

Digital Token Identifier Foundation

Industry Views Sought on the Principles Underlying
the Cost Recovery Model for the Digital Token
Identifier Service

Consultation Paper

28 June 2024

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Introduction

The [Digital Token Identifier Foundation](#), a non-profit division of Etrading Software Limited, is the Registration Authority (RA) for the International Organization for Standardization (ISO) 24165 Digital Token Identifier (DTI) standard¹. The ISO DTI standard 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 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 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 digital tokens. The ISO DTI standard was established to enhance efficiencies within crypto and digital asset markets, assisting regulators and market participants in managing risks through greater transparency. The DTI Foundation issues and maintains DTIs on a cost recovery 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.

Economic sustainability is a critical criterion for the DTI Foundation as an industry utility operating under a cost recovery principle. The DTI Foundation requires a funding model that ensures financial viability over time, which includes efficiency and reliability of delivering core services as mandated by ISO. Therefore, the cost recovery model should ensure that the DTI Foundation can meet its responsibility for prudent financial management.

This consultation paper commences by providing an overview of key facts about the DTI including purpose and governance. The paper then sets out the cost recovery model, followed by key assumptions including the expected DTI user base and request volume estimates in addition to key cost components.

The consultation considerations section of this paper outlines the cost recovery model, supported by assumptions and projections. This allows industry participants to evaluate the proposals and provide feedback. Respondents can offer alternative, evidence-based considerations to complement or replace the proposals in this paper. Additionally, there is a final section in the response form at the end of this paper where respondents can provide any general comments.

The DTI Foundation works to ensure the broad views and needs of the stakeholders lead the direction of the development of the service. By working collaboratively, the DTI Foundation aims to ensure all views are considered, and it is hoped that a representative set of firms will seek to respond to this consultation. All responses will be published on the DTI Foundation's website, with respondents able to indicate in the response form if they wish the name of their institution to remain anonymous at the point of publication. All responses should be sent to secretariat@dtif.org no later than 6pm UTC on Friday 23rd August 2024.

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

Objective of Consultation

The DTI Foundation recognises the imminent implementation of MiCA in the EU and considered the model already committed to ISO and approved by the DTI Product Advisory Committee (PAC) should be launched as soon as possible to provide a framework and process for market stakeholders to follow. This consultation has been initiated to ensure transparency and to gather feedback on its suitability for industry stakeholders to determine whether any changes should be adopted. A report on DTI cost-breakdown will also be published in November 2024 and a subsequent consultation on the cost recovery model will be published in 2025. In developing this fee model, we have adhered to best practice governance principles. Your insights and suggestions are invaluable as we strive to ensure the model effectively meets industry needs.

The purpose of this consultation is to solicit industry feedback on the proposed principles underlying the cost recovery model for the DTI service from as broad a spectrum of participants as possible – both in terms of geographic diversity and from a range of market participants. Feedback from this consultation will be collated and incorporated into a final report, supporting the development of the cost recovery model.

Consultation Timeline

The timeline below is with respect to the DTI cost recovery model consultation process.

Milestone	Date
DTI Product Advisory Committee review of proposal	Thu 9 May 2024
Publication of DTI PAC agenda and minutes	Fri 17 May 2024
Publication of DTI cost recovery model consultation	Fri 28 Jun 2024
Industry feedback deadline	Fri 23 Aug 2024
Publication of final DTI cost recovery model report	Fri 18 Oct 2024

DTI Overview

Purpose of the DTI

The increasing adoption of distributed ledger technology in the traditional financial sector and the rapid growth of the decentralised crypto ecosystem have led to heightened demand by public authorities and market participants to identify digital tokens within these networks, where they are issued, traded, settled, or stored.

ISO 24165 parts 1 and 2 were developed by the ISO [subcommittee SC 8 Reference data for financial services](#) of the ISO/TC 68 *Financial Services* technical committee to provide a standardised and consistent way of identifying and referencing digital tokens across different platforms, systems, and jurisdictions. The standard was published in September 2021. Key benefits include:

- **Transparency:** Identification of the digital token, its location on a public or private blockchain, and link to underlying assets, if relevant.
- **Interoperability:** Standardised method to distinguish between different ledgers and tokens.
- **Uniqueness:** DTI is based on the digital token's unique and verifiable origins on the distributed ledger data structure.
- **Consistency:** Ability to distinguish original, legitimate tokens from newly created digital tokens following fork events.
- **Scalability:** A unified token identifier method supports scalability and resilience to the currently fragmented crypto-asset industry.

