

Global Digital Finance invites public consultation on new global Code of Conduct and taxonomy for cryptoassets

PRESS RELEASE

London, 21 June 2018: Global Digital Finance (GDF), the industry body driving acceleration and adoption of digital finance, has published a draft of its cryptoassets Code of Conduct for public review and consultation, which organisations can now publicly support and adopt. The Code is accompanied by a taxonomy document, designed to promote a shared understanding of relevant terminology around digital assets. The public consultation will run for two months, closing on 30th August 2018, during which industry, policymakers and other interested stakeholders may submit their comments. Feedback will then be evaluated by the GDF Community and working groups, and built into the second version of the Code, with the goal of wider adoption in the second half of the year.

The token market has grown significantly and continues to mature. The prospect for tokens more broadly to bring efficiency, transparency and fairness to financial markets is seen by traditional and new market entrants to be of potential significant benefit. Against a backdrop of excitement around financial assets and payment tokens, the past 12 months has seen increasing institutional interest and involvement in cryptocurrencies, joining the ranks of retail investors. The visibility of cryptoassets and the potential of continuing innovation appear to offer many new and different opportunities for consumers, businesses and governments. Many professionals in financial markets see tokens and distributed ledger technology bringing significant potential value to create efficient, fair and transparent market structures in the coming decade.

However, without the timely development of standards and coordination, there is recognition by both industry and regulators that misuse and misrepresentation of this transformative technology may increase. Although cryptoassets are global in nature, there is no clear single regulatory authority or standard to govern their use and protect investors. In addition, the convergence of tokenisation with traditional asset categories like securities and derivatives calls for a clear set of principles to guide its development.

GDF's global Code of Conduct aims to act as the starting point for an industry-led "shared rulebook" to drive efficient, fair and transparent global markets in digital assets. This will reduce the risk of misuse and misrepresentation of this transformative technology, and foster a shared understanding of opportunities and risks.

GDF has convened leading industry players in the global distributed ledger and token space, building on the work already underway by regional and national organisations. GDF is actively working with regulators and industry bodies in building a global framework for tokens and cryptoassets.

The most urgent challenges in this evolving and innovative area are:

- The need for a common understanding on the nature of tokens, including how distributed ledgers or cryptoasset innovations may utilise them
- Monitoring the implications of the increasing exposure of market participants to tokens in terms of financial stability and market integrity
- Offering better protection to potentially vulnerable investors
- Adopting a common approach in Anti Money Laundering and Counter Terrorism Financing.

The Code puts initial focus on a set of overarching principles. This market is adapting as regulatory attention and understanding has increased. This type of funding holds clear potential, though must be under-pinned by international policy coordination.

Simon Taylor, a distributed ledger and cryptocurrency specialist who leads the GDF initiative, says, “We have an incredible team of people on board, bringing enormous amounts of experience and expertise to help us build something that has the potential to truly define the future of cryptoassets in our global economy. We are an open community, and proud to already count 170 industry contributors.

For maximum impact, this initiative must be industry-led. We are in constant dialogue with policymakers, regulators and industry bodies across the globe – and are encouraging a transparent, inclusive and global consultative process to develop the Code.”

Claire Wells, Head of Legal & Business Affairs, EMEA for Circle says: “Since our launch in 2013, at Circle, we have always seen it as vital to work with regulators and policymakers to ensure that consumers are protected whilst maintaining room for innovation. The crypto market and technological developments move at such a pace it’s important for industry and regulatory bodies to have a continuing dialogue to drive efficient, fair and transparent crypto asset markets. We see our work with GDF as critical to help with these efforts.”

The draft Code can be found [here](#), the draft Taxonomy [here](#) – and feedback can be shared [here](#). You can sign up to publicly back GDF through [this form](#).

Notable Global Digital Finance Contributors:

- 11:FS
- Applied Blockchain
- Bandman Advisors LLC
- Base58
- Blockchain Research Institute
- Circle
- Coinfloor
- CoinShares
- ConsenSys
- Dash Core Group Inc
- ED&F Man Capital Markets
- HUOBI
- Indiegogo
- Israeli Blockchain Forum
- Messari
- OMFIF
- Ontici
- R3
- State Street Corporation
- Wilson Sonsini Goodrich & Rosati
- Zcash

- ENDS -

About Global Digital Finance

Global Digital Finance is an industry body driving the acceleration and adoption of digital finance to support the advancement of next generation technologies in finance. Global Digital Finance endeavours to drive efficient, fair and transparent crypto asset markets by building a knowledge base and best practice for “Truly Digital” finance and the benefits tokens can bring all market participants. We promote an inclusive vision in which crypto assets and token markets can evolve and grow in complement within traditional financial services.

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