

THE FOUNDER FINANCIAL INFRASTRUCTURE (FFI) STANDARD

Book 0: Foundations and Definitions

Beta v0.5

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PREFACE

The financial infrastructure of an early-stage company determines whether it can raise capital, make sound decisions under uncertainty, and sustain its operations through periods of growth and constraint. That infrastructure has long been understood within institutional finance. It has not, until now, been defined in a form accessible to the companies that need it most.

This Standard defines financial infrastructure for companies from pre-incorporation through the scale stage. It specifies what financial systems, models, processes, and documentation a company must maintain at each stage of its development, across seven domains, at three levels of compliance. It does not prescribe how that infrastructure is built, by whom, or using what tools.

The Standard is not a course in financial management. It is not a consulting methodology. It is not a certification program, a proprietary framework, or a commercial product. It is a reference standard, a set of definitions, principles, and requirements that any company, investor, advisor, or institution may apply.

The Standard applies to founders using it to assess and build their company's financial infrastructure, to investors using it to establish portfolio requirements, to advisors using it as the framework against which client work is delivered, and to accelerator and program directors using it to evaluate the financial readiness of early-stage companies.

This volume, Beta v0.5, covers Book 0 and Book 1. Book 0 establishes the definitions, principles, taxonomies, and compliance framework that govern all seven Books. Book 1 establishes the standards for financial architecture. The remaining five Books, covering performance modeling, capital structure, valuation, investor readiness, and strategic financial planning, will be published in subsequent volumes. The complete Standard will be designated v1.0.

This volume is published in beta status for practitioner review. Feedback from founders, investors, advisors, and institutions is sought before v1.0 publication. Feedback may be submitted to standard@ffistandard.org, with reference to the specific section under consideration.

ABOUT THIS STANDARD

The Founder Financial Infrastructure Standard was developed by The Oakworth Group, a financial structuring firm in United Kingdom. The Oakworth Group (THEOAKWORTH PVT. LTD.) maintains the Standard and publishes updates in accordance with the versioning policy set out in Section 0.2.

The Oakworth Group is one implementation partner for the requirements of this Standard. The Standard does not prescribe who delivers financial infrastructure services to any company. Any qualified advisory firm, financial professional, or institutional body may deliver services aligned with this Standard.

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For information about The Oakworth Group's advisory services, visit theoakworth.com. Those services are not referenced within this Standard.

HOW TO USE THIS DOCUMENT

The FFI Standard is organised into seven Books. This is Book 0. Each Book covers one domain of financial infrastructure and is self-contained. All Books are governed by the foundational principles, definitions, and taxonomies established in this Book. A reader of any subsequent Book should read this Book first.

Each Book from Book 1 onward contains compliance criteria at Level 1, Level 2, and Level 3. A company assesses itself against all criteria within each domain. A company's compliance level in any domain is the highest level at which all criteria in that level are met. Level 2 criteria are assessed only after all Level 1 criteria are confirmed as met. Level 3 criteria are assessed only after all Level 2 criteria are confirmed as met.

A company's overall FFI compliance level is determined by the lowest compliance level achieved across all assessed domains. A company that achieves Level 3 in five domains and Level 1 in one domain has an overall FFI compliance level of Level 1. Partial compliance does not constitute an overall compliance level. The application of this rule is explained in full in Section 0.7.

This Standard may be cited in external documents using the following format:
Founder Financial Infrastructure Standard, Beta v0.5, Book [number], Section [number].
www.ffistandard.org. 2026.

This volume is Beta v0.5, published for practitioner review prior to the publication of v1.0. Feedback is invited at standard@ffistandard.org.

A self-assessment instrument for use with this Standard is available at www.ffistandard.org.

An index to the complete Standard will be published with v1.0.

BOOK 0, FOUNDATIONS AND DEFINITIONS

Book 0 establishes the foundational definitions, principles, taxonomies, and compliance framework that govern all seven Books of the FFI Standard.

SECTION 0.1: PURPOSE AND SCOPE OF THE STANDARD

The FFI Standard defines the financial infrastructure a company must maintain at each stage of its development. It specifies what must exist, what form it must take, and at what level of completeness. The Standard does not specify how that infrastructure is built, by whom, or using what tools.

