

## Introduction – The constancy of change

***It has been said that history repeats itself. This is perhaps not quite correct; it merely rhymes.***

– Theodor Reik<sup>1</sup>

I believe in historical cycles, especially those developed by Peter Turchin.<sup>2</sup> We are going through what he classifies as an elite/contra-elite cycle. These cycles manifest themselves in a distrust and disrespect for authorities and expertise. We have seen the rise of nationalism and xenophobia. Economic inequality is a key factor in driving this cycle.

Another well researched phenomenon from cross-cultural psychology is loose versus tight cultures. You can see this being played out in most countries today, exacerbated by social media platforms, hyperconnectivity via smart phones and smart watches, combined with the stress of a global pandemic.<sup>3</sup>

So we are, as usual, beset with the symptoms of human behavior.

How do we pursue the virtuosity of sustainable finance when faced with global starvation and the lack of energy resources? Recent academic backward-looking studies undertaken following the Arab Spring reveal that people will tolerate much inequality and oppression, but they will not tolerate food insecurity for very long.<sup>4</sup> A combination of what is identified as the right-wing movements and the current energy insecurity due to the war in the Ukraine will further see us divided. These same stressors further impact the culture divide.

As part of the overarching cycle the world is reacting against globalism with nationalism and xenophobia.

Now, layer on human generated climate change, which almost everyone now can see evidence of its impact. Coincidentally, our Plenary meeting is the same week as the United Nations' annual climate change conference (COP27) in Sharm el-Sheikh, Egypt.

Now, we can add *the icing to our cake of misery* the rise of decentralized finance, with many of its proponents desire to disintermediate both financial services organizations and central bank fiat currencies. We have seen this behavior impact standards. We have seen this behavior impact global society in many ways, some positive, many negative.

So, faced with war, social unrest, pandemic, climate change, threats of disintermediation, how can we continue to develop global standards faced with the resulting divisiveness?

I want to put forth the possibility that we can use our international standards as a mechanism for engagement and understanding to become a unifying force and not a divisive force.

ISO was formed in the wake of one of the greatest human tragedies, World War II, in 1947.

*Because 'International Organization for Standardization' would have different acronyms in different languages (IOS in English, OIN in French), our founders decided to give it the short form ISO. ISO is derived from the Greek word isos (ἴσος, meaning "equal"). Whatever the country, whatever the language, the short form of our name is always ISO.<sup>5</sup>*

Equal – ISO strives for equality across national participants.

ISO grew and developed standards during the cold war, during countless revolutions, civil wars, coups, genocides. One can argue that civilization on our small planet functions based upon global standards, first and foremost ISO standards.

The ask here during our first in-person Plenary meeting since May 2019, is that we look to our standardization work as a path to unifying our divided planet. Outside of the Legal Entity Identifier, and our active participation in the Climate Change Coordinating Committee (TF/CCCC), we have not been able to bring forth sustainable finance into our TC 68 remit.

We haven't yet done enough via standards to help in addressing systemic risks and the excesses of the digital asset revolution.

We can and should do more. We need to become proactive, striving for ways to use financial services for the betterment and protection of society, instead of, as is often the case, an incredibly powerful weapon for exacerbating both inequality and planetary destruction. We are not alone, one could argue that all industry sectors, including those focused on sustainability, suffer the same behaviors. Have a product line that is not sustainable? Sell it to private equity firm that is largely immune to public scrutiny. Have risks from climate change? Develop derivative instruments that can not only mitigate risk but can create huge transactional revenues and speculative gains.

We may not be organized properly to address these challenges. This year, I want to ask the ISO TC 68 Strategic Leadership Group (ISO TC 68/CAG) to review the business plan and revise it to meet the current challenges facing our world.

More coordinated and focused work around the inclusion of digital assets into our mainstream market and regulatory structures. We can take a step in this direction by increasing our interaction and communication with ISO JTC1/SC27, ISO JTC1/SC17, ISO TC307, ISO TC 207, ISO TC 309.

## **TC 68 Report**

### **Thank you to Stefan Marinkovic**

We will recognize Stefan's service to ISO TC 68, both on Wednesday and on Friday when we recognize our retirees.

### **Recognizing our retirees**

Wednesday, at the dinner, we will celebrate our colleagues who have retired over the past three years. Friday at 2pm CET we will recognize them during the ISO TC 68 Plenary meeting.

