

# “Modern Markets for All” legislation

## A primer

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## Briefing

This briefing aims to create a benchmark for points to be covered in legislation initiating a system of diverse online markets that operates as a regulated public utility. It is broadly focused on legislation for a developed economy within a mature democracy.

Five core assumptions underpin the legislation:

- **No cost**: The markets platform to be created will not be funded by government.
- **Small transactions**: Although open equally to any individual or bona fide organization in the jurisdiction, the platform has a specific mandate to [foster purchases with small unit sizes](#) or from small sellers. This (a) constantly opens markets to individuals and smaller companies (b) maximizes use of existing resources to reduce environmentally damaging waste (c) ensures the platform is targeted at less commercially attractive parts of the economy.
- **Indexed return**: Operators who design, build and run the intended platform make a return linked purely to legitimate usage of the platform, and therefore their delivery of the aims of this legislation. There is to be no “easy money” obtained as a result of the officially bestowed benefits or manipulation of the platform’s markets. But nor is there any cap on the earnings they can generate if successful.
- **Decentralization**: Operators are not permitted to be a monolithic body. A diverse array of entities, combining international heft with local knowledge, are to be in control.
- **Maximum usefulness**: Once a platform is built to foster small transactions across thousands of sectors, its functionality can relatively easily be extended into adjoining functions. (Some of which may not generate revenue for operators.) This briefing assumes the public own the institutions leveraged by this legislation and are to be given the choice of using the intended platform in all its potential if they wish.

These assumptions create a twofold challenge for policymakers:

- **Attracting bidders**: Shaping an attractive commercial opportunity to entice potential operators willing to invest in designing, building and operating the platform.
- **Best deal**: Ensuring the best value for users and the regional economy from the platform.

This legislation should be permissive, rather than prescriptive, for the platform’s operators. But, if the full economic and societal potential of such a platform is to be realized, there are public good requirements which operators have no commercial incentive to provide. Those requirements should be mandated from the start. This will allow putative operators to accurately predict, plan for and price a bid for the opportunity this legislation is intended to create.

A shorter overview of points to be considered in legislation is [here](#).

# Equalizing Digital Opportunity Act

Legislation to initiate a regulated platform for diverse economic and civic transactions.

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## 1) Preamble

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### a) Context for the legislation

This act:

- i. Assumes the enacting jurisdiction believes its citizens and local businesses have a right to the most potent economic infrastructure now possible in which to develop their potential.
- ii. Recognizes government of the jurisdiction has unique facilities that can advance modernized infrastructure for economic activity. They include (a) ability to aggregate public sector demand to create “pump priming” (b) control over key databases and institutions that can be interfaced into a platform for economic activity (c) power to vary regulation so platforms focused on the smallest sellers can thrive (d) directive power over tax and welfare policy which could integrate to a platform (e) multiple official marketing channels including communications to consumers, work seekers, businesses, public agencies, tourists, inward investors and holders of professional qualifications.
- iii. Strategically leverages government’s readiness to boost a new platform (listed above) to achieve the aims of the legislation (below).
- iv. Allows facilities like those above to be awarded for a fixed term to a chosen consortium that undertakes to fund, design and operate a platform delivering the aims of the legislation (below). The winning consortium is to be decided in an open transparent, competitive tendering process and tasked with obligations ensuring maximum public benefit from the facilities it is granted by government.
- v. Recognizes the importance of the intended platform being funded, designed, built and operated by a consortium of operators independent of government, with local businesses significantly represented. To ensure solidity of the platform, the legislation must ensure a profitable opportunity is created for operators if they competently deliver the aims of the legislation.

### b) Aims of the legislation

- i. Dramatically increase economic activity across the jurisdiction, specifically by lower income individuals and smaller businesses.
- ii. Foster a continuously educated workforce that responds promptly to economic shifts through individuals’ access to personalized data on emerging opportunities. Allow those inside and outside the workforce to maximize income from their assets, for example by renting their possessions or lending spare cash as efficiently as possible.
- iii. Improve access to, and responsiveness of, government services – including the social safety net, welfare and public services - while reducing the overall tax burden.
- iv. Increase choice in platforms for economic activity, specifically by adding the option of a sophisticated, pump primed, lowest overhead, stable, neutral, accountable, localized, privacy protecting, data sharing, universally available platform allowing seamless transacting across thousands of economic sectors. The inherent dangers of market distortion in a sophisticated, large scale, platform are to be forestalled in the legislation.

- v. Green the micro-economy. Specifics include (a) fostering the most efficient markets for rental, repair, resale and recycling of goods (b) localizing economic activity by allowing and encouraging pricing-by-distance on supply of goods or workers (c) simplifying interventions such as, for example, reduced tax charges for taxi journeys in an electric vehicle.
- vi. Create a federated, independent, institution whose diverse stakeholders collectively operate the platform. This commercially driven institution should become part of the checks and balances supporting a democratic society. For example, the need of corporate partners to maintain brand integrity internationally should discourage any prioritizing of government priorities over protection of users.
- vii. Drive economic stability and regional advantage for the jurisdiction, partly through opening opportunities but also in side-effects such as better policy making because of the granular data generated by the platform, or increased access to capital and improved rate of business start-ups. Innovation should also be promoted by the data, opportunities and security offered by the platform.
- viii. Extend the platform's essential functionality into ancillary functions freely available to users such as (a) voting (b) local network building (c) civic engagement, political campaigning for example (d) volunteering (e) creation of contracts between parties transacting off-platform (f) monetary transfers for off-platform trades.
- ix. Spawn an eco-system of independent applications ("apps") that draw on platform functionality and data to cut the app maker's development costs and grow usage rapidly. Apps provide additional functions for additional charges, ensuring vibrancy and another set of independent stakeholders watching over the platform.
- x. Ensure all the above is delivered at no cost or risk to public finances.

### c) Terms in this briefing

- **Bidder**: Any consortium of parties applying to win the concession.
- **Concession**: The package of officially bestowed facilities, and accompanying obligations, awarded for a fixed term to the operators.
- **Designated transaction**: A purchase involving transfer of funds from buyer to seller on the platform in which characteristics of the transaction are such that the operators are entitled to retain the Universal mark-up charged by the platform.
- **Digital vault**: A platform outside the control of operators to which personal records of users who wish to be removed from the platform are transferred before being wiped from the platform.
- **Intermediary**: A person or organization which has a pool of subscribing users. The intermediary can define who is in that pool and what activities they can conduct through the intermediary's section of the platform.
- **Jurisdiction**: The region or nation whose government is enacting the legislation.
- **Legislation**: The act described in this briefing.
- **Operators**: A core consortium of corporates who win the concession and are then bound to using franchisees to run individual sectors.

- **Platform:** The system permitting buying and selling between users plus associated functions to be created by the legislation.
- **Public good mandate:** A clause in the legislation compelling operators to do something that will be outside their commercial priorities for the platform.
- **Regulator:** A body created by the legislation. Independent of operators, it confirms to the public that government, the platform and its operators are functioning as anticipated by the legislation.
- **Sectors:** A sector delineates a resource that can be traded between sellers and buyers on the platform. Animal handlers, boat hire, candle sales, donations to charity, engine-repair classes and federal assistance applications are each a sector.
- **Surplus fund:** A repository of earnings by the platform which to which operators are not entitled. Section 4, below, describes the fund's functions.
- **Universal mark-up:** The percentage cut of each payment from buyer to seller retained by the platform. Sums collected are either retained by operators or added to the Surplus fund.
- **Users:** Collectively the buyers, sellers, intermediaries and other parties who have an unfettered right to use the platform as they wish within their legal entitlement to carry out defined trades or perform certain functions.

## 2) Scope of the platform

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### a) Funding of the platform

- i. **Sole revenue source:** The only source of income for operators from the platform is a percentage "Universal mark-up" on funds transferred between users in "Designated transactions".
  - For clarity: Government is defined as a user within this clause. (All salaries, wages and fees paid by public agencies, welfare payments, stimulus and other transfers going through the platform are subject to the mark-up. So are any payments to government agencies from users.)
  - For clarity: Operators are free, possibly encouraged, to sell their software and expertise gained from operating the platform to bodies outside the jurisdiction. (The aim is to encourage a "loss leader" approach to incentivize extra investment in the jurisdiction's platform.)
- ii. **Universal mark-up:** The percentage universally added to purchases across the platform (not just "Designated transactions"). It is fixed for the life of the concession during the competitive tendering process (section 5 below).
  - The Universal mark-up is to be added seamlessly to the price displayed to a purchaser before tax. For example, if the platform's charge is 1%, and a data entry clerk offers to work at \$20 an hour for 3 hours, the price displayed is \$20.20 per hour with operators collecting \$0.60 for enabling the purchase. Or a rug might be offered for sale at \$50, the price displayed is \$50.50, plus any applicable taxes.

- Where there is no payment from buyer to seller in a transaction, there is no charge to use the platform. For example, there will be a sector for rental of sports facilities such as tennis courts, those rentals are subject to the Universal mark-up. But use of the platform to match amateur tennis players with each other must be free to users.
- iii. **Designated transactions (definition)**: There is to be a structural bias towards small sellers and small transactions throughout the platform. Small transactions are defined as those with a low unit price, which can be aggregated by the platform into large transactions. This bias is enforced through a [Maximum Average Transaction Size](#) rule which determines the transactions from which operators can retain the Universal mark-up.
- This does not imply a bias to fragmented transactions. A buyer needing, perhaps, a car can rent one for an hour or a year (subject to sellers offering such a range of course). The Maximum Average Transaction Size rule is applied to unit cost, not purchase price. The car hired for a year can be counted as hire for 8,760 hours for this purpose because there genuinely is a market for hour-long car rentals which the larger transactions help to sustain.
  - The small seller bias can be enforced with a rule such as *“any sector where are least 50% of daily active sellers have less than 3 employees counts as a small seller sector”*. (The aim is to ensure, as example, a sector such as “Activity Holidays” with high value purchases but typically made up of small companies is valued at least as highly by operators as a much larger sector like “Package Holidays” likely to be dominated by behemoths.)
  - The logic is to incentivize unbundling and drive granularity in offerings. That opens the market to the smallest sellers while improving resource utilization. There is no penalization of big sellers on the platform, only rules to ensure they offer no disproportionate earnings for operators who remain incentivized to deliver the needs of small sellers across the jurisdiction.
  - Any dispute about Maximum Average Transaction Size categorizations is adjudicated by the Regulator.
- iv. **Demonetized transactions**: Beyond the “Designated transactions” rule (above), government may set a definition of “meaningful economic activity” which the platform is to foster. Sectors outside this definition can be offered, but - regardless of size of sale or size of seller - operators do not retain the Universal mark-up on transactions. It is diverted to the Surplus fund.
- As example, government may wish to discourage gambling markets on the platform even though the activity is legal. By not allowing operators to retain the mark-up on those transactions, they ensure little effort is put into structuring, refining or promoting such activity on the platform. This is not a ban on gambling on the platform, operators are obligated to offer gambling interactions to users over-18 if that is the law in the wider economy. But – beyond general user attraction - operators would have little incentive to improve efficiency, liquidity or attractiveness of gambling if unable to retain the Universal mark-up on those interactions.
- v. **Refunds**: Where transfer of funds between users relate to a failed purchase there is to be no mark-up added to the payment. Nor can any mark-up on the original purchase be retained

by operators. Assuming use of platform escrow, the sale/hire price and the mark-up charge are returned to the buyer.

