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ASC X9 Issues First Blockchain Terminology Standard

X9.138 Standardizes Terms Used in Distributed Ledger Technology (DLT)/Blockchain, Preventing Confusion and Errors

ANNAPOLIS, Md. – Dec. 15, 2020 -- Today the Accredited Standards Committee X9 Inc. ([X9](#)) announced the publication of X9.138 -- Distributed Ledger Technologies Terminology, a much-needed standardized glossary of the most important common terms and definitions used with distributed ledger technology (DLT). The highest-profile example of DLT is bitcoin. The new standard is [available for download](#) at no charge.

New blockchain, DLT and smart contract initiatives are sprouting up within the global financial services industry. For such efforts to succeed, they must be based on mutually accepted terminology across projects, vendors and organizations. Unfortunately, these have often assigned different meanings to the same terms, creating misunderstanding and confusion that may impede adoption of this technology, as well as hampering interoperability.

This lack of standards has led to misconceptions about new terms that need to be well understood across platforms, along with conflicts with the long-accepted meanings of terms used in contract law; it all results in ambiguity where clarity is required.

The adoption of the standard set of platform-independent terms and definitions in X9.138 will enable common understanding of these terms and their use in the industry, to the benefit of all involved. Standardized terms will assist potential customers, investors and regulators, inform future legislation and provide consistency in the development of X9 standards for financial services.

"Blockchain technology and the overlap of distributed ledger technology terms are not well understood, and meanings can vary by platform and vendor," said X9 Executive Director Steve Stevens. "People in the industry toss terms around interchangeably, and when those terms start showing up in regulations and actual law, these variations can cause implementation uncertainty, with some states contradicting others' laws. Also, as institutions work with vendors in contracts

and statements of work, defining terms differently can cause confusion and even errors in deliverables. X9.138 provides a definitive glossary that will forestall these issues."

"Terms such as 'smart contracts' and even 'blockchain' are often used differently and defined inconsistently in legislation. Establishing a common framework of terms that industry and policy-makers can use consistently will expedite global blockchain adoption and reduce friction points," said Amy Davine Kim, Chief Policy Officer, Chamber of Digital Commerce, and vice chair of the X9A working group that developed the standard. "This standard establishes a universal vocabulary to build on as the technology and its applications evolve over time."

Originally, this project had been announced as an X9 Technical Report. However, because DLT in finance is still evolving rapidly, additional terms are cropping up and meanings are morphing; X9 determined that the material needed frequent focus and revision, and it was instead developed as a standard that will be continuously maintained, with revisions published every year or two.

About the Accredited Standards Committee X9 Inc.

The Accredited Standards Committee X9 Inc. is a non-profit organization accredited by the American National Standards Institute (ANSI) to develop and maintain national and – through ISO -- international standards for the financial services industry. The subjects of X9's standards include: retail, mobile and business payments; corporate treasury functions; block chain technology; processing of electronic legal orders issued to financial institutions; tracking of financial transactions and instruments; financial transaction messaging (ISO 8583 and 20022); quantum computing; PKI; checks; cloud; data breach notification and more.

X9 acts as the U.S. Technical Advisory Group (TAG) for ISO TC68 (Financial), TC321 (E-Commerce) and TC322 (Sustainable Finance) and performs the [secretariat](#) functions for ISO TC68. Please visit our website (www.x9.org) for more information.

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