



Digital Token Identifier Foundation

16 May 2024

To: Financial Stability Surveillance Division, Hong Kong Monetary Authority
Supervision of Markets Division, Securities and Futures Commission

Re: HKMA and SFC Joint further consultation on enhancements to the OTC derivatives reporting regime for Hong Kong to mandate (1) the use of Unique Transaction Identifier, (2) the use of Unique Product Identifier and (3) the reporting of Critical Data Elements

The [Digital Token Identifier \(DTI\) Foundation](#)¹ welcomes the opportunity to respond to the joint Hong Kong Monetary Authority (HKMA) and Securities and Futures Commission (SFC) [consultation paper](#) on proposals to keep up with international developments and ensure Hong Kong's OTC derivatives reporting regime stays relevant and appropriate as the markets evolve.

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 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

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)

and made available as a public good. The DTI ISO standard was established to enhance efficiencies across crypto and digital asset markets, assisting supervisors and market participants in managing risks through greater transparency. A DTI can be allocated to represent a wide range of cryptoassets – tokenised and native financial instruments represented as security tokens, stablecoins and other asset-based tokens, e-money tokens, cryptocurrencies, utility tokens, and digital or virtual assets.

The ISO 24165 DTI standard is recognised as the global standard for the identification of cryptoassets and increasingly adopted by market stakeholders and recognised by regulators. For instance, the European Securities and Markets Authority (ESMA) has proposed use of the DTI to identify cryptoassets under the European Union's Markets in Crypto Assets Regulation (MiCA)³, in addition to recommending the use of the DTI under the EU's DLT Pilot Regime for transaction reporting which went live on 23 March 2023⁴. Canadian Authorities have also utilised DTIs for data reporting from Canadian Cryptoasset Trading Platforms since May 2023⁵.

The DTI Foundation would like to highlight to the HKMA and SFC the benefits of leveraging the ISO DTI standard to uniquely identify crypto asset underliers for OTC derivatives regulatory reporting. We have confined our response to question 6 on the list of proposed data elements as this is directly relevant to the DTI Foundation's remit.

We remain at your disposal to answer any questions you may have and would welcome the opportunity to discuss the DTI ISO standard further with you. Please do not hesitate to contact us at

³ ESMA [second consultation package](#) on technical standards for Markets in Crypto Assets Regulation (MiCA).

⁴ [esma70-460-111_report_on_the_dlt_pilot_regime.pdf \(europa.eu\)](#) (See page 54)

⁵ [Over 100 New Digital Token Identifiers Allocated for Canadian Reporting Requirements](#)

Question 6. Do you consider there are other data elements that the HKMA and the SFC should include in Appendix B? If so, please suggest the data elements together with the purposes, definitions, formats and allowable values of the suggested data elements.

The DTI has recently been introduced to the Unique Product Identifier (UPI – ISO 4914) to unambiguously identify crypto-asset underliers for OTC derivatives. Supervisors and market participants can leverage UPI reference data to understand the underliers of crypto-derivatives, with DTI codes identifying the most liquid crypto assets.

If a DTI is not available to represent a crypto-asset underlier from the current UPI enumeration list, the DTI Foundation recommends including the relevant DTI code in row 131 'Underlier ID (OTHER)' and referencing 'DTI' in row 132 'Underlier ID (OTHER)' within Appendix B – List of Proposed Data Elements. In this scenario, when the row 135 'Crypto asset underlying indicator' flag is true, the data structure and usability of the values provided in 'Underlier ID (OTHER)' will offer reporting entities a consistent structure and mechanism to populate the field. This approach will provide supervisors with enhanced reference data, compared to a generic alphanumeric allowable value field.

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 HKMA and SFC. Please do not hesitate to contact us at