- vi. **Verification of denied sources of income:** Expressly forbidden are additional revenue streams including but not limited to (a) advertising (b) preferential listings or access (c) premium services (d) extra costs at checkout (e) service charges (f) consulting to users or potential users in the jurisdiction (g) file storage or transfer fees (h) sale of support materials (i) access fees (j) investment of funds belonging to users or in the Surplus fund.
- The platform's software must verifiably not contain any provision for forbidden revenue extraction unless that functionality is justified for legitimate purposes.

## b) Characteristics of transactions

- i. **Universal service – transaction types:** The platform can facilitate hire of workers, provision of services (including journeys and deliveries), lending of monetary sums and rental or sale of physical goods or intangible assets (for example digital files). It also facilitates donations and multiple non-financial activities.
  - Any sector that is legal for at least some users in the jurisdiction will be verifiably offered on the platform.
- ii. **Obligation to enforce legality:** The platform must ensure each transaction is legal in terms of (a) the resource being traded (b) the offeror's entitlement to sell (c) the intending buyer's entitlement to purchase (d) the legitimacy of any intermediary involved the transaction.
- iii. **Banned transactions:** It is possible the legislation will enumerate categories where trade is not expressly illegal but is to be forbidden on the platform because of its unique facilities to reduce friction in markets. Examples might include (a) hire of guns (b) sale or donation of human sperm (c) reselling of event tickets or partially used tickets for travel (d) industrial chemicals (e) tattooist appointments for under-21's (f) alcohol left-overs (g) live animal markets.
  - Disparities between legal trades in the jurisdiction and trades permitted on the platform are undesirable. Operators should push for legal clarity that bans trading deemed undesirable by government across the economy, not just the platform.
- iv. **Safety of transactions:** The platform must not permit buyers to be in debt to sellers. Funds must go into escrow sufficient to cover the cost of the purchase (or parts of the purchase if it is an ongoing hire, renewed with new deposits in escrow).
  - To facilitate debt-enabled purchases the platform must offer markets in sectors such as factoring finance, allowing a buyer to borrow to purchase, but with the risk of default on the individual or company providing the factoring, not the seller or the platform.

## c) Categories of platform users

- i. **Universal service - access:** Any individual located in the jurisdiction can register as a regular user of the platform, then carry out any combination of buying, selling, lending, investing and all other activities which are legally permitted to them. No-one can be stopped by

government or operators from using the platform within the limits of their legal entitlements.

- Persistently dishonest or unreliable users cannot be expelled from the platform. But they can be flagged – automatically if the evidence is binary, or by a mediator in more complex cases - as undesirable trading partners and any user can opt out of seeing them as options for trading.
- ii. **Corporate users:** Any business or non-profit entity registered in the jurisdiction can open a single corporate account on proof of identity. That account can be accessed to varying degrees by anyone authorized by the entity. Corporate accounts must be offered a choice of relationships between their staff's personal and professional accounts with the choice communicated clearly to each user authorized by the entity:
  - **Interlinked:** The staff member logs into the platform with their personal platform account details when at work. The platform ensures the employer/contractor cannot see any details of personal activity beyond what the staff member chooses to reveal. Activity on behalf of the corporate entity contributes to the trading record of both the entity and the individual.
  - **Separate:** The corporate entity opts for standalone log-ins for staff. Each person's professional account has no relationship to their personal use of the platform. Their trading activity as employee has no impact on their personal record on the platform.
- iii. **Buyer-only accounts:** There will be a category of user – primarily visitors to the jurisdiction – who can buy on the platform but not carry out any other activities. Tourists, purchasing accommodation, meals and services from locals are an example.
- iv. **Intermediaries:** Anybody operating in the jurisdiction who is legally entitled to offer service as an intermediary, for example as a staffing agency or charity, can operate as such on the platform as well as buying and/or selling on their own account. This functionality allows them to cultivate sellers (work-seekers in this example) who are registered on the platform and attached to the intermediary on the platform for supply to buyers on the platform who wish to purchase through the intermediary rather than in the open market.
  - Intermediaries will need a range of functionality allowing them to add value to the basic buying or selling in the platform's markets. This will include (a) an ability to non-exclusively accept buyers or sellers into their enhanced service (b) a mechanism for building the intermediary's choice of fee into each purchase involving their users (c) modified contracts to account for intermediary involvement in purchases (d) display that makes clear to all parties involved if an intermediary is involved in a transaction (e) means to partner with other intermediaries so that buyers from one are able to purchase from sellers of the other with mark-ups for both as agreed between the intermediaries.
  - Intermediaries can seem an anachronism in e-markets. But the enforced neutrality of the platform should foster them. As one example, some families wish to hire Catholic babysitters. There is no official database of who is a Catholic. So, the platform cannot attest to any individual's religious observance, only allow each user to assert it for themselves. But an intermediary might offer to vet babysitters for church attendance and offer those that passed at a premium to parents who purchase through the intermediary.



- v. **Badge issuers:** These are entities licensed to confer badges indicating professional status or other credentials on platform users. Examples include (a) educational institutions (b) unions (c) training companies (d) auditors (e) professional standards bodies. Approved users of these entities can confirm applications for the entity's badges where no database accessible to the platform exists. These users can also instigate withdrawal of the badges they manage from users.
- A badge issuing entity counts as a specialist form of corporate entity for the purposes of this section.
- vi. **Organizers:** Collectives of buyers or sellers will require functionality allowing (a) members to be badged by the organizing entity (b) dissemination of information or benefits to members according to the entity's rules (c) extraction of dues for the entity within each member's instructions (d) possible permission to control some platform settings, given to the entity by the user, as example a union member may allow the union to set their minimum payrate for bookings with a particular company accused of malpractice by the union.
- vii. **Emergency services:** Telecommunications companies must carry 911/999 calls free of charge. Likewise, the platform must grant priorities to users who are registered as approved staff of an entity that is part of the public emergency services. Primarily, this includes a right to preempt transactions to secure resources needed for an immediate response.
- An example is a watch leader at a fire station. She can commander the nearest minibus on the platform to carry support staff to an incident with the original hirer of the minibus expected to wait for the platform to schedule a replacement.
- viii. **Public officials:** Government employees are treated as corporate users for the official entity that employs them. They have no additional powers. The only exception concerns agencies primed to deal with public emergencies in the jurisdiction. These users are to have rights to declare a state of emergency which might (a) preempt transactions (above) on a large scale (b) trigger an evacuation plan enacted through the platform (c) block transactions in a given geographic area for a period (d) trigger a coordinated response involving resources from multiple government and private entities.
- To protect platform integrity, these users might be subject to additional controls. For example, a state of emergency initiation might require separate confirmation by 5 logged-in senior users of the agency with their names published on an advisory notice to users issued automatically by the platform.
  - For clarity: Government staff will administer countless programs on the platform. But they get no special access rights to do so. As example, an official overseeing Earned Income Tax Credits can simply create a fund then set rules for how the money in it is to be dispersed based on a user's profile, badging or activity. They may run a fund distributing billions a year. Neutrality obligations (below) ensure the platform gives them the same tools as a small-scale investor staking \$1,000 on, say, upskilling local plumbers in return for a cut of their enhanced earnings.
- ix. **Mediators:** These are employees/contractors of the jurisdiction's justice department who are authorized to assess disputes between users referred by the platform. Their specific technology must include (a) ability to demote the trading record of users who have breached platform contracts (b) platform authentication that the mediator's personal activities (or activities on behalf of another entity) do not create a conflict of interest around

any case they are personally called on to mediate (c) internal referral mechanisms (d) provisions for appeal.

- Judicial access, to be used when a judge deems there is an overriding public or plaintiff interest in unlocking a user’s personal data, is a higher form of mediator access.
  - For clarity: the platform must feature a sector for “Dispute resolution” in which any legal provider of mediation can compete. Those providers can be listed as alternatives to courts in contracts between buyer and seller. But the platform’s standard contracts will always mandate automated attempts at mediation followed by referral to a court appointed mediator.
- x. **App providers**: Anyone providing an external application that supplements platform activities (see below) is entitled to a log-in allowing their system to access the platform within the limits they set. The core consortium issues these log-ins and can, in circumstances described below, withdraw them.
- xi. **Device accounts**: The platform must be open to sales or purchasing by devices. (For example a printing machine booking a service engineer from that sector or a vending machine offering sale of clothing through the platform). To maintain user protection, devices can only function as users of a corporate account thus ensuring there are people who can be held accountable.
- xii. **Franchisees**: These are the individuals running specific sectors on the platform. Their log-ins, authorized by the core consortium, allow them to adjust generic screen displays and navigation for their sector.
- The platform may provide a dashboard of activity and earnings for each franchisee. But that information is - per an obligation to not have any data uniquely available to operators – published openly. Franchisees cannot access details of individual users’ activity.
  - To maintain platform integrity, franchisees may be controlled in the trading they can do within any sector they control (below). The platform must enforce this rule so a franchisee cannot have a corporate log-in and a personal log-in. Their personal activity will bar them from trading in the sector(s) they can access as a franchisee.
- xiii. **Back Office users**: These are employees/contractors of the core consortium. Again, their log-in offers no unique access to data and they can’t access individual account details. Their unique permissions, dependent on responsibility, might include (a) managing server capacity (b) initiating software updates (c) managing franchisees (d) platform testing (e) managing a common suite of screen elements deployed by franchisees (f) managing accounts of “superusers” such as the mediators and public officials listed above (g) in exceptional circumstances, issuing alerts to all users or targeted groups of users.
- Anyone with Back Office access is also to be stopped from transacting personally in any part of the platform over which they can exercise control. So their professional log-in must be linked to their personal registration on the platform.
- xiv. **Uniqueness of accounts**: the platform must verifiably guard against double registration; one person or entity having more than one account.

- xv. **Access for the unregistered**: The platform must grant certain rights to non-registered users such as interrogating anonymized platform data (below).

