

ISO 24165

DIGITAL TOKEN IDENTIFIER

Product Advisory Committee

12 November 2024

Agenda

1. Introduction
2. Operational update (5 minutes)
 - Status reports
3. Implementation guidance (10 minutes)
 - Token re-branding
4. Regulatory and industry engagement (30 minutes)
 - MiFIR Review: DTI proposed for DLT financial instrument
 - Other consultations
5. AOB
6. APPENDIX:
 - Data Quality Metrics

GOVERNANCE: Competition Law Reminder

The purpose of this protocol is to remind attendees of DTIF meetings, including the Board, that all discussions at such meetings are subject to the application of EU, UK and other applicable national competition law (“Competition Law”).

Individual attendees are responsible for observing the requirements of Competition Law and should make themselves familiar with their legal obligations and their own organization policies. DTIF is committed to compliance with Competition Law, so to ensure that all meetings remain in compliance with Competition Law, we advise that all attendees follow the guidance set out below.

- A meeting agenda will be circulated in advance of a meeting. Any objections to, or potential concerns about, the proposed agenda in relation to Competition Law compliance should be raised prior to the meeting if practicable
- Attendees must stick to the prepared agenda during the meeting and avoid discussion about other topics
- Attendees must not seek, discuss, communicate or exchange any commercially or other business sensitive information about their organization or relating to competitors (whether before, during or after meetings). This includes, for example, any non-public information relating to prices, costs, revenues, business plans/marketing activities, individual terms and conditions, risk appetite or any other information which is likely to reduce strategic uncertainty in the market (i.e. which might result in less intensive competition than would normally occur)
- Attendees must not reach any sort of agreement or understanding that is unlawful due to competition law (e.g. unlawful horizontal agreement, unlawful vertical agreement)
- The PAC Secretariat will take minutes of the meeting, and supply these to each attendee in due course.
- If the Chair considers that a discussion at the meeting may be inappropriate from a Competition Law perspective, he or she shall raise an objection and promptly bring that part of the discussion to an end. If another attendee is concerned about a discussion from a Competition Law perspective, he or she shall bring it to the attention of the Chair, who will promptly bring that part of the discussion to an end. If other attendees attempt to continue that discussion, the Chair shall bring the meeting to an end. Every attendee is allowed to immediately leave the meeting in such situations. All these situations must be properly recorded in the minutes
- The minutes of the meeting must subsequently be read and approved by the attendees. If any matter discussed is not recorded in the minutes, or is recorded incorrectly, any attendee may raise an objection in writing and request an amendment.
- Similar principles should be observed for any group email exchanges or other online group discussions operated by DTIF.

