Holon global innovations

Holon Cloud - Filecoin Storage Provider

Enterprise Program Governance Proposal

2022

Contents

00 Exec Summary

Why propose Fil-Enterprise?

The current scope is limiting
Only 20% of the world's data is public.
Potential verticals/use cases and clients have useful (non-public) data which could be stored on Filecoin.

Proof-of-concepts (POCs)
There are Web3 aware clients with interest in testing /running POCs on Filecoin's new system (proof of concepts being a pathway to decision making) but with enterprise data (non-public) they don't qualify.

The Fil+ incentive influences buyer mindset
Clients who are early adopters trade off risk/ stage of development with incentives to switch from fully featured Web2 systems to new technologies.

It's already happening
Active requests for enterprise clients are onboarding now, attempting to operate within the bounds of the current Fil+ public data program.

What is the scope of an Enterprise Fil+ program?

Enterprise is a program that supports clients with non-public data that is still aligned with Filecoin purpose, goals and principles. It will make use of Fil+ DataCap as a sales tool to incentivise deal making with clients. SPs will also be able to access the same QAP incentive. Some of the key differences to the Fil+ program are:
- The role of a 'Lead SP' is introduced. The lead will coordinate other SPs and provide transparency about their onboarding and distribution plans
- Notary due diligence process is different. Checking data will not be possible as it would be a violation of trust and privacy – DD on organisation.
- Contracts & service level agreements are introduced
- Data types - sensitivity classification together with regulation and compliance will need to be covered
- Client responsibilities are different

A Minimum Viable Product (MVP) agile approach
With a minimum level of design, a product/ proposition/ program can be launched in beta mode to a limited audience/ client base. MVP acknowledges that not all is known upfront about the product/ proposition and that all stakeholders will benefit from a learning cycle that is iterative with each iteration continuously improving outcomes.

1. A limited number of clients 20-50 (TBC) who have a tolerance for a beta phase and open to participating in a feedback loop
2. A limited number of SPs 20-50 (TBC) who are open to participating in a feedback loop
3. A dedicated set of notaries 8-10 (TBC) are assigned to support the MVP phase
4. Support will be required from Protocol Labs and The Foundation around setup/ fund/ market/ operate the new program
5. Legal support

What are the goals of the Enterprise Governance?
1. Incorporate key feedback and insights from the pulse check to improve and evolve some of the governance processes
2. Make life simpler and easier for all governance participants; Clients, notaries, SPs and Protocol Labs and Foundation teams.

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01 Background: overview of the Fil+ program

01.1 Incentives to commercialise Web3 data storage – Fil+ Program

The Filecoin Plus (Fil+) program commencing in 2021 offers compelling incentives to the marketplace to build out what is becoming the backbone of the next generation of the internet – Web3 data storage and stimulate its adoption.

Rewards in the form of the FIL are offered to clients who store data and to those who provide the storage. FIL+ is a novel program that encourages early adoption while the network is still being built, delivering to the features that can be offered, and in alignment with the Web3 values of verifiability, transparency, privacy and security. These values are often in conflict as is the case with verifiability and transparency and to navigate this, the initial incentive program targets public cold/ archival data. In blockchain, transparency is not the absence of privacy, it is the verifiability of key properties to the degree they are considered trusted. The FIL+ public data scope was intended to be a mechanism that minimised abuse of the rewards and simplified the due diligence Notaries perform as part of maintaining healthy governance.

The value proposition is compelling for researchers, life sciences, geospatial data and cultural archives such as the Internet Archive, where storing on Filecoin is of great value for the preservation of content and delivers an immense operating cost saving to the organisation.

The Fil+ program is expected to run indefinitely, while ever DataCap is an effective resource to compel adoption.

01.2 Fil+ program structure & stakeholders

The Fil+ program definitions and design (captured in [FIP3](#)) explain the motivation and mission behind the program as well as how the participants interact.