The Standard applies to any company at the pre-incorporation stage or later that is building, maintaining, or evaluating its financial infrastructure. It applies regardless of legal entity type, jurisdiction, funding status, or company type. The Standard does not apply to publicly listed companies, regulated financial institutions, or companies operating under statutory financial reporting frameworks that impose equivalent or greater requirements across all domains addressed by this Standard. Where statutory requirements and this Standard address the same matter, the statutory requirement governs.

The FFI Standard operates alongside, not instead of, generally accepted accounting principles, applicable legal reporting requirements, and jurisdiction-specific financial regulations. Where this Standard references concepts addressed by IFRS or US GAAP, it does so to establish the minimum requirements for financial infrastructure within the context of those frameworks, not to modify, supersede, or interpret them.

Where requirements in this Standard align with statutory obligations in specific jurisdictions, that alignment is noted within the relevant requirement. Where statutory requirements impose obligations that exceed those of this Standard, the statutory requirement governs. Where statutory requirements are silent on a matter addressed by this Standard, this Standard's requirement applies as the minimum institutional benchmark.

The FFI Standard does not constitute financial advice, legal advice, tax advice, or investment advice. Compliance with the Standard does not guarantee investment outcomes, fundraising success, or financial solvency. The Standard defines a framework for financial infrastructure. Outcomes depend on the quality of the infrastructure built within that framework and on factors outside the Standard's scope.

This volume, Beta v0.5, covers Book 0 and Book 1. Books 2 through 6 will be published in subsequent volumes. The versioning policy governing all publications is set out in Section 0.2.

SECTION 0.2: VERSIONING POLICY

The FFI Standard is maintained under a three-tier versioning structure.

Errata versions (designated by a third numeral, e.g., v0.5.1) correct factual errors or ambiguous language. Errata versions may be published without a defined notice period. An errata version does not alter any requirement, definition, or compliance criterion.

Minor versions (e.g., v1.1, v1.2) update benchmarks, add terms to the Glossary, and clarify existing requirements where ambiguity has been identified through practitioner review. Minor versions are published annually following a structured review period. A minor version does not alter the foundational principles or compliance level structure.

Major versions (e.g., v2.0) make structural changes to the Standard, adding Books, revising foundational principles, or introducing new compliance levels. From v2.0 onward, major versions are subject to review by an independent advisory panel before publication. Major versions are published no more than once every two years. The advisory panel's composition and governance will be published with the v2.0 release.

Every version publishes a change log. The change log states what changed, which section is affected, and the effective date of the change. Prior versions remain available at www.ffistandard.org.

An assessment completed against a specific version of the Standard remains valid at that version. A company assessed at Level 2 under v1.0 retains that assessment unless the company's financial infrastructure changes materially. Version upgrades do not retroactively invalidate assessments made under prior versions.

SECTION 0.3: CORE PRINCIPLES

The following principles govern every requirement in every Book of the FFI Standard. The principles established in this section govern all requirements in Books 1 through 6. Where a requirement in a subsequent Book appears to conflict with these principles, the principle governs.

PRINCIPLE 1

Financial infrastructure is a continuous function, not a pre-raise activity.

The requirements of this Standard apply at all times. Financial infrastructure does not become active only when a fundraising process begins and lapses when one concludes. A company that builds financial infrastructure exclusively for investor consumption and allows it to lapse between funding events does not meet the requirements of this Standard. The maintenance of financial infrastructure is an operational requirement, not a periodic disclosure obligation.

PRINCIPLE 2

Clarity of assumptions governs over precision of outputs.

A financial model with clearly documented, specifically bounded assumptions and acknowledged uncertainty is more compliant with this Standard than a model producing granular outputs from undisclosed or optimistic inputs. The Standard consistently requires the former over the latter. Where a company must choose between a precise output and a transparent assumption, this Standard requires the transparent assumption.

PRINCIPLE 3

Stage appropriateness determines compliance requirements.

The Standard does not apply the same requirements to a pre-revenue company and a growth-stage company. Requirements scale with operational and financial maturity. The stage definitions in Section 0.5 determine which requirements apply at any given time. A company is not deficient for failing to meet requirements applicable to a later stage than its own.

PRINCIPLE 4

The weakest domain determines overall compliance.

