



**Isle of Man
Government**
Reiltsa Ellan Vannin



UNLOCKING VALUE FROM DATA: BUILDING AN INFRASTRUCTURE FOR DATA-RICH COMPANIES

This paper sets out the rationale, the design, and the invitation for stakeholders to get involved in the **Data Asset Foundation** initiative.

August 2025

FROM DATACO TO DATA ASSET FOUNDATION:

A statutory framework to unlock data value, trust and growth.

A **Data Asset Foundation (DAF)** is a legal and operational structure that allows organisations to govern, share, and create value from data assets responsibly and commercially. Built on the Isle of Man's proven Foundations framework, DAFs provide a legally recognised vehicle that enables organisations to define and register ownership, apply governance, and value data as a capital asset. It bridges legal certainty with commercial utility, offering a model for organisations to extract maximum strategic, financial and social value from their datasets.

EXECUTIVE SUMMARY

THE CHALLENGE

Despite being the most valuable resource of the digital economy, data remains poorly defined, inconsistently governed, and **largely unaccounted for** on balance sheets. Unlike other intangible assets like IP or software, data lacks a coherent legal and commercial structure to define its valuation and provide governance. This creates friction, legal ambiguity, and missed commercial opportunities for organisations seeking to govern and monetise their data. This regulatory vacuum also creates significant barriers to wider economic growth and innovation.

THE OPPORTUNITY

The Isle of Man is addressing this gap with the **Data Asset Foundation (DAF)** initiative: the first statutory framework built specifically to recognise data as an asset and define and govern its value. DAFs establish the legal, operational, and economic structures needed to convert data into a strategic, governable, shareable, and monetisable asset class. It offers the commercial tooling that data-centric organisations have long needed: certified audit-ready governance, credible valuation, and a secure distribution environment. Furthermore, the Isle of Man is designing an entire ecosystem to facilitate the new products, services and opportunities that DAFs will enable organisations to create.

The Data Asset Foundation initiative aims to establish the Isle of Man as the global hub for data asset governance and value.

THE DAF SOLUTION

FIVE PILLARS OF THE FRAMEWORK



**LEGAL
FRAMEWORK**

**DATA ASSET
REGISTER**

**EMBEDDED
GOVERNANCE**

**STANDARDISED
VALUATION**

**DISTRIBUTION
PLATFORM**

Legal Framework: Establishes data as a formally recognised asset class and enables a dedicated legal entity, the Data Asset Foundation, to hold and manage it.

Data Asset Register: Provides a definitive, transparent record of ownership, provenance, quality metrics, and usage rights.

Embedded Governance: Mandates world-class data management standards (DCAM[®] [Data Management Capability Assessment Model] and CDMC [Cloud Data Management Capabilities]) directly into law to ensure trust, ethics, and compliance.

Standardised Valuation: Introduces market-standard approaches to data asset valuation, enabling data to be treated as collateral, licensable product, or investment-grade asset.

Distribution Platform: Streamlines data sharing with trusted, legally supported agreements and technical controls.

COMMERCIAL IMPACT

A DAF is not just about compliance or control — it is a commercial enabler. It reduces vendor lock-in, accelerates time-to-insight, and enables new product development. It brings clarity to data ownership and creates the conditions for monetisation, collaboration, and cross-sector innovation. Whether through financial collateralisation, spin-outs, or licensing strategies, a DAF offers measurable ROI.

This initiative positions the Isle of Man to capture significant economic value from the global transition toward data-centric business models. By providing legal certainty where others offer regulatory ambiguity, DAFs create a compelling value proposition for multinational corporations, financial institutions and innovative startups seeking to maximise their data assets' potential.

The timing is strategic: as governments worldwide grapple with data governance challenges and enterprises face mounting pressure to treat data as a formally governed asset, Isle of Man's comprehensive solution addresses market needs that existing frameworks cannot meet.

FROM INTELLECTUAL PROPERTY TO DATA ASSETS

For over a century, leading economies developed legal and commercial frameworks to treat ideas as assets, giving rise to the intellectual property (IP) economy. Enterprises shifted from physical factories to business models centred on the systematic creation, protection, and monetisation of IP — using patents, trademarks, and copyrights as the mechanism to convert ideas into balance-sheet value.

This has included registering innovations, licensing them, and enforcing their exclusive rights in the marketplace, establishing a powerful playbook for turning intangible value into durable **economic growth**.

A similar shift is now required for data.