> **Fil+ program purpose**
> The Filecoin Plus program mission is to build a decentralized network maximising the volume of useful storage that can be brought onto the system. Filecoin Plus is structured to allow the network to trust certain use cases and data types that will bring honest demand to the network.
>
> **A network of useful storage**
> Filecoin Plus is a pragmatic solution to the technically challenging problem of verifying that a particular set of data is useful in a permissionless, incentive-compatible, and pseudonymous network. By adding a layer of social trust and providing leverage to storage clients, Filecoin Plus makes the network more decentralized and accelerates the proliferation of high-quality services on the network. Offering additional reward incentives for storing a Filecoin Plus Client's deals also ensures reward subsidies go where they are needed most – encouraging legitimate use of the network.
>
> **Design Rationale**
> The program consists of four components: Principles, Mechanisms, Operations, and Markets which provides governance layers to drive consensus and allows for the program to iterate. The Principles are meant to be high-level but easily agreed upon by all participants. Both the Principles and the Technical Interface are not designed to change often and doing so requires a FIP. Mechanisms and Operations, however, can iterate more frequently in the repository as the community collectively figures out ways to best demonstrate and serve the goals and values of the Principles. Markets tend to change much more frequently with diverse needs and offerings.
>
> Broad guidelines are the mechanisms that support the program operations. The majority of the governance activities should be guided by defined metrics, rubrics, and guidelines although it is up to

each notary to perform their role as they see fit..
The technical iteration of the program, DataCap, does not get released to a client as a one-time allocation, rather than a recurring allowance. This creates some inconvenience but also allows the program to minimize abuse as trust can be limited to a smaller amount and subsequently increase based on track record.

Public data scope
As data checking automation isn't possible, public data represents lower geopolitical and regulatory risks and should be easier for the Notaries to check.

Due diligence on Data
The logic behind the due diligence performed on data over the client/ sponsor is because the unit of interaction is at a deal level in the marketplace, DD is therefore performed at the level of granularity at which the deal is happening. FIL+ exists because it's not technically feasible to prove that the network is being abused for storage for things that should not be stored and for a Storage Provider to profiteer from that.

Participants

PL & Foundation governance
The scope of community governance involves shaping the rubrics, rules and processes, rather than specific cases. This includes defining mechanisms that reflect the goals and visions of the Principles; recommending standards and processes for selecting and evaluating Root Key Holders, Notaries, and Filecoin Plus Clients, and supports a dispute resolution framework.

Clients
Clients that qualify can use their DataCap for public data use cases and to incentivise SPs in deal making. Clients are vetted by Notaries to ensure the client receives DataCap commensurate with their reputation and needs, and that the Client responsibly allocates that DataCap in accordance with the Principles.

Storage Providers
Storage Providers have a pivotal role by investing in hardware and operating systems that provide useful storage capacity on the network to offer clients for an agreed term, staking FIL as collateral which is the term guarantee.

Root Key Holders
Root Key Holders are signers to a multisig on chain with the power to grant and remove Notaries. For any action to take place, a majority of the selected Root Key Holders must sign in order for the Multisig to execute. The responsibilities of the Root Key Holder are to: exercise decisions made by the community governance on-chain and take action on finalized decisions in a timely manner.

Notaries
Notaries are selected to act as fiduciaries for the Filecoin network. Notaries are entrusted with DataCap to be spent in a manner that aligns with the Principles. DataCap, when allocated to a client, can be spent by the client to store with SPs, which carries a higher deal quality multiplier. The responsibilities of the Notaries are as follows:
   i) Allocate DataCap to clients in order to subsidize reliable and useful storage on the network.
   1.   ii) Verify that clients receive a DataCap commensurate with the level of trust that is warranted based on information provided.
   iii) Ensure that in the allocation of the DataCap no party is given excessive trust in any form that might jeopardize the network. Follow operational guidelines, keeping records of decision flow, and respond to any requests for audits of their allocation decisions.
   iv) Notaries are given autonomy in their decision making process, but may be asked to substantiate any previous decisions before receiving future DataCap allocations to distribute.

01.3 The Fil+ customer journey today

The Fil+ program specification, including participant roles, requirements and process is described below.

