Prototyping regulated systems

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A history of software development, towards regulated systems

Monolithic programs

A history of software development, towards regulated systems

Monolithic programs $\xrightarrow{\textit{distribution}}$ Service-oriented architectures

A history of software development, towards regulated systems

$$
\begin{tikzcd}
\text{Monolithic programs} \arrow[r, "\textit{distribution}"] \arrow[d, "\textit{AI}"] & \text{Service-oriented architectures} \\
\text{Autonomous systems} &
\end{tikzcd}
$$

A history of software development, towards regulated systems

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A history of software development, towards regulated systems

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\text{Autonomous systems} \arrow[r, "\textit{distribution}"] & \text{Social software systems} \arrow[dr, "\textit{regulations/policies}"] & \\
 & & \text{Regulated (software) systems}
\end{tikzcd}$$

Regulated systems – points to address

Formalization of applicable norms: reusable, modular and dynamically updateable

Different methods of embedding and enforcing norms:

- Static ex-ante: verify and apply norms during software production
  e.g. correct-by-construction arguments, model checking
- Dynamic ex-ante: apply rules at run-time, guaranteeing compliance
  permits decisions (behavioral, normative) that depend on input
- Embedded ex-post enforcement: specified responses to violations
  permits (regulated) non-compliant behavior, e.g. based on risk assessment by agent
- External ex-post enforcement: external responses to violations
  e.g. auditing, conformance checking
  permits (human-)intervention in running system

Production of diagnostic reports and/or audit trails to enable evaluation and reflection

Regulated *systems* – points to address

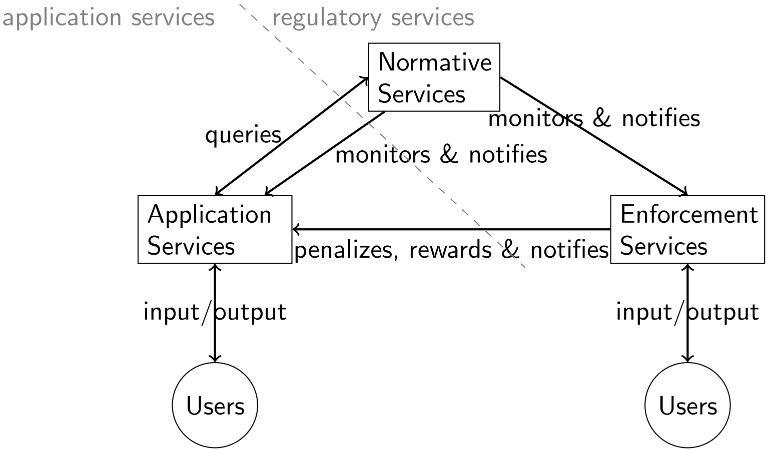
Derivation of regulatory services from formalization of norms

Interfacing between application and regulatory services:

- Monitoring (communicated and silent) behavior of services
  difficulties: fallible and subject to manipulation
- Regulatory services responding to queries about normative positions
  e.g. do I have permission to...? or the obligation to... ?
- Application services verifying facts on behalf of regulatory services
  e.g. verifying credentials
- Regulatory services communicating changes in normative positions
  e.g. gaining/losing powers, holding/satisfying obligations, violations

Challenges: different interpretations of norms and different qualifications of situations