The scope of DTI use includes all fungible digital assets which use distributed ledger technology for their issuance, storage, exchange, record of ownership, or transaction validation, excluding fiat currencies. Digital assets include, but are not limited to, security tokens, stablecoins, cryptocurrencies, virtual currencies, digital currencies, utility tokens, e-money tokens, payment tokens, or other forms of crypto-assets.

The DTI is increasingly recognised and adopted by regulators and industry alike. ESMA has recommended use of the DTI alongside ISINs for transparency reporting under the EU DLT Pilot Regime and proposed the DTI as the key crypto-asset identifier under the Markets in Crypto-Assets (MiCA) Regulation. Canadian authorities also require the use of DTI for data reporting from crypto-asset trading platforms. Other market infrastructure and data providers have also embedded DTIs within their systems to support the effective identification and management of digital assets. A snapshot of industry adoption is available on DTI Foundations webpage².

DTIs have recently been introduced as a mechanism to identify OTC derivative underliers representing crypto-assets (also known as 'crypto-derivatives') to support regulatory reporting of crypto asset derivative trades across the G20. DTIs as underliers to both the UPI and the OTC ISIN provide greater transparency in the crypto derivative trading market, supporting public authorities in identifying digital asset risk globally.

² DTI Foundation article, [Spotlight: DTI Integration and Adoption](#)

The DTI complements other globally recognised standards such as ISO 6166, ISO 10962, and ISO 17442 for defining International Security Identifier Numbers (ISINs), Classification of Financial Instruments (CFIs), and Legal Entity Identifiers (LEIs) respectively.

In the first instance, the role of the DTI is to uniquely identify a crypto or digital asset represented on DLT for industry participants and regulatory authorities. A DTI provides an unambiguous code to identify the token implementation based on technical, verifiable data attributes.

Although the DTI has been developed with this core purpose, it is recognised the DTI could also serve other purposes, such as other forms of regulatory reporting and market transparency specific to particular jurisdictions or pre- and post-trade processes, with the primary use of the DTI contemplated for strengthening banks' risk aggregation capabilities and practices and for the reporting of crypto and digital asset transactions to a trade repository or for regulatory use. It is anticipated that broader use cases for the DTI system – especially in relation to internal business functions – could increase its adoption and usefulness.

DTI Governance

Services under ISO mandate

As the RA for the ISO standard, the DTI Foundation follows strict ISO governance requirements of fair, reasonable, and non-discriminatory (FRAND) principles for cost recovery fees. Ancillary DTI services are not required as a condition to access core services. The below textbox outlines services provided by the DTI Foundation under the ISO contract.

Textbox: DTI Foundation services under ISO contract

- ❖ Promoting and making all efforts to ensure proper use of ISO 24165 standard.
- ❖ Maintaining the Registry and assigning the DTI identifier.
- ❖ Making the DTI registry available for all users in a timely manner and as per the requirements of the ISO 24165 standard.
- ❖ Continuously adapting the DTI guidelines, which will be made available on the RA website, to meet the needs of the market.
- ❖ Responding to enquiries and information requests related to the ISO 24165 standard in a timely manner.

Product Advisory Committee

The DTI Product Advisory Committee (PAC) is the core governance committee to provide stewardship and oversight to the implementation of the ISO 24165 standard by the DTI Foundation. The DTI PAC provides recommendations to the development of the DTI and arbitrates any token disputes to reach final a resolution. Though the precise number of representative members in any category varies over time, the PAC aims to include 20 to 30 members representing the following viewpoint categories:

Voting Members (able to attend meetings, contribute to the meeting and vote).

- a. Industry, including: Buy-Side, Custodians, Data Vendors, Sell Side, Trade Associations, Market Infrastructure, Asset Issuers
- b. Academics
- c. Other

Observing Members (able to attend meetings and contribute but not vote).

- a. Regulators and / or Policy Makers

The DTI PAC currently comprises over 25 members representing a cross-section of crypto and digital asset market stakeholders, including global institutional investors, standard-setting bodies, academics, asset managers and market infrastructure providers from various regions globally. The list of DTI PAC members is available on the DTI Foundation webpage³. The DTI PAC composition is reviewed annually to ensure the composition reflects a diverse range of

³ <https://dtif.org/product-advisory-committee/>

organisations across jurisdictions. All stakeholders involved in the crypto and digital asset industry are encouraged to apply to join.

The DTI PAC will continue to act as the key stakeholder engagement committee for implementation of the ISO standard by the DTI Foundation. The DTI PAC charter, along with meeting agendas and minutes are also available to the public on the DTI website in order to provide appropriate transparency.

