Inspection standards for POEMs

People's Capitalism Briefing

POEMs (Public Official E-Markets) is an online trading platform shaped as a public utility. For users' peace-of-mind, these services need to be ranked against a set of consistent international standards.

CONTEXT

Technology for POEMs should be open source. This could involve it being used by to run markets that do not share ideals of empowerment and improved quality, or a recognition these markets need to be seen as public institutions; too important to fail. Any conflict of interests or restrictions that could impact users must be public knowledge.

This briefing envisages an "approved operators'" standard. it bestows seal of approval on market operators in any territory abiding by a 10-point list of standards.

The 10-point checklist

Requirements of an approved market operator			
Check		Requirement	Notes
1.	Full functionality	The platform offers tools commensurate with its volume of transactions across each sector in which it enables trading. That covers area including: • Controls for users • Display technologies • Matching/Search functions • Administration tools • Authentication, mapping, dispute handling, payment processing, contract assembly, reporting, interfaces to government services and other enabling functions.	It will always be a temptation for operators to offer only minimal functionality to exploit the benefits of government backing without exploiting the potential POEMs could bring.
2.	Robustness	The platform must be dependable with spare capacity, failover planning, security and protections commensurate with its importance to users.	This could potentially be enforced with fines for underperformance mandated in the

		This may include an assessment of infrastructure required for users to access the system such as reliability of local telecoms providers. Institutions which are required to support the markets are solid. That includes processes for checking identity, resolving disputers neutrally, licencing and applying regulation to market activity.	concession enabling POEMs. But it has to also part of an inspection.
3.	Transparency	Operators openly publish details such as: • Charges imposed on any user. • Goals of the operators where they conflict with, or refine, the aspiration "widest possible use of the markets". • Operators' sources of revenue. • System performance (uptime + time taken to fix reported problems.) • Version of the software being used and updates policy. Seller pay rates and buyer charge rates are displayed clearly with their calculation available to authorized users. • Business rules sitting behind algorithms making decisions in the market. • Any functionality in the markets that could be available but is not implemented within the current version. • Any protectionism guiding system development, for example a mandate to protect the financial services industry from impact of a POEMs market for peer lending.	Inspectors must not tolerate opaque pricing or hidden charges. A market may be limited to particular postalcodes, sectors or categories of sellers, but this needs to be clear. In some cases, POEMs may be set to follow rules from outside the territory in which it operates. For example in a failed state, an international body might act as the initiating authority. Again, any such arrangement must be transparently disclosed.
4.	Privacy	Appropriate user privacy is maintained. An intermediary can see details of their users' activity, users can chose to release their data within controls but, outside this, no search of the data will produce insights into an individual user's activity. Users can have their records expunged at any time in a simple process. (But contracting details for counterparties in previous transactions remain to ensure against deletion of a fraudulent account to avoid detection.) Users own their data and can extract it for transfer to another system at any time.	This is most easily achieved by "minimum sample size" in reporting functionality. A search can't be narrowed to the point where returns will demonstrably relate to an identifiable user.

5.	Open data	Market activity data, real-time and historic, is published openly with no charges for access (subject to the anonymizing demanded by our privacy requirement). It can be searched adequately. Additionally, each user has no-cost unfettered access to all data held about them by the system, this includes their activity data.	There must be only three categories of data in POEMs: • Published openly • Available only to the user • Not collated There is no category of "available to operators only".
6.	Freedom of users	Subject to meeting legal requirements, any individual or organization can buy, sell, invest or donate in any market. Nobody is compelled to use the platform. There are no restraints on alternative marketplaces or services. All buyers are treated equally within the market. All sellers are treated equally within the market. Preferential access to the other side of the market cannot be purchased. There is no preferential level of service within the market. All transactions are processed equally. The only exception is officially designated emergency transactions which can take precedence for system capacity and pre-emption of other transactions. No particular device maker or technical standard is favored unless it is demonstrably already the choice of a clear majority of potential users.	POEMs is neutral between its users. An employee may be required to use the system as an employer through a work-related account. (Just as an employee of an accounting firm may need to work with the employer's payroll service as a condition of employment.) All laws must be enforced within the system. There can be no charges for enhanced functionality.
7.	No entry charges	Sellers are never charged for entering the market. Nor are buyers. Any market charges within a transaction payment are billed to the buyer or intermediary.	
8.	Interoperability	Operators allow external applications to access data and functionality within the parameters of this checklist.	POEMs should be the foundations for a innovations from diverse sources. These applications can be vetted for technical and security compatibility but not restricted to protect the interests of operators.

9.	Accountability	Operators bear responsibility for keeping users informed. That includes reporting regularly on status of the software and system infrastructure and plans for expansion or contraction of services. If operators feel they need to change any of these conditions, they advise users in reasonable time, allowing them to exit the market. The same applies for any significant changes to the market parameters, for example opening linkage to other markets Operators share learning about the system's weaknesses or potential with other approved operators and their public (except where security is threatened).	Operators must keep not only their users but the wider economy in which they operate informed of plans. For example, if new sectors are planned, existing intermediaries in those markets are entitled to know when POEMs will enter their sector.
10.	Commitment to avoid splintering	A POEMs platform can operate as a stand-alone operation. But, as usage deepens, it can become more useful if linked to similar markets in the same or adjoining areas. (This would allow intermediaries to partner across multiple territories for instance.) Approved operators must not develop the software in such a way it would ever inhibit this linkage. Nor do they attempt to stifle credible versions of POEMs operating in the same geography, seeking interoperability with those markets so there is in effect one seamless exchange for users.	This check is to avoid a scenario where perhaps two different bodies have launched a POEMs service covering the same territory. They need to appear as merged for users.