#### d) Protections for users

- i. **Verifying user attributes**: The platform will draw on official databases to prove a user's identity and entitlements, but only with their permission. (For example, a company will be asked to authorize an automated look-up of their record of solvency in the appropriate government registry of companies, an individual seeking nursing work will need to permit a check on their listing in the official database of licensed nurses.)
- ii. **Equitable treatment**: All users are treated equally and neutrally by the platform. There is no preferential treatment as a buyer or seller that can be purchased, or bestowed by operators.
  - The only exception is emergency services and overrides when an emergency is declared. Either can lead to preempting of transactions to ensure prioritized buyers get the resources they need.
- iii. **Users set their boundaries**: Each user is free to determine the extent to which they use the platform. Coercion or "upselling" to increase usage, entry of data or range of purchases or sales is forbidden unless a user has permitted it.
- iv. **Users set terms of trade**: The platform does not determine prices, availability of any resource or terms of trade for a seller or buyer. It must provide functionality and data to facilitate users doing so for themselves.
- v. **Free will**: No-one is ever to be compelled to use the platform.
  - For clarity: Usage can be a condition of an employer/employee relationship (a company can direct its staff to use the platform through the company's account as they compel them to use favored accounting, timekeeping or word processing software). But the functions of a citizen or company must remain fully accessible – if less convenient - to anyone deciding not to interact with the platform.
- vi. **Closure of accounts**: Operators must maintain an automated, verifiable, process for closure of a user account. For example, a personal account will be retired when a death certificate can be located in the official database, a company account is to be disabled when a dissolution is registered in the government database of corporate entities.
  - Such records are to be transferred to a standalone Digital vault which removes records from the platform (Section 4).
- vii. **Disabled users**: The needs of users who self-identify as having visual or motor impairment, learning difficulties and other forms of disability must be provided for in line with internationally recognized best practice. Users who require a proxy to interact with the platform on their behalf must have protections and authorization procedures that allow setting of controls on these personal advocates.
  - Some users will need support in their transactions. This must be enabled so that, for instance, a person with learning disabilities is able to have a volunteer "buddy" assigned on work bookings by the platform.

- viii. **Minority language speakers:** Legislation must list the languages in which the platform is to display and interact with users. The quality of translation into lesser used languages should be clarified, is machine translation acceptable for instance?

#### e) Structure of the platform

- i. **Universal service - sectors:** The platform must offer an exchange for any sector in which trade is legal for at least some citizens or entities in the jurisdiction. As a sector gains liquidity on the platform, operators will split it into more precise sub-sectors.
- ii. **Meta-infrastructure:** Some additional markets may be demanded by the legislation such as carbon markets that factor buying/selling of carbon credits into even the smallest transactions. Money laundering detection may also require specialized functionality across all sectors.
- iii. **Device agnostic:** The platform is to be neutrally accessible to users on any device with reasonable levels of active usage in the jurisdiction.
- iv. **Operator freedoms:** Operators are free to structure, curate options, determine default settings, design displays and enable navigation of the platform as they wish. But this rule is conditional on their full on-going compliance with the legislation.
  - This is an important point: the operators are free to trial, innovate and make mistakes in the platform's interfaces. But only as long as their sole incentive is growing activity (and therefore their income) through the platform. If that objective is legitimately questioned, for example, because operators are found to be taking payments for preferential treatment of some users, the regulator can appoint another body to take over managing the platform's interfaces.
- v. **Public exploitation of platform structures:** Operators must create a taxonomy covering all sectors in which resources can be offered on the platform. That taxonomy may be used for diverse purposes in the wider economy and should reflect existing classifications such as government [categorization of employment types](#).
- vi. **Verifiability:** The platform must be designed such that it is as easy as possible to verify the functions and structure of the code when the code is inspected by a knowledgeable commentator.
  - This is to ensure ease of testing the platform against the aims of the legislation and operators' documentation.

#### f) The transaction process

- i. **Best-match principle:** Unless, diluted by the point below, the only priority in matching any buyer and seller on the platform is offering the buyer the best match for their needs as currently understood by the platform's software.
- ii. **Principle of "transparent interference":** There may be "transparent interference" in the principle above if mandated in the legislation. For example, the platform may move climate-friendly options artificially up the list of options presented to a buyer, or may highlight the most local suppliers.

- Any rules governing such manipulation of search results for a buyer will be made public.
- iii. **Choice of mechanisms**: The platform will have a range of mechanisms (for example, listings, auctions or request-for-proposals) with sellers free to select through which they will transact. The aim must be to offer the optimal level of precision in matching relative to liquidity in the sector being accessed. (
- In a highly illiquid market such as *“horse vets who specialize in Haflingers”* the platform can only offer a classified advert style listing of a potential seller or the possibility of a video call, in a deep market such as *“overnight accommodation in Springfield tonight”* it should offer fully priced, immediately bookable, rooms from a plethora of sellers.
- iv. **Payment transfers**: The platform allows users to transfer money in or out of an account provided by the platform (at no cost) or to link to external payment providers.
- v. **Provision of contracts**: Each purchase by a buyer from a seller will involve a contract made explicit to both. To facilitate trade, the platform will provide standardized contracts for common transactions. A seller can choose to amend this, or draw up their own, with these exceptions flagged to potential buyers.
- vi. **No control by operators**: The platform may not (a) set prices (b) constrain seller’s freedom to set prices through conditions such as *“no lower price elsewhere”* (c) force standardized terms of trade. (Any standard contracts offered for a sector have to be variable by users.)
- vii. **Escrow**: Payment for goods or services through the platform will include an escrow period when the platform retains payment for a period during which buyer or seller can initiate a dispute against the other (and/or an intermediary).
- The escrow period should be determined by the franchisee for each sector. It needs to be the period after which any uncertainty about delivery of the services or goods in that sector can reasonably be assumed to have ended. (Operators are free to maintain a standardized table of escrow periods for simplicity.)
  - In longer transactions, the escrow period can be incremented. For example, someone hired for 12 week’s work might find payment released each week for the previous week unless the buyer stops the transaction and initiates a dispute.
- viii. **Dispute resolution**: The platform will feature dispute resolution functionality triggered when any party in a transaction accuses a counterparty of failure to honor the contract covering that transaction on the platform. The process must prioritize early agreement between buyer, seller and possibly intermediary, on a resolution the platform can administer. If this does not succeed in obtaining agreement, the platform facilitates progression of the dispute into official channels.
- It is intended that government allows the platform to feed unresolved disputes into the courts. In practice the first line response is likely to be court-appointed mediators who assess statements from the parties involved and suggest a resolution that the platform can administer (for example, refunding 50% of the price).
- ix. **Tax disbursement**: On any purchase that triggers any kind of tax, the platform must (a) incorporate that tax into the price (b) display a breakdown to buyer and seller showing the tax component in the pricing (c) by default offer to deduct the tax and verifiably credit to the

appropriate tax authority fund (d) update a tax record as part of the platform activity record for buyer and seller.

- For clarity: The platform cannot insist on deducting tax at source on any transaction. If the seller wishes, it can pay the full amount of purchase to the seller while compiling a Taxes Due account for the seller who can then pay the authorities through another channel.
- x. **Interventions**: A full range of interventions must be enabled within transactions. Such interventions can be set up by any party and must be transparently audited and administered.
- Intervention functionality broadly requires the ability for a user to create an intervention by (a) defining characteristics of a transaction, pattern of activity or user that will trigger the intervention (b) determining what is to occur when those criteria for intervention are met (c) possibly depositing funds in an account to be allocated as part of the intervention (d) any conditions to be placed on recipients of the intervention (e) conditions under which the intervention will end.
  - Potential recipients of interventions must be able to set personal filtering that determines which, if any, interventions are offered or applied to them.
  - An example of an intervention within a transaction: A tourism promotion authority wishes to boost camping locally and pays \$10,000 into an account on the platform to reduce the cost of tent hire from any seller in their region by 20% until the money is spent.

## g) Ancillary functionality

### Within transactions

- i. **Active identity**: The platform must not only cross reference official databases to confirm a user's identity, it should also allow each to build an "Active Identity Record". At its simplest, this is a record of transactions confirmed against an individual's photograph. A taxi driver for example can have been booked by hundreds of buyers each of whom will see the man's photograph through the platform and can stop their purchase in escrow if they believe that individual – who has proved their license to ferry passengers to the platform – was not at the wheel.
  - More complex Active Identity Records could track the reliability of counterparties who interacted with the person and the number of sectors in which they were active. The aim is to make it prohibitively costly and risky to set up a false identity then develop it with fraudulent activity using accomplices.
- ii. **Dynamic pricing**: Sellers need tools allowing them to both (a) accept fixed reimbursement rates offered by potential buyers (b) set personalized rules for constructing prices based on parameters of a putative transaction (for example, how far they would need to travel, the period of notice being given, the length of assignment and so on) (c) pricing set by a seller against a specific buyer.
- iii. **Cancellation and amendment**: Transactions need to be changeable with interests of all parties involved respected. For instance, a seller honestly and unexpectedly unable to

complete a cellphone repair booking should be able to cancel while the platform offers alternatives to the buyer. Alternatively, a later time could be offered.

- iv. **Underwriting of transactions**: Operators must allow competing insurers to have a fee built into their choice of transactions for their customers on the platform. In return for the fee, in case of cancellation or non-compliance in a booking, the insurer releases funds allowing the platform to arrange an alternative, even if it may cost more than the original booking.
- v. **Secondary currencies**: The platform may be required to enable frictionless transactions in currencies outside the primary money system for the jurisdiction.
  - Trading in alternative money systems such as approved crypto currencies, particularly stablecoins, may be demanded as an option for sellers.
  - Peer-to-peer exchange of currencies can of course be facilitated by the platform with operators subtracting their Confirmed markup on each deal.
- vi. **Randomizer**: To avoid any possibility of Search Engine Optimization techniques skewing the markets, the platform must have capacity to randomize display of a set of options where all other factors determining placement for the user are exhausted.
- vii. **Chain transactions**: The platform should allow a buyer to construct a personalized list of related purchases across multiple sectors.
- viii. **Transport plotting**: Carriage of goods or people will be key sectors on the platform. Functionality in these sectors must incorporate all possible forms of transportation seamlessly.
- ix. **Vouchers**: It is expected that users will be able to purchase vouchers to be redeemed against purchases defined by sectors, geography, time-of-purchase or other criteria. Sellers can issue vouchers through the platform that can only be redeemed against purchases from that seller.
  - As an example, a sign-maker may email vouchers (off platform) to target businesses that allow them a 20% discount on a first order through the platform. The platform then applies the discount once a code on a specific voucher is entered or scanned.

#### Outside transactions

- x. **Vetting records**: Operators will need to offer a badge representing each officially recognized entitlement or attainment in the jurisdiction. The mechanism for allocating these badges to sellers or buyers must reflect the seriousness of the entitlement, ensuring only those who qualify have each badge on the platform.
  - Examples of badges include: licensed scaffolder, fire certificate issued (for a property offering overnight accommodation), authorized dispensing pharmacy, tested Spanish speaker, [FAIRR](#) accredited organization.
    - Badges may be allocated after reference to an official registry. For example, a user tells the platform they are a credentialed care worker. The platform asks their permission to scan for their record on the relevant government database then attaches the badge to their platform record while ensuring it will be removed on expiry or in case of withdrawal from the registry.