Textbox: DTI Product Advisory Committee

Key objectives of the PAC are to:

- ❖ Provide product stewardship to the DTI Foundation Board
- ❖ Offer guidance on the application and utilisation of DTIs
- ❖ Advise DTIF on the implementation of future product enhancements

The PAC also discusses such topics as how future regulatory changes will impact the crypto and digital asset market landscape.

ISO TC 68 WG3

Etrading Software has been selected as the RA via a competitive tender process overseen by the [ISO/TC 68 Financial Services](#). In its capacity as the RA, Etrading Software through the DTI Foundation submits a written annual report on its activities and how it is fulfilling its services under the ISO mandate, which includes its adherence to ISO governance requirements that the cost recovery principles are fair, reasonable, and non-discriminatory. These reports are reviewed at annual plenary meetings where representatives of national standard bodies and liaison representatives can review the report and opine on RA's activities.

Through the DTI Foundation, Etrading Software is also an active member of ISO TC68/SC8/WG3, a working group responsible for drafting and amending the DTI standard. Since the standard was launched in September 2021, DTI Foundation has been working within the group to help with drafting amendments to the standard based on feedback it received from market participants. DTI Foundation has also been involved in other ISO working groups to ensure that the DTI standard continues to be relevant to wider markets.

Consultation Considerations

Responses should be objective, and where users believe that the DTI Foundation's proposals should be amended and/or augmented, alternate solutions should be proposed, with responses listing specific and actionable alternative solution(s) that would be acceptable to the respondent to ensure that the DTI Foundation can work to reflect the most appropriate target solution sought by industry and within the governance framework of the utility.

The DTI Foundation assumptions set out below underpin the core approach for the DTI service implementation, and thus impact user fees, which are used for cost recovery⁴.

The following sections include the cost recovery model, in addition to DTI Foundation expectations about jurisdictions' existing or proposed regulatory adoption of rules implementing DTI as a crypto-asset identifier, the estimated number of DTI users and volume of requests to DTI services under the cost recovery model, and a breakdown of key cost components.

Note that the fee model set out in the consultation has been implemented as it already aligns with the requirements and commitments set out within the ISO RA mandate. The DTI Foundation considered that due to the imminent implementation of MiCA in the EU, the model already committed to ISO should be launched to provide a framework and process for market stakeholders to follow. The consultation timeline has also been set to eight weeks to provide all stakeholders time to respond, while allowing the DTI Foundation to review responses and publish any further updates in the early stages of MiCA implementation.

The consultation sets out assumptions and projections for the cost recovery model, the governance framework, and possible future considerations for development of the cost recovery model. With respect to the fee model related considerations set out in this paper, the DTI Foundation recognises the need for revaluation following initial adoption of the DTI cost recovery service to ensure that that the model remains fit for purpose. As such, the DTI Foundation intends to consult yearly on the key aspects underlying the fee model after launch of the cost recovery service.