### **Next ISO TC 68 Plenary meeting – proposed Sydney, Australia May 22-26, 2023**

Australia is prepared to host our next Plenary meeting only six months away.

TC 68 established a practice to rotate the meeting location globally each year – roughly: EMEA, AsiaPac, and the Americas.

### **ISO TC 68/TAG 1 – Fintech TAG**

Thank you to Bill Nichols for his leadership as convener.

#### Webinar series

Continue to host educational and informational webinars for the ISO TC 68 community on Fintech.

#### Taxonomy of digital assets

Focus specifically on the development of a taxonomy of digital assets.

#### ISO TC 68/AG2 – Standards Advisory Group

Thank you to Karla McKenna for her continuing leadership.

Seeking a co-convenor from the public sector.

AG2 continues to respond to requests from the regulatory community, most recently with the FSB around digital identity.

#### ISO TC 68/AG3 – Standards Best Practices

Thank you to Karla McKenna for her continued leadership.

Seeking a convenor to carry on the work started by Karla.

#### Best practices – codesets

Added to TC 68 best practices document.

Best practices document to become a living document that will be revised periodically as needed by AG3.

Kaisen – continual process of change and improvements.

#### RA oversight recommendations

Accept the documented results of AG3's discussions submitted in response to the request to address ISO/TC 68 Resolution #21/551 submitted to the ISO/TC 68 2021 Plenary Meeting by the UK member regarding ISO Service Providers – Issues (TC68 Document #N2554 dated 22 September 2021), circulate the document to ISO CS, within TC 68 and to our TC 68 Subcommittees for consideration for possible incremental process improvements for ISO RA relationships.

#### ISO TC 68/SG4 – Communications

Thank you to Paul D'Amico who will present separately.

#### ISO TC 68/AG4 – Sustainable Finance

Thank you to Rebecca Healey for her service as convenor.

Continuing to actively participate and provide leadership at the TF/CCCC level.

#### ISO TC 68/AG5 – Advisory Group on Digital Currencies

Thank you to Gerard Hartsink who is serving as interim convenor of ISO TC 68/AG 5.

#### Recommendations to ISO TC 68/SC 8

Recommendation 1-3 – Study group on ISO 4217 be established.

Recommendation 4 – Gap analysis on existing standards.

Recommendation 9 – ISO 10383 MIC for cryptocurrency markets.  
Recommendation 10 – use of the LEIs for issuers of cryptocurrencies.

Recommendation 15 - Continuation of ISO TC 68/AG 5  
Request Gerard Hartsink to continue as convener of ISO TC 68/AG 5 to address recommendations that span TC 68 and its subcommittees.

**Coordination across ISO and standards development groups**  
Several standards development organizations (SDO) are involved in the security aspects of CBDC and non-fiat currencies and more coordination is required. These are TC 68/SC 2, ISO/IEC JTC 1/SC 27, ISO/TC 307/JWG 4, ITU and IEEE.

Coordinate and cooperate with the myriad of these ongoing activities.

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<sup>1</sup> <https://quoteinvestigator.com/2014/01/12/history-rhymes/>

<sup>2</sup> <https://www.theatlantic.com/magazine/archive/2020/12/can-history-predict-future/616993/>

“War and Peace and War: The Rise and Fall of Empires”, Peter Turchin, (February 27, 2007), ISBN-10 : 0452288193 ISBN-13 : 978-0452288195.

<sup>3</sup> “The Relationship Between Cultural Tightness–Looseness and COVID-19 Cases and Deaths: A Global Analysis,” by Michele J. Gelfand, Joshua Conrad Jackson, Xinyue Pan, Dana Nau, Dylan Pieper, Emmy Denison, Munqith Dagher, Paul A. M. Van Lange, Chi-Yue Chiu, and Mo Wang (The Lancet Planetary Health, 2021).

“Rule Makers, Rule Breakers: How Tight and Loose Cultures Wire Our World”, Michele J. Gelfand, Scribner (September 11, 2018) ISBN-10 : 1501152939, ISBN-13 : 978-1501152931.

<sup>4</sup> <https://www.newsecuritybeat.org/2014/12/feeding-unrest-closer-relationship-food-prices-sociopolitical-conflict/>

<sup>5</sup> [https://www.wikiwand.com/en/International Organization for Standardization](https://www.wikiwand.com/en/International_Organization_for_Standardization)  
<https://www.iso.org/about-us.html>