



FISD Best Practice Recommendations for Policy Treatment of Non Display Usage Version 2.2

Introduction:

A critical issue for Information Providers, data distributors, and data consumers is the policy treatment for Non-Display Usage of Information. A Working Group comprised of FISD members representing all member constituencies, has created these definitions and Best Practice Recommendations (BPR) to assist the market data industry in addressing the issues associated with these types of usage. The Working Group recognizes differences of opinion regarding certain aspects of this issue. But the Working Group also believes that there are areas of agreement and consensus and that progress and recommendations should be made in these areas to promote greater understanding and increased consistency of policy among market data participants. This BPR represents the collaborative work of the members of the working group. It should not be assumed that it represents the contractual or policy approach of any FISD-member Information Provider.

This document is an initiative sponsored by the Financial Information Services Division (FISD) of the Software and Information Industry Association (SIIA), whose members include leading participants in all segments of the global market data industry, to improve the understanding of Non-Display Usage of Information among market participants.

Definition of Relevant Terms:

“Information Provider” is any organization that creates financial information content that can be redistributed. Examples include, but are not limited to, exchanges, news wires, analysis services, and credit rating agencies.

“Information” is the data that is made available by the Information Provider.

“Vendor” is any organization receiving the Information from an Information Provider for the purpose of redistributing the Information to third parties as part of value-added services. Terms like “re-distributor” and “distributor” are also used to identify this type of organization although the usage and definitions may not be consistent across providers and vendors.

“Subscriber” is an entity that receives Information from an Information Provider, either directly or via a Vendor, for the purposes of using it internally. Distribution of the Information within the Subscriber may be controlled by the Subscriber or a Vendor.

"End-User" is a natural person that is entitled by a Subscriber, a Vendor, or a Sub-Vendor permits to receive Information.

“Non-Display Usage” is accessing, processing, or consumption of Information for a purpose other than in support of its display or distribution.

	Issue	Recommendation
1.	Communication of Policies	<p>Information Providers should consult with Subscribers and Vendors prior to introduction of new policies and consider their feedback in their final policies. New policies should be vetted with the FISD Consumer and Data Vendor Constituent Groups and other similar industry groups sufficiently in advance of introduction.</p> <p>Consultation periods should provide adequate time for Vendors and Subscribers to review and comment on the new policies, and for the Information Providers to consider any comments and potentially incorporate them into their final policies. The time elapsed during a consultation period should not be considered part of the notice period between final announcement of a new policy and its implementation.</p> <p>Information Provider policy documents, pricing schedules, and contracts should strive to be clear, consistent, and easy to understand. Subscribers and Vendors should have easy access to these materials via a mainstream source (e.g. Internet website access), including a history of prior policies.</p> <p>Vendors and Subscribers receiving communications from Information Providers should be proactive and timely in trying to understand the communication and its full implications.</p> <p>Information Providers should work with Vendors to notify Subscribers of any policy change.</p> <p>When changing or introducing new policies for Non-Display Usage, Information Providers should provide adequate notice periods by following Section 9.1 of the FISD’s “<i>Best Practice Recommendations on Market Data Service Levels, Response Times and Communication Procedures</i>”.</p>

	Issue	Recommendation
2.	Consistent and transparent policy interpretation by Information Providers	<p>Information Providers should be consistent and transparent in the judgments that they make regarding policy interpretations related to Non-display Usage.</p> <p>Whenever an Information Provider makes a determination about any policy interpretations related to Non-Display Usage (including decisions about what CANNOT be done with the data), it should make this interpretation public through its website and other policy communications. This disclosure should use examples whenever possible without divulging any proprietary information about a particular Subscriber or Vendor.</p>
3.	Policies for data of different levels of timeliness	<p>It is appropriate for Information Providers to have different policies or commercial approaches for data of different levels of timeliness (i.e., real-time vs. delayed vs. end-of-day). Such policy differences could reflect the differences in value and administrative treatment among the different types of data.</p> <p>Many Information Providers permit Subscribers to use non-real time data throughout their organizations without requirements to permission End-Users or to track usage of the data by specific applications. In these instances especially, Vendors and Subscribers may have limited technical and administrative abilities to apply Information Providers' non-display policies to non-real time data. Therefore, Information Providers should work with Vendors and Subscribers to determine if they have the necessary technical and administrative capabilities to comply with the new policy.</p>
4.	Direct contractual, administrative, and billing relationships between Information Providers and Subscribers	<p>Information Providers that have policies for Non-Display Usage should implement direct contractual, administrative, and billing relationships with Subscribers who are making non-display use of their Information, especially if those policies require judgment calls by the Information Provider.</p> <p>Information Providers should work with Subscribers to ensure there is a clear understanding of the policies. While Vendors may still participate in the communications process, it is impractical to expect intermediaries, like Vendors, to apply Information Providers' policies in scores of diverse usage situations.</p>

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5.	Pre-approval of new non-display uses of the Information	<p>Non-Display Usage should not require any pre-approval from the Information Provider unless the Information Provider administers the pre-approval process and bills for the usage directly.</p> <p>If the Information Provider operates on a pre-approval policy, the Subscriber should only be required to obtain approval once to make non-display use of a particular type of Information. Subscribers should be able to make additional internal Non-display uses of the Information without explicit pre-approval by the Information Provider if the additional uses are consistent with the approvals already granted. <u>At most</u>, Subscribers may be required to report additional non-display uses after the fact.</p>
6.	Burden of Analysis and Interpretation	<p>To minimize the administrative burden on Information Providers, Subscribers, and Vendors, the business models, pricing schedules, and policies of the Information Providers should be simple to interpret and not be open to multiple interpretations, using examples whenever possible.</p> <p>For example, significant data storage issues for Subscribers could result if they are required to provide Information Providers with extensive descriptive information regarding the product and its use by the Subscriber’s downstream clients.</p> <p>Information Providers should avoid the adoption of policies that require Subscribers to identify, describe or track the internal systems and functions that have access to the Information but do not display or redistribute it externally.</p> <p>For legal and competitive reasons, Subscribers are often unable to share descriptive information regarding the algorithms and systems architecture supporting their Non-Display Usage of data in proprietary “black-box” applications.</p>

7.	Policies based on technical configuration and capabilities	<p>Subscribers and Vendors should have flexibility in designing their internal distribution infrastructure as long as they are compliant with the Information Provider’s policies.</p> <p>Information Provider policies should not be tied to a Subscriber’s or Vendor’s technical configuration and capabilities (e.g., bandwidth requirements, the number or size of the processors or servers using the Information).</p> <p>Such policies can be difficult to manage administratively and cannot adapt quickly to changes in technology. And they encourage Subscribers and Vendors to circumvent the policies by modifying their technical configurations, leading to lose-lose situations, wasted effort by Subscriber and no additional revenue for Information Provider.</p>
8.	Commercial Model	<p>Consistency with other Information Providers, whenever possible, is strongly encouraged, and will create efficiencies and greater ease of compliance by Subscribers</p> <p>Information Providers should take a comprehensive view of their overall commercial model for market data to reflect the current way that Subscribers are using their Information and to minimize disruption to that usage. New policies intended to address new or evolving types of usage should likewise take into account all of the other charges, fees, and administrative burdens required of Subscribers in order to be compliant with the commercial model.</p>