Financial infrastructure is a system. The overall integrity of the system is determined by its least complete component. Strength in one domain does not compensate for the absence of requirements in another. A company's overall FFI compliance level is determined by its lowest compliance level across all assessed domains. Selective compliance does not constitute overall compliance.

PRINCIPLE 5

Financial infrastructure serves decision-making before it serves investor relations.

The requirements of this Standard are set based on what a company must have to make sound operational and strategic decisions. Where investor requirements and operational requirements align as they typically do this presents no conflict. The Standard's position on any requirement is determined by what sound financial management of the company requires, not by what any class of investor prefers.

PRINCIPLE 6

The Standard describes practice, not perfection.

Every compliance level defined in this Standard is achievable. Level 3 is not a theoretical ideal. It is the standard of financial infrastructure that institutionally mature companies maintain in practice. The Standard does not require beyond what institutional practice demands. Level 1 is not a minimal gesture it is the genuine operational minimum below which a company is managing its finances without the information necessary for sound decisions.

PRINCIPLE 7

Assessments are made against the version in effect at the time of assessment.

A company is assessed against the version of this Standard in effect at the time the assessment is conducted. Subsequent changes to the Standard do not retroactively alter a completed assessment. Where a company chooses to reassess under a later version, the reassessment is conducted in full under that version.

SECTION 0.4: THE FFI GLOSSARY

Operative Definitions for the FFI Standard

The following definitions are operative throughout the FFI Standard. Where a term defined in this Glossary appears in any Book of the Standard, it carries the meaning set out in this section. Where context requires a term to carry a specific meaning beyond this definition, the relevant section of the Standard states that meaning explicitly.

ACCRUAL ACCOUNTING: An accounting method in which revenue is recognised when earned and expenses are recognised when incurred, regardless of when cash is received or paid. Accrual accounting is the required basis for financial statements prepared for investor review at Growth Stage and above.

BALANCE SHEET: A financial statement presenting a company's assets, liabilities, and equity at a specific point in time. Assets must equal liabilities plus equity at all times. An imbalanced balance sheet indicates a structural error in the underlying financial model that invalidates the model as a whole.

BOTTOMUP FORECAST: A financial forecast constructed from granular operational assumptions, including customer count, pricing, conversion rates, sales capacity, and headcount, that aggregate to a revenue and expense total. A bottom-up forecast is distinct from a top-down forecast, which derives company-level projections from market share assumptions rather than from operational drivers.

BURN RATE – GROSS: The total cash outflows of a company in a defined period, before any revenue or other inflows are deducted. Gross burn rate represents the full cost of operating the company during that period.

BURN RATE – NET: The net cash consumed by a company in a defined period, calculated as total cash outflows minus total cash inflows from all sources during that period. Net burn rate is the operative figure for cash runway calculation. Net burn rate is not equivalent to gross burn rate. The two measures are not interchangeable.

CASH RUNWAY: The number of periods a company can continue operating at its current net burn rate before exhausting available cash reserves. Cash runway is calculated by dividing current cash and cash equivalents by the current period net burn rate. Cash runway must be recalculated at minimum monthly.

CAP TABLE - FULLY DILUTED: A complete record of all equity ownership in a company, reflecting all outstanding shares, issued and unissued options within granted pools, warrants, SAFEs, and convertible notes as if all convertible instruments had converted to equity at the terms in effect at the time of the record. A record that does not reflect all convertible instruments on a fully diluted basis does not constitute a fully diluted cap table for the purposes of this Standard.

CHURN RATE: The rate at which customers or revenue is lost over a defined period. Customer churn rate is the percentage of customers who discontinue during the period. Revenue churn rate is the percentage of recurring revenue lost during the period. Customer churn rate and revenue churn rate are distinct measures and must not be used interchangeably.

DRIVER-BASED MODEL: A financial model in which all outputs are connected to specific operational drivers, such that a change in any driver flows through to affected outputs without manual intervention. A driver-based model is distinct from a model in which outputs are stated as independent assumptions without operational derivation.

INCOME STATEMENT: A financial statement presenting a company's revenues, direct costs, gross profit, operating expenses, and net income or loss over a defined period. The income statement is prepared on an accrual basis. The income statement does not reflect the timing of cash receipts and payments and is not a substitute for a cash flow statement.

