GBBC Global Blockchain Business Council

DTCC euroclear

clearstream DEUTSCHE BÖRSE GROUP

Digital Asset Securities Control Principles (DASCP)*

A risk and control framework developed by DTCC, Clearstream, and Euroclear to establish risk management principles and controls for digital asset securities (DAS)

WHAT ARE DIGITAL ASSET SECURITIES (DAS)?

DAS are securities that use distributed ledger technology (DLT) to represent rights similar to traditional securities. They include**:

- Native security tokens issued directly on a blockchain
- Digital twins of existing securities (equity, debt, derivatives)
- Securities providing traditional rights (dividends, voting, interest)

Framework Features

- Asset class and technology neutral
- Applies to the entire DAS lifecycle (issuance, clearing, settlement, custody, asset servicing)
- Excludes secondary trading activities
- Developed with input from over 20 market participants
- Designed to evolve through industry feedback

Why DASCP? Framework Functions

- **Regulatory Compliance and Market Integrity:** Consistent with existing and evolving regulatory frameworks.
- **Risk Management:** Structured approach to identify, asses, and manage risks related to DAS
- **Market Adoption:** Clear guidelines reducing barriers to entry for DAS adoption
- **Interoperability and Efficiency:** Crucial for efficient transactions across market players
- **Building Trust:** Among issuers, investors, regulators, market participants

FRAMEWORK STRUCTURE

6 Principles (in order of priority)

- **Legal Certainty:** Ensures operations comply with existing laws, to maintain market integrity and investor confidence
- **Regulatory Compliance:** Encourages alignment with regulatory frameworks, to build a foundation of trust and safety
- **Resilience and Security:** Develops robust infrastructure resistance to disruptions, protecting sensitive data and ensuring continuous operation
- **Safeguarding Customer Assets:** Implements governance over smart contracts, protecting sensitive data and ensuring continuous operation
- **Connectivity and Interoperability:** Facilitates transactions and flexible settlement across diverse networks
- **Operational Scalability:** Standardizes roles and smart contract functions to accommodate market growth

36 Risks Mapped to Principles

- **Immediate Priority (Minimum Requirements):** Legal Certainty and Regulatory Compliance risks
- **Core Priority:** Resilience and Security and Safeguarding Customer Assets risks
- **Subsequent Priority (Unlock Full Potential):** Connectivity & Interoperability and Operational Scalability risks

57 Controls Across 4 Categories

- **Legal (L):** Regulatory compliance, participation guidelines, asset safeguarding
- **Smart Contract Governance (S):** Authorization, certification, multiparty validation
- **Resilience and Data Protection (R):** System protection, backup procedures, recovery testing
- **Network Settlement (N):** Transaction processing, settlement proofs, fail-to-settle procedures

DEVELOPMENT TIMELINE

September 2023: Publication of "Advancing the Digital Era, Together"

May 2024: Release of the DASCP framework

December 2024: Global Layer One Foundation pledges to use DASCP

2025 and Beyond: Continued collaborative discussions with the industry

*: Source: DASCPWhitePaper, May 2024

**: Note: Cryptocurrencies, stablecoins, and CBDCs are excluded from this framework as "money or money-like digital assets