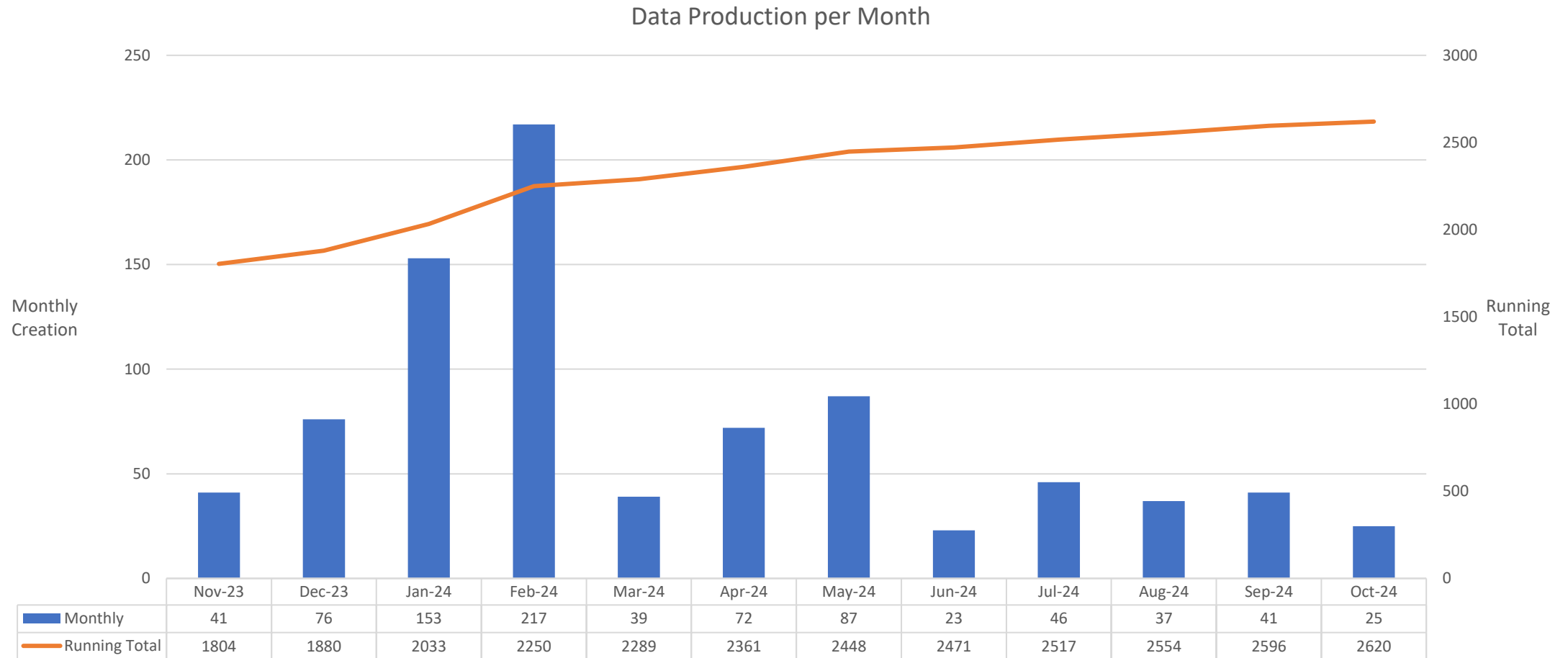
We remind attendees that breaching Competition Law has serious potential consequences for them as individuals and their organizations. Such consequences may include heavy fines, liability to pay compensation to affected individuals and businesses and, in certain cases, the imposition of criminal penalties, director disqualification orders and disciplinary action.

Operational Update

Data Quality Metrics Status Report

- As of November 2024, the DTI registry contains 2,620 unique tokens.
 - 2,194 Auxiliary token
 - 172 Blockchains with native token
 - 213 Functionally Fungible Group of Digital Tokens
 - 9 Other ledgers with native token
 - 22 Blockchains without native token
 - 9 Other ledgers without native token
- There have been 0 requests for amendments or disputes raised since the last update

DATA REPORTS: Total Tokens (12 months rolling)





Implementation Guidance

Token re-branding

Problem Statement

- Some tokens go through re-branding exercise changing their name without contract migration

Examples

- Melon Token (DTI QX52HTWMD). Smart contract has the name Melon Token, but it has been rebranded as Enzyme in 2020.

<https://medium.com/enzymefinance/from-melon-to-enzyme-b5b56512f40d>

- PCHAIN (DTI K92VW35ZX). Smart contract name is PCHAIN, but it has been rebranded as Plian.

<https://plian-org.medium.com/pchain-rebrands-to-plian-reveals-5-subsidiaries-and-its-defi-ambitions-b49666be0faf>

Options:

