



Digital Token Identifier Foundation

✉ secretariat@dtif.org

28 May 2024

To: HMRC Exchange of Information Team

Re: UK Government consultation on implementing OCED's CARF

Submitted by email: eoi.policy@hmrc.gov.uk

The [Digital Token Identifier \(DTI\) Foundation](#)¹ and its Product Advisory Committee (PAC) welcome the opportunity to respond to the UK Government's [consultation paper](#) setting out its proposal for implementing the OECD's [Cryptoasset Reporting Framework and Amendments to the Common Reporting Standard](#) package.

The DTI Foundation 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 cryptoasset - and a record of data relevant to that token (the reference data), which is held by the DTI Foundation. 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 DTI Foundation's mission is to provide the golden source reference data for the unique identification of cryptoassets. The DTI Foundation 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 DTI Foundation would like to highlight to the UK Government the benefits of using the DTI to support the unambiguous identification of cryptoassets within the data set for Reporting Cryptoasset Service

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)

Providers (RCASPs) set out in the consultation paper. We have confined our response to question 3 on reporting requirements as this is directly relevant to the DTI Foundation's remit.

We remain at your disposal to answer any questions you may have and would welcome the opportunity to discuss the DTI ISO standard further with you. Please do not hesitate to contact us at secretariat@dtif.org.

Question 3: Are there any areas where additional guidance would be helpful on reportable information?

The DTI Foundation believes it is valuable for the UK Government to be aware of the benefits of the DTI as an additional data point to capture within the current reporting requirements set out by the CARF. Integrating DTIs offer a standardised and transparent means for Reporting Crypto-Asset Service Providers (RCASPs) and authorities to accurately identify cryptoassets.

Specifically, cryptoasset names are not standardised or unique across exchanges and infrastructure systems, nor is there any market-wide agreement on the names of cryptoassets. Therefore, the usability of the required reporting field of 'the full name of the type of Relevant Crypto-Asset' under reportable information in Section II (A. 3. a) of the CARF is limited. Authorities and RCASPs alike will face difficulties providing and interpreting the reported cryptoasset based on this current field name alone. The DTI Foundation proposes that the UK Government consider the use of a Digital Token Identifier (DTI) in addition to the full name of the cryptoasset for relevant transaction reporting.

The following sections outline how the DTI supports the identification of cryptoassets and the broader policy objectives of the UK in implementing the CARF.

DTI supports classification of cryptoassets and DLT networks

A standardised form of identification will facilitate the consistent classification of cryptoassets across all entities, individuals and other stakeholders involved in digital asset markets. The DTI is a globally recognised ISO standard that provides guaranteed uniqueness of cryptoassets based on objective and verifiable technical data across different platforms, systems, and jurisdictions.

- *Unambiguous cryptoasset identification:* Cryptoasset names are not standardised or unique across crypto exchanges, therefore, any disclosures should relate to a global standard, such as the DTI, to ensure clarity and avoid confusion. As an example, names such as "BTC" or "Bitcoin" lack clarity

as numerous tokens share these designations. By uniquely identifying each token through its technical specifications, the DTI can assist market participants and authorities verify that they are reporting and comparing the same cryptoasset. Bitcoin has been issued a DTI of 4H95J0R2X, which, with the use of fork records, uniquely distinguishes it from any historical Bitcoin forks such as Bitcoin Cash, Bitcoin Gold, Bitcoin SV, and others.

- *Link to DLT network:* The DTI uniquely identifies and links cryptoassets with their respective DLT network, allowing market participants and regulators to understand and monitor network risks for each cryptoasset. For example, the TetherUSD DTI on the Ethereum network (2QWSBDMNC) links to the Ethereum ledger identifier, and the TetherUSD DTI on the TRON network (C9N6ZVN7S) links to the TRON ledger identifier.
- *DTI as a unit of value:* A DTI code can be leveraged as a unit of value for price and quantity of a cryptoasset position. This allows for transaction details set out in Section II (subsections A. 3. b-i) of the CARF to also be represented in non-fiat currency as a reference point prior to any conversion rate to express details in a fiat currency.

The ISO 24165 DTI standard is recognised as the global standard for the identification of cryptoassets and increasingly adopted by market stakeholders and recognised by regulators. For instance, the European Securities and Markets Authority (ESMA) has proposed use of the DTI to identify cryptoassets under the European Union’s Markets in Crypto Assets Regulation (MiCA)³, in addition to recommending the use of the DTI under the EU’s DLT Pilot Regime for transaction reporting which went live on 23 March 2023⁴. Canadian Authorities have also utilised DTIs for data reporting from Canadian Cryptoasset Trading Platforms since May 2023⁵.

The DTI is agnostic to the technical implementation of the distributed ledger, with token reference data available for both public and private blockchains. It is also used to represent a wide range of cryptoassets – tokenised and native financial instruments represented as security tokens, stablecoins and other asset-based tokens, e-money tokens, cryptocurrencies, utility tokens, and digital or virtual assets.

All DTI reference data is accessible via the DTI Registry. The DTI Foundation offers a free service to download a snapshot of the entire DTI registry in JSON format. Daily incremental files and API connectivity services are also available. For cryptoassets not yet captured by the DTI registry, any stakeholder can

³ ESMA [second consultation package](#) on technical standards for Markets in Crypto Assets Regulation (MiCA).

⁴ [esma70-460-111_report_on_the_dlt_pilot_regime.pdf \(europa.eu\)](#) (See page 54)

⁵ [Over 100 New Digital Token Identifiers Allocated for Canadian Reporting Requirements](#)

submit a request via the DTI webpage to create a DTI code for new or emerging ledgers and tokens quickly and efficiently to maintain standardised identification.

The DTI Foundation welcomes industry stakeholders to engage with the development of the ISO 24165 standard. ISO 24165 was developed by the ISO [subcommittee SC 8](#) *Reference data for financial services* of the ISO/TC 68 *Financial Services* technical committee as a new standard to address the need to identify cryptoassets issued, traded, settled or stored across distributed ledger networks. The DTI Foundation's PAC aims to ensure the standard is consistent with evolving market and regulatory requirements. Stakeholders are encouraged to apply to join the PAC.

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 UK Government. Please do not hesitate to contact us at secretariat@dtif.org.