1. **Project qualifications**
   Data type: public datasets >100TiB <5PiB.
   Audit requirements: To be eligible the data must be unencrypted for audit purposes
   Application form: GitHub [LDN application](#).
   Distribution reqs: distributed across a minimum of 4 Storage Providers.
   DataCap allocation calculations - designed to minimise bad actors, tranches of DataCap are released over time rather than the entire amount at once
   - 1st allocation: lesser of 5% of total DataCap requested or 50% of weekly allocation rate
   - 2nd allocation: lesser of 10% of total DataCap requested or 100% of weekly allocation rate
   - 3rd allocation: lesser of 20% of total DataCap request or 200% of weekly allocation rate
   - 4th allocation: lesser of 40% of total DataCap requested or 400% of weekly allocation rate
   - 5th allocation onwards: lesser of 80% of total DataCap request or 800% of weekly allocation rate
   - 2 notaries need to approve the next tranche of DataCap to be allocated to the client. The same notary cannot sign off on immediately subsequent allocations of DataCap

2. **Application in GitHub**
   Following completion of a new application by a potential client the automated Bot checks for completeness whilst the Fil+ governance team reviews to initiate a request to the RKH to set up a Notary (LDN) for the client

3. **Due Diligence to establish trust**
   Notaries (who are self-directed) check the [LDN repository](#) perform a governance role adding a layer of social trust to ensure there is no abuse of this system as either a Storage Provider and/or a client. Notaries perform due diligence on the FIL+ application via comments in GitHub (and where required in governance calls) to verify the data is trusted.

4. **Approval**
   In parallel, RKH are informed of the client application request and approve the multisig LDN to allocate DataCap to this client in tranches
   If the community is in agreement that the dataset is in line with the values of the Filecoin Plus program and should be approved for a DataCap allocation, 2 notaries approve the request to allocate the first tranche of DataCap

5. **Deal making**
   A Storage Provider making a Fil+ deal will receive 10x "power" which improves their chances of receiving block rewards. SP deal making depends on the acquisition channel, where it is Slingshot, deals are made through the registered program SPs. Where it is initiated via SP business development, the SP is typically guiding the client around SP distribution.

6. **In-life due diligence**
   Notaries are required to perform due diligence on the Fil+ application 'in-life' as the DataCap is released. Automated processes report on the distribution of data and where the client isn't abiding by this, it is raised publicly with the client in the application trail in GitHub. Notaries can perform on-chain checks of data to verify that the client is operating in good faith, in accordance with the principles of the program.

7. **Transparency and Accountability**
   - Clients are required to abide by the rules of the Fil+ program with the audit trail of their application and behaviour transparent through GitHub's public audit trail.
   - Storage Providers and Governance members have access to public dashboards and analytics to monitor SPs including:
       - Filecoin block explorers, data aggregators, and analytics tools: [Filscan](#), [Fileapp](#), [Grafana](#), and the [Filecoin Network Health Dashboard](#)

- [FilRep](#) reputation system allowing anyone to verify the performance of Storage Providers as well as other important qualifications such as average deal price, committed capacity

8. **Renewal**
   When clients use up > 75% of the prior DataCap allocation, a request for additional DataCap in the form of the next tranche is automatically kicked off ('subsequent allocation bot').

01.4 Establishing trust and managing risk

What are the risks being mitigated?
Achieving balance between privacy, verifiability and transparency is complex and the second iteration of the FIL+ program late 2020 had reputational risk at its core, as there was abuse in the form of profiteering from the incentive structure. The actual level of exposure has not been sized in terms of FIL or value and is still subject to an investigation. The following are risks the Fil+ program was designed to manage:

1. Reputational - if observers don't perceive that the network is useful
2. To uphold a good reputational perception that rewards are not disproportionate by any participant abusing the design of the program that results in profiteering.
3. Simplify the management of abuse exposure through the program scope limited to public datasets and for every action to be transparent

01.5 Fil+ CX journey

The Fil+ customer journey is set out below

01.6 Problems, ideas and opportunities

The purpose for providing context of the Fil+ governance process today is to provide context for the proposed process recommendations around governing an enterprise program.

The following themes were surfaced during a 'pulse check' to gain feedback and analyse the process and experience by participants and are considerations for an enterprise program.