1. Update the name when DTI Foundation becomes aware of the press release.
2. Keep the name as it is in the ledger

Regulatory & Industry engagement



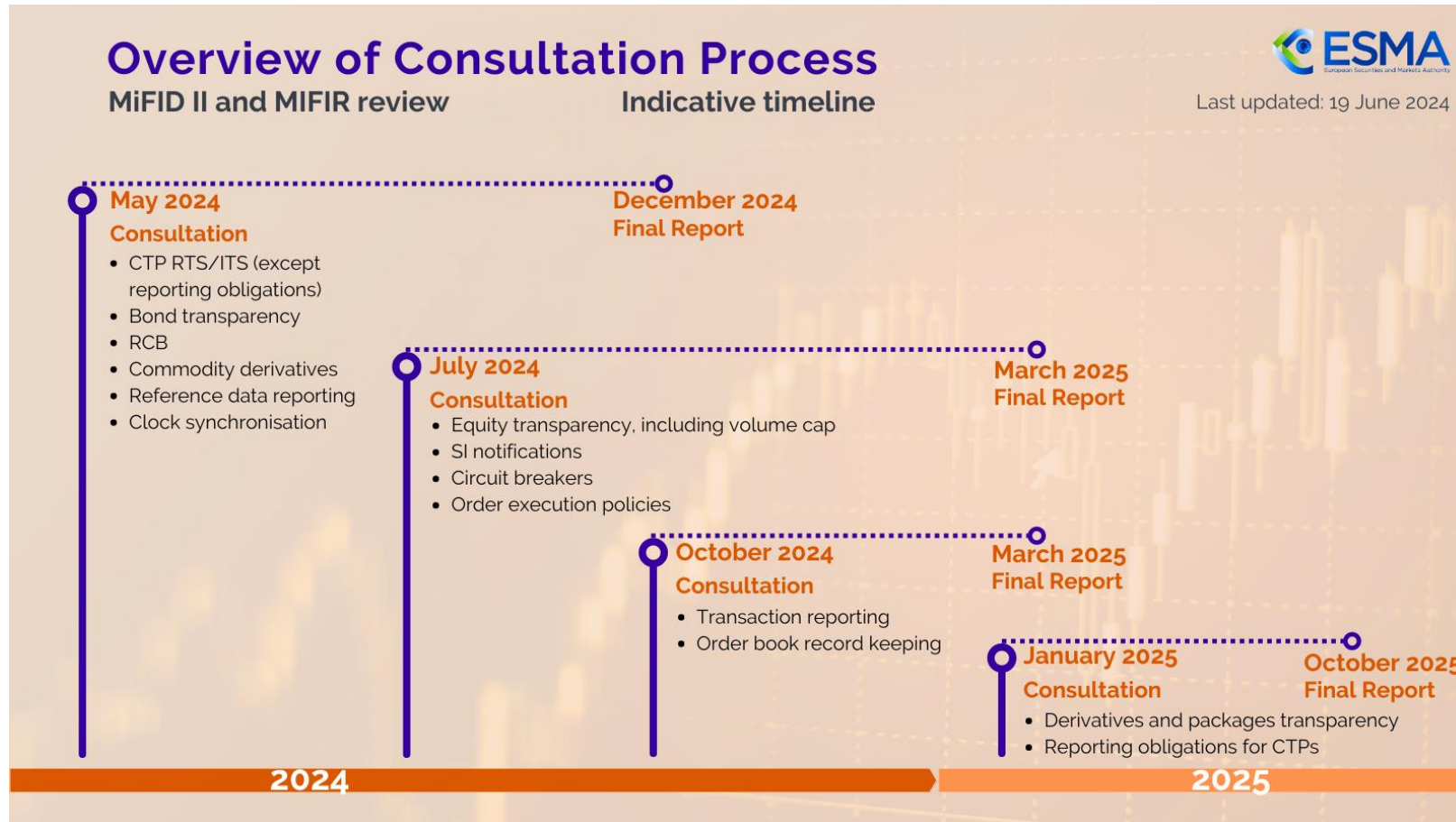
MiFIR Review: DTI proposed for DLT financial instrument

- Amendment to identify DLT financial instruments

*“In its Report on the DLT Pilot regime, ESMA published its assessment of whether the regulatory technical standards (RTS) developed under MiFIR relative to data reporting requirements needed to be amended to being effectively applied also to financial instruments issued, traded and/or recorded on Distributed Ledger Technology (DLT). The Report recommended the inclusion of a DLT identifier in transaction reports for financial instruments that are natively issued on a blockchain and for financial instruments that are re-issued in a tokenised form. In particular, the **Report recommends the use of the ISO 24165 Digital Token Identifier as the most appropriate standard to be used** for this purpose [DLT Pilot Regime]. At the same time, the Report indicated that such an inclusion should be considered in accordance with the timelines envisaged for the wider review of reporting technical standards in the context of the MiFIR review process. **In line with the recommendation in the above-mentioned report and considering that the same DTI standard is also being mandated for crypto-assets that are not financial instruments under MiCA, it is proposed to include additional fields to allow for the reporting of this identifier under MiFIR Article 26.** In particular, two fields are proposed to identify the DLT “financial instrument code” and “underlying identification code” respectively.”*