LIFETIME VALUE: The total gross profit generated by a single customer over the full duration of their relationship with the company, calculated from cohort-level retention and revenue data. Lifetime value is a gross profit figure, not a revenue figure. Life-time value calculated from average retention assumptions rather than from observed cohort data is an estimate and must be identified as such when used in financial reporting or investor materials.

LTV/CAC RATIO: The ratio of a customer's lifetime value to the fully loaded customer acquisition cost for that customer. An LTV/CAC ratio below 1.0 indicates that the company generates less gross profit from a customer over their lifetime than it costs to acquire them.

NET REVENUE RETENTION: The percentage of recurring revenue retained from an existing customer cohort over a defined period, including expansion revenue from upsells and cross-sells and excluding revenue lost to churn and contraction. Net revenue retention above 100% indicates that the existing customer base generates more recurring revenue in the current period than it did in the prior period, without the addition of new customers.

OPERATING CASH FLOW: The cash generated or consumed by a company's core operating activities in a period, as distinct from investing activities and financing activities. Operating cash flow is derived from the cash flow statement. Operating cash flow is not equivalent to net income and is not equivalent to net burn rate.

PAYBACK PERIOD: The number of periods required for the cumulative gross profit contribution of a customer to equal the fully loaded cost of acquiring that customer. Payback period is a measure of capital efficiency in customer acquisition.

POST-MONEY VALUATION: The agreed value of a company immediately after a new investment is made, equal to the pre-money valuation plus the amount of capital invested in the transaction. An investor's ownership percentage following a transaction is calculated by dividing the amount invested by the post-money valuation.

PRE-MONEY VALUATION: The agreed value of a company immediately before a new investment is made, as established between the company and the investor in the relevant transaction. Pre-money valuation and post-money valuation are distinct figures. An unqualified reference to "valuation" without specification of pre-money or post-money is ambiguous and does not satisfy the documentation requirements of this Standard.

REVENUE RECOGNITION: The accounting principle that determines when revenue is recorded in the income statement. Revenue recognition requires that revenue is recorded when it is earned, when the company has delivered the promised goods or services, rather than when cash is received. A company's revenue recognition policy must be documented and applied consistently across all periods and all revenue streams.

ROLLING FORECAST: A financial forecast that extends a fixed number of periods forward from the current period, updated at each period end to maintain consistent forward visibility. A rolling twelve-month forecast always presents the next twelve months regardless of where the company is within its financial year.

SAFE: A Simple Agreement for Future Equity. A financial instrument in which an investor provides capital in exchange for the right to receive equity in a future priced funding round, subject to defined terms including a valuation cap, a discount rate, or both. A SAFE is not a debt instrument. It carries no interest obligation and no scheduled repayment requirement.

SCENARIO ANALYSIS: The construction of multiple discrete financial projections based on differing sets of input assumptions, each representing a coherent and internally consistent view of how the business may develop. Scenario analysis is distinct from sensitivity analysis, which modifies a single variable while holding all others constant.

SENSITIVITY ANALYSIS: An analytical technique that measures how a financial output changes when a single input variable is modified while all other variables are held constant. Sensitivity analysis identifies which assumptions exert the greatest influence on a defined financial outcome.

TAM, SAM, SOM: Three nested measures of market opportunity. Total Addressable Market (TAM) is the total revenue opportunity available if the company captured the entire target market with its current or planned offering. Serviceable Addressable Market (SAM) is the portion of TAM accessible given the company's current product, business model, and geographic reach. Serviceable Obtainable Market (SOM) is the portion of SAM the company can realistically capture within a defined period given its current go-to-market capacity and competitive position.

THREE-STATEMENT MODEL: An integrated financial model comprising an income statement, a cash flow statement, and a balance sheet, in which the three statements are dynamically linked such that a change in any input assumption flows through all three statements without manual recalculation. A set of three separate, unlinked financial statements does not constitute a three-statement model for the purposes of this Standard.

VALUATION CAP: A term in a SAFE or convertible note that sets the maximum valuation at which the instrument converts to equity in a future priced funding round. Where the priced round is conducted at a valuation above the cap, the instrument converts as if the round were priced at the cap, resulting in the holder receiving proportionally more equity than the round price alone would imply.

