



Digital Token Identifier Foundation (DTIF)

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To: Policy Department – QFC Regulatory Authority

Legal Department – QFC Authority

Re: Consultation Paper 2023/03 – Proposed Digital Assets Regulatory Rules Framework

The Digital Token Identifier Foundation (DTIF)¹ welcomes the opportunity to respond to Qatar Financial Centre (QFC) Regulatory Authority and the Qatar Financial Centre Authority (QFC Authority)'s consultation paper on 'Proposed Digital Assets Regulatory Rules Framework' (hereafter referred to as the 'consultation paper') to introduce a QFC Digital Assets Framework to achieve an appropriate balance between alignment with legal and regulatory international standards and useability for practitioners in both the State of Qatar and internationally.

The DTIF is the Registration Authority for the International Organization for Standardization (ISO) 24165 Digital Token Identifier (DTI) standard², an ISO standard that enables the unique identification of all fungible digital assets which use distributed ledger technology (DLT) for token issuance, storage, exchange, a record of ownership, or transaction validation. The DTI itself comprises a code – a random, unique combination of nine alphanumeric characters allocated to a digital token – and a record of data relevant to that token (the reference data), which sits behind the code and is held by the DTIF. The reference data provides information about the DLT on which the token is deployed, as well as token technical attributes (such as address, name(s) and any external identifiers).

The DTIF's mission is to provide the golden source reference data for the unique identification of digital tokens. The DTIF issues and maintains DTIs on a non-profit basis, to increase transparency in the digital asset space by creating a core reference data set based on open data principles and made available as a public good. The DTIF would like to highlight to the QFC Regulatory Authority and the QFC Authority the

¹ The DTI Foundation is a non-profit division of Etrading Software Limited: <https://etradingsoftware.com/>

² [ISO 24165-1:2021](#) and [ISO 24165-2:2021](#), Digital token identifier (DTI)

potential benefits of using the DTI to support the principles and requirements set out in the proposed framework for regulating digital asset platforms.

The DTIF welcomes the objectives of the proposed framework for providing legal certainty and a trusted technology environment for digital assets; providing legal recognition of digital assets; and developing a trusted technology infrastructure that embeds standards to support trust and confidence in digital assets, the market, and service providers. The DTI ISO standard was established to enhance efficiencies within crypto and digital asset markets, assisting regulators and market participants in managing risks through greater transparency. In particular, the use of the DTI, a globally consistent identification standard for digital tokens, addresses various points raised within the consultation report. These include:

- *Consistency with international standards:* The DTIF notes that one of the regulatory outcomes of the proposed framework is to be broadly consistent with legal and regulatory international standards. Internationally recognised ISO standards, such as ISO 6166, ISO 17442, and ISO 10383 for defining ISINs, LEIs, and MICs respectively, have proven effective in establishing a harmonised framework of identification for regulators, market participants and infrastructure providers across financial markets. The ISO 24165 DTI standard is recognised as the global standard for the identification of digital tokens and is increasingly adopted by market stakeholders and recognised by regulators. For instance, in the European Union, the European Securities and Markets Authority (ESMA) has recommended the use of the DTI under the EU's DLT Pilot Regime³ for transaction reporting which went live on 23 March 2023⁴. Adoption of a harmonised identification method could also support the competitiveness of the Qatar tokenisation framework by (i) promoting platform interoperability to enhance liquidity, (ii) enhancing international attractiveness by a signalling commitment to international best practices, and (iii) providing effective monitoring of token activities to enhance market confidence.
- *Distinction between permitted and prohibited tokens:* The use of DTIs and the associated reference data can support the market and regulators to distinguish between permitted and prohibited tokens set out within the [Digital Assets Regulations 2023](#) and related Rules and Amendment Regulations covered under the QFC Digital Assets Framework. For example, Section 2.1.2 of the [Investment Token Rules 2023](#) outlines the prohibition of activities related to certain tokens that either (i) do not represent a right in any property, or (ii) are a substitute for currency. The DTI establishes a link to any underlying asset identifier (such as a tokenised bond's ISO 6166 International Securities

³ The EU DLT Pilot Regime introduces a temporary pilot regime for market infrastructures that facilitate trading and/or settlement of crypto-assets which qualify as financial instruments and which are issued, transferred and stored on a distributed ledger.

⁴ [esma70-460-111 report on the dlt pilot regime.pdf \(europa.eu\)](#) (See page 54)

Identifier Number (ISIN)⁵ and any underlying asset identifier is captured within the reference data publicly available on the DTI Registry. The data would provide the QFC with a reference to tokens representing securities versus other forms (such as stablecoins or cryptocurrencies). The DTIF as part of its development work and in collaboration with the work on the CFI standard (ISO 10962) also intends to add both a financial/non-financial field and a native/tokenised field to the DTI Registry.

- *Clarity on DLT system information:* S6.5 of Schedule 6 in the [Investment Token \(Miscellaneous Amendments\) Rules 2023](#) outlines additional prospectus content for tokenised schemes and token investment schemes, including a description of the DLT system on which any tokenised units are held. The DTI uniquely identifies and links tokens to their respective DLT system, allowing market participants and regulators to understand and monitor any network risks for each token. The inclusion of a DTI within any prospectus documentation would provide the market with DLT system reference data (including governance arrangements and other unique technical attributes of the DLT system). A Functionally Fungible Group (FFG) DTI may also be relevant as additional information within any prospectus documentation. An FFG DTI can be allocated to represent a group of equivalent tokens. In the case that digital tokens representing the same underlying asset are implemented across different DLT networks, the FFG DTI can enhance market transparency by enabling aggregation of all token implementations across multiple DLT systems.
- *Unique market surveillance and enforcement mechanisms:* The DTI uniquely identifies tokens and DLT systems based on technical, verifiable data. Consistent identification of these core data sets will support market surveillance of cross-DTI system token issuance and trading activities. The use of an internationally recognised identification method would also help regulators more effectively identify potential risks and prompt intervention actions when required.

We are available to answer any questions you may have and would welcome the opportunity to discuss the ISO 24165 DTI standard further with the QFC Regulatory Authority and QFC Authority. Please do not hesitate to contact us at secretariat@dtif.org.

⁵ International Securities Identifier Number (ISIN) is an ISO 6166 standard to uniquely identify a security