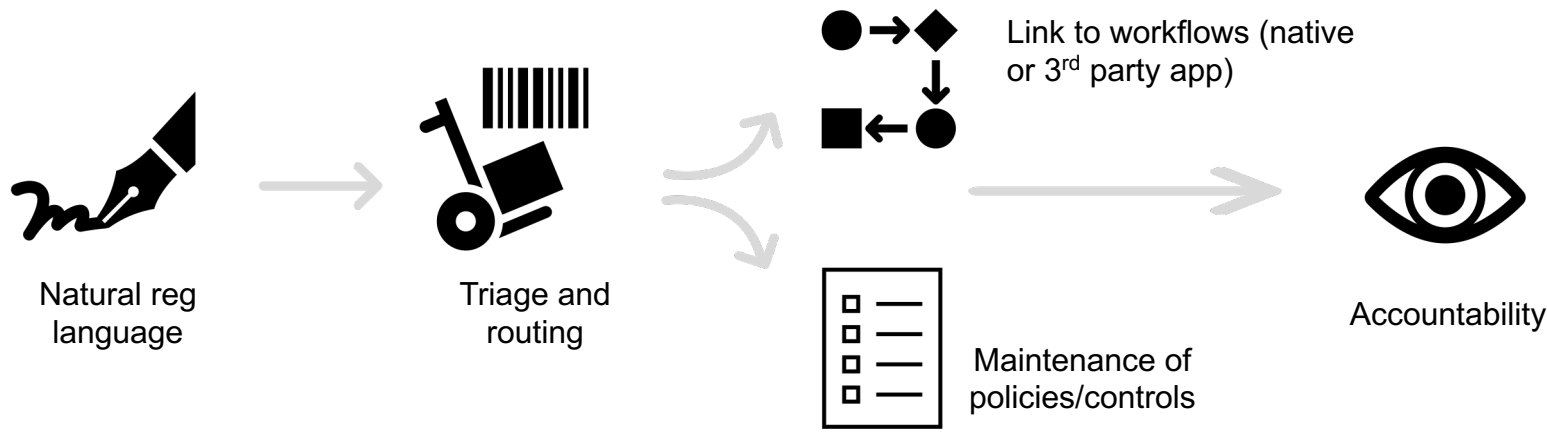


# HOW CAN A MACHINE ‘EXECUTE’ REGULATION?

## Option 1: Regulation as Code

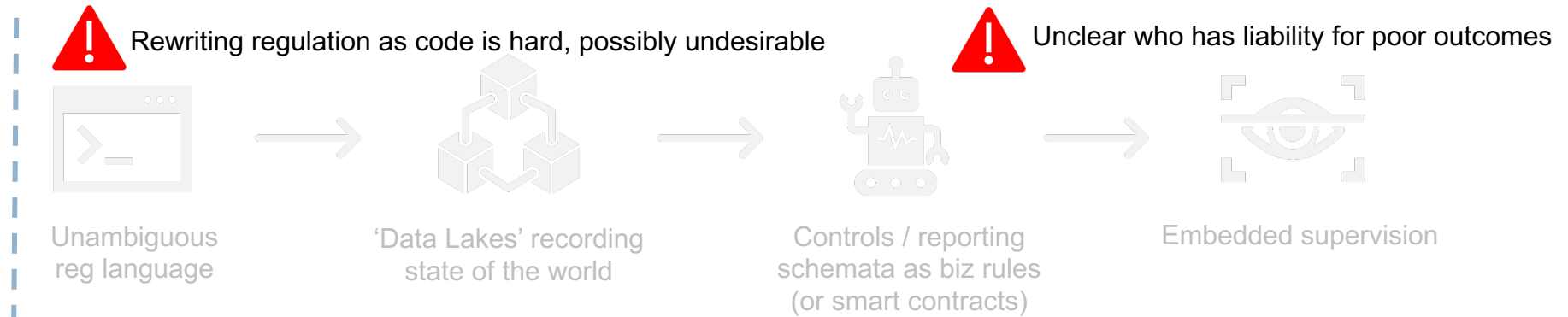


## Option 2: Regulation as Content

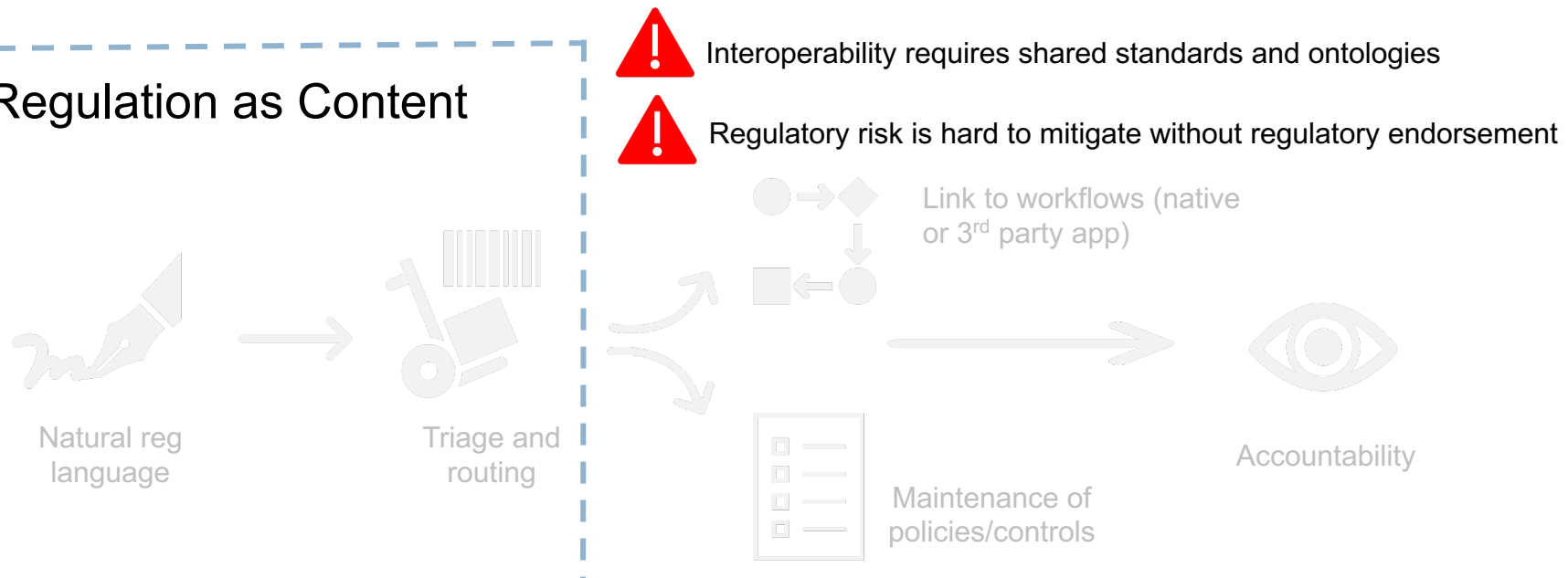