Today, data is already the primary driver of innovation and enterprise value, but unlike IP, it lacks the legal and technical infrastructure needed to define ownership, manage use, and derive consistent value. To unlock data's potential as a formal asset class, organisations must move beyond fragmented corporate strategies and establish standardised, legally recognised systems of governance and value attribution.

This is the premise behind the Data Asset Foundation (DAF) initiative. Much like land registries offer certainty of title, the Data Asset Register offers a definitive record of dataset ownership and rights.

Where patent law protects inventions, DAF legislation defines and protects data assets. And where corporate governance ensures fiduciary integrity, DAFs embed leading, global data management frameworks like the EDM Association's DCAM® and CDMC to enforce data stewardship, ethics, and auditability by design.

FROM INTELLECTUAL PROPERTY TO DATA ASSETS (CONT.)

But data differs fundamentally from other assets. Unlike patents, which are typically exclusive, data is non-rivalrous—multiple users can simultaneously extract value without depleting it. It is also dynamic, with quality and utility that change rapidly, unlike the static protection period of a patent.

Its risks, such as systemic data breaches, can also evolve quickly and require rigorous protection. Finally, data ownership is often constrained by external obligations, such as privacy laws, rather than conferred rights. These characteristics demand a new kind of framework treatment that is flexible, transparent, and built for continuous assurance.

Establishing this foundational layer is therefore a critical undertaking. It provides the legal certainty required for markets to function, for investors to commit capital and for innovators to build new products and services with confidence. It moves the management of data from a patchwork of private, contractual arrangements to a public utility model of trust and transparency.

This concept is brought to life by the Isle of Man's Data Asset Foundation project, blending the proven logic of existing frameworks and modern approaches to intangibles as a guide. By doing so, we offer a clear, actionable playbook for building the infrastructure necessary to treat data as what it has already become: one of the most valuable asset classes of the 21st century.

MAXIMISING DATA'S POTENTIAL:

THE CASE FOR A DEDICATED DATACO

For organisations that recognise the strategic value of their data, many have explored the Data Company or "DataCo" model¹ — creating a separate, independent entity to manage and monetise the parent company's data assets. A DataCo focuses on data governance, productisation, and risk management, offering advantages like:

DEDICATED FOCUS

Allows the entity to concentrate on data quality, governance, and commercial use without constraints from the parent's core operations.

INNOVATION & MONETISATION

Frees teams to build new data products or services, as seen in examples like FedEx's Dataworks for applying insights from its vast logistics network or Kroger's 84.51 data analytics subsidiary for leveraging customer data.

RISK INSULATION

Separates legal and compliance risk of data products from the parent organisation, particularly valuable when dealing with sensitive information or complex regulatory environments.

FINANCIAL LEVERAGE

Allows data assets to be valued and collateralised, increasing liquidity options, as seen in Delta Airlines' securitisation of its SkyMiles loyalty programme, raising billions during the COVID-19 pandemic.

OPERATIONAL RESILIENCE

Facilitates robust data operations and compliance, especially with complex regulations, independent of the parent company.

1. *DataCo: Independent Data Organisations Maximising the Value* of Data written by the EDM Association's [Data ROI Working Group](#).

MAXIMISING DATA'S POTENTIAL (CONT.)

However, real-world implementation often reveals challenges in the DataCo approach, including:

AMBIGUOUS DATA VALUATION

Without legal recognition, data lacks visibility on the balance sheet and cannot be credibly valued or collateralised.

UNCLEAR OWNERSHIP & SCOPE

Without a formal data asset registry, disagreements about which datasets the DataCo owns or manages can lead to duplicated effort, legal confusion, ambiguity of usage rights, and inconsistent data stewardship, potentially leading to inefficiency, operational paralysis, lack of accountability and higher costs.

LACK OF ENFORCEABLE GOVERNANCE

Without a legally embedded governance framework, DataCos are exposed to compliance gaps (and resulting fines), poor data quality, and ongoing strategic misalignment with the parent company. Despite the intended legal separation from the parent company, these issues expose it to significant risk from the DataCo's operations.

These limitations point to a critical conclusion: the DataCo concept, while directionally correct, needs stronger legal infrastructure to succeed. The DAF solves this by integrating legal recognition, enforceable governance, and a registry-backed ownership structure into one foundation—enabling the strategic goals of a DataCo to be achieved with legal certainty and operational rigour.