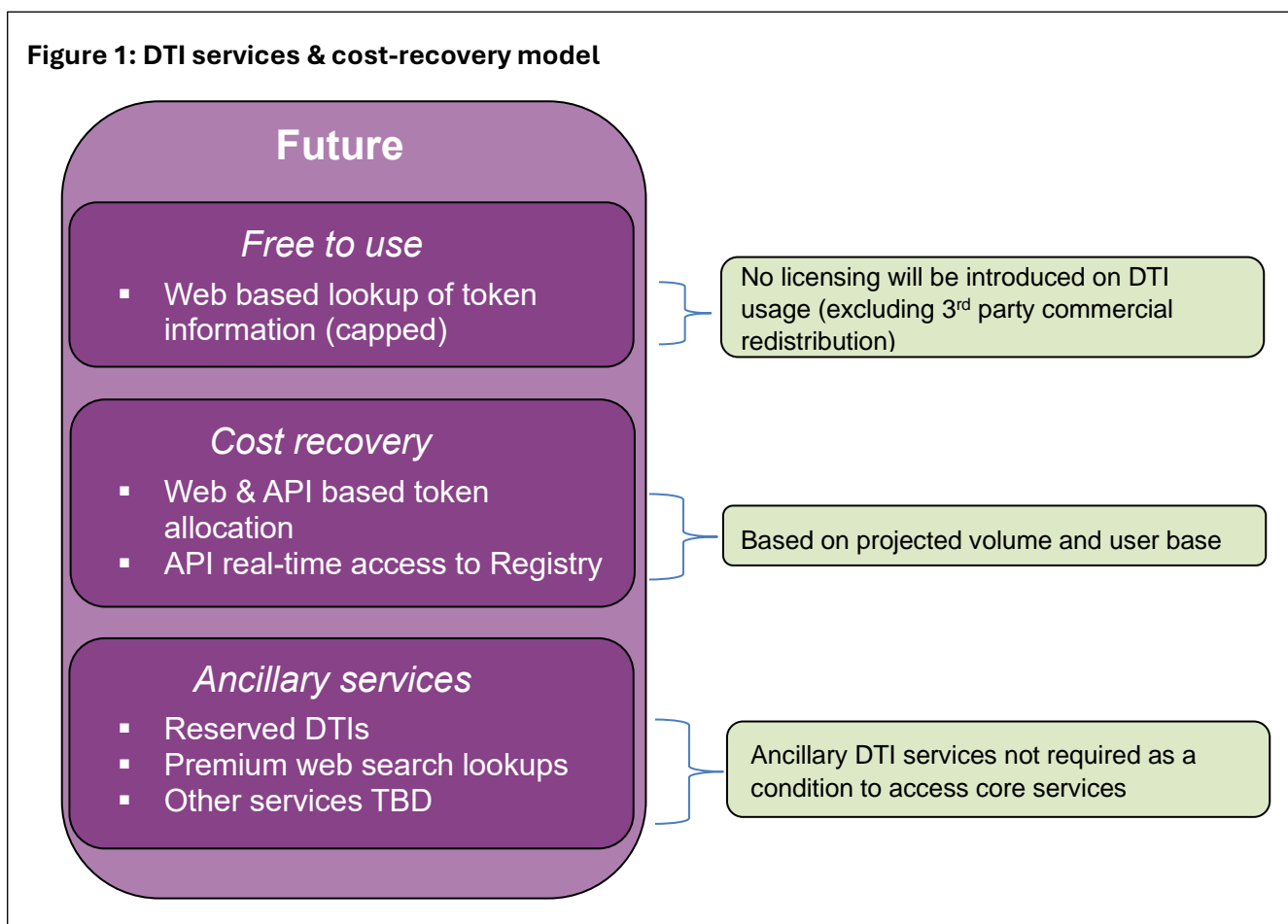
⁴ Cost recovery, which incorporates the DTI Foundation's financial sustainability margin, includes both recurring costs such as technology & operations, management, administration and external consultants as well as time-limited costs such as amortisation of the build costs.

DTI Cost Recovery Model

Framework

The framework set out below in Figure 1. segments DTI services into three categories – free to use, cost recovery, and ancillary services.

The core services to grouped under the cost recovery model include (i) DTI Allocation, through both web and API-based processes, and (ii) API real-time access to the DTI Registry. Users may continue to search the full universe of Registry data via the web-based GUI. The GUI also allows users to download individual token information in a machine-readable format.



Web and API based token allocation

Users can access the DTI Allocation form via the DTI Foundation web page. Guidelines are also available to support users through the registration process.

Allocation requests via API require additional development and are expected to be available in the near future, based on user demand.

API real-time access to Registry

The DTI Foundation will provide the below API access requests to the Registry, in line with its commitment to ISO:

- Search for existing DTI (by attributes)
- Download a single DTI record (By DTI token)
- Download a list of DTI records by criteria (or download all DTI records).

The DTI Foundation is open to developing additional API services beyond those already defined within the cost recovery model, such as historical snapshots or daily differential files. Users are welcome to reach out to further discuss such ancillary service requests.

The maximum number of API access requests to the above defined functions will be set at 100 per 24-hour period, resetting daily at 00:00 UTC. The maximum limit is imposed to ensure that the system's performance, fair usage policy and security are not compromised. Historical analysis of website activities in the past 12 months showed that 99.3% of DTI Registry requests by users would not exceed this level of inquiries per day. We'll continue to monitor the usage of the API and provide anonymised data as part of any further consultation. Users are encouraged to contact the DTI Foundation, either as part of this consultation or separately, to discuss whether their needs require additional connections.

Oversight of Cost Recovery Model

Three layers of governance supports oversight and control of the cost recovery model:

- DTI Foundation’s commitments to ISO under contract as Registration Authority
- Expert industry stakeholder group of the DTI Product Advisory Committee
- ISO TC 68 WG3

DTI Foundation ISO 24165 commitment

Based on the DTI Foundation’s commitment to ISO, any fee variation away from the baseline assumptions and projections as set out within the RfP will be consulted upon. Any fees will continue to follow the cost recovery principle.

“Should the assumptions and/or projections underlying the Fee Proposal change during the term of the agreement, the parties acknowledge that ETS is entitled to vary the fees charged by ETS and its Registration Agencies after consultation with users of ISO 24165 as appropriate, provided always that any variation shall adhere to the principle of Cost Recovery” (see definition below).