1. The current public data scope is limiting for SPs working with clients to expand the network
2. The Customer Experience (CX) could be improved from the application in GitHub to communicating the end to end process
3. Building Web3 awareness is challenging – clients want to test the network before making commitments
4. Notaries are often unclear what is best practice and not qualified/ trained to perform standard/ adequate due diligence
5. There are variances in notary contribution, performance and lead times
6. Detecting abuse/ not following the rules by SPs and Notaries is a difficult process
7. More tech and tooling is needed to support/ automate
8. We are not measuring client satisfaction
9. It's unclear how long Fil+ will be an inventive and the program targets
10. There is concern about some non-public deals trying to fit into the Fil+ program outside of the distribution and retrieval design/ rules
11. There may need to be different programs to suit different client needs such as, public, non public, local only.

02 The business case for an enterprise program

This proposal for a program which preserves Filecoin's mission and supports clients with non-public data is motivated by both client demand and the scale opportunity.

- Many verticals have useful (non-public) data which could be stored on the Filecoin network. Members of the Filecoin ecosystem who are undertaking business development are experiencing the current public data scope limiting.

- There are Web3 aware clients with interest in testing /running POCs on Filecoin's new system (proof of concepts being a pathway to decision making) but with enterprise data (non-public) they don't qualify.

- Clients who are early adopters trade off risk/ stage of development with incentives to switch from fully featured Web2 systems to new technologies.

- Active requests for enterprise clients are onboarding now, attempting to operate within the bounds of the current Fil+ program and public data scope.

- This FIL Enterprise program has the potential to improve the client experience (CX), reduce risk, reduce manual and inconsistent notary due diligence and accelerate commercialisation of Filecoin.

02.1 Objectives & measures of success (consensus required)

The enterprise program objectives include:
1. Spur adoption enabling SPs access to opportunities to onboard more organisations and more use cases
2. Prove Filecoin's value as a data storage network (real and useful data)
3. Grow awareness of Filecoin

Measures of success for a PoC (6-12 months timeframe TBC):
1. Adoption: clients progress from PoC to a longer term contract/ store more data
2. It is a positive CX for clients, SPs & Notaries
3. The MVP provides learning ground to safely test assumptions and hypotheses and generate valuable learnings
4. The program is adequately funded and supported by PL and FF

What are the goals of the Enterprise Governance?
    1. Incorporate key feedback and insights from the pulse check to improve and evolve some of the governance processes
    2. Make life simpler and easier for all governance participants; Clients, notaries, SPs and Protocol Labs and Foundation teams.

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03 Fil-E proposal

03.1 Program outline (draft)

A Filecoin Plus Enterprise program (Fil-E) has the potential to offer compelling incentives to the marketplace to build out Web3 data storage and stimulate its adoption more broadly, in alignment with the Web3 values of verifiability, transparency, privacy and security.

The enterprise program must serve the Filecoin fundamentals:

1. A Filecoin Enterprise program must share the **Filecoin Plus mission** to build a decentralized network capable of increasing useful storage that can be brought onto the system. An Enterprise program will trust certain clients to bring honest demand to the network.
2. **Incentives will remain available as a resource to grow the network**
   - DataCap (Fil+) will be an available resource for deal making
   - SPs will still be eligible to earn 10x power for a verified deal
3. The **Web3 values** of verifiability, transparency, privacy and security will also be supported:
   a. Verifiability: of key properties around an application to the degree they are considered trusted
   b. Transparency: decisions have an audit trail with supporting process/ evidence
   c. Privacy: supports a level of confidentiality for the client and their data
   d. Security: SPs will need to support new levels of security for certain data types
4. **Preservation of network distribution.** Decentralisation and distribution must be facilitated. A spectrum of tiers of distribution may be a solution for different client/ region requirements
5. **Enterprise due diligence.** The current Fil+ data DD is not possible against private data (it would be a violation of trust and privacy). Due diligence focus shifts to organisation and sponsor with KYC best practice and systems to support quality due diligence outcomes and audit trails.
6. **Notary due diligence best practice.** Notaries have the support of a playbook covering enterprise data classifications, regional/ cultural application considerations
7. **Client centred DataCap**. DataCap is aligned with client needs rather than automated tranches as per the percentage algorithm, clients onboard in 3-4 phases.
8. **Lifecycle abuse detection**
   The boundaries of what is deemed to be abuse need to be clear along with consequences with much automation as possible to detect profiteering.
9. **Upfront risk management.** Clients may be asked to sign a contract where the consequences of abiding by the distribution rules and/ or profiteering are set out as a deterrent.
   With clear due diligence processes supported by "Know Your Customer" (KYC) best practice and systems, risk exposure can be vetted upfront.
10. **Service levels should be introduced** to provide a level of product parity with Web2 offerings.
    The SP who leads the deal (has performed the business development) will own the client relationship and coordinate the other SPs in the distribution to offer parallel grades of service.
11. **Data classification and handling standards** will apply to SPs
    Data privacy, security and regulation roles will need to be defined by client and SPs. PL/ The Foundation can support this by providing definitions and standards so that SPs and clients can agree service levels - which are likely to need to be contractual.