- Alternatively, badges may be authorized by a user with Badge issuing access for the appropriate organization (above).
  - Some badges may be hidden from general display, “formally incarcerated” (confirmation of a certificate issued on release from prison) is one example. The user may wish the system to know they hold that status because of the support it can attract. But they are entitled to have the datapoint withheld from counterparties if the law permits.
  - Operators have a responsibility to withdraw badge issuing authorities and their badges from the platform when an authority is removed from the official database of accrediting organizations.
  - As with sectors, operators must publish a taxonomy for these certificates which should reflect taxonomies outside the platform.
  - The platform can be exploited by users to verify their badges to non-users. (Through one-off, verified, access to their badging screen for example.)
  - Badging must not be used to promote discrimination, for example by badging ethnicity then allowing buyers to set that as grounds for exclusion of potential counterparties.
- xi. **Education tools**: Skilling of sellers is to be a structural priority for the platform. Functionality suggesting courses that workers could most profitably add to their badges must be integral, as should tools that muster groups, tutors and teaching spaces for cost-effective instruction sessions.
- xii. **Rating of users**: As a regulated public utility, the platform cannot carry subjective – possibly unfair or abusive - freetext comments by one user about another. But objective ratings of reliability can be vital to progressing diligent users to higher earnings, or lower purchase costs. The platform should therefore track successful completion of sales or purchases for each user. Users who have a pattern of payment for services or good stopped after buyer successful complaints, or buyers who file complaints frequently shown to be groundless, can be automatically held in lower grades.
- Each user’s trading record is to be portable, easily moved into a different system or exploited offline.
- xiii. **Profiling of users**: The platform stores details of a user’s activities. Operators are not permitted to promote individual buyers, sellers or investors, but can advertise categories based on the profile. For example, if a couple chose to link their accounts on the platform and then book childcare for a toddler, the profile will assume they have a child. If they then hire a bicycle it might legitimately ask if they are aware of the “child bike seat rental” sector.
- Profiles are to be under the user’s direct control but can be automatically adjusted as details emerge based on their activity. The profile’s only aim is attuned service.
- xiv. **“Opportunity feeds”**: It is envisaged the platform assembles offers of employment or opportunities, market insights, investment offers and other dynamic information for each user. The user can determine how such messages are to be filtered, prioritized and timed.
- As example, an individual user could require any organization wishing to funnel a message into their opportunity feed must pay \$1 per message (to the individual, the



platform retains only 2% as its charge). This ensures seriousness and incentivizes opportunity originators to target their missives.

- xv. **Benefits administration:** Tools for collecting pro-rated benefits covering sickness, retirement, pregnancy, vacation funds, parenting leave and so on are to be offered. Each user is to have an infinite choice of providers of such benefits, or the platform can run its own [neutral, automated, pooled-risk accounts](#). The platform is to disburse payments to benefits accounts immediately a transaction comes out of escrow.
- Benefits must be calculable and payable in real time. As one example, government may set rules that allow Earned Income Tax Credits (negative income tax) to be paid alongside earnings from work. So, a worker earning \$15 p.h. on a booking may receive an extra \$3 for the first 5 hours from a government fund, all transferred seamlessly and immediately the escrow period ends to their account by the platform.
- xvi. **Investment tools:** The platform must incentivize diverse investment possibilities in equipping, upskilling or otherwise supporting sellers or buyers. Investments must be offered neutrally according to the initiating user's mandate and is always optional for recipients.
- A simple example of investment through the platform: A business believe the market for French speaking hospitality staff is set to grow. They deposit \$50,000 in an account on the platform to fund French lessons for up to 100 hospitality workers with a reliability rating of at least 5 in return for 15% of their earnings from bookings where the buyer specified "French speaking" as a requirement. Those sums to be deducted by the platform for the following 6 months.
  - It is likely major investors would require more sophisticated tools such as automatic creation of investment funds where mismatches in supply and demand were evident, secondary markets in funds and funds-of-funds. It should be in operators' commercial interests to provide this (because it grows activity) but it may need to be enshrined in the legislation as a baseline of the service.
- xvii. **Paths out of the platform:** The platform must recognize its sellers may want off-platform careers and assist them by – for example – allowing job-creators to search for platform sellers with particular attributes or track records who can be offered an interview.
- As ever, the user must be in control of their data. So, approaches offering interviews are likely to be made without the job-creator knowing a name or identifying details of the candidate.

#### h) Mandated non-revenue-generating functionality

Services to be provided by the platform that exploit its core tools, but don't generate purchase income for operators, might include:

##### User empowerment:

- Exploitation of user's own data:** Any user can use the platform to (a) prove identity (b) login or set up an account with another service (c) prove their track record of trading activity and credentialling (d) demonstrate counterparty status (for example a period of employment) with another entity on the platform.

- ii. **Exploitation of platform content**: The platform will need generic contracts, taxonomies, catalogues of goods and other content to underpin its core trading functions. This content is to be available – free of copyright or charges - for use outside the platform.
- iii. **Aggregation**: Deliveries, journeys and production capacity for diverse buyers can be aggregated to cut costs and achieve environmental objectives. This is part of the public good mandate: operators gain most from – for example – 10 deliveries of goods to one locality each with a different seller providing delivery. Lowering buyer costs, and environmental objectives, require buyers be offered a choice of merging their needs with others to reduce consumption of services.
- iv. **Forming of collectives**: The platform must enable groups of users to legally form and manage a collective that then operates on or off the platform.
- v. **Downsizing of transactions**: There will be occasions where a seller has overestimated the market for a service. Enabling them to trim the resource consumed is part of the platform’s green priorities.
  - As an example: An accredited truck driver may rent an articulated rig and offer loadspace between A and B this afternoon. But, an hour before departure, it becomes clear only 20% of the space has been booked. The platform must facilitate the driver in cancelling her big rig as cheaply as possible while hiring a van to fulfill her obligations to purchasers.
- vi. **Anonymized users**: Some users will want to maintain anonymity, perhaps because they carry out contentious – but legal – trades. This facility should be offered subject to the platform having proved their identity which can be uncovered by a court order in case of wrong doing on the platform.
  - In some circumstances, government may allow undocumented (technically illegal) workers into the platform. This gray area would best be accommodated by allowing intermediaries to verify such workers’ identities and badging then presenting them without a name. Counterparties would have to trust the intermediary rather than relying on normal platform verification. The workers only have to trust the intermediary, not the platform which knows nothing of their identity.
- vii. **Boycotts**: A user must be entitled to specify bodies with whom they won’t trade. The platform could also offer tapered boycotts, allowing a user to specify – as example – *“I will pay up to 15% extra to avoid purchases of goods originating in China”*. That edict then impacts rating of options by price when the user buys.
  - The legislation may disbar boycotting of individual traders to reduce opportunities for premediated discrimination.
  - The legislation may mandate a register of boycotts currently active, with numbers of users opting into each listed.
- viii. **Copyright protection**: Operators have a duty to ensure materials, particularly digital files, offered by sellers without the copyright owner’s permission, are detected and blocked.
  - Copyright owners could be encouraged to issue codes allowing authorized distribution of their works in the jurisdiction. That code would be generated as a voucher through their authorized account on the platform, distributed as they wish

– on or off the platform – and demanded by the platform when an item on which they assert ownership was offered by any seller.

- Copyright owners will face enforcement problems on the platform comparable to those on the wider internet. But the platform contains verified users and permits judicial access in cases of alleged abuse of trade rules. It will be in their interests to co-operate with measures designed to ease legitimate use of their assets.

Civic engagement:

- ix. **Application to public agencies:** Anyone wanting a license or other officially issued permit must be able to use the platform to seamlessly apply and pay.
- x. **Accredited voting:** Not just in mainstream elections but perhaps also in referenda organized by individual users. The user's Active Identity record must be harnessed to ensure (a) a verified individual or entity has voted (b) there can be no double voting (this may require sharing a register of who has voted with election officials, that register should be made public by the platform of course).
- xi. **Census participation:** The platform may have a designated role in official censuses (allowing users to release their data for automatic formatting with one click for example).
- xii. **Volunteering:** Users should be free to not only sell their time but to donate it to their favored good causes who are permitted to make unpaid bookings within the individual's parameters.
- xiii. **Freecycling:** The platform must use its trading tools to facilitate giving goods away, particularly perishables such as unused food.
- xiv. **Lost property reporting:** The platform can act as a sophisticated repository of listings pertaining to mislaid items within the jurisdiction. Lost pets could be an active sub-sector.
- xv. **Crime reporting:** The platform must make it easy for any user to report a crime to the appropriate authorities. Such a record should include (a) verifiable data from the user's record on the platform, even if the user chooses to withhold their name to avoid reprisals (b) any platform data about activities or items involved.
- xvi. **Discrimination detection:** If a company is accused of always booking young white women for work assignments when there are better qualified candidates, platform records could be used to prove a pattern. They could show – for example – the individuals skipped over when bookings were made by managers.
  - Automated warnings of a potential pattern of discrimination should be offered if that discrimination is illegal. This attempt to warn a user to change behavior should always be the first line defense.
  - For clarity: Any human intervention to investigate the user's data requires a court order.
- xvii. **Judicial access:** When a judge decides a user's data can be accessed, for any reason, the judge should be empowered to enter the platform then extract the details, leaving a verifiable record for the user. This removes any sight of the data, or possibilities for overreach, by operators' staff.

- Judicial access must include a record of the court order within the alert shared with the impacted user(s). A central, public, directory must detail each incident of judicial access, anonymizing the user, but naming the judge and logging the exact scope and timings of the access.
- xviii. **Activity tracing:** Disease prevention – and other public priorities – require the platform allow users to release their data for purposes such as Track-and-Trace of recent counterparties if the user is diagnosed with a communicable illness.
- xix. **Sanctions:** Government may use the legislation to mandate sanctions be applied to a particular source of goods of workers. Again, this should not be permitted if it is exclusively focused on the platform. The platform can be used to apply sanctions on – for example – trade in goods from a particular country but only if such sanctions are part of wider economic legislation.