Textbox: The Cost Recovery Principle

"Cost Recovery means that fees or other revenues associated with Services rendered under [the Registration Authority Agreement] generate only sufficient funds to cover the costs attributable to those Services. It may include an allocation of overhead expenses incurred directly by [Etrading Software] that can be shown to be required to meet the Services rendered. Such overhead costs must be reasonable. Other costs not directly related to such Services, or costs related to other services, shall not be included."

We commit to running yearly consultations on all fees and our general services to ensure alignment with updated figures, assumptions and projections for costs, users, and request volumes.

DTI Product Advisory Committee

The DTI PAC oversees implementation of the ISO 24165 standard by the DTI Foundation, including the cost recovery model. The DTI PAC reviews and provides feedback to shape any cost recovery proposals prior to wider industry consultation. As mentioned previously, the DTI PAC comprises over 25 crypto and digital asset market stakeholders. Regulatory bodies are also welcome to join as Observer status.

ISO TC 68 WG3

As mentioned under the general DTI Governance section, the DTI Foundation submits a written annual report on its activities and how it is fulfilling its services under the ISO mandate, which includes its adherence to ISO governance requirements that the cost recovery principles are fair, reasonable, and non-discriminatory. These reports are reviewed at annual plenary meetings where representatives of national standard bodies and liaison representatives can review the report and opine on RA’s activities.

Cost Recovery Fees

As the RA for the ISO 24165 standard, the DTI Foundation issues and maintains DTIs on a cost recovery basis, with the aim of increasing transparency in the digital asset space through the creation of a core ISO reference data set.

2024 Fee Model

The 2024 DTI allocation fee and API access fee are shown below and are intended to cover the marginal cost of issuance and maintenance of the registry, in line with the DTI Foundation’s obligations to ISO.

Table 1: 2024 cost recovery fee model

Service	Fee
DTI Allocation	€ 180* per DTI
API Registry Access	€ 7,186* per year

*Based on commitments to ISO as part of the Request for Proposal (RfP) response, adjusted for inflation⁵ since January 2021.

Processing requests

The party applying for a DTI code must complete the application form provided by the DTI Foundation and enclose the necessary information that is considered to be essential for allocating the DTI code. DTIs are assigned in accordance with ISO 24165-1:2021 and ISO 24165-2:2021. All Allocation requests submitted via the DTI Foundation website will be verified to ensure that:

1. The token exists and is eligible for a DTI
2. The token has not already been assigned a DTI
3. Normative and/or Informative data supplied by the registrant meets the validation criteria

Future fees

As part of annual review and consultation, any excess revenue over costs will be used to reduce fees in subsequent years. Factors beyond user base and volume requests are also expected to reduce future fees for DTI Allocation, such as:

- Further automation of submission and verification procedures
- Greater capacity to handle bulk DTI Allocations (and subsequent discount rate based on lower marginal cost of DTI allocation)

⁵ [Statistics | Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat) (Annual Jan-Jan rates for EU)

Other fee models

The DTI Foundation is agnostic to the type of fee model used, as long as it fulfils its ISO mandate to ensure the DTI's long-term economic sustainability. The DTI Foundation believes that the allocation of costs among stakeholders is primarily a matter for industry stakeholders to determine. Several alternative fee models were considered, such as:

- Non-issuer discount
- Service provision based on user type
- Packaged subscription models

A discounted fee for non-issuer based tokens was considered but determined that a simplified fee for DTI allocation is most appropriate for initial launch. DTI Foundation has proactively allocated DTIs to the top 1,500 non-issuer based tokens and does not expect a future significant volume of these tokens to justify a separate fee. There is also a risk to cost recovery with potential bad actors advantageously utilising a non-issuer fee registration request with third-parties that would effectively bypass an issuer fee. The simplified model of one registration fee, independent from the type of requestor, mitigates this risk.

A model where service provision based on user type was also considered. The Unique Product Identifier (UPI) service model was reviewed as an infrastructure provision with a regulatory mandate, recently implemented by the G20. The UPI model distinguishes between users such as 'Infrequent', 'Standard', 'Search only API' and 'Power' users for its cost recovery fee model. User type determines UPI creation, web access, and connectivity limits. However, this fee model type requires a higher level of understanding of the user base and expected volume requests.

Due to the unknown user base and relatively low volume requests (compared with traditional financial instrument identifiers), the DTI Foundation and its Product Advisory Committee considered it pragmatic it to introduce the current simplified cost recovery fee model. It is expected that once user base and volume of requests are better understood, alternative fee models raised by the PAC and wider industry stakeholders will be considered. Any feedback on the approach to the fee model is welcome.

