

Digital Token Identifier Foundation

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

Consultation Paper Response Form

28 June 2024

Proposed Format for Responses

- Consultation responses should be emailed to secretariat@dtif.org
- Please fill in the below respondent details and submit this document with your responses.
- 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.

Respondent details

Name	Ben Van Vliet
Email Address	bvanvliet@stuart.iit.edu
Company	Illinois Institute of Technology
Country	usa
Company Type	Other
Select if response should be anonymous	<input type="checkbox"/>

Questions

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?

By and large, the model appears appropriate. However, I think it needs to be more innovation-friendly as commented in 2b.

Also, the use of the two terms "DTI allocation" and sometimes "DTI assignment" creates some unnecessary unclarity. Are they the same thing? I think so, but I'm not sure. Without getting too pedantic, the term allocation has other connotations, particularly in finance, and introduces an implication of relative quantities (i.e. you are allocated some amount, and I am allocated some other amount). Allocation is problematic too because it is used appropriately in the Other Fee Models section in a different context. It'd be better to pick one term and stick with it. In this and future documents that may be released publicly, I think "DTI Assignment" is by far the better term.

A couple brief sentences in section ISO TC 68 WG3 that spell out the relationship between Etrading Software and DTI Foundation would be helpful. Further, I think it would clarify things to say there that DTIF is a separate, corporate, non-profit entity that incurs various costs, and then that the cost recovery model is intended to offset these costs. Then the sentence in the Future Fees section stating "any excess revenue over costs will be used to reduce fees in subsequent years" has context. Then, to the extent that Etrading Software provides services to DTIF, some of the proceeds are passed through.

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.

Is the 180 Euro DTI Assignment (or Allocation) fee a one time fee or an annual fee? I think it's one time, but stating it would remove all doubt.

One could perceive that the 7000 Euro annual fee might hinder innovation as this cost could be a barrier to entry. This is alluded to in the Other Fee Models section, but a friendlier tone and more direct comments to the start-up community (i.e. low-volume users) would be beneficial.

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

I think there need to be volume break points. I see how it's worded to leave open the potential for updates once data comes in, but it's fairly start-up unfriendly as currently phrased. A simple "first-year free to start-ups" would be appropriate, I think.

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.

Regulatory sandboxes are the appropriate and ethical response to financial innovation. To promote innovation, DTIF could consider some form of olive branch to start-ups that wish to engage in software testing and proof-of-concept MVPs, etc. Say, free access for the first year, and incremental fees up to some threshold. There should be break-points, it seems to me.

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

By and large, yes.

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?

By and large, yes.

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?