ELEVATING DATA^{CO}:

THE DAF ADVANTAGE

Data-rich organisations face increasing pressure from regulators, investors, and internal stakeholders to treat data as a formally governed, auditable, accountable, and monetisable asset—one capable of unlocking new revenue streams while reducing compliance risk. This has accelerated interest in dedicated data ownership and governance structures—but the limitations of the standalone DataCo model highlight the need for a more robust, jurisdictionally recognised framework.

The Data Asset Foundation (DAF) initiative advances this model, bringing mutual benefit both to organisations seeking greater data monetisation and innovation and to governments pressed to enable the new economy and commercial opportunities by addressing the lack of standardised practices and valuation for data assets. It brings legal clarity, operational standards, and commercial flexibility into a single construct.

Where DataCos operate in a legal grey zone, DAFs provides statutory recognition. Where governance is optional or ad hoc, DAFs embed enforceable best-practice standards. Where data valuation is subjective, DAFs introduce consistent methodology. It aligns with the strategic intent behind DataCos while solving the operational and legal deficiencies that limit their effectiveness.

The DAF initiative is designed not just to insulate risk or streamline compliance—it unlocks value by enabling organisations to:

- Establish a distinct legal entity that owns and governs data assets transparently
- Ensure auditability, trust, and accountability across the data lifecycle
- Enhance credibility in financial reporting and investment due diligence
- Enable data to serve as an accepted collateral asset for IP-backed lending
- Accelerate innovation through reusable data infrastructure and shared registries

WHY THE ISLE OF MAN IS LAUNCHING ITS DATA ASSET FOUNDATIONS

Over the past two years, the Isle of Man Government has studied emerging global models for data governance—tracking initiatives like Jersey’s Data Trust, UK-based experiments in data stewardship, and international best practice in public and private data frameworks.

TWO KEY INSIGHTS EMERGED:

- 1 – Trusts lack legal personality and are ill-suited for commercial operations or clarity in trustees’ fiduciary duties.
- 2 – Corporate structures, while more flexible, rely on a patchwork of IP and contract law, leading to inconsistency and high overhead in data governance.

The Isle of Man concluded that a new legal structure was required: one that combined the accountability and purpose-driven ethos of a trust with the legal personality, commercial capability, and governance rigour of a company.

THE SOLUTION:

A Data Asset Foundation, built on the Island’s existing Foundations Act and modernised to serve as a purpose-built vehicle for data stewardship, ownership, monetisation and oversight.

WHY FOUNDATIONS?

Foundations offer a hybrid model. Combining the limited liability and contracting power of a company with the mission-bound design of a trust. Importantly, foundations in the Isle of Man enjoy full legal personality: they can own assets, enter contracts, and manage operations independently, while being overseen by an external auditor ensuring compliance with regulations and the foundation’s governing documents.

This makes DAFs an ideal container for valuable, sensitive, or strategically significant data assets. It allows for joint ventures, public-private collaborations, capital-light spinouts, and cross-border data partnerships—all within a legally secure, commercially agile structure.

THE KEY MOTIVATION BEHIND THE INITIATIVE

The Isle of Man's Data Asset Foundation (DAF) initiative is driven by shifting market realities: data is now a critical asset across every sector, but it lacks the legal status and commercial infrastructure that other asset classes enjoy.

THREE STRATEGIC MOTIVATIONS UNDERPIN THE DAF FRAMEWORK:

RECOGNISING DATA AS A 21ST-CENTURY ASSET

The Isle of Man is treating data as foundational infrastructure—on par with finance, energy, and communications. The legal and commercial environment must reflect this.

EQUIPPING ORGANISATIONS TO UNLOCK VALUE FROM DATA

Through standards, tools, and governance, DAFs empower businesses, government bodies, and innovators to extract economic, social, and operational value from their data.

ALIGNING INDIVIDUAL RIGHTS WITH COMMERCIAL AMBITION

The framework supports ethical data use and personal data sovereignty, while allowing organisations to scale data collaboration, monetisation, and AI development—boosting productivity, opening new revenue streams and improving lives.

At its core, a DAF is a legally constituted foundation capable of owning, managing, and monetising data assets. Its legal separation supports financial mechanisms such as off-balance-sheet treatment, securitisation, and investment ring-fencing. It is flexible enough to support joint ventures, consortiums, or public-sector use cases—while remaining governed by a clear, enforceable mandate.