- DTI code and FFG DTI codes used as data attributes for
 - RTS 22 on transaction reporting
 - RTS 24 on order book record keeping
- All DLT financial instruments within MiFIR scope
 - *‘DLT financial instrument’ means a financial instrument that is issued, recorded, transferred and stored using distributed ledger technology*

MiFID II & MiFIR Review Timelines

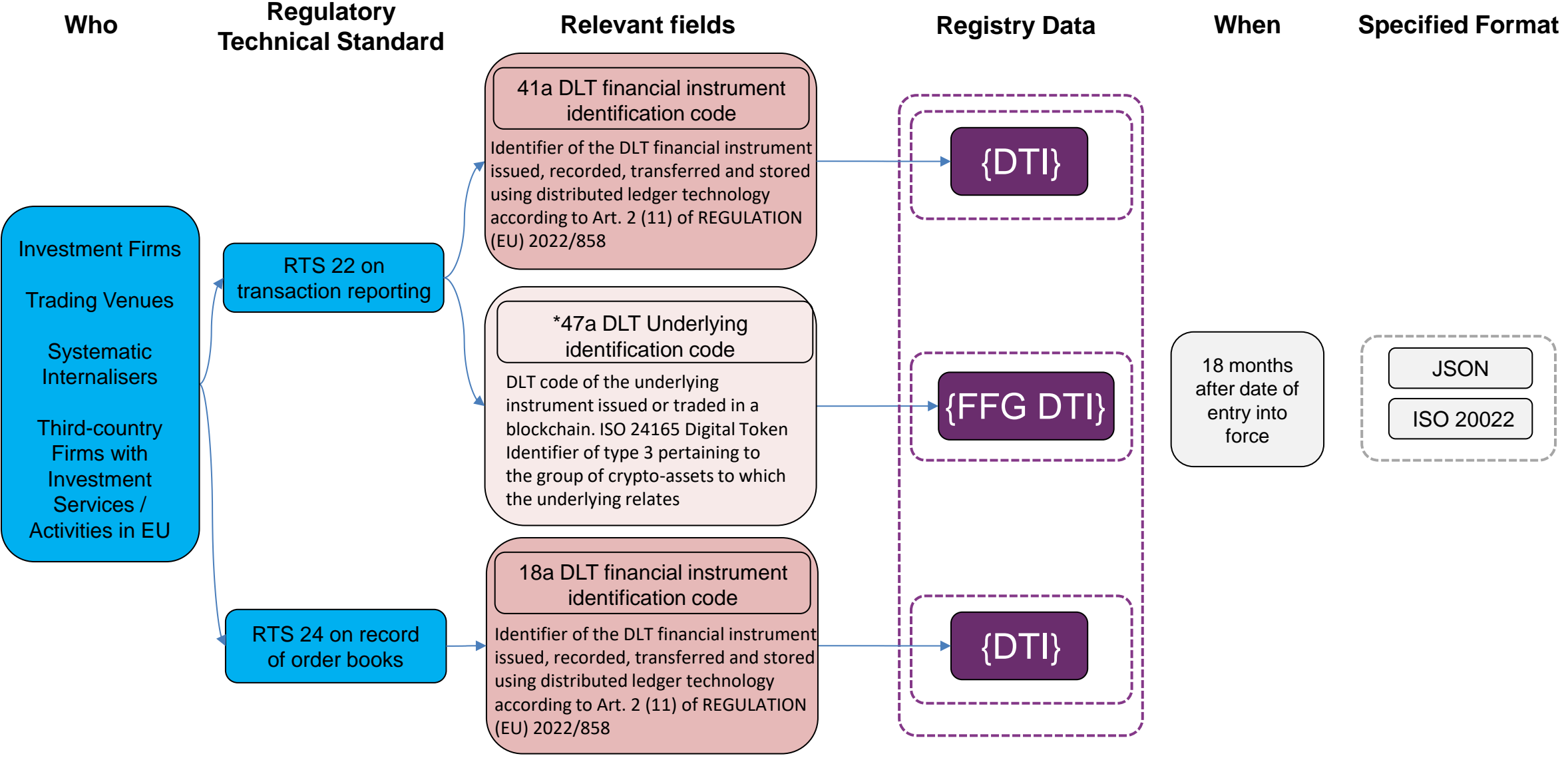


Source: [ESMA MiFID II MiFIR Review](#)

DTI-related timelines

- DTI proposed in October 2024 consultation on amendments to:
 - Transaction reporting
 - Order book record keeping
- Consultation closes 3 January 2025
- March 2025 final report expected
- ESMA expects to submit revised draft RTS to European Commission for endorsement in Q1 2025
- Any proposals to apply 18 months after date of entry into force
- Estimate: Q3 2025 OJ publication, Q1 2027 application

DTI proposed use under MiFIR



*N/A where transactions are executed on a trading venue or with an investment firm acting as a SI; or field 41 is populated with an ISIN that exists on the reference data list from ESMA

DTI Foundation messaging

Key messaging from DTIF / PAC for consultation response

- **Global Standards:** Embraces ISO standards, including ISO 24165, for harmonized identification and classification in financial markets.
- **Collaboration:** Working with ANNA to ensure ISIN and DTI codes are complementary, interoperable, and to operationalize ISIN:DTI allocation processing for minimal stakeholder interruption.
- **Comprehensive Information:** Combining DTI (technical characteristics), ISIN (economic attributes), and CFI (taxonomy) for complete market participant data.
- **Market Integrity:** Key benefits highlighted in the ESMA Report, promoting market integrity and transparency.
- **Adoption and Recognition:** DTI standard widely adopted and recognized by regulators and market stakeholders globally.
- **Consistency:** DTI is already mandated for crypto assets under MiCA
- **Cost-recovery principles:** Fees based on cost-recovery and FRAND principles, with regular reviews and potential reductions as adoption increases.