Our approach to regulated systems



Our approach to prototyping

eFLINT – formalization of norms from a variety of sources

declarative reasoning about facts, actions and duties

reactive component for integration in software systems

including actor-based implementation

AgentScriptCC – specification of services as agents

reactive BDI agents,

cross-compiled to actor-based implementation

eFLINT: A Domain-Specific Language for Executable Norm Specifications

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Run, Agent, Run

Architecture and Benchmarking of Actor-based Agents

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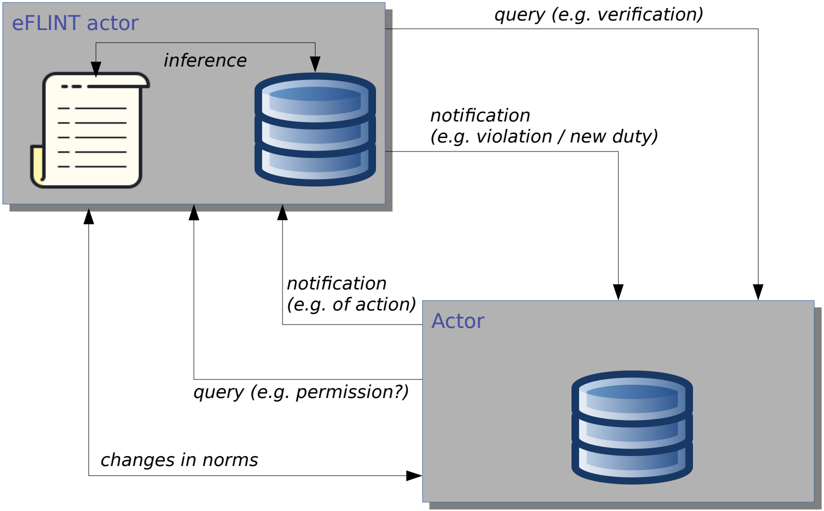
Actor-oriented programming in the Akka framework:

`https://akka.io/`

actor systems modelling social software systems

akka

eFLINT actors

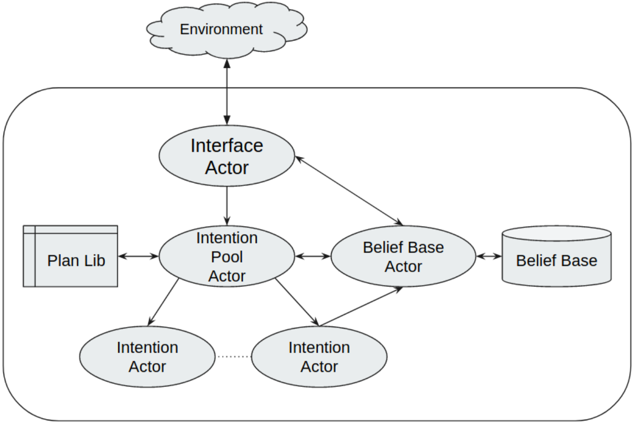


AgentScriptCC

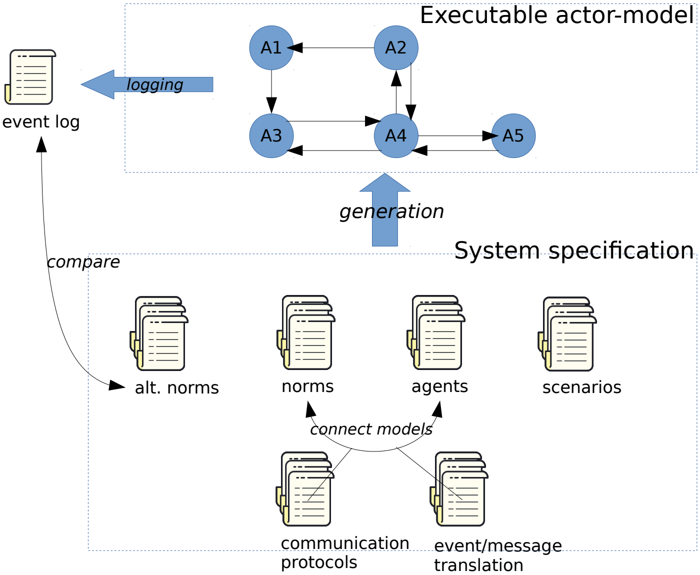
Agents are translated into actor-based micro-systems

Consisting of:

- Interface actor
- Intention pool actor
- $n \geq 1$ Intention actors
- Belief base actor
- Belief base
- Plan library



Our approach to prototyping



The KYC case study

Case study around the Know Your Customer principle adopted by financial institutions to meet international regulations by assessing client profiles to compute risk

Involves three types of "normative documents":