#### Social services:

- xx. **Parallel economy:** The platform’s payment mechanisms could equally power transactions for a platform-specific currency. Any such currency will need rules on creation, distribution and possibly decay of tokens applied by the platform.
- xxi. **Community services:** Unpaid petcare, companionship, shopping, counselling and other local help must be available for offering or booking with the same protections as monetary transactions between users.
- xxii. **Social networking:** Linking of users according to interests and willingness to be connected is an obvious extension of user profiles. This could be used by any user to initiate approaches aimed at group formation such as *“a lunch club for seniors living within 2 miles of my home”* or dating *“single men who get booked for tennis matches on the platform, live locally and have a track record of work reliability”*.
- As ever, approaches are by default blind with no identifying details of people being approached revealed without their permission and users able to opt in or out of such approaches.
  - For clarity: the platform will offer limited opportunities for online discussion. Unlike social media companies, it has no incentive to drive “engagement”, its aim is to maximize user earnings (of which it gets a cut). Users can message others to make arrangements within the platform but – beyond attesting to each user’s identity and trading record while protecting anonymity – it offers no tools to drive postings or messages while having multiple disincentives for irresponsible activity by users.
- xxiii. **Ringfenced markets:** Some individuals need to trade with extra support or protections. School children, people with learning disabilities and prisoners returning to society are obvious examples. These groups are entitled to use a version of the platform overseen by an intermediary of their choice that can determine user’s activities while interactions in the wider market are blocked until explicitly permitted.
- xxiv. **Preferential counterparties:** Any buyer can set attributes of sellers who are permitted to become counterparties. For example, a local government could allocate \$1m of landscaping work for local residents who were badged by the local employment office as long term unemployed.

- xxv. **Memorializing:** A user can leave instructions about how the platform is to handle their account after a death certificate for the user is discovered in the official registry and records transferred to the Digital vault. Options might include allowing specified account details to be accessed by an app that builds memorials around a user's record.

#### i) Platform data

- i. **Data openness:** There are only two categories of data stored or generated by the platform; (a) data owned by a user and private to them (b) data published openly. Specifically, there is no category of "operators only" information.
  - This rule compels operators to publish even mundane data such as historic and current server capacity. A set of pages in which any user can drill into these datasets is part of the accountability mandated for this public utility.
- ii. **Data ownership:** A user's ownership of their data is to be fully enabled. They can export their entire personal/corporate data and/or order it wiped from the platform at any time.
  - Where user data is to be wiped it is the coherent record of that user's activities that is destroyed. To ensure data integrity, anonymized details of activity must remain for interrogation (see below). And counterparties of the departing user retain details of who they transacted with. (This is to avoid, for example, an unscrupulous seller, sending shoddy goods then having their record wiped.) Additionally, the legislation may mandate that coherent user records are automatically transferred to a Digital vault (below) before destruction. They can then be accessed by the courts but are outside the platform.
- iii. **Scope of public data:** The platform will publish data, historic and real-time, covering points such as patterns of pricing, supply, demand and utilization (percentage of resources offered that were purchased) in each sector in which there is trading. Search tools will allow data to be narrowed by factors such as (a) geography (b) day of week (c) time of day (d) date range (e) characteristics of sellers or buyers involved.
  - This functionality needs to be specified in the legislation because it is largely a public good rather than a revenue generator for operators. Any platform user, or non-registered user must be able to interrogate market data to ask, for example *"what was the average hourly pay of carpet layers working within 5 miles of Birmingham City Hall on Saturday mornings in the three months before Christmas last year where the worker was a registered veteran?"*
- iv. **Anonymity:** Data published openly must be anonymized so that details of individual buyers, sellers or intermediaries cannot be divined. Any search that could compromise this principle is to be disallowed. Anonymization must additionally protect against triangulation, plotting an individual user's activity through multiple overlapping searches.
- v. **Indexes:** Some data must be used to generate indexes which operators stand behind. Any user can extract the data and condense it into any tracker of their choosing (see below). But those results could be manipulated. There will be some indexes deemed so important to policymaking and business planning that the numbers have to come consistently from the platform.

- Examples of key indexes might include (a) average weekly incomes sector-by-sector across the jurisdiction (b) utilization of users (c) earnings inflation.
- Government is entitled to demand additional platform indexes in response to events. For example, an index of work-seekers registering their proof of vaccination during a pandemic.

## j) Interfacing into the platform

- i. **API:** Application Program Interfaces must be offered allowing the platform to integrate into any other system. No such interfacing must threaten platform integrity or security.
- ii. **Apps:** The most visible form of interfacing will likely be applications for mobile devices. Anyone can offer an external software application (“app”) that draws on platform records, tools or data to offer enhanced services to the app’s users for a fee of their choosing.
  - Aims of allowing apps on the platform include: (a) provision of “subjective services” where the app’s owners or users make judgements that the platform’s neutrality prohibits (b) allow experimental functionality and services to be trialed outside the platform’s obligation to solidity of service (c) foster development of value-added services for higher value transactions that the platform won’t prioritize because of its [Maximum Average Transaction Size](#) mandate (d) bolster the jurisdiction’s gaming, entertainment and other e-commerce businesses (e) encourage usage by corporates who can build the platform seamlessly into their internal systems (f) incorporation of the platform into the “Internet of Things” with, for example, automated purchasing of services by devices that are not allowed to be direct platform users without a human guarantor (g) creation of a path for external parties to build alternatives to platform structures, navigation, curation and processes.
  - An example of an external app: a service mapping doctors that the app’s owners deem LGBTQ-friendly. Appointments can be made through the app and are identified as such to the medical provider if they also use the app. Crucially, the platform’s booking, contracting, payment, escrow, data collection and dispute resolution tools are all utilized in transactions initiated through the app. Its subscribers may have accounts with multiple other apps as well as using the platform directly across multiple sectors. Bookings through the app contribute to buyers and sellers’ records of trading activity in the platform.
- iii. **Interfacing to apps:** Ways an app can interact with the platform must include any combination of:
  - Allowing users to permit the app to access their data on the platform. This could be to create an app log-in, prove reliability or permit analysis of the user’s interests, for example.
  - Triggering purchases within the platform between a buyer and/or seller who used the app to offer or buy. The platform can build in a charge for the app owner on any purchase and disburse those sums to the app owner when escrow ends.
  - Accessing and repurposing public data from the platform.

- Amending interfaces. For example, a game could foster in-app purchases on the platform with the game owner’s commission built in.
  - Acting as an intermediary with enhanced functionality.
- iv. **Charges for apps**: Platform operators cannot charge app operators. (Operators do continue to make the platform’s standard percentage mark-up on purchases flowing through apps.)
- v. **User protections**: Operators must ensure any platform user is only enrolled, approached or surveilled by an app with the user’s explicit permission. That permission can be rescinded at any time from within the platform by the user.
- The platform must report to the user what access to the platform each app has triggered on the user’s behalf.
  - Mass extraction of system data is specifically disallowed. There is no function – for example – where a user can upload details of other users with whom they have interacted to an app.
- vi. **Certification of apps**: Operators may only exclude apps from interfacing with the platform in cases where a security risk to the platform can be demonstrated.
- vii. **Badging of apps**: Operators have a duty to create a digital secure badge, automatically awarded, that signifies an app is genuinely ready to interact with the platform securely. The badge must state what functions the app can initiate within the platform.
- Badging may include commitment to a code of conduct. For instance, operators could have a separate badge for apps that agree to (a) match the platform’s transparency in publishing their code (b) irrevocably destroy a user’s details if they chose to close their account on the app.
- viii. **Directory of apps**: A public directory of apps that are, or have, interacted with the platform, and their badging status, must be maintained by operators. Users can download apps from this directory or instruct the platform to rescind their interaction with the app. The directory must also offer a way of logging into the apps featured.
- ix. **Disputes with app owners**: App owners have a right of appeal over any decision by operators to the regulator in the first instance.
- A particular dispute to be anticipated in the legislation: ownership of functionality. An app might demonstrate popularity of a technology that is not available on the platform. For example, augmented reality fitting of warehouse shelving offered by sellers. Operators might note the popularity of this in an app and want to copy it across sectors in the platform. But that would negatively impact the app owners who developed it. The regulator may have to be involved in arbitrating fees between the parties in cases like this.

#### k) Phasing of functionality

- i. Functionality may be introduced in phases during the period of the concession. The legislation should include a timetable by which operators must deliver key functions.

- For example: Operators may be given a first 12 months of platform operation before they have to allow external apps to interface. This reduces complexity, costs and risks at launch.



### 3) Government's support for the platform

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The incentives policymakers can offer to attract competing consortia seeking to become the platform's operators vary widely. This list assumes (a) centralized government able to command local authorities (b) an all-in approach by policymakers that is not attempting to artificially preserve existing institutions.

#### a) Liquidity

- i. **Pump priming**: All public spending within the jurisdiction will flow through the platform unless it can clearly be demonstrated that better value is available elsewhere.
  - Public agencies are huge buyers of labor, services and short-term resources. This demand across thousands of sectors will be moved onto the platform according to a timetable specified in an appendix to the legislation. (Bookings by agencies will be subject to the platform's Universal mark-up of course.)
- ii. **Disaggregation of spending**: Contracts must be broken up to their component parts where feasible, as part of the above commitment.
  - To explain the intent of this; it is clear the commissioning of – for example – a submarine cannot usefully be unbundled so the local community can supply all components through the platform. But an agreement to clean government buildings might currently be worth \$5m annually and assigned to a corporate provider of janitorial services. Viewed through the atomizing potential of the platform, that requirement can be expressed as perhaps 200,000 hours of cleaners' time in a year, 50,000 hours of supervisors plus incidental utensils and materials. Operators need to ensure their intake for large requirements like this, and ability to foster a regular motivated workforce through the platform, outweighs attempts by outsourcing companies to claim their bundling, workforce scheduling and overheads represent better value.
- iii. **Access to procurement tools**: Operators will be permitted to interface the platform into all procurement systems and processes across government.
- iv. **Obligations on vendors**: Any entity providing services to government will be subject to a contractual obligation to comply with the above three obligations.
  - This can only firmly apply to contracts agreed after the legislation is enabled. But legislation must ensure official support for existing suppliers who wish to be seen to adopt the platform before doing so is a condition of provision. It is analogous to [Project Labor Agreements](#) used in public construction projects.
- v. **Right to sue**: Operators are specifically entitled to seek financial remedy from any government department that is unreasonably tardy or reluctant in complying with the obligations in this legislation. If a formal complaint to the regulator is unsuccessful, operators can proceed to a court case to seek damages.

## b) Direct access to registries

- i. **Links to official records**: Government controls repositories that determine who is licensed to do what across thousands of professions and categories. Each will be opened to the platform so that it can directly confirm the status of any user on that database.
  - A list of registries and systems to be opened to the platform, plus their technical details, should be included in this legislation.
  - Operators are responsible for ensuring security of these links, specifically that they cannot be opened outside of legitimate purposes permitted by this legislation.
- ii. **Protection of the public**: Look-ups of a user's status require the verified permission of the user.
  - The ideal long-term arrangement for this seems to be issuance of a code to each user with their official paperwork. That code, entered into the platform, authorizes tracking of the status. Less perfect but faster to implement; a user could have to prove their identity initially with a passport scan, then reenter their platform password each time an individual with those details is searched on an official database.
- iii. **Updating permissions**: Current status must be the basis for permissions.
  - Someone selling their time as a bus driver on the platform may have a license due to expire in 5 years. But they then lose their license for driving under the influence of alcohol. The platform needs a mechanism to capture this status change at the driver licensing authority and block future driving assignments for the individual while cancelling any that are outstanding.
- iv. **Non-government registries**: Where government is not the dominant authority, legislation will list the authorities to be used instead, together with their willingness, or otherwise to interface with the platform.
  - Piano teachers, as one example, are rarely government approved. But other bodies do issue certification. If one authority is recognized by officialdom that should be the primary certification that is sought for when a user wants to sell piano lessons through the platform. Otherwise, operators must allow multiple credentialing boards the opportunity to interface as badge issuers.

