

INTRODUCTION

ISO TC68 SC8 WG3 has produced a draft international standard for identifying digital tokens, ISO 24165, with the publication of the standard expected by end 2021.

The purpose of ISO 24165, Digital Token Identifier (“DTI”) is to address the demands of exchanges, custodians, financial institutions, and regulatory authorities for a registry and identifier assignment process for digital tokens.

The key principles behind the DTI include:

- The identifier will be random, unique and fixed-length (8 characters plus checksum)
- Registration eligibility is based on objective, verifiable information provided by the applicant
- The assignment of the identifier offers no warranty on the features, purpose, compliance to any regulation, or value of the digital token
- The identifier is assigned to the token, not registered to the applicant

The scope of DTI issuance is all fungible digital assets which use distributed ledger technology for their issuance, storage, exchange, record of ownership, or transaction validation and are not a currency as defined by ISO 4217.

CHARTER OF THE PRODUCT ADVISORY COMMITTEE

(1) Committee's Official Designation

The advisory committee's official designation is the DTI Product Advisory Committee (“PAC”).

(2) Authority

The PAC is a discretionary advisory committee established by the authority of the Etrading Software Ltd (“ETS”) as Registration Authority for ISO 24165.

(3) Objectives and Scope of Activities

Objectives

1. Provide advice on utilization of DTIs
2. Provide advice on issuance process for DTIs
3. Advise ETS on the implementation of future product enhancements to support RA responsibilities.

Scope

1. Submit reports and recommendations to ETS on
 - a. Definition of products and how they are supported
 - b. Existing and future industry use cases
 - c. Issuance service support cover, including interaction with users (notification, escalation, etc.)
 - d. Dispute resolution process
2. Review service/markets metrics for DTIs

(4) Description of Duties

The duties of the PAC shall be solely advisory. The PAC may, by simple majority vote, call for reports and/or recommendations by the PAC or PAC subcommittee(s), adopt reports and/or recommendations, transmit reports to the ETS Board, and make recommendations to the ETS Board. Reports and/or recommendations shall be developed in consultation with all members of the PAC and any transmission to the ETS Board shall include dissenting or minority views, if any. No determination of fact or policy shall be made by the PAC on behalf of ETS. Determinations of actions to be taken and policy to be expressed with respect to the reports and/or recommendations of the PAC shall be made solely by the ETS Board.

(5) Official to Whom the Committee Reports

The PAC shall submit its reports and recommendations to the ETS Board. The PAC will also have a "Sponsor," who may be a ETS Board member, or a designee of the ETS Board, and who will be responsible for ensuring that the advice and recommendations of the PAC are provided to the ETS Board.

(6) Support

ETS shall provide necessary support services for the PAC.

(7) Estimated Annual Operating Costs and Staff Years

PAC members will not be compensated by ETS for their services and will not be reimbursed or receive per diem from ETS for travel-related expenses to attend PAC meetings. In order to reduce PAC member expenses, meetings will be held virtually whenever practicable.

(8) Designated ETS Officer

ETS shall appoint a full- or permanent part-time employee to serve as the Designated ETS Officer ("DEO") of the PAC and any established PAC subcommittees. ETS may appoint one or more full-time or permanent part-time employee to serve as an alternate DEO for any established subcommittees. The DEO or alternate DEO shall prepare and approve all meeting agendas; approve or call all PAC or subcommittee meetings; attend all PAC and subcommittee meetings; adjourn any meeting when the DEO or alternate DEO determines adjournment to be in the public interest; chair meetings when directed to do so by the Sponsor, PAC Chair, or PAC subcommittee Chair; and assist in the preparation and certification of meeting minutes.

(9) Estimated Number and Frequency of Meetings

The PAC shall meet at such intervals as are necessary to carry out its functions. It is estimated that meetings of the PAC will occur fortnightly initially and monthly after service go live or as required; meetings of subcommittees of the full PAC may occur more frequently.

(10) Duration

The PAC will continue for a period of two years from the date of the first meeting, at which point the ETS Board will undertake a review of the charter with a view to renewing the charter for a further term. If and when PAC is renewed, a further call for participation will be issued. ETS will be mindful of preserving the continuity when considering composition of the renewed committee.

(11) Termination

The ETS Board will decide when to terminate the PAC.

(12) Membership and Designation

Members shall be appointed and removed by vote of the ETS Board. Members may be appointed or removed at any time. The Sponsor shall designate a member of the PAC or PAC subcommittee to serve as the Chair absent the objection of a majority of the ETS Board. Each member who is not a ETS Board member shall serve on the PAC either as the representative of an organization or identifiable group of persons with interests affected by the work of the PAC or as a special ETS agent ("SEA").

Representative members serve on the PAC primarily to convey to the ETS Board and to the PAC the views and interests of the organizations and/or groups that they represent. SEA members provide advice to the ETS Board on the basis of their expertise and best independent judgment in a manner free from conflicts of interest. The ETS Board shall not appoint any registered lobbyist to serve as an SEA on the PAC. Representative members are also designated by ETS to represent one of the viewpoint categories listed below.