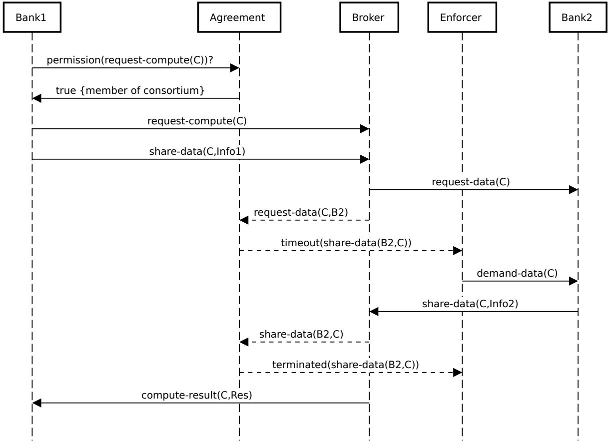
1. Sharing agreement – a contract between banks of a consortium
2. Internal policy – a sort of contract between bank and employee
3. GDPR – a sort of contract between bank and client

For each document we can describe its norms, the behavior of relevant actors (clients, banks, employees and broker) and how the norms are enforced

Dynamic enforcement examples – sharing agreement

(Article 1) A member of the consortium has the right to request a risk assessment computation from the broker for any (potential) client

(Article 2) The data broker has the power to oblige members of the consortium to share information about any client the member does business with



eFLINT example – GDPR

(Article 16) The data subject shall have the right to obtain from the controller without undue delay the rectification of inaccurate personal data concerning him or her. [...]

```
Act demand-rectification
 Actor subject
 Recipient controller
 Related to purpose
 Creates rectification-duty()
 Holds when (Exists data, processor:
  subject-of() && processes() && !accurate-for-purpose())

Duty rectification-duty
  Holder controller
  Claimant subject
  Related to purpose
  Violated when undue-rectification-delay()

Fact undue-rectification-delay
  Identified by controller * purpose * subject
```

From eFLINT specifications to eFLINT actors

idea: let 'eFLINT actors' administer eFLINT specifications

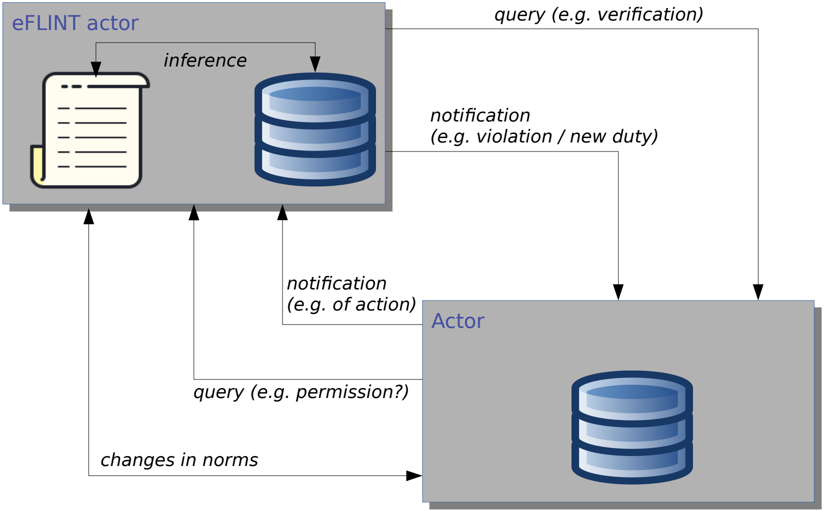
Incoming messages trigger input events

- Creating/terminating facts and triggering actions and events (statements)
  - Dynamic scenario (case) construction with automated assessment
- Creating, modifying or removing fact-, act-, event- and duty-types (declarations)
  - Dynamic policy construction
- Queries, e.g. to check whether actions are permitted or duties are violated