- **Open Access:** DTI can be freely used and distributed for any purpose, commercial or non-commercial, at no cost.
- **Implementation Support:** Ready to assist with implementing ISO 24165 under MiFIR regulations.
- **Stakeholder Engagement:** Encourages ongoing industry engagement with ISO 24165 implementation

Engagement

Industry engagement

- Trade Associations & Key DLT securities stakeholders: Open to addressing any questions or concerns industry stakeholder had on the DTI
- Meetings with TA colleagues / Working Groups / individual firms

Resources

- Website updates on DTI cost-recovery consultation report, fees page, API services
- Potential additional Q&As / fact sheet / infographic

PAC member request

- Share feedback on proposed messaging and engagement
- Support awareness on DTI proposal
- PAC members are encouraged to respond on behalf of their organisations. Consultation available [here](#).
 - *Q29: Do you agree with the proposed additional fields to allow for the reporting of the ISO 24165 Digital Token Identifier for DLT financial instruments and underlyings?*

Other consultations

Response submissions since September 2024 meeting

- DG FISMA Asset Tokenisation post-workshop submission.
- Bank of England consultation on innovation in money and payments. DTI Foundation response [here](#).
- US Federal Agencies' Proposed Joint Data Standards Rule. DTI Foundation response [here](#).
- US IRS comment on instructions for form 1099-DA for crypto-asset tax reporting. DTI Foundation response [here](#).
- Abu Dhabi's proposed framework for Fiat-Referenced Tokens. DTI Foundation response [here](#).

Upcoming submissions

- 24 October 2024: Dutch Government Bill proposes updates to implement DAC8, obliging CASPs to collect crypto data for tax purposes. Due 21 November 2024
- 24 October 2024: ROC [Publishes](#) Proposed Changes to CDE Technical Guidance for Consultation. Due 6 December 2024

DTIF welcomes comments for upcoming submissions. Drafts to be circulated for comments prior to submission.