Though the precise number of representative members in any category may vary over time, ETS anticipates that the PAC will have at most 20 members representing the following viewpoint categories:

- i. Voting Members (able to attend meetings, contribute to the meeting and vote).
 - a. Industry, including: Buy-Side, Custodians , Data Vendors, Sell Side, Trade Associations, Trading Venues, Asset Issuers
 - b. Academics
 - c. Other
- ii. Observing Members (able to attend meetings and contribute but not vote).
 - a. Regulators and / or Policy Makers

ETS will seek to ensure a balanced geographic representation from US, EMEA and Asia.

Members of the PAC should contact the PAC secretariat if they become unable to participate actively in the PAC in order to find an acceptable solution. ETS reserves the right at its sole discretion to replace members who are not attending the PAC meetings and who are not deemed to be participating in the PAC discussion topics. PAC membership is personal to the individual concerned. Alternates are not expected to participate in the event that a PAC member is unavailable. In the event that a PAC member wishes to nominate an alternate in exceptional circumstances, this should be arranged with the DEO.

All participants and contributors to the PAC are expected to adhere to the provisions of the Competition Law Protocol (see Appendix 1).

(13) Subcommittees

ETS may establish and dissolve PAC subcommittees. Subcommittees may include as members individuals who are members of the full PAC and/or other individuals. Members of subcommittees shall be appointed and removed in the same manner as members of the PAC. Any subcommittees shall report to the PAC and may not provide reports and/or recommendations directly to the ETS Board or to any ETS officer or employee. PAC subcommittees may, by simple majority vote, adopt

reports and/or recommendations of the PAC subcommittee, transmit reports to the PAC, and make recommendations to the PAC. Reports and/or recommendations shall be developed in consultation with all members of the PAC subcommittee and any transmission to the PAC shall include dissenting or minority views, if any. PAC subcommittees shall have no authority to make decisions on behalf of the PAC. No determination of fact or policy shall be made by any PAC subcommittee on behalf of ETS.

(14) Meeting Procedures

The PAC will not require that an explicit quorum be met; however, the Chair and DEO will ensure that there is suitable representation from the different PAC viewpoint categories represented by the attending members with respect to the topics being discussed. Where appropriate, electronic ballot for voting might be used to ensure full representation.

Agendas will be prepared by DEO and the Chair and circulated prior to any meeting. Any external feedback that is relevant to the PAC will be captured and added to agenda by DEO.

(15) Recordkeeping

Agendas and meeting minutes will be made available to the public on the DTI website in order to provide appropriate transparency. PAC members will have the opportunity to opine on the accuracy of the minutes before public distribution.

APPENDIX 1: Competition Law Protocol

The purpose of this protocol is to remind attendees of ETS meetings, including the Board, that all discussions at such meetings are subject to the application of EU, UK and other applicable national competition law ("Competition Law").

Individual attendees are responsible for observing the requirements of Competition Law and should make themselves familiar with their legal obligations and their own organization policies. ETS is committed to compliance with Competition Law, so to ensure that all meetings remain in compliance with Competition Law, we advise that all attendees follow the guidance set out below.

- A meeting agenda will be circulated in advance of a meeting. Any objections to, or potential concerns about, the proposed agenda in relation to Competition Law compliance should be raised prior to the meeting if practicable
- Attendees must stick to the prepared agenda during the meeting and avoid discussion about other topics
- Attendees must not seek, discuss, communicate or exchange any commercially or other business sensitive information about their organization or relating to competitors (whether before, during or after meetings). This includes, for example, any non-public information relating to prices, costs, revenues, business plans/marketing activities, individual terms and conditions, risk appetite or any other information which is likely to reduce strategic uncertainty in the market (i.e. which might result in less intensive competition than would normally occur)
- Attendees must not reach any sort of agreement or understanding that is unlawful due to competition law (e.g. unlawful horizontal agreement, unlawful vertical agreement)
- The Designated ETS Officer ("DEO") will take minutes of the meeting, and supply these to each attendee in due course. Where discussions directly concern the MSP, the Chair will take minutes or appoint an attendee as proxy

- If the Chair considers that a discussion at the meeting may be inappropriate from a Competition Law perspective, he or she shall raise an objection and promptly bring that part of the discussion to an end. If another attendee is concerned about a discussion from a Competition Law perspective, he or she shall bring it to the attention of the Chair, who will promptly bring that part of the discussion to an end. If other attendees attempt to continue that discussion, the Chair shall bring the meeting to an end. Every attendee is allowed to immediately leave the meeting in such situations. All these situations must be properly recorded in the minutes
- The minutes of the meeting must subsequently be read and approved by the attendees. If any matter discussed is not recorded in the minutes, or is recorded incorrectly, any attendee may raise an objection in writing and request an amendment.
- Similar principles should be observed for any group email exchanges or other online group discussions operated by ETS.

We remind attendees that breaching Competition Law has serious potential consequences for them as individuals and their organizations. Such consequences may include heavy fines, liability to pay compensation to affected individuals and businesses and, in certain cases, the imposition of criminal penalties, director disqualification orders and disciplinary action.