WORKING CAPITAL: The difference between a company's current assets and its current liabilities at a point in time. Current assets include cash, accounts receivable, prepaid expenses, and inventory. Current liabilities include accounts payable, accrued expenses, and short-term debt. Positive working capital does not indicate the presence of adequate cash; the cash position must be assessed separately.

CUSTOMER ACQUISITION COST: The fully loaded cost of acquiring one new customer, calculated by dividing total sales and marketing expenditure in a defined period, including personnel costs, technology, agency fees, and all directly attributable overhead, by the number of new customers acquired in that period. Customer acquisition cost calculations that exclude personnel costs or overhead understate the true cost of acquisition and do not satisfy the requirements of this Standard.

SECTION 0.5: COMPANY STAGE DEFINITIONS

The FFI Standard uses five operational stages to determine which compliance requirements apply to a company at any given time. Stages are defined by a company's operational and financial characteristics, not by its capital history.

The compliance level expectations applicable to each stage are set out in the Financial Infrastructure Maturity Model in Section 0.8.

STAGE 1: PRE-INCORPORATION

A venture that has not yet established a legal entity. Financial infrastructure at this stage consists of documented financial assumptions about the proposed business model and the projected cost of reaching the first operational milestone. No formal financial statements are required or expected at this stage.

STAGE 2: PRE-REVENUE

A company with a legal entity and operational activity that has not yet generated recurring revenue from customers. A company may have received investment at Pre-Revenue stage. The receipt of investment

does not alter the stage classification. The stage boundary is the commencement of recurring customer revenue, not the receipt of capital.

STAGE 3: EARLY REVENUE

A company generating recurring revenue from customers with annual recurring revenue, or annualised transaction revenue, below the equivalent of one hundred thousand units of the company's primary operating currency. The company states its primary operating currency and applies this threshold in that currency. The lower boundary of Early Revenue stage is the commencement of recurring customer revenue. The upper boundary is the revenue threshold stated above.

STAGE 4: GROWTH STAGE

A company with annual recurring revenue or annualised transaction revenue between the equivalent of one hundred thousand and two million units of its primary operating currency, with demonstrated repeatability of customer acquisition across at least two complete operating periods. For monthly recurring revenue models, an operating period is one complete calendar month. For quarterly or annual contract models, an operating period is one complete quarter. A company that meets the revenue threshold but has not demonstrated repeatability across two complete operating periods remains at Early Revenue stage.

STAGE 5: SCALE STAGE

A company with annual recurring revenue or annualised transaction revenue above the equivalent of two million units of its primary operating currency.

NOTE ON FUNDING ROUND LABELS

The FFI Standard does not use funding round labels such as pre-seed, seed, Series A, Series B, or equivalent designations as primary stage definitions. These labels are not standardised across geographies, they describe the source and structure of capital rather than the operational maturity of the company, and their application varies materially across markets. A company's FFI stage is determined by its operational and financial characteristics as defined in this section, not by its capital history.

SECTION 0.6: COMPANY TYPE TAXONOMY

Company type determines which benchmarks and norms apply within the requirements set out in Books 1 through 6. A company identifies its primary type at the time of assessment. Where a company operates across multiple revenue models, the primary type is determined by the revenue model that accounts for the largest proportion of current or projected revenue in the current operating period.

The compliance level expectations applicable to each company type are set out in the Financial Infrastructure Maturity Model in Section 0.8.

RECURRING REVENUE

A company whose primary revenue derives from subscription, membership, or licensing arrangements that renew periodically. The defining financial characteristic is contractually committed forward revenue that is predictable within a defined renewal cycle. Financial infrastructure requirements for this type emphasise net revenue retention, cohort analysis, and churn rate as primary operational metrics.

TRANSACTIONAL REVENUE

A company whose revenue is generated through discrete transactions without a recurring commitment. The defining financial characteristic is revenue that varies by transaction volume and frequency, is sensitive to conversion rates, and is not contractually committed in advance of each transaction.

PROJECT REVENUE

A company whose revenue is delivered through defined, time-bounded engagements with a start and end date. The defining financial characteristics are revenue concentration by client and project, dependence on a billable backlog, and timing variance between project commencement, delivery, and revenue recognition.

DEEP TECH AND HARDWARE

A company whose primary product requires extended development cycles, significant capital investment prior to any revenue, and a cost of goods structure that differs materially from software-based businesses. The defining financial characteristics are substantial pre-revenue capital consumption, milestone-dependent development stages, and a cost of goods sold structure that includes physical manufacturing or complex system integration.