AOB



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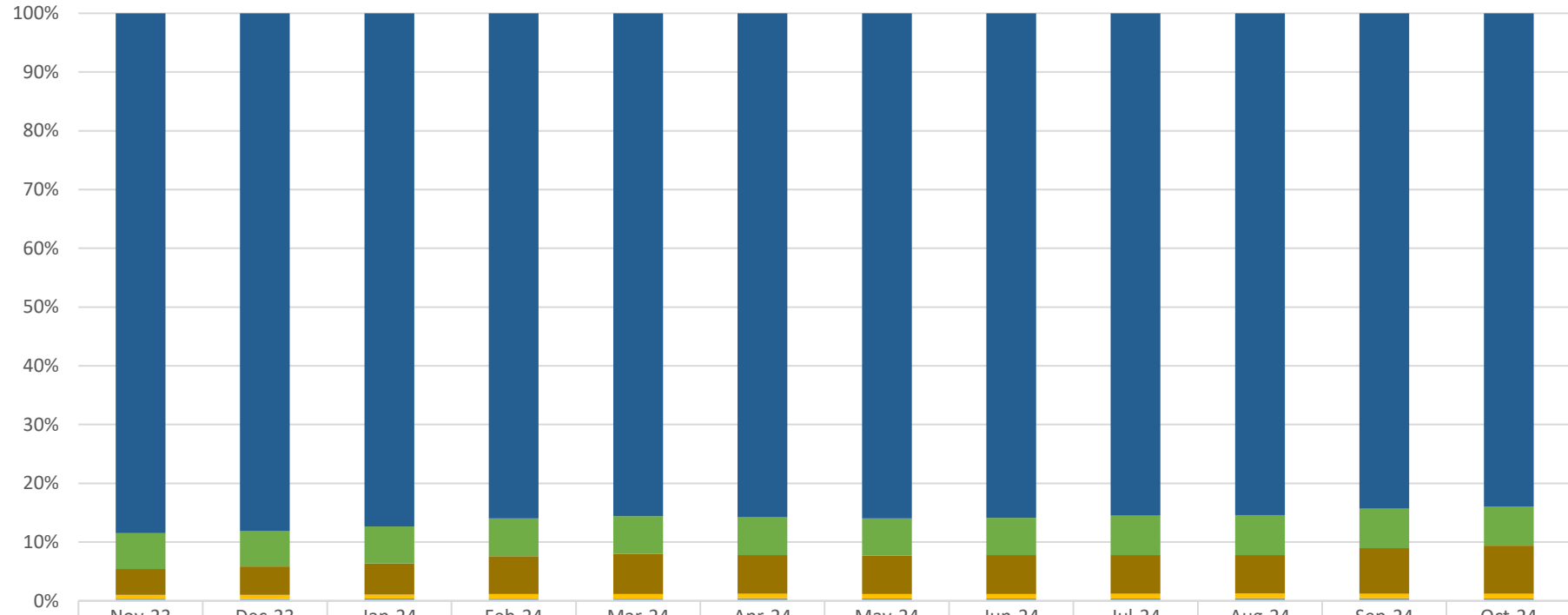
- [DTIF webpage](#)
- [DTI Factsheet](#) , [FAQs](#) and [Animation](#)
- [DTIF news and subscription](#)
- [DTI Registry](#) and [ANNA Digital Assets](#)
- [Implementation Guide](#)
- [Submit token registration request](#)

