Terms of use can be utilized by an issuer or a holder to communicate the terms under which a verifiable credential or verifiable presentation was issued. The issuer places their terms of use inside the verifiable credential. The holder places their terms of use inside a verifiable presentation. This specification defines a **termsOfUse** property for expressing terms of use information.

Update to:

Terms of use can be utilized by an issuer or a holder to communicate the terms under which a verifiable credential or verifiable presentation was issued or communicate the terms under which the verifiable credential can be shared. The issuer places their terms of use inside the verifiable credential. The holder places their terms of use inside a verifiable presentation. This specification defines a **termsOfUse** property for expressing terms of use information.

Example 1: Issuer specifies (and references) the legal framework under which the VC has been issued.

https://code.europa.eu/ebsi/json-schema/-/blob/main/schemas/vcdm2.0/trust-model/examples/RTAO-verifiable-authorisation-trust-chain.json?ref_type=heads

```
"termsOfUse": {
    "type": "TrustFrameworkPolicy",
    "trustFramework": "Employment&Life",
    "policyId": "https://example.com/policies/125",
    "legalBasis": "professional qualifications directive"
  },
```

Trust Framework: Title of the trust framework
LegalBasis: Title of the legal basis
PolicyId: URL to a human-readable document that defines the legal basis

The trust framework should define the rules and policies for issuing, storing, sharing, and processing Verifiable Credentials. Recommendation: Verifiers should not accept Verifiable Credentials with terms of use the don't recognise.

Example 2: Issuer specifies the basis on which it has right to issue a VC
https://code.europa.eu/ebsi/json-schema/-/blob/main/schemas/vcdm2.0/trust-model/examples/TAO-accredited-to-accredit.json?ref_type=heads

```
"termsOfUse": {
    "type": "AccreditationPolicy",
    "rootAuthorisation": "https://api-test.ebsi.eu/trusted-issuers-
registry/v5/issuers/did:ebsi:zvHWX359A3CvfJnCYaAiAde/attributes/60ae46e4fe9
adffe0bc83c5e5be825aafe6b5246676398cd1ac36b8999e088a8",
    "parentAccreditation": "https://api-test.ebsi.eu/trusted-issuers-
registry/v5/issuers/did:ebsi:zvHWX359A3CvfJnCYaAiAde/attributes/60ae46e4fe9
adffe0bc83c5e5be825aafe6b5246676398cd1ac36b8999e088a8"
  },
```

In the example above, the issuer is asserting that as an accredited issuer (as expressed in the parent accreditation), it complies with the referenced Trust Framework policies as an accredited issuer and is registered in the EBSI register of trusted issuers.

The **termsOfUse** id can be resolved by the verifier to confirm that the issuer has been issued

an accreditation VC (signed as JWS) by a trusted issuer higher in the Trust chain [?EBSI](https://hub.ebsi.eu/vc-framework/trust-model/issuer-trust-model-v4).

Note: The framework is not limited to EBSI and the way it's designed, URLs/URIs can be replaced with other endpoints that resolve the accreditations.

VC is a W3C VC, signature is JWS (not JWT since JWT limits the signature format to compact serialised JWS).

Example 3:
https://hub.ebsi.eu/vc-framework/trust-model/policies

```
 "termsOfUse": {
  "type": "PresentationPolicy",
  "confidentialityLevel": "confidential",
  "requiredCredentials": [
   {
    "types": ["VerifiableCredential", "VerifiableAttestation", "LegalEntityVerifiableID"],
    "trustFramework": "eIDAS",
   }, {
    "types": ["VerifiableCredential", "VerifiableAuthorisation", "VerifierAuthorisation"],
    "limitRootTao": ["did:ebsi:123"]
   }
  ],
  "pii": "none"
 }
```

Terms of use can be also used to define the VC presentation or sharing policies. In the example we define a PresentationPolicy, where the VC is considered to be confiedential and the wallet can present the VC if and only if the Verifier meets the requirements: it must present one or more VCs specified in the terms of use.
When such VC is issued to a wallet, the wallet should reject VCs with presentation policies it doesn't understand.