



FundsXML.org: Charta

(as decided by the FundsXML Standards Committee on 12 November 2018)

1 Introduction

1.1 FundsXML

FundsXML is an open data format for exchanging funds information, available free of charge, with the intention to establish this format as the European industry standard. By developing this standard which has been adopted by various market participants and is endorsed by national investment fund and asset management associations, numerous fund and asset management processes and transactions will be facilitated, including changes from registration to electronic data exchange across companies and national borders. Interestingly enough, this approach has been facilitated by regulators and policy makers over the last few years. Although its initial focus was on sales and reporting activities, FundsXML is an application of XML, which can widely be used as a data description standard in order to simplify exchange of data between different information technology systems.

1.2 FundsXML.org

The organization FundsXML.org pursues the following goals:

- establishing an industry standard for exchanging funds and company data from national and international investment companies as well as asset management companies;
- stimulating national and international acceptance of the standard;
- coordinating the initiative with similar international standards;
- keeping the organization flexible and cost-efficient;
- protecting investments in IT systems based on the standard;
- inviting third parties to participate in (further) developing the standard, and
- protecting the intellectual property from abuse (license requirements) and securing its legal status.

1.3 Charta

This Charta of FundsXML.org governs the work related to the FundsXML standard. Its goal is to define structures and processes in order to facilitate an efficient working environment. It regulates the rights and duties of the organizational bodies of FundsXML.org, its members and their representatives.

2. Membership

2.1 Full Members

- a) Members of FundsXML.org work together on the advancement of the standard.
- b) Only certain institutions, being national investment fund management companies as well as investment companies and asset management companies can apply for full membership. However, justified exceptions in terms of such eligible institutions (see Appendix 1) are possible. In particular national investment fund associations are encouraged to become full members in order to promote the FundsXML standard. Membership applications have to be addressed to the organization by using the special application form on the website www.fundxml.org.
- c) The FundsXML Standards Committee (FSC) according to paragraph 3.2 of this Charta has to decide about admitting new full members. A resolution in terms of acceptance of a new member shall be passed by a majority of at least 3/4 of all votes.
- d) Full members are committed to promote the FundsXML standard in their respective capacity and regularly inform the FSC about their activities.

2.1a Observing Members

- a) The FSC can grant eligible institutions for full membership according to paragraph 2.1 of this Charta an observer status. Such observer status should be granted if the organizational balance between member states and member companies cannot be ensured and if the FSC is of the opinion that the interested eligible member should become more familiar with the organization, structure and procedures of FundsXML.org.
- b) Such observer status can be granted for two years. The FSC has then to decide to either extend the observer status for another year or to grant full membership.
- c) Observing Members have no voting power but enjoy access of FSC information.

2.2 Associate Members

- a) Associate members receive all public circulars of FundsXML.org as well as standardized information by the governing bodies of FundsXML.org.
- b) Any person or Institution can become an associate member according to this Charta as well as by accepting any license terms in this regard. The application for associate membership has to be made through the website www.fundxml.org. Acceptance of the application by the FundsXML Standards Committee (FSC) is not required but FSC has to be regularly informed about new associate members.
- c) Associate Members are allowed to make public reference to the FundsXML standard and do have to inform the FSC Secretariat about their respective activities.

- d) Associate Members are encouraged to actively participate in FundsXML.org Working Groups. Moreover, at least one annual meeting with Associate Members should be organized.

2.3 Termination or Ending of Membership

Membership is ended by leaving FundsXML.org, which can be declared to the FSC with a notice period of 2 months, or by expulsion which can be decided with a $\frac{3}{4}$ (three quarter) majority by the FSC if the Full Member or Associate Member violates its obligations seriously or in spite of warning, or acts contrary to the interests of FundsXML.org.

FSC Membership can also be terminated with a $\frac{3}{4}$ (three quarter) majority of the FSC if a FSC member

- does not attend the Standards Committee's meetings three consecutive times without providing a reason for this and
- does not provide any reaction to the following FSC warning by the Secretariat that the respective member's FSC membership will be terminated.

In this case the respective member's FSC membership will automatically be changed into an Associate Membership.