## c) Dispute resolution

- i. **Access to justice**: The jurisdiction's authorities for resolving civil disputes are to be made accessible to the platform for automated entry of cases.
  - Hurdles to case submission: Disputes must only be advanced into official channels after exhaustive automated attempts to propose resolution to an issue have been rejected by the parties. These attempts are triggered when either buyer or seller stop release of purchase funds from escrow to the seller claiming non-compliance with the purchase contract by the other.
- ii. **Application of sanctions**: A court-appointed mediator will likely be the first external human recipient of files relating to a dispute. That person will be able to view the initiating

complaint and any subsequent dialogue, all timestamped by the platform. They can invite further responses and impose a ruling that could (a) apportion the funds in escrow between buyer, seller and costs of the mediator (b) downgrade the platform's reliability ranking of either or both of the parties.

- The downgrading is akin to a magistrate applying points to an offender's driving license for reckless road use. The aim is to issue progressive warnings while protecting the interests of diligent platform users.
  - Where a more serious offense is determined, the mediator must be able to pass the case to higher authorities.
- iii. **Funding of mediation:** As in the wider world, dispute resolution initiated by the platform will be typically funded by the parties involved, potentially through the escrow fund associated with the purchase where it is adequate. Top-up deposits may be required if not.

#### d) De-regulation

- i. **Removal of barriers for small sellers:** Much regulation unthinkingly closes sectors to smaller sellers because tackling concerns like reliability or public safety require resources only corporates can muster. Within the legislation government should list where existing legislation will be changed to so that small or periodic sellers who can meet the requirements are welcomed.
- An example of this is coach travel. Maintaining a regular service between point A and point B might currently require a fleet of buses and a pool of drivers. But the platform will allow any licensed driver to rent a coach and offer service at a given date and time between A and B. The platform's insurance markets protect passengers, the accessibility of data on demand for journeys from A to B and instant market entry fosters a market that evolves with consumer need. Regulation needs to shift from qualities of the company operating a schedule to attributes of the individual drivers and vehicles.
- ii. **Faster permitting:** Sluggish issuance of official permissions can likewise holdback small sellers. This should be tackled, possibly using the platform's markets.
- Coach travel, again, illustrates the issue to be addressed. There can be peak times for travel on any given route when additional pick-up or drop-off locations are required. To ensure road safety and avoid public nuisance, most governments only allow this to happen at approved spots.
  - The platform will introduce markets for land use which could include function as departure points where buses take on or disgorge passengers. An inactive building plot for example could serve the function over a busy weekend. But it would need verifying. The platform can maintain a market for certified land use surveyors who can issue the permit so the owner can book an assessment and potential certification allowing them to monetize the asset this weekend. But that fluidity of resource demands government maintains a pool of land use inspectors who sell their time, possibly for a range of skills in each case.

- iii. **Non-exclusivity**: As ever in the legislation, the reformed regulation and permitting will allow any platform to offer enhanced trade in the appropriate sector, not just the platform created by this legislation.

#### e) Promotion

- i. **Official status**: The platform can use government protected images and wording in its branding. Protected terminology implying official status which can't normally be trademarked can be protected by operators.
- ii. **Protection against misrepresentation**: Replicating someone else's printed work is copyright theft. Replicating banknotes is fraud. High quality printers are configured to prohibit banknote copying as a condition of sale in many territories. The protection given to currency notes over other print designs will – as far as possible – be extended to discourage attempts to falsely reproduce the platform's imagery.
- iii. **Official promotion**: Public bodies will incorporate the platform in their marketing budgets. The amount each will allocate and how they will target their constituency should be listed in the legislation. As examples, messaging recipients might include:
- **Work-seekers**: Government employment agencies ("job centers") will promote the platform as a route to employment.
  - **Claimants**: Anyone entitled to public assistance could be directed to the platform which could constantly attempt to find them work as it calculates, tapers and releases their weekly benefits.
  - **Students**: The education ministry could leaflet students across the jurisdiction urging them to explore "earn as you learn" opportunities in the platform.
  - **Public employees**: Many will find themselves booked through the platform, rather than a workforce scheduling system. They can be encouraged to sell additional services (teachers offering babysitting during school holidays is one example).
  - **Taxpayers**: The benefits of automatic calculation, deduction and reconciliation should be communicated by tax authorities.
  - **Businesses**: The jurisdiction's departments for business promotion and economic development will commit to a campaign communicating benefits of buying, selling or acting as intermediary on the platform to businesses, existing and new.
  - **Tourists**: The regional visitor promotion authority will build a "*buy from the locals*" marketing strategy in their attempts to increase tourism.
  - **Inward investors**: The jurisdiction's teams seeking foreign investment must have a gameplan for promoting upskilling of workforces, accessing resources and siting facilities by external companies using the platform.

## f) Single regulator

- i. **Sole regulator**: The legislation will create a regulator responsible for ensuring the platform and operators' behavior remains true to the intent and specifics of this legislation. This body will be the point of contact between government and operators throughout the concession.
- ii. **Functions**: The regulator balances the needs of users, operators and the wider economy across the jurisdiction with the aims of this legislation. Duties of the regulator's staff include:
  - Regular public reports detailing complaints, investigations and findings since the last report.
    - For clarity: the regulator does not investigate disputes between users, only complaints that the platform is systematically skewed or underperforming in any given sector. The regulator is a mandated step in the progression to any court action around such complaints.
  - Assessments of government and operators' performance against the aims of this legislation.
  - Issuance of formal warnings to government departments or operators if breaches of their obligations under this legislation are discovered.
  - Administration of any transfer of the concession if current operators are in sustained breach of the legislation. (In extreme circumstances this could include taking over all or parts of the platform's operation for a transitional period.)
- iii. **Independence**: The regulator's leadership and staff are not to be considered political appointments. Their judgements must be detailed, public, and open to overturning by the courts.
  - The regulator has no specific log-in or access to the platform but may be given preferential access to the parallel demonstration/testing installation of the platform to run large scale scenarios looking for any improper slanting of markets.
  - In a partisan political environment, the regulator's leader may usefully be mandated as a prominent international figure. (An example of this was the appointment of a Canadian general to [oversee](#) steps to peace in 1990's Northern Ireland.)
- iv. **Transparency**: There are to be no backchannels. All reports, findings, investigations, queries and warnings by the regulator to operators or government are to be made fully, immediately, public except where:
  - Individual user's details are involved. Those specifics are to be redacted.
  - There is a security concern not yet resolved.
- v. **Submission to questioning**: The presence of a regulator does not absolve operators from obligations to appear in front of governmental enquiries or panels, including any established by the regulator.
- vi. **Funding**: The legislation may state that the regular is to be funded from the Surplus Fund (below) into which the platform pays income not authorized for collection by operators. This would maintain the "no cost to taxpayers" commitment within the legislation.

### g) Operational clarity

- vii. **Uniqueness of benefits**: The facilities extended to operators by Section Two of this legislation will not be offered to any other operator in the jurisdiction during the period of the concession defined in Section 5.
- viii. **Predictability**: Successive governments in the jurisdiction are committed to honor the terms of this legislation until the concession period ends.
- ix. **Protection from government interference**: Operators are entitled to operate a commercial service predicated on user trust. They are specifically empowered to use the courts to overturn attempts by any government in the jurisdiction to:
- Artificially stimulate sectors: In the run-up to an election, politicians may be tempted to – for example – direct operators to boost markets that lift activity in target districts by changing platform navigation, search algorithms or displays. This is unacceptable. (Policymakers may of course release funds to stimulate transactions in districts through the platform or change regulations in the wider economy that are then reflected in the platform.)
  - Impose ideological rules: Restrictions on – for instance – activity by any societal group on the platform are not permitted. Such rules in the wider economy, if backed by law, must – of course - be obeyed by the platform.
  - Compulsion to use: Policymakers may wish to compel citizens to use the platform, to pay their taxes for example. Operators are to be protected against this. A trusted system requires free choice.
  - Restrictions on use: Government will not curtail any person or legitimate entity's access to the platform except for offences committed against the platform. (If a user persistently defaults on obligations, he enters into on the platform he can be penalized with a lowering of his ranking through the dispute resolution process. But government cannot punish someone for off-platform offenses by restricting their activities on the platform.)
  - Impose windfall taxes: If operators execute successfully, vastly widening activity across the economic base they could generate enormous profits from a given point in the concession. This should be seen as their return on the enormous risks and investment involved, not a trigger for punitive sanctions.
- ii. **Protected infrastructure**: In case of emergency, the platform will be classed as protected infrastructure to be prioritized for power and other resources.
- x. **Limits on operator interventions**: In no circumstances may operators unilaterally override system settings to release user data or alter the course of a transaction. (This is to allow them to preserve trust and neutrality.) A court order is required for any such action.
- The legislation must ensure a judge is available remotely and promptly 24/7 to assess such requests.
- xi. **No counterparty status**: Subject to continuous compliance with this legislation, operators are freed from any responsibility as a counterparty in any transaction conducted through the platform. They are simply neutral enablers unless negligence on their part can be proven.

- xii. **Operators not responsible for user content:** Users are free to offer their services, skills and items for sale or rent. These freetext listings and uploaded images can be abused, for example by posting offensive or inaccurate material under misleading headings. Beyond automated flagging of questionable content to the originating user, operators are not responsible for removing this text.
- Campaigners believe this “Section 260” protection should be withdrawn for social media platforms in the US. However, the platform enabled by this legislation has different dynamics. Specifically (a) it proves identity before allowing usage, offenders can be traced and punished (b) it has no need or mandate to drive “engagement”, keeping users viewing every more incendiary material (c) it is built around structured categories of economic and civic activity rather than user-entered ideological viewpoints.
  - Organizations with illegal objectives will likely attempt to use the platform’s functionality for assembling groups of like-minded users. Again, the platform is to flag any such automatically detected posts, alerting users to the possibility of judicial access to any network they form.
    - A problem that should be anticipated: providers of illegal materials developing codes to link across the platform. At one point – for example – “Antique furniture” in a high-profile internet service was used euphemistically to describe illegal pornography for sale. If the regulator is alerted to similar occurrences, there must be a mechanism for alerting operators who flag that concern to those seeking to buy or sell old furniture who are then warned their activities could be checked through a court order if investigators purchase anything other than the advertised goods.
  - Realistically, illegal activity will never be completely stamped out on the platform. The aim of legislation is to make the platform significantly less attractive to intending wrong doers than other channels.
- xiii. **Government rules published:** Any edict by government to which the platform is coded to respond must be published in a public directory maintained by the operators. There can be no secret instructions from government to operators.
- There is an exception to this: security concerns. Public agencies can alert operators to cyber-threats or potential attacks on infrastructure allowing them to respond before the public is aware. Ideally, such instructions would be published once the threat is passed.
- xiv. **Revenue protection:** Operators are entitled to install software on the platform that detects and disrupts attempts to circumvent its purpose or their legitimate revenue. As example, listings which are robotically generated, offer no contact details other than another online exchange or are consistently withdrawn by bot software (suggesting automated off-platform transactions) can be flagged to the user who placed them, then stopped. Off-platform communication between users can be protected against, particularly if a pattern of subverting platform controls is detected.
- A specific aim is to prevent the platform being used as a recruiting tool or advertising channel. In its early days, the accommodation platform AirBnB recruited

sellers through illicit automated emails to hosts advertising on Craigslist. This undermining of one platform to boost another is illegal within the legislation and – once proved - can be stopped by operators seeking a court order. This permission overrides their obligation (below) to not intervene in specific transactions.

