



Digital Token Identifier Foundation (DTIF)

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To: Bank of England

Re: Discussion paper: The Bank of England's approach to innovation in money and payments

Submitted by email to PaymentsInnovationDP@bankofengland.co.uk

The [Digital Token Identifier \(DTI\) Foundation](#)¹ and its Product Advisory Committee (PAC) welcome the opportunity to respond to the Bank of England's [discussion paper](#) on its approach to innovation in money and payments (hereafter referred to as the 'discussion paper'), to setting out an agenda and plans for the UK payments landscape. Our response relates to how the DTI could support the Bank's (i) policy outcomes in retail payments; (ii) efforts to foster regulatory coherence; and (iii) proposed programme of experiments; providing further transparency and efficiency for digital assets and payments based on distributed ledger technology (DLT).

The Bank's policy outcomes in retail payments

The DTI Foundation welcomes the policy outcomes for the UK's retail payments ecosystem to remain fit for purpose to ensure sage innovation. We propose UK Authorities consider the inclusion of the DTI, a globally consistent identification standard for digital tokens and ledgers, within any future stablecoin regulatory framework disclosure requirements to address potential concerns on the resilience of infrastructure, as set out in Outcome 3 of Section 4.3.1. As demonstrated by the Bank of International Settlements (BIS) Innovation Hub and the Bank of England's joint work on Project Pyxtrial², DTIs were leveraged to address the challenge of accurately monitoring stablecoin issuer liabilities across multiple ledger implementations. Therefore, the addition of a DTI within stablecoins disclosures offered in the UK would provide authorities with an additional tool to accurately monitor issuer liabilities and DLT network exposures. Further information can be found in our [response](#) to the Financial Conduct Authority's discussion paper on *Regulating Cryptoassets Phase 1: Stablecoins*.

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

² [Project Pyxtrial: monitoring the backing of stablecoins](#)

Regulatory coherence

Internationally recognised ISO standards, such as ISO 6166, ISO 17442, and ISO 10962 for defining International Security Identifier Numbers (ISINs), Legal Entity Identifiers (LEIs), and Classification of Financial Instruments (CFIs) respectively, have proven effective in establishing a harmonised framework of identification and classification 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, including security tokens and stablecoins, and is being increasingly adopted by market stakeholders and recognised by regulators. For instance, the European Union's Markets in Crypto Assets Regulation (MiCA) technical standards, published by the European Securities and Markets Authority (ESMA), sets DTI as the crypto-asset identifier for stablecoin white papers, in addition to crypto-service provider requirements for order books, record-keeping, and reporting requirements.³ In addition, the DTI has been proposed for transaction reporting and order book record keeping, alongside the ISIN, of all DLT financial instruments under MiFIR.⁴ Continued implementation of globally recognised ISO standards into the digital asset and payments ecosystems will ensure the UK landscape evolves toward fostering cross-border interoperability.

Proposals for a programme of experiments

The DTI Foundation welcomes the proposals for a programme of experiments. Participants may consider leveraging DTIs within the experiments focused on enabling DvP securities transactions and interoperability with global ledger initiatives. Specifically, the discussion paper notes an important step would be to assess how different types of financial assets can be represented on a digital ledger, to help identify important ledger design considerations and work around interoperability.

The DTI standard provides three levels of identification – ledger, token, and token grouping - and is also linked to the ISIN and other ISO standards as seen in Figure 1.

³ ESMA [Final Report](#) on the Technical Standards specifying certain requirements of MiCA - second package

⁴ ESMA [Consultation Paper](#) on the Review of RTS 22 and RTS 24 of MiFIR

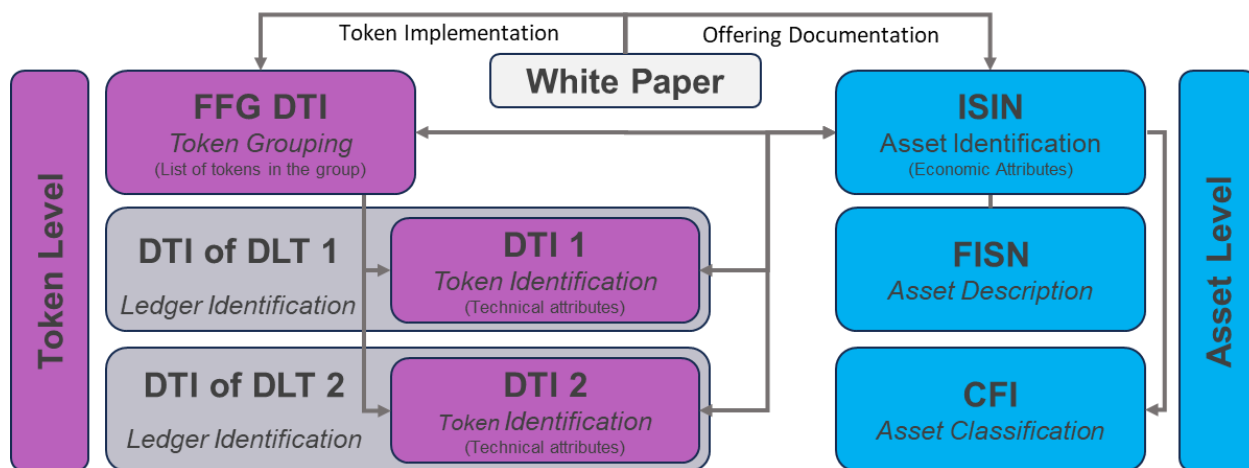


Figure 1. DTI identification levels and linkage to ISIN

The Bank of England and other experiment participants may want to leverage different levels of DTI codes for security token transactions to uniquely identify:

- The ledger, or type of technology used
- Any specific token implementation
- Any token grouping to aggregate multiple potential token implementations representing the same asset

Figure 1 provides an overview of the ISO family of standards for the identification, naming and taxonomy of all tokenised assets. The DTI Foundation is already collaborating with ANNA (registered Registration Authority for ISIN) to ensure that ISIN and DTI codes are complementary and interoperable. A combination of DTI (technical token/DLT characteristics), ISIN (economic attributes of an asset) and CFI (taxonomy and classification) will provide all the information requirements for market participants. The DTI provides a further layer of transparency to the DLT implementation while maintaining continuity and consistency with traditional finance attributes.

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 Bank of England. Please do not hesitate to contact us at secretariat@dtif.org.

About the DTI Foundation

The DTI Foundation is the Registration Authority for the International Organization for Standardization (ISO) 24165 Digital Token Identifier (DTI) standard⁵, an ISO standard that enables the unique identification of all fungible digital assets which use DLT for token issuance, storage, exchange, 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 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.

⁵ [ISO 24165-1:2021](#) and [ISO 24165-2:2021](#), Digital token identifier (DTI)