THE DATA ASSET FOUNDATION LEGAL FRAMEWORK

The DAF initiative is being formalised through amendments to the Isle of Man Foundations Act 2011. This legislative upgrade creates a new class of foundation, purpose-built for holding and managing data assets, enabling:

1. Legal ownership of Datasets
2. Use in securitisations or asset-backed finance
3. Integrated compliance with governance standards
4. Independent audit and fiduciary

This legislation advances data assets and their value beyond theoretical models and pilot schemes. It establishes a formal, enforceable structure that provides certainty to organisations, regulators, and investors alike.

THE FIVE PILLARS OF THE DAF ECOSYSTEM

1. DEFINING THE “DATA ASSET”

The first step is legal clarity. The DAF initiative introduces a statutory definition of a “data asset”, enabling it to be consistently recognised as an intangible asset on financial statements and in legal contracts. This classification enables asset-backed lending, investment structuring, and balance sheet transparency— and signalling digital maturity to investors.

2. THE DATA ASSET REGISTER

A core innovation of the DAF initiative is its register—a transparent system modelled on long-established land and ship registries. It records:

- Provenance, ownership, and lineage
- Quality metrics
- Usage rights and restrictions
- Liabilities and consent history

This becomes a single source of truth for data governance and monetisation, reducing duplication and legal ambiguity.

3. EMBEDDED DATA MANAGEMENT AND GOVERNANCE FRAMEWORK

DAFs are underpinned by globally respected data management and governance models: the DCAM[®] (Data Management Capability Assessment Model) and CDMC (Cloud Data Management Capabilities) frameworks from the EDM Association. These standards are embedded into law, supported by designated data stewards and enforced by external oversight. This governance layer:

- Ensures data is ethically and securely managed
- Meets evolving ESG, AI, and regulatory requirements
- Provides audit trails for compliance and assurance

4. A FRAMEWORK FOR VALUATION

Data has historically resisted formal valuation. DAFs change that by introducing a consistent methodology for pricing datasets. This enables:

- Asset-backed lending
- Royalty-based licensing models
- More accurate financial modelling
- Investor-grade commercial plans

5. DISTRIBUTION PLATFORM

To support real-world use, DAFs include a technical and legal platform for data sharing. With templated agreements, access controls, and standardised processes, it reduces time-to-market for data collaborations—while ensuring compliance with privacy, IP, and ethical standards.



THE JURISDICTIONAL CONUNDRUM

While many data ventures begin with strong technical ambitions, their long-term success often hinges on one overlooked decision: the legal framework they choose to operate under. Different governance models exist—trusts, cooperatives, mission-driven companies—but each carries hidden trade-offs in enforceability, scalability, and cross-border recognition. Without a clear legal “wrapper”, even the most promising data ventures can stall.

DATA TRUSTS:

CONCEPTUAL STRENGTH, PRACTICAL FRICTION

Data trusts promise fiduciary care, especially since trustees carry a fiduciary duty to act solely in beneficiaries’ interests, but suffer from legal ambiguity. Most jurisdictions lack a statute recognising raw or observational data as property suitable for settlement into a trust. This leads to:

- High legal, insurance and audit costs
- Uncertain enforceability of digital assets, especially across jurisdictions
- Conflicted fiduciary duties (e.g. balancing privacy and monetisation)
- Limited scalability and investment appeal

DATA COOPERATIVES:

DEMOCRATIC BUT INFLEXIBLE

While inclusive, co-operatives often lack the capital-attractiveness, operational agility, and enforceability needed for high-value data environments. Challenges include:

- Decision paralysis
- Free-rider problems (e.g. individuals contributing less while gleaning value produced by others)
- Raising capital to support innovation where statutes cap returns on shares
- Ambiguities in member exit and data retention
- Regulatory complexity around GDPR and consent

WEB3 DATA UNIONS:

INNOVATIVE BUT LEGALLY MURKY

Data unions operating on public blockchains are designed to let individuals sell continuous streams of personal data in exchange for fungible or revenue-sharing tokens. However, these decentralised assets face significant regulatory scrutiny. Issues include:

- Classification of tokens as securities in some key jurisdictions, making them subject to compliance requirements
- Incompatibility with data protection rules, e.g. GDPR's right to erasure
- Lack of proven models at scale

EU DATA GOVERNANCE ACT ENTITIES:

NEUTRAL BUT CONSTRAINED

The EU's Data Intermediation Service Provider (DISP) and Recognised Data Altruism Organisation frameworks are highly specific and narrow in scope. They are difficult to commercialise and subject to heavy regulatory burdens, including:

- Profit restrictions
- Mandatory audits and registries
- No right to exploit or improve the data directly