AI-NATIVE

A company whose operations are fundamentally structured around artificial intelligence inference, AI agent workflows, or AI-leveraged service delivery, with a human team that is small relative to the company's revenue or output capacity. The defining financial characteristics are infrastructure costs dominated by computational resource consumption rather than headcount, nonlinear cost-to-scale relationships in which marginal cost per unit of output may decline materially at scale, and unit economics that are not adequately represented by prior company type frameworks.

The AI-Native company type is included in this Standard as a distinct category because the financial infrastructure requirements of companies operating on AI infrastructure differ materially from all prior company type frameworks. The cost structure of an AI-native company, in which computational expenditure may scale nonlinearly with usage and in which the traditional relationship between headcount and revenue does not apply, requires distinct benchmarks and modeling methodology. Applying recurring revenue or transactional revenue frameworks to AI-native companies produces metrics that misrepresent the unit economics of these businesses. The benchmarks for this type will be refined in subsequent versions of this Standard as market data accumulates. This version establishes the structural framework for AI-native financial modeling without prescribing benchmarks that are insufficiently evidenced.

CONSUMER

A company whose end customers are individuals rather than organisations, with revenue generated through direct-to-consumer sales, consumer subscriptions, in-application purchases, advertising, or other models in which the purchasing decision is made by an individual. The defining financial characteristics are high transaction volume relative to average transaction value, and unit economics that are sensitive to user acquisition efficiency, engagement rates, and individual retention behaviour.

B2B ENTERPRISE

A company whose primary revenue is generated through sales to organisations, characterised by extended procurement processes, large average contract values relative to the company's total revenue base, and multiyear contractual arrangements. The defining financial characteristics are long revenue cycles from initial engagement to contract close, high revenue concentration among a smaller number of clients, and revenue recognition timelines that may extend materially beyond the date of contract signature.

SECTION 0.7: THE THREE COMPLIANCE LEVELS

The FFI Standard defines three compliance levels. Each level represents a distinct threshold of financial infrastructure completeness and depth. The levels are cumulative: Level 2 requires that all Level 1 criteria are met in addition to Level 2 specific criteria. Level 3 requires that all Level 1 and Level 2 criteria are met.

LEVEL 1: OPERATIONAL FOUNDATION

Level 1 is the minimum financial infrastructure required for a company to maintain basic operational visibility and internal control.

A company at Level 1 can state its current cash position, calculate its net burn rate using a consistent methodology, determine its cash runway, and produce a basic account of its revenues and expenses for any completed period. It has documented all outstanding equity instruments and knows the fully diluted ownership structure of the company.

Level 1 infrastructure does not meet the requirements for institutional investor engagement. A company at Level 1 cannot produce an integrated three-statement model, does not maintain unit economics at the methodological standard required for investor diligence, and has not modeled forward equity scenarios across anticipated funding events. These are Level 2 requirements.

Below Level 1, a company is operating without the financial information necessary for sound management decisions.

LEVEL 2: INVESTOR READINESS

Level 2 is the financial infrastructure required for a company to engage institutional investors with credibility throughout a fundraising process.

A company at Level 2 maintains a fully integrated three-statement model updated with actuals on a monthly basis, documents its assumptions in a discrete layer separated from calculations, tracks unit economics at the methodological standard required by institutional investors, maintains a fully diluted cap table that reflects all convertible instruments with their conversion mechanics modeled through anticipated future rounds, and produces structured financial reporting for its governing body at defined intervals.

Level 2 infrastructure is sufficient for institutional investor engagement. It does not include the depth of financial modeling, the integration of departmental financial plans, or the probabilistic scenario architecture that characterises the financial infrastructure of institutionally mature companies. These are Level 3 requirements.

LEVEL 3: INSTITUTIONAL STANDARD

Level 3 is the financial infrastructure of a company that operates with the financial discipline characteristic of institutionally mature organisations, regardless of its current stage.

A company at Level 3 maintains a three-statement model integrated with departmental financial sub-models, updates its rolling forecast monthly with formal variance analysis against an approved annual operating plan, applies probabilistic scenario modeling to material strategic decisions, maintains a financial data room that can be produced without preparation time, and produces board-level financial reporting with written narrative commentary within defined timelines.

