ISO 24165
DIGITAL TOKEN IDENTIFIER
ITSA/ETS TASK FORCE

27 April 2021
INTRODUCTION

As part of Etrading Software’s RFP submission to become the DTI Registration Authority, Etrading Software and ITSA agreed a Memorandum of Understanding for the creation of a Taskforce.

This presentation provides Etrading Software’s proposed approach and timelines for the initiation of the taskforce.

Full text of MOU template is in the Appendix
1. Meeting frequency & duration
   a. Fortnightly
   b. Starting May 2021
   c. 6 months duration

2. Participants
   a. Both issuing authorities
   b. Up to 2 additional independent experts with knowledge of one or both identifiers, by mutual agreement of both parties

3. All recommendations to be based on consensus and directed to one or both of the issuing authorities.

4. Public agendas and minutes – and potentially occasional public deliberations

5. Any implementation or further analysis is anticipated to occur after the initial DTI service becomes operational in Q3 2021.
PRODUCT ADVISORY COMMITTEE

Key Objectives (Taken from MOU)

1. Whether there is scope for the DTI code to be linked or aligned, in a complementary nature with the identifier code of the other party, where both identifiers represent the same digital token.

2. Whether there is scope for incorporating some of the metadata elements of each identifier within the record of the other identifier.

3. Whether there is scope for automatic notification by each party to the other when a relevant identifier is created.

4. Whether efficiency gains can be achieved in the assignment processes of each identifier through mutual collaboration.

5. Whether there are any other areas of collaboration to aid in interoperability of the respective identifiers to provide additional benefits to market participants.
APPENDIX
Etrading Software as applicant for the role of Registration Authority for ISO 24165 AND XXX as XXX agree to the following actions in the event that Etrading Software is selected as Registration Authority for ISO 24165:

To set up a joint task force to identify synergies in the assignment of their respective identifiers for digital tokens that are in scope of both issuing authorities.

The objective of the task force is to determine:

1. whether there is scope for the DTI code to be embedded (see Note 1), linked or aligned, in a complementary nature with the identifier code of the other party, where both identifiers represent the same digital token
2. whether there is scope for incorporating some of the metadata elements of each identifier within the record of the other identifier
3. whether there is scope for automatic notification by each party to the other when a relevant identifier is created
4. whether efficiency gains can be achieved in the assignment processes of each identifier through mutual collaboration
5. whether there are any other areas of collaboration to aid in interoperability of the respective identifiers to provide additional benefits to market participants
The task force will contain representatives from:

- Both issuing authorities
- Up to 2 additional independent experts with knowledge of one or both identifiers, by mutual agreement of both parties
The terms of reference for the taskforce to be finalised in Q4 2020, and to incorporate the following principles:

- All recommendations to be based on consensus and directed to one or both of the issuing authorities. Where consensus is not possible, this will be noted by the taskforce but not progressed any further.

- The taskforce minutes to be made public and placed on the DTI RA website after validation by all members.

- The taskforce duration to be 6 months starting in January 2021, unless varied by mutual agreement. Any implementation or further analysis is anticipated to occur after the initial DTI service becomes operational on 1st July 2021.

Note 1: may not be applicable if the DTI code is not consistent with the other party’s code format, in which case this line should be removed.
ISO TC68 SC8 WG3 has produced a draft standard for identifying digital tokens, with the publication of the standard expected by end 2021.

The purpose of the DTI is to address the demands of exchanges, custodians, financial institutions, and regulatory authorities for a registry and identifier assignment process for digital tokens.

The key principles behind the DTI include:

- The identifier will be random, unique and fixed-length (8 characters plus checksum)
- Registration eligibility is based on objective, verifiable information provided by the applicant
- The assignment of the identifier offers no warranty on the features, purpose, compliance to any regulation, or value of the digital token
- The identifier is assigned to the token, not registered to the applicant

The scope of DTI issuance is all fungible digital assets which use distributed ledger technology for their issuance, storage, exchange, record of ownership, or transaction validation and are not a currency.
IDENTIFICATION METHOD

KEY CONSIDERATIONS

1. Identification of the digital token is based on verifiable and unique data about the digital token.

2. Uniqueness criterion is based on the digital token’s origins on the distributed ledger data structure.

3. Forks are catered for by including specific fork information within the uniqueness criterion, to distinguish between the original digital token and the newly created token(s).
IMPLEMENTATION TIMELINES

- The standard is currently in draft, with publication expected Q3 2021.
- DTI issuance is anticipated to start simultaneously with the publication of the standard.
- Possibility of soft launch mid 2021 if needed to meet any urgent industry or regulatory needs.
- **Product Advisory Committee** being formed to provide industry stakeholders a formal say in the governance of the service.