03.2 Proposed Enterprise Governance process design

The following outlines the process changes as well as highlights the consensus items which require community input, ideation and solution design.

Program step	Consensus/ task	Lead
1. The Fil-enterprise MVP phase will be a closed client project (not open publicly) for a limited number of clients until following Proof-of-Concept (PoC). A minimum set of processes and tooling will be established to support the program.	1.1 Establish the governance learnings the MVP will test and surface *(Planning phase)* 1.2 Set up project plan *(Planning phase)*	
2. MVP program criteria for clients (1) Eligible businesses are either publicly listed or hold a strong brand reputation (2) Diverse geographies are represented (3) Diverse verticals & use cases *(to be informed by the release of the IDC report Jun)*	Covered in SP proposal	
3. The Fil-E Value proposition The core proposition is proving to a client: - There is an alternative storage network to centralised systems - Offering a free data storage PoC to demonstrate upload data, store it, with some level of retrieval and visibility of the status - Be a positive experience to continue with data storage post PoC	Covered in SP proposal	
4. The role of a "Lead SP" in deal making A "Lead SP" will source other SPs with comparable ops, service levels and infrastructure. They will be eligible for: - SPs will be eligible to earn 10x power for verified deals - The "Lead SP" is entitled to a "lead origination bonus" -store of 2x copies	Covered in SP proposal	
5. Data classification, distribution/handling and rights are established upfront by the client. The client will: (1) Own GDPR as they are the 'controller' (GDPR article 6) (2) Attest to their legal rights management (3) Provide the data classification for their files (to be included in the info architecture and indexing for handling and retrieval) (4) Where there is encryption, the type of encryption is established and managed by the client (5) Any legal or regulatory requirements the data type must comply with are specified. The client will be required to be transparent about any data classification and grades of sensitivity (see appendix). Including sign-off the network distribution plan and any regulatory requirements that apply to the global transfer of data.	5.1 Seeking PL/ Foundation to support of definitions/ data standards guide for governance*(Planning phase)*	
6. Lead SP submits an enterprise application and distribution plan with the client Fil-E application communicating their distribution plan covering: i) All SP geographies - these are aligned with any local distribution laws/ limitations and/or territories where data can be stored ii) Client data transfer plan e.g. network/ offline iii) Outline SP distribution plan timeframes for all SPs in the plan	6.1 Consensus on distribution parameters for different situational variable is required 6.2 Should the proto be used - tech support required *(Planning phase)*	