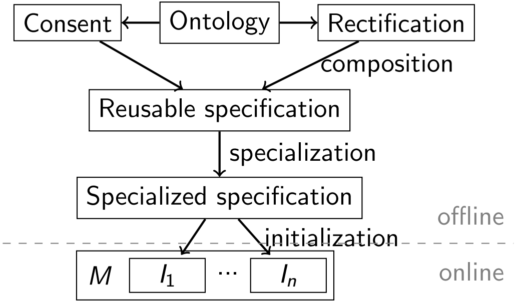
Output events trigger outgoing messages

- Notifications of newly permitted actions
- Notifications of executed actions and whether they were permitted
- Notifications of new duties and violations of duties
- Querying an actor to determine or verify the truth of a fact

eFLINT actors



eFLINT integration – overview



eFLINT integration – example

Reusable GDPR concepts

```
Fact controller
Fact subject

Fact data
Fact subject-of
 Identified by subject * data
```

Specialization to application

```
Fact bank
Fact client

Fact controller
 Derived from bank
Fact subject
 Derived from client

Fact data
 Identified by Int

Event data-change
 Terminates data
 Creates data(data + 1)

Fact subject-of
 Derived from
  subject-of(client,processed)
 ,subject-of(client,data)

Fact processed
 ...
```

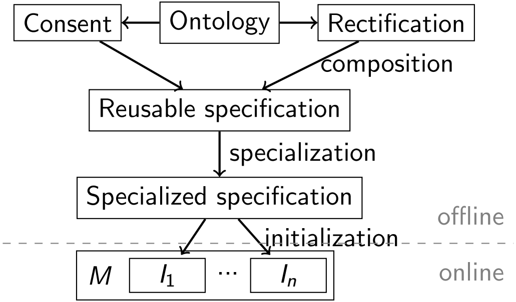
Instantiation at run-time

```
+bank(GNB).
+client(Alice).
+data(0).
```

Derived after instantiation

```
+controller(GNB).
+subject(Alice).
+subject-of(Alice,0).
```

eFLINT integration – overview



Monitoring GDPR compliance

```
WHEN
  Message(client:ClientRef,bank:BankRef,req:BankTypes.ApplicationRequest)
TRIGGER
  INIT gdpr(bank, client)                             // instantiates GDPR actor

INIT gdpr                                             // defines constructor
  WITH bank:BankRef, client:ClientRef                 // Scala class parameters
  IDENTIFIED BY (bank.path.name, client.path.name) // pair of values as id
  FROM "gdpr_specialization.eflint"                   // eFLINT file to load
TRIGGER                                               // eFLINT initialization
  +client(${client.path.name}).                       //        statements
  +bank(${bank.path.name}).
  +data(0).

WHEN
  Message(client:ClientRef,bank:BankRef,msg:BankTypes.CountryUpdate)
TRIGGER IN gdpr(bank.path.name, client.path.name)
  demand-rectification(purpose=KYC).                  // qualified as demand
```

AgentScriptCC DSL

Main component: 'plan rules' `E : C => A`

- when *event* `E` happens
- and if *condition* `C` holds,
- then do *action* `A`

Example from **client**:

- `E`: Agent receives the message `give_info`
- `C`: `B` is a bank to which client is applying or has successfully applied, `S` is SBI-code of client, `C` is country where client is based and message sender is employee of bank B.
- `A`: send SBI-code and country to original sender of `give_info` message

```
+!give_info(B) :
 my_sbi(S) &&
 my_country(C) &&
 employee_of(#executionContext.sender.name, B) &&
 (applying_to(B) || client_of(B)) =>
  #achieve(#executionContext.sender.ref,info(S,C)).
```

AgentScriptCC - Internal policy example

(Rule 1) An employee has the duty to perform a risk analysis on the profile of a client within four weeks of the creation or modification of the profile

Client

```
+!give_info(B) :
 my_sbi(S) &&
 my_country(C) &&
 employee_of(#executionContext.sender.name, B) &&
 (applying_to(B) || client_of(B)) =>
  #achieve(#executionContext.sender.ref,info(S,C)).
```