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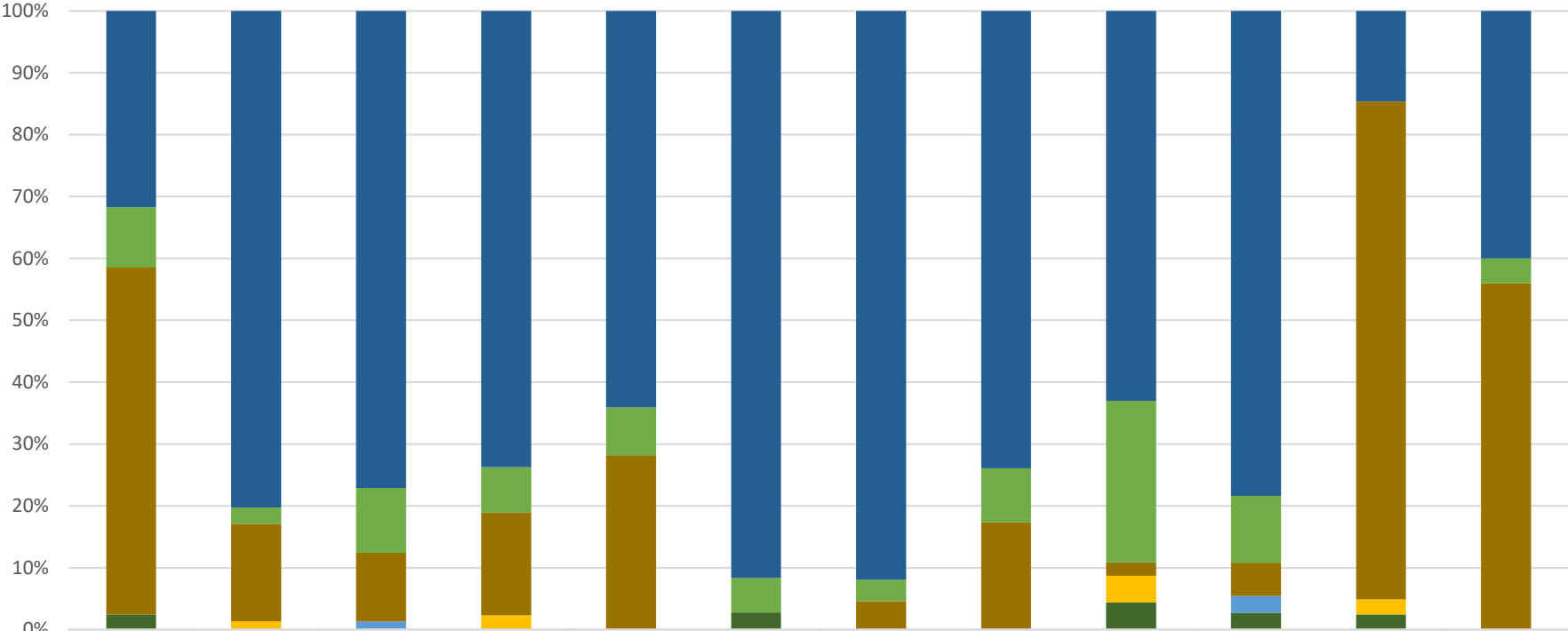
Appendix

DATA REPORTS: Validated Token Breakdown



	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
■ Auxiliary token	1579	1639	1757	1911	1936	2001	2077	2096	2122	2149	2153	2163
■ Blockchain: with native token	109	111	127	143	146	150	153	155	167	171	171	172
■ Functionally Fungible Group	79	90	107	143	154	154	158	162	163	165	198	211
■ Blockchain: without native token	12	13	13	18	18	18	18	18	20	20	20	20
■ Other: with native token	6	6	8	8	8	8	8	8	8	9	9	9
■ Other: without native token	0	0	0	0	0	2	2	2	2	2	2	2

DATA REPORTS: New Validated Tokens



	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
■ Auxiliary token	13	61	118	160	25	66	80	17	29	29	6	10
■ Blockchain: with native token	4	2	16	16	3	4	3	2	12	4	0	1
■ Functionally Fungible Group	23	12	17	36	11	0	4	4	1	2	33	14
■ Blockchain: without native token	0	1	0	5	0	0	0	0	2	0	1	0
■ Other: with native token	0	0	2	0	0	0	0	0	0	1	0	0
■ Other: without native token	1	0	0	0	0	2	0	0	2	1	1	0

DATA REPORTS: DTIF Website Statistics