Program step	Consensus/ task	Lead
A web interface to qualify the clients data storage needs could be used (similar to this prototype). The qualification questionnaire captures details for solution design and contract, with an API into GitHub. Different client needs, data and regulatory environments may require flexible distribution plans: (1) Slingshot (widely distributed) (2) Public goods (as per Fil+ today) (3) Enterprise - smaller distribution (4) Local dist'n where bound by Govt/ laws		
7. Trust is established on the client/ organisation. The client has sponsor(s) which lead the KYC (Know-your-customer) verification of the enterprise to establish it is a trusted organisation. (1) Not a sanctioned co. (2) Real company (3) Real employee at that company (4) A genuine social acc e.g. LinkedIn (5) Email verification ● Clients will need to provide enough details about their organisation e.g. the names, profiles (LinkedIn) and contact details of the CEO/ MD, the CTO/ IT lead and the project sponsor to be used in systemised KYC (similar to this prototype https://fil-e.squarespace.com/kyc) ● The client's application for an account is submitted via a web interface which has an API to GitHub. The status of their application and lifecycle usage stats can also be provided through this interface (in future)	7.1 Consensus required on KYC and scope of KYC 12.2 Consensus on a global KYC system(s)/ automation needs analysis, some investigation has been done by PL/ Foundation *(Planning & MVP phases)* 12.3 Should the proto be used - tech support required *(Planning phase)* 12.4 Client confidentiality needs design/ solution as to how to keep client details/ record private where required. *(Planning phase)*	
8. Notary service and process changes (1) Notaries will still be self directed with service level expectations and weekly/ monthly targets and incentives. (2) Notaries follow best practice/ playbook. This includes the guardrails for assessing applications from other regions and differing types of industries/ verticals. (3) A global KYC system(s) is used to provide some automation, establish consistency, a higher level of confidence and audit trail. (4) The lifecycle audit trail will be considered in the KYC process to make auditing easier and with higher trust (5) A subset of dedicated notaries are assigned to support the MVP	8.1 Consensus on Notary service level expectations with weekly/ monthly targets and incentives is required 8.2 Consensus on 8-10 dedicated notaries assigned to support the MVP 8.3 Any process changes and best practice playbook will need to be agreed and documented *(Planning phase)* 8.4 Consideration of the audit trail in-life is designed into this process, *(Planning phase)*	
9. DataCap is client centric, released aligned with the client's onboarding plan. 3-4 milestones manage the release of DataCap are proposed: (1) At commencement of PoC, automatically triggered following KYC result (2) Post PoC (3) The third at the customers nominated date (within the first 12 months) (4) Potential additional tranche should there be a significant uplift in storage	Covered in SP proposal	
10. Risk management and abuse detection. Upfront client KYC, clearer consequences together with contracts in place aim to reduce the risk of bad actors attempting to enter the ecosystem. Abuse in any network is still expected, it therefore requires adequate monitoring and management to ensure no reputational risk surfaces that dilutes Filecoin's position as a provider of useful storage.	14.1 Workshop with community and stakeholders to anticipate issues and possible mitigating strategies *(Planning phase)* 14.2 Definition of abuse and automation/ technology to monitor and track is required *(Planning & MVP*	

Program step	Consensus/ task	Lead
A blacklisting approach for what is deemed outside of useful data can be applied using solutions like deal filter for extreme categories.	*phases)*	

Proposed customer journey can be located here *(insert public ref)*

03.2.1 Out of scope

Lifecycle processes need to be defined (such as those below), however are out of scope of launching the enterprise program:

    i) View status
    ii) Manage account/ users
    iii) Change data volume +/-
    iv) Change data status (temperature cold/archival/warm etc)
    v) Renew/ retire deals
    vi)Access/ retrieve data

List other areas here…

04 Minimum Viable Product (MVP) Plan

04.1 How does an MVP program work?

A Minimum Viable Product (MVP) agile approach acknowledges that not all is known upfront about the product/ proposition and that all stakeholders will benefit from a learning cycle that is iterative and each iteration improves outcomes. It follows 'Design Thinking' principles where we put humans (our clients) at the centre of what we design and then build and commercialise in the market. Together through co-creation we understand whether the program is:
i) Desirable - of value to clients and SPs;
ii) Feasible - can be supported by Notaries and technically achieved; and
iii) Viable - can create economic value.

With a minimum level of design, a product/ proposition/ program can be launched in beta mode to a limited audience/ client base.

04.1.1 Stakeholders

To make the program a success the minimum is necessary:
1. A limited number of clients 20-50 (TBC) who have a tolerance for a beta phase and open to participating in a feedback loop. These clients will work with the community, Protocol Labs and The Foundation to surface what works/ doesn't work, any challenges, be used to improve processes and standards, adjust for the optimum CX and ensure minimum risk exposure.
2. A limited number of SPs 20-50 (TBC) who are open to participating in a feedback loop
3. A dedicated set of notaries 8-10 (TBC) are assigned to support the MVP phase
4. Support will be required from Protocol Labs and The Foundation around setup/ fund/ market/ operate the new program
5. Legal support

04.1.2 Budget/ funding for governance support

Estimated costs involved in setting up a new Fil+ program will include:

(1) Ecosystem project lead: 1 pax/ 1 day per week
(2) Governance co-project lead: TBC
(3) Dedicated enterprise notary team of 8-10 for the pilot
     * Incentives may need to be on offer to guarantee engagement & service levels
(4) Legal support (Alex, Matt & Lauren already engaged across): costed/ covered under Foundation projects?
     -   KYC/ AML
     -   Abuse management
(5) Any tech and tooling: Needs MVP sizing + scale up costing
     -   KYC system/ automation
(6) Filecoin Architecture & Technology - any possible protocol changes: Assume covered under PL projects
     -   DataCap Tranche milestones (not sure if this sits in SP or Governance)
     -   Monitoring and abuse detection
(7) CX design/ tooling: Needs MVP sizing + scale up costing
   -   Digital application form
     -   Digital KYC form

04.1.3 Stages and target timeframes

The MVP phase will have a minimum 6 months initial cycle with a second iteration - 9-12 months in total.

Phase I: Approval and set-up (proposed timelines)
1. Enterprise governance proposal is approved for MVP program - presented Fil+ day 7-Jun-22, consensus closes 22-Jun-22
2. Notary Governance working group with stream leads are set up: 15-Jun
   - KYC
   - Notary playbook
   - Filecoin Architecture & Technology
3. MVP program terms, rules and processes are known: 15-July
   - · Any supporting tooling, technology or changes are identified sized/ costed
   - · Any supporting processes are identified sized/ costed
   - · Any supporting teams/ service are identified sized/ costed
   - · All assumptions and hypotheses are documented to be tested
4. MVP Program criteria is defined: 15-July
   - Eligible client profile
   - Eligible SPs/ BDMs /representing a max no. clients
   - Verticals/ use cases/Regions etc
5. The minimum technology, processes and people are approved: 31-July
6. Supporting tech/ process/ people implemented in August
7. Enterprise MVP beta launches 1 September 2022

Phase I Enterprise Governance approval + setup
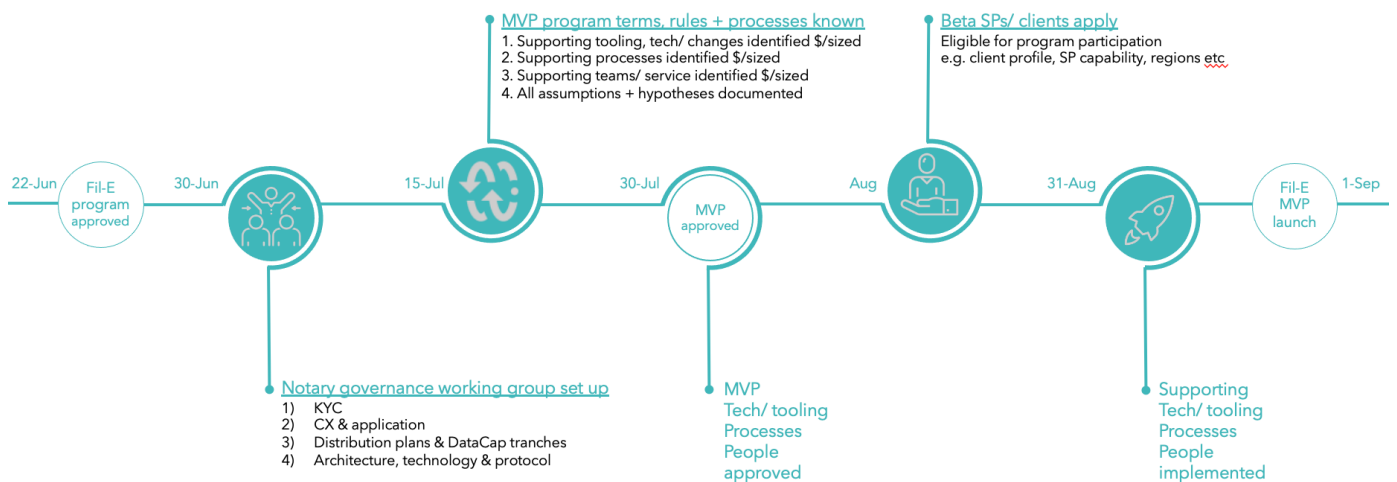
04.2 What are the minimum variables + considerations that need to be included?