Q1 – Cost recovery fees

Summary: DTI services under the cost-recovery model include (i) DTI Allocation and (ii) API Registry Access. The current fees are based on the DTI Foundation’s commitment to ISO, adjusted for inflation. The fee model, predominantly based on cost per DTI Allocation and access to reference data, follows a similar approach to other fee models for financial instrument identifiers. Any alternative model, such as the breakdown between user type and fees, will be considered once DTI user base and request volumes are known following MiCA implementation.

Question 1a: Do you concur with the DTI fee model, based on DTI Allocation and real-time access to reference data with API Registry Access?

Question 1b: If not, what specific alternate approach do you recommend? Please provide a clear rationale and cite publicly available sources for any additional data points you believe should be incorporated into the DTI Foundation’s model.

Q2 – Other fee models

Summary: Due to the unknown user base and relatively low volume requests (compared with traditional financial instrument identifiers), the DTI Foundation and its Product Advisory Committee considered it pragmatic it to introduce the current simplified cost-recovery fee model. It is expected that once user base and volume of requests are better understood, alternative fee models raised by the PAC and wider industry stakeholders will be considered.

Question 2a: Do you concur with the current simplified cost-recovery fee model?

Question 2b: If not, what specific alternate approach do you recommend? Please provide a clear rationale and cite publicly available sources for any additional data points you believe should be incorporated into the DTI Foundation’s model.

Assumptions

User Base and Volume Estimates

This section seeks to provide readers with insight into the DTI Foundation’s understanding of user estimates for DTI adoption. Assumptions and projections focus on the mandated use of DTIs with a clear requirement for an industry participant to use DTIs. Key drivers factoring into the DTI Foundations’ estimated user numbers are:

Regulatory expectations

At the time of writing this consultation, the ISO DTI standard has been proposed by the European Securities and Markets Authority (ESMA) as the crypto-asset identifier required under the Markets in Crypto-Assets Regulation (MiCA) in the European Union.⁶ The DTI Foundation categorises three user types based on those entities which fall under MiCA. These included:

- Asset-referenced token⁷ (ART) issuers
- Electronic money token⁸ (EMT) issuers
- Crypto-asset service providers⁹ (CASPs)

Other notes on regulatory expectations

Note that all Crypto-trading Platforms (CTPs) operating in Canada are required to use the ISO DTI standard for crypto data reporting to regulatory authorities. However, the DTI Foundation does not expect any significant volume of DTI requests or connectivity to the DTI Registry due to (i) the low-frequency nature of reporting DTIs by CTPs to competent authorities and (ii) most CTPs require DTIs only for the top traded and highest market capitalisation crypto-assets where DTI is already assigned.

DTI use under MiCA

Based on the Regulatory and Implementing Technical Standards proposed by ESMA in its second MiCA consultation package, ART and EMT issuers will be required to leverage DTIs as part of their offering white paper documentation. CASPs will also be required to leverage DTIs within pre- and post-trade transparency reporting, order books, and record keeping. The DTI standard has been proposed for use in the following technical standards:

- RTS on trade transparency (pre- and post-trade)
- RTS on content and format of order book records
- RTS on record-keeping by crypto-asset service providers

⁶ ESMA, October 2023: [Technical Standards specifying certain requirements of Markets in Crypto Assets Regulation \(MiCA\) - second consultation paper](#)

⁷ MiCA definition: ‘asset-referenced token’ means a type of crypto-asset that is not an electronic money token and that purports to maintain a stable value by referencing another value or right or a combination thereof, including one or more official currencies.

⁸ MiCA definition: ‘electronic money token’ or ‘e-money token’ means a type of crypto-asset that purports to maintain a stable value by referencing the value of one official currency.

⁹ MiCA defines 10 services and activities relating to any crypto-asset, such as providing custody and administration, operating a trading platform, exchanging crypto-assets for funds, among others (MiCA Title I, Article 3(16)).

- RTS on the data necessary for the classification of white papers
- ITS on standard forms and templates for the crypto-asset white paper

The DTI Foundation expects the below breakdown of DTI service demand by entities in scope of MiCA.

Table 2: User type and expected DTI use under MiCA

Category	No. of entities	Service type	Demand volume	Frequency
ART issuers	10-15	DTI Allocation	Low	Monthly
EMT issuers	<10	DTI Allocation	Low	Quarterly
CASPs	50 - 2,000	API Registry Access	Medium	Daily/weekly
		DTI Allocation		

ART issuers

- We expect a low volume of users categorised as ART issuers.
- The potential growth of ARTs as a product offered in the EU is uncertain.