# WHERE ARE THE INNOVATION BOTTLENECKS?

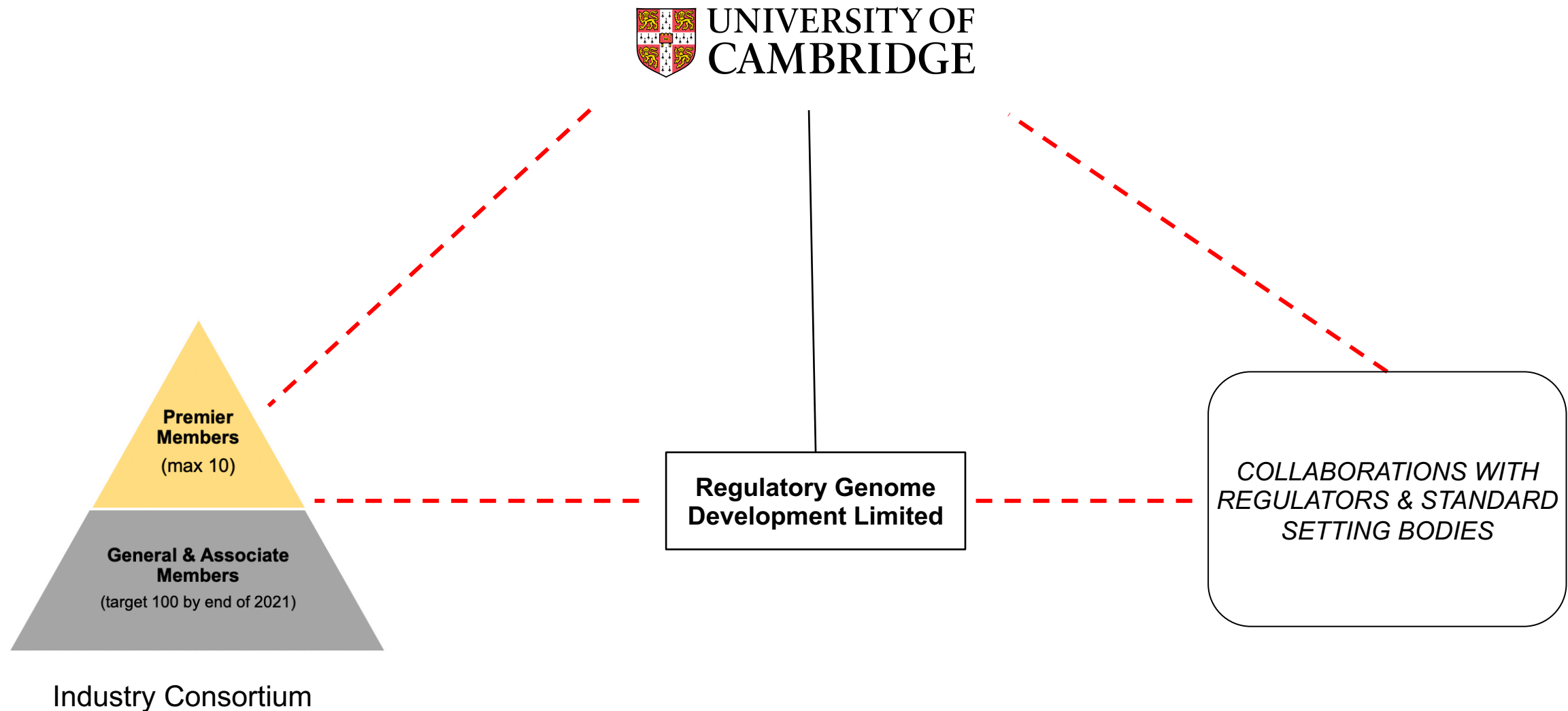
## Option 1: Regulation as Code



## Option 2: Regulation as Content



# PROJECT STRUCTURE LEVERAGES THE UNIVERSITY'S CONVENING POWER





**Please visit our website at:**

**RegulatoryGenomeProject.io**