1. Preservation of Filecoin principles
2. Preservation of network design & distribution. Decentralisation and distribution must be facilitated. A spectrum of tiers of distribution may be a solution
3. The risks to be managed (Ref 01.4 Establishing trust & managing risk)
4. Identifying areas of the current process could be improved or automated with low effort cost
5. Guidelines around private data standards & regulations
6. SP distribution plan structure/ template
7. Client responsibilities and accountabilities are clear
8. Any MVP tooling /tech identified
9. Any Filecoin tech/ protocol changes identified

What could go wrong?
(1) The program is not adequately resourced
(Pl/ FF oversight, Project lead, Community Manager, Notaries, SP Stream leads)
(2) Motivators/ incentives to participate are not strong enough for participants - SPs & clients

04.3 Assumptions & learning goals

What we don't know is all the nuance of how everything will work and the edge cases. In agile design, the state this proposal needs to get to is, enough is known that enables a functioning flow and risk exposure is managed.

Working assumptions and learning goals to test (prove/ disprove) through MVP cycles: TBD

05 Next steps

1. This presentation and comms will be posted in this issue.
https://github.com/filecoin-project/notary-governance/discussions/527
Please contribute any feedback/ questions here.

How to give feedback
Please provide consensus OR **constructive** feedback
– If you are offering critique, be sure to include alternatives/ ideas
(no venting without action!)

2. Should the proposal be adopted post Fil+ day, support will be needed from the community, PL & The foundation around setup/ fund/ market/ operate the new program.

Appendix: Definitions

Data classification

The client will have classified their data based on their industry, the type of data the organization collects, uses, stores, processes, transmits and its sensitivity. The typical classifications are as follows:

1. **Public data**: This type of data is freely accessible to the public (i.e. the public/all employees/company personnel). It can be freely used, reused, and redistributed without repercussions.
2. **Internal-only data**: This type of data is strictly accessible to internal company personnel or internal employees who are granted access such as internal-only presentations or communications, business plans, etc.
3. **Private data**: Types of confidential data include Social Security numbers, cardholder data, M&A documents, which are protected by laws like HIPAA and the PCI DSS.
4. **Restricted data**: Restricted data includes data that, if compromised or accessed without authorization, which could lead to criminal charges and legal fines or cause irreparable damage to the company. Examples of restricted data might include proprietary information or research and data protected by state and federal regulations.

The client will be responsible for ensuring private and restricted data complies with necessary frameworks and legal regulations and will need to advise the Storage Provider if any apply:

- **SOC 2**: The SOC 2 Trust Services Criteria requires that service organizations who include the confidentiality category in their audit demonstrate that they identify and maintain confidential information to meet the entity's objectives related to confidentiality.

- **HIPAA**: PHI is considered high-risk data. As such, HIPAA Security Rule requires that all covered entities and business associates implement administrative safeguards that ensure the confidentiality, integrity, and availability of PHI. In addition, the HIPAA Privacy Rule limits the uses and disclosures of PHI, forcing covered entities and business associates alike to establish procedures for classifying the data they collect, use, store, or transmit.

- **PCI**: In order to comply with PCI DSS Requirement 9.6.1, entities must "classify data so that sensitivity of the data can be determined."

- **GDPR**: Organizations that handle the personal data of EU data subjects must classify the types of data they collect in order to comply with the law. Additionally, GDPR categorizes certain data – race, ethnic origin, political opinions, biometric data, and health data – as "special" and therefore it is subject to additional protection. This not only means that organizations need to know what types of data they hold, but they also need to be able to label that data such as public, proprietary, or confidential.

The onus is on the client to classify their own data based on its degree of sensitivity and its compliance requirements and convey those to the Storage Provider so that the data can be stored in the way it needs to be. Q is there anything SPs need to do to be up to spec?

Data Handling
The deal will also need to understand the data handling which includes the clients role access management and any encryption required.
1 Symmetric encryption - the same key is used for encryption and decryption. It is therefore critical that a secure method is considered to transfer the key between sender and recipient.
2 Asymmetric encryption - uses the notion of a key pair: a different key is used for the encryption and decryption process. One of the keys is known as the private key and the other is known as the public key.