EMT issuers

- We expect a low volume of users categorised as EMT issuers.
- We anticipate only a handful of this type of crypto-asset to be available in the EU and do not envisage many new entrants to provide additional EMTs.
- Some single fiat-backed crypto-assets which would be categorised as an EMT under MiCA may already have been allocated a DTI.
- According to Messari.io, there are approximately 75 single fiat-backed ‘stablecoins’ globally – only two known euro-denominated coins are represented (EUR Tether and Stasis Euro).
- It is possible that several large banks apply to issue EMTs, though the scale of issuing EMTs is still expected to be low.

CASPs

- There is no known figure for entities that will be categorised as a CASP under MiCA.
- There are approximately 2,000 entities registered as a Virtual Asset Service Provider (VASP), based on available registry information from EU National Competent Authority (NCA) websites.
- We do not expect all entities registered as a VASP to pass the higher regulatory thresholds for CASP classification.
- We also expect a number of entities to not immediately become CASPs due to processing times and varying transition periods across EU jurisdictions.
- We assume that approximately 1,000 VASPs will be registered as CASPs.

Assumptions on user base and request volumes have been considered prior to the full implementation of MiCA. Assumptions and projections are expected to change yearly. A clearer understanding of MiCA-related assumptions will be refined with publication of the ‘ESMA annual report on market developments’ by 31 December 2025, as set out in MiCA (Title IX, Article 141).

Anecdotal feedback from industry

- The definition of ART under MiCA may not be clearly understood by the industry, including the types of assets that could be referenced and claimed to maintain a stable value. Therefore, the type and scale of products aiming to be authorised as ARTs could vary significantly.
- Single fiat-backed stablecoin issuers may not conform to MiCA requirements for EMTs. EMTs deemed as ‘significant’ must comply with additional requirements. Some exchanges have already delisted certain stablecoins in preparation for MiCA.
- Banks may look to issuing EMTs, given the relative ease of applying for EMT issuance with a banking licence.
- Varying criteria for VASPs across the EU, in addition to varying AML/KYC requirements will likely see differences in CASP approval rates across jurisdictions.

Assumptions on DTI service type

DTI Allocation

- We expect all user types under MiCA to request DTIs, albeit in low volumes and for different types of crypto-assets.
- As noted above, we expect a low volume of DTI Allocation requests from both EMT and ART issuers.
- We do not expect many ART/EMT issuers to request multiple DTIs.
- We expect CASPs to request DTIs for other crypto-assets other than asset-referenced tokens or e-money tokens. However, the top traded crypto-assets of this type have already been allocated a DTI.
- We estimate that 5-10 DTIs have already been issued based on user requests for the EMTs and ARTs that will fall under MiCA.
- Based on the above, we expect the total number of DTI requests for 2024 to be approximately 50, and there will be a 100% increase each subsequent year. Note: a portion of these DTI requests are expected to emerge outside MiCA’s scope from current non-mandated DTI use, such as DLT financial instruments.

API Registry Access

- We expect that 10% of CASPs will request API access by 2026, and number of API users will increase by 10% in subsequent years. Therefore, we expect around 100 organisations to subscribe and receive real-time feeds to the DTI Registry by 2026.
- We do not expect ART or EMT issuers to demand API access to the DTI Registry.

Q3 – User base

Summary: The DTI Foundation estimates approximately 10-15 ART issuers, less than 10 EMT issuers, and approximately 1,000 CASPs registered under MiCA and required to obtain DTIs. This estimate is predicated on a steady state expectation based on the information set out in the supporting information.

Question 3a: *Do you concur with the DTI assumptions for user base estimates set out above?*

Question 3b: *If not, what specific alternate approach do you recommend? Please provide a clear rationale and cite publicly available sources for any additional data points you believe should be incorporated into the DTI Foundation’s assumptions.*

Q4 – Request volume estimates

Summary: The DTI Foundation expects DTI allocation requests will be low from ART/EMT issuers and CASPs. We estimate that approximately 50 DTIs will be issued in 2024, increasing by 100% in subsequent years, and 100 organisations are likely to connect to the API Registry access, increasing by 10% in each subsequent year. These estimates are predicated on a steady state expectation based on the information set out above.

Question 4a: *Do you concur with the DTI assumptions for volume estimates of DTI allocation requests and API Registry Access, set out above?*

Question 4b: *If not, what specific alternate approach do you recommend? Please provide a clear rationale and cite publicly available sources for any additional data points you believe should be incorporated into the DTI Foundation’s assumptions.*

Revenue Projections

The revenue projections have been created using the above underlying assumptions on the number of tokens and users.

