



Digital Token Identifier (DTI) Foundation

✉ secretariat@dtif.org

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To: European Securities and Markets Authority

Re: Consultation Paper on the draft Guidelines on the conditions and criteria for the qualification of crypto-assets as financial instruments

The [Digital Token Identifier \(DTI\) Foundation](#)¹ and its Product Advisory Committee (PAC) welcome the opportunity to respond to ESMA's consultation paper '[On the draft Guidelines on the conditions and criteria for the qualification of crypto-assets as financial instruments](#)' (hereafter referred to as the 'consultation paper') to introduce guidelines to provide more clarity to National Competent Authorities (NCAs) and market participants about the delineation between the respective scopes of application of MiCA and MiFID.

The DTI Foundation is the Registration Authority for the International Organization for Standardization (ISO) 24165 Digital Token Identifier (DTI) standard², an ISO standard that 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 itself 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 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.

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

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

The DTI Foundation welcomes the objectives of the proposed guidelines to ensure a technology-neutral approach of equivalent activities and assets are subject to the same standards regardless of their form. The DTI ISO standard was established to enhance efficiencies within crypto and digital asset markets, assisting regulators and market participants in managing risks through greater transparency. In particular, the use of the DTI, a globally consistent identification standard for digital tokens, could be integrated within the guidelines as a tool to support the classification of crypto-assets as financial instruments.

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 those tokens defined as crypto-assets under MiCA, and is being increasingly adopted by market stakeholders and recognised by regulators.

We have confined our specific responses to questions 5 and 6 as these are directly relevant 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 alongside other ISO standards with ESMA. Please do not hesitate to contact us at secretariat@dtif.org.

Q5: Do you agree with the suggested conditions and criteria to differentiate between MiFID II financial instruments and MiCA crypto-assets? Do you have concrete condition and/or criteria to suggest that could be used in the Guidelines? Please illustrate, if possible, your response with concrete examples

The DTI Foundation and its Product Advisory Committee (PAC) would like to highlight to ESMA that industry-agreed ISO standards could be leveraged as an additional tool to support the qualification criteria to differentiate between MiFID II financial instruments and MiCA crypto-assets. A combination of DTI (technical token/DLT characteristics), ISIN (economic attributes of an asset) and CFI (taxonomy and classification) provides a holistic view of a crypto-asset while linking to verified reference data for market participants and regulators.

Note that CFI codes already support the classification of those crypto-assets that are financial instruments (debt instrument, equity etc.) and represented in token form utilising distributed ledger technology. Crypto-assets not deemed as financial instruments to date have also been categorised under the CFI category of 'Referential Instruments'. The ISO/TC 68 Subcommittee 8 (SC8) reference data for financial services has established a Maintenance Agency (TC 68/SC 8/MA 4) for ISO 10962 CFI, accompanying a Discussion Group (TC 68/SC 8/MA 5), where matters on the evolution of the CFI standard are discussed. Extending the ISO 10962 CFI to cater for further classification of digital assets is a topic being addressed in this forum.

Q6: Do you agree with the conditions and criteria proposed for NFTs in order to clarify the scope of crypto-assets that may fall under the MiCA regulation? Do you have any additional condition and/or criteria to suggest? Please illustrate, if possible, your response with concrete examples.

The ISO 24165 DTI standard scope currently focuses on all fungible digital assets on DLT. However, the standard is expected to be extended to capture non-fungible tokens (NFTs) by the end of 2024. Therefore, we also expect DTI reference data, alongside other widely used ISO standards, could be used as additional tools to support the classification of NFTs.