SPECIAL-PURPOSE COMPANIES OR FOUNDATIONS:

FLEXIBILITY AT THE PRICE OF DISCIPLINE

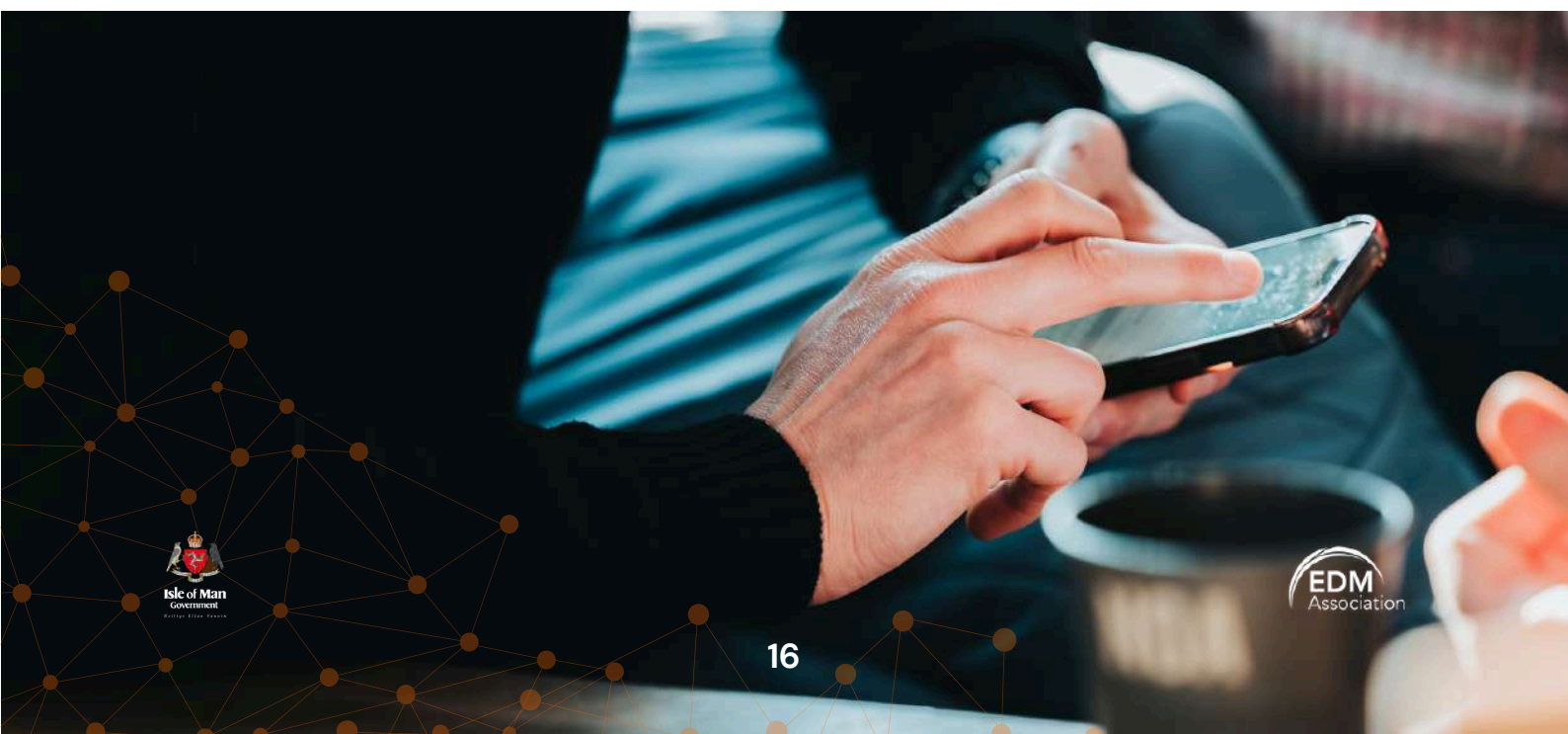
Many data ventures default to familiar structures like special-purpose vehicles (SPVs), companies limited by guarantee, or conventional foundations. These models offer flexibility and are well-understood by investors and regulators—but they often fall short in embedding trust, enforceable governance, and mission alignment.

Without explicit trust-like obligations hard-coded into the entity's governing documents, these wrappers risk strategic drift. A mission-led data foundation could, under pressure, pivot to commercial aims that contradict its original purpose—potentially undermining contributor trust and long-term legitimacy.