In case an Associate Member is acting against the objectives of FundsXML.org, the FSC can terminate such Associate Membership any time. Such resolution shall be passed by a majority of at least $\frac{3}{4}$ (three quarters) of all votes.

Any termination of any FundsXML.org membership does not discharge any obligations which exist at the time of termination.

With the termination of Full Membership, all rights granted due to the Full Membership are terminated and the FundsXML.org membership list will be amended accordingly.

With the termination of the Associate Membership, all rights granted due to the Associate Membership are terminated and the FundsXML.org membership list will be amended accordingly.

2.4 Integration of Other Institutions

Shall particular circumstances be given FundsXML.org shall be able to integrate other institutions when certain criteria are met:

- first, such other institution has to prove that it fulfills the same objectives as FundsXML.org,
- second that its organizational and statutory allows its full integration becoming an integral part of FundsXML.org and
- third that such integration is continuously ensured by a clear commitment that the institution will act, in particular versus third parties as integral part of FundsXML.org.

A “Memorandum of Understanding” (MoU) shall be passed by a unanimous vote of FSC members.

3. Organization

3.1 Governing and Administrative Bodies

Governing bodies of FundsXML.org are:

- The “FundsXML Standards Committee” (FSC) as the highest-decision-making body
- Working groups of FundsXML.org

Administrative bodies of FundsXML.org are:

- Secretariat as the main organizational and administrative body
- Assistant Secretariat

3.2 FundsXML Standards Committee (FSC)

- a) Each full member of FundsXML.org may send one representative to the FundsXML Standards Committee (FSC) or provide another full member with its proxy. In this case, the member not present has to inform the Secretariat about the proxy transfer prior to the FSC meeting. It shall be ensured that an organizational and geographical balance is continuously met.
- b) Each full member of FundsXML.org has one vote in the FSC. The FSC generally aims for consensual decisions. If this cannot be achieved, the simple majority of the cast votes decides except the decision-making is on Membership issues, which are regulated in paragraph 2 or issues related to this Charta, which are regulated under paragraph 3.2 section 2.
- c) The FSC has a quorum if 50 percent of its members are present.
- d) The FSC meets at least two times a year. Each full member of FundsXML.org is encouraged to attend at least one of the usually two annual meetings of the FSC. If this requirement is not met over a period of two years, the FSC can decide to downgrade the respective member to associate membership status.
- e) Any changes and/or amendments to this Charta can only be made by the FSC. Any amendments of this Charta have to be passed by a majority of at least a 3/4 (three quarter) majority of all FSC votes. Any amendment of this Charta can be proposed by any FSC member in writing or verbally during an official FSC meeting.
- f) The FSC decides about the approval and implementation of the suggestions and standards prepared by the working groups of FundsXML.

- g) The FSC aims to improve the work and quality of FundsXML in various aspects. If arrangements in this regard have financial implications, it is the task of the FSC to ensure a proper project-related budget is set up on a case by case basis.
- h) The FSC appoints a member to run the Secretariat and another member to run the Assistant Secretariat according to paragraph 3.4, unless otherwise decided or amended in this Charta.
- i) The FSC is empowered to set up working groups with dedicated responsibilities which have to be in line with the overall objective of FundsXML.org. In particular the promotion and development of the FundsXML standard shall be at the center of such activities. In this respect, the FSC has to appoint a Chairman for each working group. The FSC can decide to terminate the mandate of any working group any time.
- j) The FSC appoints one or more contact persons to whom questions regarding FundsXML can be addressed and who can answer these questions in the name of the FSC. These contact persons have to report to the FSC about their respective activities. These contact persons shall clearly be indicated on the FundsXML website.
- k) The FSC is empowered to promote the FundsXML standard or the activities of FundsXML.org via Social Media.

3.3 Working Groups of FundsXML.org

- a) Working groups will be composed in such a way that different opinions and points of view can be considered during the respective work. The Chairman of the working group documents the work assignment, which usually comprises the following items:
 - goal and assignment;
 - chairman and members of the working group;
 - scope and timeline of activities and results;
 - estimate of the effort required by each member.
- b) Furthermore, the Chairman files a report (in writing or verbally) on the progress of the work carried out by the working group for every FSC meeting, staffs the working group and chairs the meetings of the working group. This implies his responsibility for the agenda and the minutes of the meetings of the working groups.
- c) Any invitation or inclusion of Non- or Associate Members to any of these working groups needs the explicit approval of the FSC.
- d) In order to facilitate its creation and communication, all working documents have to be prepared in English.
- e) Working groups depend on the active participation of members. Thus, physical presence or at least regular participation via telephone is necessary and expected. This principle should particularly be adhered to by full members of FundsXML.org.

