



Digital Token Identifier Foundation

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To: Financial Conduct Authority

Re: DP24/2: Improving the UK transaction reporting regime

Submitted by email: dp24-2@fca.org.uk

The [Digital Token Identifier \(DTI\) Foundation](#)¹ and its Product Advisory Committee (PAC) welcome the opportunity to respond to the FCA's discussion paper [DP24/2: Improving the UK transaction reporting regime](#). We support the use of globally recognised ISO standards, including the ISO 24165 Digital Token Identifier (DTI) standard, within the proposed MiFIR Review improvements. We view the potential inclusion of DTIs for transaction reporting of DLT financial instruments as a significant step towards greater market integrity and transparency. Our response highlights (i) the benefits of the DTI, alongside other internationally recognised ISO standards, (ii) the building regulatory and industry adoption of DTI to foster such benefits, and (iii) an overview of the DTI Foundation's governance framework for operating as ISO Registration Authority.

We have confined our response to question 34 as this directly relates to the DTI Foundation's remit.

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

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

Q34 Do you anticipate any difficulties in reporting DTIs for an instrument or underlying? Are there other solutions that could allow us to identify when trading is in a tokenised security or has a tokenised security as an underlying?

The Digital Token Identifier (DTI) Foundation² and its Product Advisory Committee (PAC) welcome the use of globally recognised ISO standards within the proposed MiFIR Review improvements, including the ISO 24165 Digital Token Identifier (DTI) standard. We view the proposed inclusion of DTIs for transaction reporting for DLT financial instruments as a significant step towards greater market integrity and transparency.

In terms of accessibility, the DTI Foundation offers a free service to download a historical snapshot of the DTI registry. The DTI is available under a perpetual open license. The DTI Foundation recognises that under an open license, data within the historical snapshot file may be freely reproduced, used, transmitted, or built upon by anyone for any purpose, commercial or non-commercial. Other data elements are also accessible via the open registry interface. Daily incremental files and API connectivity services are also available. For tokenised securities not yet captured by the DTI registry, any stakeholder can submit a request via the DTI webpage, and future API, to create a DTI code for new or emerging tokens and ledgers quickly and efficiently to maintain standardised identification.

Regarding other solutions, the DTI is the only global, non-proprietary identification system for tokens and ledgers, linked to complementary ISO standards already used for financial instruments, that adheres to strict ISO Governance requirements. As outlined within ESMA's report on the DLT Pilot regime³, the addition of a DTI, alongside ISIN, has several key benefits to support market integrity and transparency. Importantly, the DTI provides an unambiguous link between the DLT financial instrument and the relevant blockchain(s) used for issuance, trading, settlement, and recording, which enables regulators to monitor DLT-specific risks. The DTI also provides the ability to identify the governance model associated with the type of DLT used.

Figure 1 provides an overview of the ISO family of standards for the identification, naming and taxonomy of all tokenised assets. Internationally recognised ISO standards, such as ISO 6166, ISO 18774, ISO 17442, and ISO 10962 for defining International Security Identifier Numbers (ISINs), Financial Instrument Short Names (FISNs), 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. A

² The DTI Foundation is a non-profit division of Etrading Software Limited: <https://etradingsoftware.com/>

³ [esma70-460-111 report on the dlt pilot regime.pdf](https://esma70-460-111-report-on-the-dlt-pilot-regime.pdf)

combination of DTI (technical token/DLT characteristics), ISIN (economic attributes of an asset), FISN (asset description), and CFI (taxonomy and classification) will provide all key information for market participants. This will also provide continuity and consistency with traditional finance attributes.

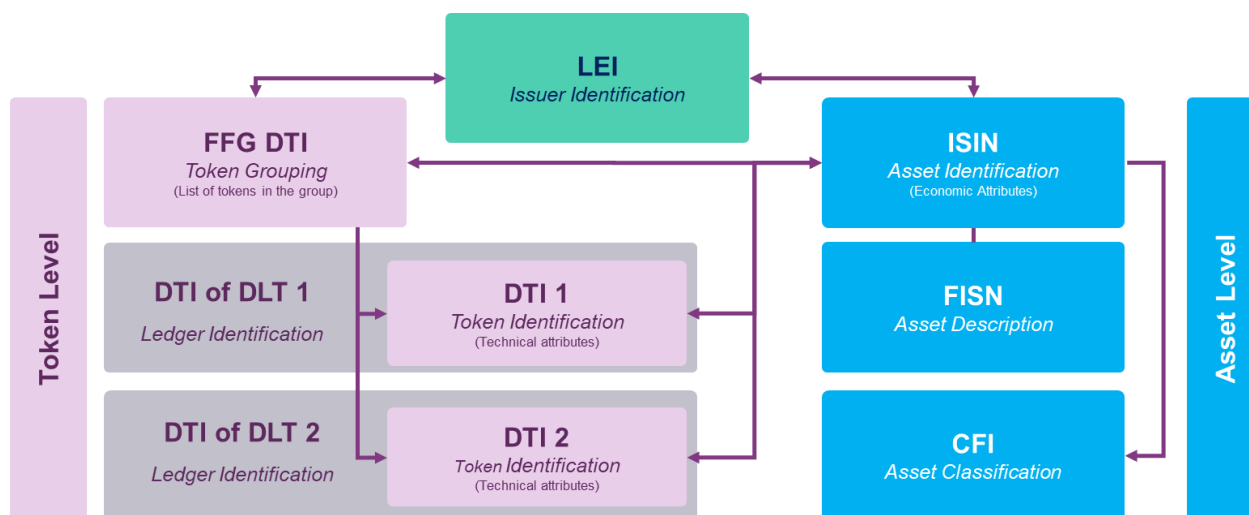


Figure 1. ISO standards supporting digital assets

The DTI Foundation is collaborating with ANNA (Registration Authority for ISIN) to ensure that ISIN and DTI codes are complementary and interoperable. As part of planned work for 2025, the DTI Foundation and ANNA will develop a simplified operational process for allocating DTIs for DLT financial instruments in parallel with ISIN allocation requests. The ISIN:DTI mapping is freely available in the DTI Registry.