Moreover, these entities typically lack a consistent framework for:

- **Shared governance over data use**
- **Standardised licensing or transparency**
- **Legal clarity over data rights and obligations**

Each participant often requires a bespoke contract, leading to costly legal overhead and a patchwork of inconsistent obligations. Data does not benefit from the kind of unified title regime enjoyed by land, shares, or IP—so without a statutory model like the DAF initiative, coordination becomes increasingly fragile as complexity grows.



WHAT THE ISLE OF MAN PROVIDES THAT OTHERS DON'T

The Isle of Man's Data Asset Foundation (DAF) initiative is the **first purpose-built legal entity** designed specifically to hold, govern, and commercialise data assets with full legal personality. As a foundation, it offers a hybrid of benefits between companies and trusts. Its statute and governance are part of a wider legislative initiative and an ecosystem supporting growth in the digital economy. Unlike other structures, a DAF:

- 1. CAN HOLD, LICENSE, TRADE AND MONETISE DATA DIRECTLY**
- 2. IS BACKED BY STATUTORY GOVERNANCE AND CONSISTENT VALUATION STANDARDS**
- 3. OFFERS TRANSPARENCY THROUGH A REGISTER-BASED MODEL**
- 4. ENABLES BOTH PUBLIC-BENEFIT AND COMMERCIAL-ORIENTED USE CASES**
- 5. SUPPORTS INVESTMENT AND INNOVATION WITHOUT COMPROMISING TRUST**

It provides the scalability and credibility that high-value data ventures need to unlock new markets with none of the structural or legal uncertainties that hamper existing wrappers.

CONCLUSION:

BUILDING THE LEGAL INFRASTRUCTURE FOR DATA ECONOMY

Today's global economy faces a paradox: while data is the most valuable asset of the digital age, it remains functionally invisible in legal and commercial systems. The result is underused potential, fragmented governance, and friction where trust and clarity are needed most. Existing structures—from the well-intentioned but limited DataCo model to various jurisdictional "wrappers" like data trusts and co-operatives—are ultimately insufficient workarounds as none of them addresses the underlying issue of how to contain data in an asset definition.

The Isle of Man's Data Asset Foundation initiative solves this by establishing data as a recognised, auditable, and governable asset class. The creation of a transparent Data Asset Register embeds world-class governance frameworks into law and providing a clear methodology for valuation. It brings the clarity of IP law, the accountability of trust law, and the commercial utility of corporate structures—designed specifically for data.

It is a bold step, not a theoretical exercise. Through legislation, partnerships, and operational design, the Isle of Man is offering the world a new model: one that makes it easier to invest in, share, and build the value of data responsibly.



NEXT STEPS:

JOIN THE DAF ECOSYSTEM

We're inviting forward-thinking organisations and individuals to help shape the future of data asset infrastructure. There are **three ways** to get involved:

1.

JOIN THE PILOT PIONEER PROGRAMME

Launching **September 2025**, this programme will support 20 organisations in deploying real-world Data Asset Foundations.

2.

BECOME A TECHNOLOGY PARTNER

A tender opens in **August 2025** to identify partners for the Data Asset Register and data sharing platform.

3.

PARTICIPATE IN THE COMMUNITY OF PRACTICE

In collaboration with the EDM Association and Digital Isle of Man, a new working group launches September 2025 to guide standards, use cases, and regulatory alignment.



ABOUT THE AUTHORS

This white paper has been co-authored by the Isle of Man Government (via the Department for Enterprise) and the EDM Association.

Digital Isle of Man, an Executive Agency within the Department for Enterprise, works to position the Isle of Man as a global leader in the digital economy. Acting as a vital bridge between industry and government, the agency champions innovation across sectors including iGaming, FinTech, Artificial Intelligence, and Data Stewardship. Through initiatives such as the Data Asset Foundations programme, Digital Isle of Man is helping to build the Island's data capabilities, enabling businesses and government to unlock the value of data for economic growth and digital transformation.

Learn more at digitalisleofman.com/data-asset-foundations.

EDM Association is the leading global organisation helping its members confidently manage and maximise the value of data. Its community of experts sets data standards and best practices, develops practical innovations, and provides hands-on support for real-world challenges. With frameworks such as DCAM and CDMC, training and certification programs, and active community forums, EDM Association brings together over 375 organisations and 30,000 data management professionals worldwide to advance data management and analytics.

Learn more at edmcouncil.org.