Table 3: Revenue projections with underlying assumptions (not adjusted for inflation)

	2024	2025	2026
Assumptions			
# of New Tokens	50	100	200
# of API Clients	10	30	100
Fees			
DTI Allocation Fee	€ 9k	€ 18k	€ 36k
API Client Fee	€ 79k	€ 238k	€ 793k
Total Fees	€ 88k	€ 256k	€ 829k

Cost Summary

The DTI Foundation recognises the large uncertainty in forward projections of numbers of users and request volumes. Therefore, this consultation focuses on the key principles and commitments that it made to ISO as the RA, regardless of the uncertainty. In this regard, the initial fees are intended to cover the marginal allocation costs and are not linked to the build costs. The marginal costs of DTI allocation and maintenance of the registry are in line with the initial response to the ISO RfP.

The allocation costs are dependent on number of users and DTI allocation volumes as well as, but not limited to:

- Quality of DTI applications
- Number of disputes raised
- Feasibility of fully automated validation of application elements

The DTI Foundation will publish the cost report in November 2024 which will include a detailed breakdown of issuance costs, revenue and updated assumptions. Any fee changes will be consulted with industry stakeholders in subsequent consultation in 2025.

Future Cost Considerations

The DTI Foundation acknowledges that fees should not hinder early adoption of DTI. Therefore, the initial fees be set at appropriate levels to promote the service while ensuring the eventual recovery of full operational and capital expenditures.

The DTI Foundation anticipates that in the coming years, the marginal costs of DTI allocation and associated fees will decrease for all market participants. This expectation is based on the assumption that the volume of DTI allocations and API usage will increase, enabling scale benefits to be passed on to users. Furthermore, in the long term, once the initial build costs of the service have been recouped, a further reduction in fees will be achievable.

DTI Foundation is open to have an external audit of costs and revenues, akin to the practices employed by UPI service. However, it is not deemed appropriate to undertake such an audit until some of the costs have been recovered, as the associated costs would ultimately be borne by the users.

Any Other Comments

This section is an opportunity for respondents to provide feedback and commentary on any other aspects they believe should be considered.

Q5 – Any other comments

Do you have any further comments which the DTI Foundation should consider as part of this consultation on the cost recovery model?

Appendices

Proposed Format for Responses

- Consultation responses should be emailed to secretariat@dtif.org
- Please use the response form found on the DTI website [here](#).
- An option is provided for respondents to stipulate whether the response is to be treated as anonymous. Note that all responses are published on the DTI Foundation website and are not anonymised unless a specific request is made.
- Respondents are requested to state whether they concur with the assumptions and principles set out in the document, or propose alternate evidence driven considerations that they believe should be utilised instead and/or alongside the proposals set out in this paper.
- Respondents also can also provide any general comments in the final section of the response form provided at the end of this paper.
- The consultation enables the DTI Foundation to ensure that the cost recovery model works to reflect the best target solution sought by industry (within the governance framework).
- Each organisation is permitted a single response.
- Responses should include details of the type of organisation responding to the consultation and its current user category to enable the DTI Foundation to analyse client needs in more detail and include anonymised statistics as part of any further report.
- Responses must be received by 6pm UTC on Friday 23rd August 2024.

Questions Summary

Question 1a: Do you concur with the DTI fee model, based on DTI Allocation and real-time access to reference data with API Registry Access?

Question 1b: If not, what specific alternate approach do you recommend? Please provide a clear rationale and cite publicly available sources for any additional data points you believe should be incorporated into the DTI Foundation's model.

Question 2a: Do you concur with the current simplified cost recovery fee model?

Question 2b: If not, what specific alternate approach do you recommend? Please provide a clear rationale and cite publicly available sources for any additional data points you believe should be incorporated into the DTI Foundation's model.

Question 3a: Do you concur with the DTI assumptions for user base estimates set out above?

Question 3b: If not, what specific alternate approach do you recommend? Please provide a clear rationale and cite publicly available sources for any additional data points you believe should be incorporated into the DTI Foundation's assumptions.

Question 4a: Do you concur with the DTI assumptions for volume estimates of DTI Allocation requests and API Registry Access, set out above?

Question 4b: If not, what specific alternate approach do you recommend? Please provide a clear rationale and cite publicly available sources for any additional data points you believe should be incorporated into the DTI Foundation's assumptions.

Question 5: Do you have any further comments which the DTI Foundation should consider as part of this consultation on the cost recovery model?