- f) The final results will be submitted to the FSC for approval.

3.3.a Secretariat and Assistant Secretariat

- a) In order to ensure the organizational and administrative functioning of FundsXML.org, one member has to perform the task of the Secretariat. This one person has to be confirmed by the FSC. The Secretariat is responsible for the preparation, the holding as well as the recording and distribution of the minutes of the meetings and any coordination or communication efforts among members.
- b) Any promotional efforts as well as amendments/changes to the website of FundsXML.org shall be done by or at least under the control of the Secretariat.
- c) In case the Secretariat cannot perform its tasks measures have to be taken that the functioning of FundsXML.org is ensured. From an organizational perspective, the FSC shall appoint another FSC member to perform the task of the Assistant Secretariat which has to back up and support the Secretariat in organizational and administrative matters. This member has to be confirmed by the FSC.

3.4 Standardization Process

- a) To ensure that everybody interested in FundsXML shall be able to submit change requests regarding the FundsXML standard, this can be done in writing to the governing bodies of FundsXML or by contacting FSC members.
- b) The working groups of FundsXML.org decide whether change requests will be integrated into a Working Draft. Working Drafts are created by the working groups and demonstrate ongoing efforts to create binding definitions for certain areas.
- c) The FSC has to decide on Working Drafts, which change the structure of the schema substantially and/or influence the downward compatibility, with a majority of $\frac{3}{4}$ of all FSC votes, whether as well as when such drafts will become a so-called Last Call Working Draft and therefore be open for public comment on the website of FundsXML.
- d) Final Working Drafts are special versions of Working Drafts which are regarded by the working group as advanced enough in order to manifest the goals of the respective changes. The document must contain a deadline for the acceptance and feedback. The feedback period must comprise of at least 20 calendar days.
- e) After the end of the feedback period the FSC has to review the comments to the Final Working Drafts and to decide how to treat about them. Following the final approval of the FSC the Last Call Working Drafts become the respective new version of FundsXML.
- f) Decisions on Working Drafts which include corrections and, smaller changes such as additional data fields and thereby do not substantially change the structure of the schema and/or influence the downward compatibility can be taken by the responsible working group. The Working Draft has to be sent to the members of the FSC for review for a period of 5 working days. If there are objections by more than two members of the FSC the working group has to work out a new or substantially amended Working Draft or ask for a decision of the FSC.

- g) In case there are no objections the Working Draft, it becomes the respective new version of FundsXML.

4. Terms of the License

- a) In general, the FSC is holding all copyrights in relation to FundsXML.
- b) Since FundsXML is based on a Mozilla Public License, everyone is allowed to use the licensed material at its own risk. Moreover, it prevents different publications of similar type under the same name.
- c) The FundsXML Public License and FundsXML logo have to be used on all official publications, presentations and standards.
- d) In its capacity to improve the work and quality of FundsXML, the FSC has commissioned a legal opinion "On the issue of legal protectability of the Data Format required for the exchange of Investment Fund related information" in December 2009.
- e) Against this background, the FSC has to take the necessary steps to constantly secure the trademarks and copyrights associated with FundsXML on a national as well as international level in order to secure and promote the FundsXML and meet the interests of its members.

5. Other Activities of FundsXML.org

- a) In terms of the promotion of the FundsXML standard, the FSC has to ensure that the interests of its members are met. This also includes educational efforts on a regular basis which may be conducted by webinars and the like and should be open to the wider public.
- b) Both, the website as well as any Social Media profiles of FundsXML.org have to contain the logo of the organization.

Appendix 1:
Current list of eligible institutions

KNEIP, Luxembourg

Oesterreichische Kontrollbank Aktiengesellschaft (OeKB), Austria

Appendix 2:
Logo of FundsXML