- xv. **Protection of intent:** Users, or non-users, can of course sue operators if they believe the platform is structured or operates in a way that unfairly disadvantages them. To avoid this paralyzing platform evolution, operators are able to access a defense of “Permitted Intent”; as long as operators’ only intention when implementing the action complained of was to increase usage, and therefore their legitimate revenue, the action is allowable. Plaintiffs have to show another intention, or legally defined negligence, to succeed.
- xvi. **Ownership of software:** The code running the platform belongs to operators who can sell it elsewhere as they wish subject to ensuring no breach of platform security – or favoritism towards a user on the platform - is thus enabled.

#### h) Phasing of government facilities

- i. Government’s support for the platform may be introduced in phases during the period of the concession. The legislation should include a timetable by which this will happen.
  - For example: The courts may not be accessible to the platform until it has averaged 10m user log-ins a day over 7 consecutive days. This allows government to limit disruption to official services until it is clear the benefits outweigh the costs.

## 4) Platform operators’ obligations

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### a) Investment

- i. **Entire funding of platform:** Operators are solely responsible for financing the software and enabling hardware described in the “Scope of the platform” section (above).
  - The legislation may specify additional requirements such as location of the platforms’ servers in the jurisdiction.
  - Specifications of the platform may be phased so that a core operation can quickly be built with additional functionality phased in, possibly in line with growth in usage. This would minimize operators’ financial risks.
- ii. **Interfacing to government:** Operators carry the costs of enabling the platform to link into government databases and processes. This may only be possible with modernization of some government services, which must also then be financed. Services to be linked include (a) registries (b) tax systems (c) public assistance administration (d) court filings (e) health and education administration.
  - Interfacing must be generic as much as possible. For example, it should facilitate government systems communicating with each other, not just the platform.



- iii. **Registration:** There may be a human verification element to opening an account on the platform stipulated. For example, a potential user could take their passport to a post office where the clerk authorizes an account for them. This service must be provided free to the public so will require financing.
- iv. **Accessibility:** The platform is to be universally available. That may require operators invest in public access terminals, public broadband or other infrastructure where internet or smartphone penetration is low.
- v. **Potential stimulus:** Operators may be mandated to seed market activity for target groups. For example, a commitment that they deposit an initial \$100 in the platform account of anyone registered as unemployed could be required.
- vi. **User support:** Individuals with low technical confidence may need human help to register and use the platform. Funding for training might be obligated.
  - An obvious, market-stimulating, way to achieve this might be a fund for “peer navigators”; workers with proven customer service activity in the platform who are trained to support non-technical users. Public agencies are empowered to allocate, perhaps, ten hours of a navigator to anyone needing assistance through the platform.
- vii. **Awareness:** Alongside government promotion of the platform (above), the legislation may mandate a given investment in advertising by operators.

## b) Solidity of service

- i. **Uptime:** Operators must maintain a specified percentage of time in which the platform offers full service to all intending users. (99.999% is a typical target for comparable systems.)
- ii. **Spare capacity:** The legislation may compel operators to maintain spare headroom in the processing capacity available to the platform. The aim is to ensure full service even in the case of a surge in usage, perhaps driven by a sudden public emergency.

## c) Neutrality

- i. **Franchising of sectors:** Operators are to be split between a core consortium operating centralized aspects of the platform and individual franchisees who structure, run and promote individual sectors.
  - The aim here is to dissipate the power of operators over the jurisdiction’s economy by creating a balance of power among diverse players who deliver the service.
  - A formula is required to ensure individual franchisees are financially rewarded for growth in their sector without an increase in power over that part of the economy in the jurisdiction. (One is suggested in this briefing.)
- ii. **No market activity:** Operators (including corporates, their staff and franchisees) cannot buy, sell, invest in, create an intervention in or take any position in any sector on the platform over which they have any control. This is to avoid even the appearance of a conflict of interest in market structures.

- iii. **No involvement in disputes**: Operators must have no role in resolving any dispute involving individual transactions on the platform.
- iv. **Limits on direct communication**: Operators are only permitted to communicate with users through the platform when essential for operational reasons. They cannot originate promotional messaging, only enable other users to do so within each recipient's settings determining filtering of messages from other users.
  - For clarity: Operators are free to promote platform usage to users and non-users off platform. For example they can advertise benefits of usage to any constituency through any other channel.
- v. **Creation of Surplus Fund**: Operators must establish an independent bank account designated as the platform's surplus fund. This is used to deposit any incidental sums accrued from platform activity that fall outside transactions on which operators are permitted to add or retain the platform's mark-up.
  - Examples of these sums include (a) deposits remaining in dormant users' financial accounts (b) treasury gains on sums held in escrow (c) unclaimed vouchers with pre-deposited funds issued by sellers to potential buyers (d) the platform's Universal mark-up when applied to purchases above the permitted [Maximum Average Transaction Size](#).
  - The logic for this fund: It avoids even the impression that operators are tempted to skew platform activity to bolster incidental income.
  - Control of spending of monies in the Surplus fund will be determined as part of the legislation but is outside operators' control. [Further notes](#) are in another briefing.

#### d) Transparency

- i. **Overall commitment**: Operators must collectively accept the unique responsibilities of overseeing public infrastructure of such complexity, necessary nuance and potential for manipulation. Each party among the operators must accept they will be held to higher standards than a comparable, purely commercial, business. There must be a bias towards release of information about the platform, the entities with a beneficiary interest in its financing and anyone seeking to influence its behavior.
  - Commercial secrecy cannot not outweigh the importance of opening this data.
- ii. **Corporate disclosure**: In addition to standard reporting instructions for appropriate entities in the jurisdiction, operators at all levels must publish updated details of their costs, revenue, salaries, sources of finance and financial exposure.
  - If investments or earnings outside the platform are permitted, they must also be disclosed by anyone with any earnings related to oversight of any part of the platform.
- iii. **Documentation published**: Specifications, technical architecture and code relating to the platform must be published openly with records kept updated. Dissection of this documentation, and verification against platform behavior must be supported.

- Conspiracy theorists should be seen as an asset by operators. Anyone who believes the platform is not acting as intended by the legislation or according to public pronouncements is enabled to investigate and assert their findings.
  - Operators are free to counter claims they dispute through any off-platform forum they wish.
- iv. **Parallel demonstration system**: Operators must fund and maintain a standalone mirror of the platform populated with fictitious data. This is open to anyone to (a) simulate any transaction using a fictitious account (b) test functionality and system behavior against the documentation above (c) probe for possible mismatches between the live platform and demonstration version.
- v. **System metrics**: Uptime, spare capacity, patterns of load, activity records and other data on the platform's performance must be published in real time with historical records available.
- Disclosure of this information is mandated by the "*no information unique to operators*" rule (above). The easiest way to comply is to replicate dashboards used by the platform's control room staff on screens within the platform accessible to non logged-in users.
- vi. **Whistleblowing**: Operators will finance an independent external platform specifically for their employees, contractors or franchisees to publicly raise any concern about the platform or ethics of the operators. This must be done using proof of status but without identifying the user.
- Operators are free to respond to any posting on the external platform.
- vii. **Reporting**: Operators must report publicly to the regulator on a regular basis covering (a) review of platform activity (b) current plans for platform expansion (c) incidents, failures or concerns of operators in the reporting period (d) any lobbying of government, recommended changes in regulation of individual sectors to increase the platform's attractiveness for instance.
- As with communications from government to operators, all lobbying by operators must be transparent.
- viii. **Handling of issues**: Any complaint or fault in the platform identified from any source is to be made public, unless compromising of security or performance might reasonably result. A planned timetable for operators' investigation, resolution and future prevention should be kept updated until the issue is deemed to have been adequately tackled.
- ix. **Reporting of official contact**: Details of any meetings or contact between operators, the regulator or other public officials must be reported in an online, publicly accessible, register.
- x. **Reporting of approaches**: Any significant attempts to lobby operators in pursuit of structural changes to the platform or other attempts at influence, from within the jurisdiction or without, must be publicly reported by operators.

#### e) Protection of non-users

- i. **Operators' commitment**: Operators are required to recognize individuals and corporate entities in the jurisdiction are entitled to not use the platform or, if using it, to do so only in a

limited way. Lobbying for changes in regulation or government process may not seek to stifle alternative channels for transactions.

- ii. **Full functionality for non-users:** There is platform functionality that can be made available to a user who has not logged in. This functionality must not be provided only after log-in. The legitimate requirement of log-in is to protect user accounts and data. Entering into any agreement with a counterparty or revealing a user's data self-evidently require log-in first. But anonymized data can be presented to the non logged-in. (Any attempts to drill down into numbers will legitimately require log-in as one defense against triangulation of a user's activities.)
- iii. **Promotion of choice:** Operators must recognize there are no constraints on alternative platforms. The only advantage over other platforms operators enjoy is the facilities outlined in Section Two of the legislation (above). Law or administrative rules must not favor the platform beyond those facilities and operators are bound to report any transgression of this rule they discover to the regulator.
- iv. **Publication of plans:** In their regular public reporting (outlined above), operators must be specific about timetabling structural changes they intend for individual sectors, for example by adding a substantial new category or new navigation. This is to allow off platform businesses that may be impacted time to adapt.
- v. **Removing records from the platform:** Operators must fund a standalone "digital vault". Operated by an external entity, this is where expired user records are transferred, to be accessed only with a court order. This ensures any user wishing to have their records wiped on the platform can do so while a record is preserved off-platform in case of wrongdoing by that party.
  - Operators have a duty to ensure the digital vault is solid but outside their control, for example by funding a prominent law firm as its administrator.