We recognise that some market participants may question the need for a DTI alongside an ISIN, given that ISIN:DTI mapping is openly available. However, transaction details can only be fully understood when the reporter specifies a particular ISIN:DTI combination - identifying both the security and its specific token implementation, thereby distinguishing it from other token implementations of the same security. The FCA's table in section 5.58 of the discussion paper illustrates this clearly.

The ISO 24165 DTI standard is recognised as the global standard for identifying digital tokens, including security tokens representing financial instruments in tokenised form, other real-world asset backed tokens such as fiat-backed stablecoins, and the wider universe of unbacked crypto-assets. The DTI standard is being increasingly adopted by market stakeholders and recognised by regulators across various digital asset markets for a range of use cases, in various jurisdictions:

- Proposed by the European Securities and Markets Authority (ESMA), to be used alongside ISIN, for all DLT-based financial instrument transparency reporting and order book record keeping in

the EU, to unambiguously identify the tokenised financial asset and its token implementation(s) on DLT.⁴

- Embedded in UPI and OTC ISIN data structures to report underliers for crypto-derivative transaction regulatory reporting across the G20.
- Mandated as the crypto-asset identifier under the European Union’s Markets in Crypto Assets Regulation (MiCA) for stablecoin issuer and crypto-asset service provider data requirements.⁵
- Required for data reporting to Canadian Securities Administrators (CSAs) by crypto-asset trading platforms.
- Set as standard convention for crypto asset naming convention within OECD Crypto Asset Reporting Framework User Guide.
- Set by the US Internal Revenue Service in Form 1099-DA to identify digital asset proceeds for crypto-tax broker transactions.
- Embedded within financial messaging protocols and infrastructure, among other uses shared on the DTI Foundation’s Integration and Adoption webpage.⁶

Continued implementation of globally recognised ISO standards across regulatory frameworks and market guidance related to digital assets will ensure the UK landscape continues to evolve toward harnessing innovative technologies while supporting market integrity and fostering cross-border interoperability.

We recognise concerns about integrating the DTI into MiFIR requirements given the early stage of the DLT financial instruments market. However, early adoption of the DTI will establish a standardised framework, enhancing transparency on token and ledger data before and during market expansion. A recent AFME report found that €3bn in DLT fixed-income instruments were issued globally in 2024, a 260% increase from 2023, highlighting significant growth and emerging opportunities.⁷ Additionally, we have already witnessed the issuance of DLT-based securities across multiple ledgers – any such transactions involving these financial instruments can be uniquely identified with ISIN:DTI combinations. We also expect a significant increase in market demand for standardised identification of tokens and ledgers, in line with the growth in volume and complexity of DLT financial instruments.

Given the significant potential growth in the issuance and trading of DLT financial instruments, we consider the ability to differentiate transactions across various ledgers, alongside ISINs, to fall within MiFIR’s remit.

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

⁵ [ESMA Final Report on the Technical Standards specifying certain requirements of MiCA - second package](#)

⁶ [Snapshot of DTI Implementation and Adoption](#)

⁷ [AFME DLT-Based Capital Market Report 2024](#)

Each ledger has a unique set of risks (liquidity, technical, governance) and the DTI supports regulators and market participants pinpoint these additional risks. This aligns with the regulation's overarching goal of safeguarding market integrity through enhanced transparency and regulatory oversight, particularly as the financial instruments landscape continues to evolve.

DTI Foundation Governance

As Registration Authority for the ISO 24165 standard, the DTI Foundation allocates 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. The DTI Foundation launched a consultation in June 2024 to receive feedback on the cost recovery model. As set out within the consultation final report⁸ in October 2024, DTI allocation fees are intended to cover the marginal cost of issuance, in line with the DTI Foundation's obligations to ISO based on projected users and volumes. The fee model will be reviewed regularly with the view toward a significant reduction in allocation fees, alongside market adoption. Any fee changes will be consulted upon with industry stakeholders.

The DTI Foundation follows strict ISO governance requirements of fair, reasonable, and non-discriminatory (FRAND) principles. The DTI is open and may be freely reproduced, distributed, transmitted, or otherwise used by anyone for any purpose, commercial or non-commercial at no cost.

The DTI Product Advisory Committee (PAC) as the core governance committee provides stewardship and oversight to the implementation of the ISO 24165 standard. 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 webpage⁹. We welcome industry stakeholders to engage with further implementation of the ISO 24165 standard.

⁸ <https://dtif.org/dti-foundation-consultation-report-on-cost-recovery-services/>

⁹ <https://dtif.org/product-advisory-committee/>

About the DTI Foundation

The DTI Foundation is the Registration Authority for the International Organization for Standardization (ISO) 24165 Digital Token Identifier (DTI) standard¹⁰, 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 crypto asset - 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 crypto assets. 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.

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¹⁰ [ISO 24165-1:2021](#) and [ISO 24165-2:2021](#), Digital token identifier (DTI)

¹¹ <https://dtif.org/product-advisory-committee/>