Level 3 at pre-revenue or early revenue stage is not a requirement of this Standard. It is the expected standard for companies at Growth Stage across core financial architecture domains, and across all domains at Scale Stage.

THE WEAKEST DOMAIN RULE

A company's overall FFI compliance level is determined by the lowest compliance level achieved across all assessed domains. A company that achieves Level 3 in five domains and Level 1 in one domain has an overall FFI compliance level of Level 1. Partial compliance does not constitute an overall compliance level. This rule applies without exception.

SECTION 0.8: THE FINANCIAL INFRASTRUCTURE MATURITY MODEL

The Financial Infrastructure Maturity Model presents the compliance level expected of a company at each stage of development in each of the seven domains of the FFI Standard. The model is presented as a matrix with company stages across the horizontal axis and financial infrastructure domains on the vertical axis. Each cell contains the compliance level expected of a company at that stage in that domain, designated as L1, L2, or L3. A dash (—) indicates that no formal requirement applies at that stage in that domain.

A company uses the matrix by locating its current stage column and reading the expected compliance level across each domain row. Where a company's actual compliance level in any domain falls below the expectation for its stage in that domain, a gap exists between current and expected compliance. The matrix does not determine whether a gap is material to any specific decision. That determination belongs to the company's own assessment and to any investor, advisor, or institution reviewing the assessment.

Financial infrastructure does not mature at a uniform rate across all domains. Capital structure, specifically cap table accuracy and the modeling of convertible instruments, requires Level 2 compliance from the moment a company issues its first convertible instrument, regardless of the company's operational stage. A pre-revenue company that issues a SAFE instrument has Level 2 capital structure requirements from the date of that issuance. Financial architecture, the three-statement model and cash management systems, escalates in line with operational complexity and typically reaches Level 2 expectation at Growth Stage. Strategic financial planning requirements are not expected until Scale Stage. The matrix reflects these differences in domain escalation rates. A company that assesses itself using the matrix will find that different domains are at different stages of expected compliance. This is the expected condition, not a deficiency.

The Financial Infrastructure Maturity Model is published under Creative Commons Attribution 4.0 International. It may be used, cited, adapted, and applied by any company, investor, advisor, or institution for any purpose with attribution. No proprietary process or tool is required to apply the model. Any competent financial professional can assess a company's compliance against the matrix using the criteria set out in Books 1 through 6.

The maturity model in Beta v0.5 reflects the current state of the Standard's development. The compliance level expectations by domain and stage, the cell values in the matrix, will be subject to practitioner review before v1.0 publication. The governing logic of the model, that compliance expectations scale with stage and vary by domain, is established in this version and will not change. Specific cell values may be updated before v1.0 publication based on practitioner feedback.

THE MATURITY MATRIX

Domain	Pre-Inc	Pre-Rev	Early Rev	Growth	Scale
Financial Architecture	—	L1	L1	L2	L3
Cash Management	—	L1	L1	L2	L3
Financial Reporting	—	L1	L1	L2	L2
Accounting Integrity	—	L1	L1	L2	L2
Capital Structure	—	L1	L2*	L2	L3
Performance Modeling	—	—	L1	L2	L2
Investor Readiness	—	—	—	L2**	L3
Strategic Planning	—	—	—	L1	L2

Feedback on Book 0 may be submitted to standard@ffistandard.org with reference to the specific section. Feedback received before the close of the beta review period will be considered in the preparation of v1.0.

FOOTNOTES TO THE MATURITY MATRIX

* Capital Structure at Early Revenue stage: The Level 2 expectation for capital structure applies from the date on which a company issues its first convertible instrument, including a SAFE or convertible note, regardless of whether the company has otherwise reached Early Revenue stage by the revenue threshold defined in Section 0.5. A company at the Pre-Revenue stage that has issued a convertible instrument has Level 2 capital structure requirements.

** Investor Readiness at Growth Stage: The Level 2 expectation for investor readiness applies when a company has an active fundraising process underway or expects to initiate one within six months from the date of assessment. A company at Growth Stage without an imminent fundraising process maintains Level 1 investor readiness requirements, with the expectation that compliance will reach Level 2 before investor engagement begins.