To: Hong Kong Monetary Authority (HKMA) and the Securities and Futures Commission (SFC)
Regarding: Joint Consultation on OTC derivatives

Dear HKMA and SFC,

ISO is an independent, non-governmental international organization with a membership of 163 national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.

ISO/TC 68 is the Technical Committee within ISO tasked with developing and maintaining international standards covering the areas of banking, securities, and other financial services. The Standards Advisory Group (SAG) as an Advisory Group of ISO/TC 68 acts as an advisory sounding board to support and engage with regulators on financial services standards requirements, for the effective and efficient use and development of financial services standards, delivered using a cooperative relationship approach. The SAG enables a proactive dialogue with regulators on financial services standards matters.

The SAG's objectives are:
- Provide a forum for mutual assistance between the global regulatory community and ISO in carrying out their respective authorities and responsibilities with respect to financial services standards;
- Aid the adoption and promotion of consistent standards, where possible;
- Effectively deal with common issues collectively and consistently; and
- Encourage strong and open communication within the regulatory community and with the industry concerning financial services standards.

The SAG's response represents a collective view of its membership and draws upon its knowledge as an expert standards setting body with practitioner-led experience in the development and use of standards.

The SAG welcomes the initiative taken by HKMA and SFC on implementing a regulatory regime for the OTC derivatives market in Hong Kong. The SAG also appreciates and supports the thorough inclusion of ISO standards that are featured throughout this consultation and done so appropriately. The UPI Service is operational and ready to support regulatory compliance from the proposed date given implementation has already commenced for 2024 jurisdictional mandates that have come into effect (US and UK).

The SAG will respond to 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.**

Specifically with regards to Row 135: 'Crypto asset underlying indicator' in the Appendix B of data elements. The SAG would like to highlight that ISO standards could be leveraged as an additional tool to support the definition and format for reporting purposes a combination of ISO 24165, the Digital Token Identifier (DTI), ISO 6166 International Securities Identification Numbers (ISIN) and ISO 10962 Classification of Financial Instruments (CFI) provides a holistic view of a crypto-asset while linking to verified reference data for market participants and regulators.

The DTI is intended to cover representation of digital tokens including, e-money tokens, cryptocurrencies, virtual currencies, utility tokens, stablecoins, as well as tokenized financial instruments. . The data elements of a DTI used to uniquely identify a digital token are based on objective and publicly verifiable technical characteristics of the digital token. Inclusion in the registry and the issuance of a DTI guarantees the existence of the token and its 1:1 relationship to its identifier in all circumstances, including after complex events such as forks on a blockchain. The DTI has two parts: Part 1 addresses the method for registration and assignment, while Part 2 determines the data elements required for registration. The ISO Registration Authority for the DTI, the DTI Foundation (DTIF) is responsible for the issuance and management of DTIs.

The Association of National Numbering Agencies (ANNA), the ISO Registration Authority for ISIN, introduced new DTI based ISINs to identify digital assets to ensure a complementary relationship between the ISIN and DTI standards across all digital assets. The ISIN uniquely identifies the asset level of the instrument and includes the CFI, ISO 18774 Financial Instrument Short Name (FISN), and ISO 17442 Legal Entity Identifier (LEI) in its record, complementing the unique identification of the token level DLT implementation and associated reference data provided by the DTI.

The SAG remains at your disposal to further discuss and support you in your work. Do not hesitate to engage us in your discussions and questions related to standards in financial services.

Thank you and regards,