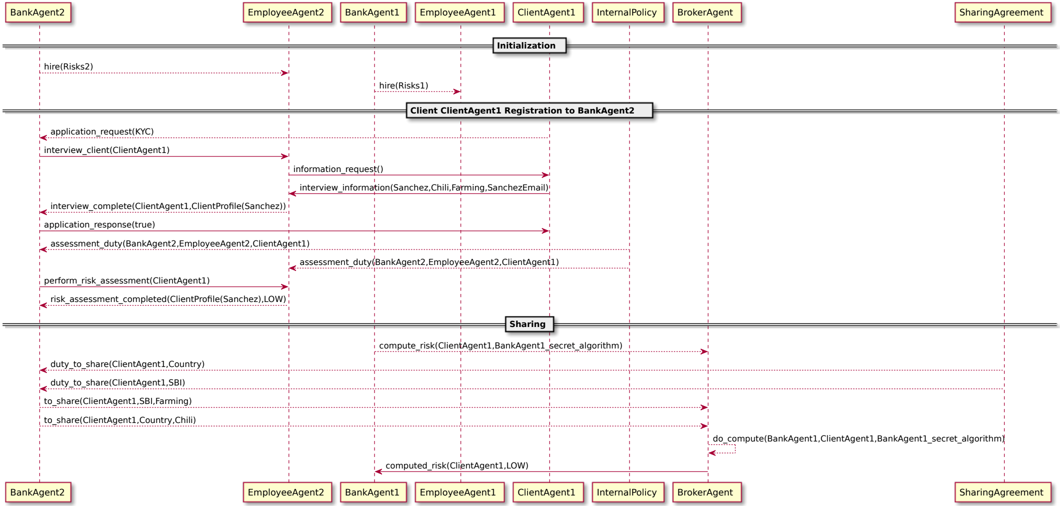
Employee

```
+!interview(Client) :
 bank(B) &&
 B == #executionContext.sender.name =>
  #achieve(Client,give_info(B)).

+!info(SBI,Country) :
 bank(B) =>
  Client = #executionContext.sender.name;
  Info = info(SBI,Country);
  +information(Client,Info);
  #achieve(B,interview_complete(Client,Info)).

+!do_risk_analysis(C,info(SBI,Country)) =>
  B = #executionContext.sender.name;
  R = #kyc.algorithms.risk(B,SBI,Country);
  #achieve(B,assign_risk(C,R)).
```

Bank

```
+!interview_complete(Client,Info):
 E = #executionContext.sender.name &&
 employee(E) &&
 not client(Client) =>
  #println("interview done for " + Client);
  +information(Client,Info);
  +client(Client);
  #achieve(E,do_risk_analysis(Client,Info)).
```

Example scenario execution



Conclusions

- We can produce executable models of regulated systems, by combining
  - enforcement actors for dynamic ex-post enforcement
  - normative actors derived from normative specifications (in eFLINT),
  - queries sent to normative actors for dynamic ex-ante enforcement, and
  - actor implementations derived from agent scripts (in AgentScriptCC)
- this enables experiments with norms, enforcement mechanisms and system set-ups.

Future work

Ongoing

- DSL development and analysis for behavior, norm and scenario specification
- Complete generation of executable-actor models from high-level specification
- Bring modelling to practice;
  - apply models by deriving (parts of) containerized applications for use cases in our projects on data exchange: SSPDDP, DL4LD, EPI, and soon AMDEX
  - explainable decision making in projects with governmental organizations

Future

- Static analysis of (combined) models, e.g. model checking norm specification, and consistency checking between between behavior, normative actors and scenarios
- Additional execution platforms:
  - Containerized applications, e.g. Docker and Kubernetes
  - High-performance cloud (HPC)
  - Blockchain

Takeaways

The complex-cyber infrastructure group of the University of Amsterdam is experimenting with **regulated sytems** *– in which norms from a variety of sources are enforced – by deriving* **executable models** *from* **high-level specifications**

Such systems require **several kinds of enforcement mechanisms** *for norms, based on whether compliance can/should be/is checked before or after a violation occurs and before or after an application runs*

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