

2.2 The FDTA Context

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The [Financial Data Transparency Act \(FDTA\)](#), enacted in 2022, establishes a statutory framework for improving the transparency, usability, interoperability, and consistency of financial and regulatory data reported to participating United States federal agencies [\[R1\]](#). The Act directs those agencies to establish coordinated data standards and to apply those standards through subsequent agency-specific rulemaking or other authorised actions. To achieve these objectives, the FDTA relies on open standards and coordinated standard-setting while deliberately avoiding prescription of specific technologies, data models, products, or implementation approaches [\[R1\]](#), [\[R2a\]](#).

This approach reflects an important policy judgment. Meaningful transparency and comparability do not result solely from adopting particular tools, file formats, schemas, taxonomies, or platforms. They depend on the consistent interpretation of reported information over time, across organisations, and across independently developed systems [\[R10\]](#).

In practice, many agency initiatives associated with implementation of the FDTA joint data standards emphasise structured, tagged data formats, such as [eXtensible Business Reporting Language \(XBRL\)](#), to support machine readability and data exchange [\[R8\]](#), [\[R9\]](#). These formats play a critical role in standardising submission and enabling automated processing. However, standardised syntax alone does not guarantee [semantic](#) consistency. Two reports may conform to the same schema yet convey information interpreted differently because of variations in definitions, contextual assumptions, classification rules, temporal scope, governing authority, or calculation logic [\[R8\]](#), [\[R9\]](#).

This gap gives rise to the semantic interpretation problem. Reported information is rarely self-interpreting. Its meaning depends on explicit and implicit [semantics](#), including business concepts, regulatory definitions, contextual qualifiers, governing rules, and version context. When organisations embed these semantics informally in documentation, encode them directly in software, or apply them differently across systems, comparability, traceability, auditability, and reproducibility degrade over time [\[R10\]](#). The problem becomes more pronounced as reporting requirements evolve and as artificial intelligence-assisted extraction, classification, and interpretation techniques enter reporting pipelines.

The FDTA emphasis on comparability, interoperability, and regulatory oversight therefore implies a need for more than standardised data formats or exchange mechanisms.

It requires an architectural approach that makes semantic interpretation explicit, traceable, governable, and reproducible at the system level while remaining flexible enough to accommodate heterogeneous implementations, independently governed organisations, and evolving standards [\[R10\]](#).

Operationally, this requirement demands explicit architectural treatment of the interfaces through which reported data, derived observations, and interpretive results are exchanged. Those interfaces preserve semantic context, provenance, version information, and interpretive authority as information crosses organisational, jurisdictional, or system boundaries.

Without such an architecture, systems supporting the implementation of the FDTA joint data standards risk reproducing semantic silos on top of syntactically uniform data. Such silos would undermine the transparency, interoperability, comparability, and analytical usability that the Act and the final joint rule seek to advance.

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