#### f) Societal obligations

- i. **Operators' recognition:** Operators are required to recognize their privileged position in the jurisdiction's economy by specifically acknowledging use of the platform is to remain a choice at all times. Specifically:
  - No-one is to be compelled to use the platform to fulfill their rights as a citizen; voting, filing tax records or engaging with public services (other than receiving welfare which is traditionally seen as akin to an employer relationship).
  - Beyond striving for the aims of this legislation, there is to be no interference with alternative platforms. Users cannot be urged to exclusivity on the platform. Operators may not seek to undermine competing services other than by promoting perceived benefits of their platform.
- ii. **Cyberthreat reporting:** The platform will likely be a magnet for a range of cyberattacks. Without compromising user privacy or platform security, operators must alert authorities designated in the legislation to any threat deemed credible. Detection and recreation must be supported.

- iii. **Patents:** Operators must permanently waive any patents pertaining to the platform within the jurisdiction. This is to stop attempts to inconvenience users or impose unreasonable costs on new operators in the event of the concession being transferred.
- iv. **Criteria for franchisees:** Legislation may mandate franchisees are legal residents of the jurisdiction. This is advisable to ensure local stakeholders as a counterbalance to what is likely to be core operators' internationalism.

#### g) Phasing of obligations

- i. Obligations placed on operators may be introduced in phases during the period of the concession. The legislation should include a timetable by which operators must honor key obligations.
  - For example: Operators may not be obligated to publish all data on system performance until a minimum \$100m is being transacted each day through the platform. At this point the downside of exposing potential vulnerabilities in the platform are exceeded by the importance of operational transparency for a key component of the jurisdiction's economy.

## 5) Selection of operators

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#### a) Framework for a concession

- i. **Objectives:** The concession mechanism created by this legislation aims to (a) initiate a platform for electronic commerce and subsidiary functions across multiple sectors (b) produce a winning consortium to be empowered with official benefits (above) in return for which they create and operate the platform in accordance with this legislation (c) ensure the process of selecting that winner is transparent and accountable so that the winning consortium have legitimacy and engender trust (d) allow government to retreat to a light touch regulatory role after the concession is awarded (e) promote robustness of operation after the concession is awarded.
- ii. **Period of concession:** The period during which operators are entitled to the benefits described in Section Two must be defined.
  - Calibrating this period is a balance between (a) need to create sufficient time for operators to earn back their investment (b) desire to avoid lock-in by competent but undynamic operators (c) necessity of updating and reissuing the concession as technological and economic possibilities evolve.
  - The period should reflect the readiness of the jurisdiction's economy for the platform. Ten years in a mature democracy that follows other countries into similar legislation would seem reasonable. Pioneers and transition economies will need longer to make an attractive business case for bidders. A period of 20 years, for

example, should motivate deep investment in infrastructure and economic improvement with payoff later.

- The period should start the day the concession is awarded. That incentivizes operators to implement quickly to maximize return.

iii. **Process timetable**: Steps in the concession are:

- **Formal announcement**: With expressions of interest solicited.
- **Closure of expressions of interest**: Perhaps three months after the formal announcement.
- **Submission date**: Six months for interested parties to each prepare their bid seems reasonable.
- **Announcement of winner**: This might be one month after the submission date to allow for scrutiny of bids.

iv. **Selection of winner**: The ideal criterion for a winner is the qualifying consortium that commits to deliver their obligations under this legislation while charging the lowest percentage Universal mark-up on each transaction between buyer and seller across the platform.

#### **b) Criteria for qualifying bidders**

- v. **Acquiescence**: Bidders must confirm they are willing to provide the platform outlined in Section Two of this legislation in return for the facilities listed in Section Three while continuously complying with the demands of Section Four. Also, that they will accept the process outlined in this section as the binding method for selecting a winning bidder.
- vi. **Independent venture**: Each bidder must be a consortium operating a joint venture. That entity is to have no other business interests. This should allow each member of the consortium to operate independently while there is no conflict of interest between operators and the obligations of this legislation.
- Bidders comprising just one company are unlikely to have the depth of experience and resources to meet all obligations.
- vii. **Competency**: The legislation should be clear on any threshold for entry, for example a stipulation the lead organization in any consortium must have experience of at least 5 comparably sized installations and operations around the world.
- viii. **Bond**: The legislation may insist bidders pay a non-refundable charge to be included as interested parties and/or to submit a final bid. This ensures a level of seriousness before staff are permitted to interrogate systems and employees around government while compiling their bid.
- A bond could also fund the concession award process, thus maintaining a “*no cost to taxpayers*” pledge by policymakers.
- ix. **Minimum investment**: The legislation may insist on a minimum investment commitment by bidders. For example, each bidder must prove they are ready to invest \$1bn on fulfilling their obligations over the first two years of the concession should they win. Again, this

ensures seriousness of bids. It should not incentivize wastefulness; operators need to make a return so will invest those funds in ways they judge likely to maximize platform usage.

- A minimum investment threshold also facilitates meaningful comparison between bidders' proposed Universal mark-up. Without a minimum, bidders might seek to argue they will invest more but also charge more. Deciding between bidders is then more nuanced, which could threaten operators' subsequent legitimacy.
- x. **No collusion:** Bidders must not collude with any other bidder unless a formal merging of their bids is announced. And there must be a commitment to not undermine the aims of the concession in other ways.
  - xi. **Transparency:** Bidders must agree to information shared with their team being also shared with competing bidders. Final bids are to be released publicly to build legitimacy for the eventual winner.
  - xii. **Other criteria:** The legislation may insist on, or prioritize, local consortia or favor factors such as trading links with the country of origin for any bidder.
    - This is not advisable. Creating the platform will require deep resources, knowledge and resilience. Only a handful of organizations worldwide have the assured track record required. Local businesses will benefit most from working with such organizations and utilizing a robust, rapidly scalable, platform.

### c) Resources for bidders

- i. **Access to systems:** Operators will have to commit to interfacing with, and possibly modernizing, technology running tax collection, government procurement, registries of license holders, official identify records and other functions. Government could attempt to cost this within the legislation but is unlikely to do so satisfactorily. Better is to allow each committed bidder to scrutinize the systems involved and prepare their own costing.
- ii. **Access to staff:** Bidders will likewise want to quiz staff who oversee processes the platform will touch. This should be a public process, questioning of individuals is at the request of a bidder but conversations are on the record with transcripts shared among bidders.
- iii. **Government data:** Any official information requested by a bidder must be released to all bidders unless there is an overriding objection, for instance national security.
- iv. **Access to regulator:** The regulator should be defined within the legislation with early employees of that body made available, again on the record, to bidders.

### d) Amendments to the concession

- i. **Grounds for amendment:** After award, there may be need to change terms of the concession because of:
  - **New possibilities:** Some unforeseeable technology could open potential for trading to which operators have no commercial incentive to adapt despite strong economic benefits in the platform doing so.

- **Additional governmental requirements**: Unforeseen official requirements might be outside, or detrimental to, platform revenue. As example, rationing of foodstuffs or transport may become law. This will require new technology and additional costs that will drive down operators' income.
  - **Emerging threats**: Fearing hostile invasion, the jurisdiction may wish the platform's servers to be moved to a neutral country, cancelling the clause demanding local siting. If judicial corruption undermines trading confidence, another jurisdiction may be temporarily appointed arbiter of disputes between users or between the regulator and operators.
  - **Unintended impacts**: The operation may produce undesirable side effects that, again, operators lack incentive to mitigate.
- ii. **Funding for amendments**: If operators have to potentially fund unspecified changes for which they have no commercial need, platform charges to users will carry a significant risk premium. Government could fund the changes to platform software. To ensure fair charges for these changes, operators may be told they must bid as vendor against independent contractors with whom operators must co-operate if those contractors win the contract.
- iii. **Recommended amendments**: Operators can recommend amendments to the concession through their regular reporting mechanism (above).
- iv. **Compliant amendments**: A need to amend the concession cannot override other obligations placed on government or operators by this legislation. User protection remains essential, amendments must be recorded publicly, and so on.
- v. **Changes to Universal mark-up**: In unforeseeable circumstances, it may be deemed necessary to change the Universal mark-up which provides the sole revenue source for the platform. Those circumstances are likely to be one of:
- **Lack of viability**: Operators seek to raise the mark-up, claiming non viability of their business at the confirmed rate to which they committed to win the concession. The legislation should allow for a process of (a) requiring the operators who won a concession to pledge transfer of their installation and franchisees to another operator in return for a reduced cut of the platform's earnings set by the regulator (b) a re-tendering in which alternative consortia compete for a new lowest Universal mark-up which includes a percentage of platform income paid to the exiting operators.
  - **Lack of competitiveness**: Operators may wish to lower their Universal mark-up because external markets have matched the efficiencies and charges of the platform. They should be able to unilaterally lower the Universal mark-up across all sectors at any time. They cannot then raise it without the regulator's permission (to avoid predatory pricing and minimize disruption in the wider economy). They can't cherry-pick sectors to have the Mark-up reduced so some users subsidize others.

#### e) Breaches of the concession

- i. **Breach by government**: If government fails to honor its commitments outlined in this legislation and the regulator cannot compel obedience, operators have an explicit right to pursue financial remedy in the courts.



- ii. **Breach by operators**: Where operators fail to comply with this legislation, a range of sanctions should be outlined in the legislation. They could include:
- **Fines**: A table of charges for offenses could be built into the legislation. Resulting monies could (a) go into the Surplus Fund (described above) (b) be distributed to affected users incrementally through the platform.
  - **Formal warnings**: These are – of course – public and detailed, issued by the regulator.
  - **Loss of control**: After a warning is unsatisfactorily handled, the regulator may be empowered to appoint another party to take over day-to-day operation of the platform core or defined sectors within the platform.
  - **Loss of concession**: In extreme cases of non-compliance and failed warnings, legislation must specify a path to the platform being handed to another entity as a going concern. Provision could be made for the failed operators to receive a small percentage of platform income until the end of the concession period to disincentivize any “scorched earth” moves in the handover.
    - The legislation may force operators to relinquish their ownership of software running the platform during a period of concession if they lose that concession.
  - **Re-awarding of concession**: In case of failure to deliver the platform, the concession may be reallocated to a runner up in the concession award process.

#### f) End of concession period

- i. **Handover**: Operators are obligated to facilitate handover to a successor at the end of the concession period. That cooperation should include:
- **Interfacing**: Incoming operators may wish to facilitate movement of users to a new system requiring large scale interoperability with the platform.
  - **Access to franchisees**: Franchisees should not be impeded in choosing to continue their role with a changed core consortium.
  - **Promotional continuity**: Operators must not make statements, on platform or off, that suggest the service is becoming less desirable in any way.
- ii. **User protection**: In the final part of the concession period, the regulator is entitled to become more actively involved in platform oversight and operating decisions. This is to subvert cost-cutting, price gouging, undue pressure in displays to users or other commercially desirable moves that could undermine the continuation of a public utility.
- iii. **Reapplication**: There should be no bar on operators applying for a new concession period.