



May 16, 2025

The Honorable Hester M. Peirce, Chair of the SEC Crypto Task Force
Taylor Asher, Chief Policy Advisor of the SEC Crypto Task Force
Michael Selig, Chief Counsel of the SEC Crypto Task Force

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-0213

By email:

crypto@sec.gov; ashert@sec.gov; seligm@sec.gov

Dear Commissioner Peirce and Messrs. Asher and Selig:

The Global Digital Asset and Cryptocurrency Association (the “GDCA”) appreciates this opportunity to provide comments on the SEC Crypto Task Force statement issued on February 21, 2025.

Introduction

The GDCA, in collaboration with the Global Blockchain Business Council, The Digital Chamber of Commerce and the Proof of Stake Alliance and led by an impartial Senior Steering Committee composed of prominent attorneys and distinguished academics in the fields of blockchain, digital assets and Web3¹, issued ***Information Guidelines for Certain Tokens Made Available in the United States*** (“*Information Guidelines*”), enclosed as Exhibit 1.

¹ **Senior Steering Committee Members (in alphabetical order):**

- **Chris Brummer** – Professor of Law, Georgetown University, and Faculty Director, Georgetown’s Institute of International Economic Law
- **Lewis R. Cohen** – Partner and Co-Head of the CahillNXT practice, Cahill Gordon & Reindel LLP
- **Patrick Daugherty** – Partner and Head of Digital Assets Practice, Foley & Lardner LLP; Adjunct Professor of Law at Cornell and Northwestern
- **Daniel Davis** – Partner and Co-Chair Financial Markets Regulation, Katten Muchin Rosenman LLP; Former General Counsel, U.S. Commodity Futures Trading Commission
- **Zachary O. Fallon** – Partner, Latham & Watkins LLP
- **Merritt B. Fox** – Professor of Law & Director of the Program in Law and Economics of Capital Markets, Columbia Law School
- **Carol Goforth** – Distinguished Professor of Law, University of Arkansas School of Law

The Information Guidelines propose voluntary disclosures for tokens native to distributed ledger technology (“DLT”) systems that serve diverse functions within DLT Systems, such as payment mechanisms, resource allocation, governance rights, and evidence of membership in groups or organizations, aiming to establish a comprehensive framework for the disclosure of essential information related to the purchase, sale, use and evaluation of such tokens within DLT systems. Irrespective of technical standards, network structures, or centralization levels, these guidelines emphasize the importance of transparent and consistent information disclosure that enables informed decision-making in the rapidly evolving digital asset market.

Developed in consideration of existing U.S. laws, regulations, and pending legislative efforts, the Information Guidelines address the growing importance of transparency in the token ecosystem, especially given the increasing trend of asset tokenization. In addition, by aligning with laws and rules applicable to securities, swaps, commodities, consumer protection, and relevant global regulatory regimes like the Markets in Crypto-Assets Regulation (“MiCA”), the Information Guidelines seek to enable consistent global adoption of information disclosure practices. Most importantly, as proposed, they are flexible to be adopted as requirements under different regulatory regimes and industry standards, are relevant to digital assets beyond the native DLT tokens and can be utilized as a disclosure tool for regulated digital assets.

The Information Guidelines provide a tailored disclosure framework for digital asset tokens seeking registration and align closely with key objectives of the Crypto Task Force and the SEC’s mission of protecting investors, maintaining fair and orderly markets and facilitating capital formation.

The guidance provided in the Information Guidelines aligns closely with key objectives outlined by Commissioner Peirce in the statement issued on February 21, 2025, “There Must be Some Way

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- **Yuliya Guseva** – Professor of Law, Rutgers Law School
 - **Joel Hasbrouck** – Kenneth G. Langone Professor of Business Administration and Professor of Finance, NYU Stern School of Business
 - **Lilya Tessler** – Partner & Head of FinTech and Blockchain Group, Sidley Austin LLP
 - **Yesha Yadav** – Professor of Law, Vanderbilt University Law School

Advisory Committee Members:

- Rachel Barnett – Chief Legal Officer, IEX
- William Costello – General Counsel, Gemini
- Robert Krugman – Chief Digital Officer, Broadridge
- Ajay Mittal – CFA Product Strategy, ConsenSys
- Nilmini Rubin – Chief Policy Officer, Hedera
- Craig Salm – Chief Legal Officer, Grayscale
- Jason Civalleri – Product Counsel, Grayscale
- Lee Schneider – General Counsel, Ava Labs
- Annemarie Tierney – Founder and Principal, Liquid Advisors

Out of Here”², and can serve as a foundational tool and an integral part of an enhanced regulatory framework designed for digital asset tokens. To summarize:

1. The Information Guidelines establish a comprehensive disclosure standard and include essential data points on digital asset tokens and their technology that enable to gain information necessary to establish a regulatory framework that provides clarity, legal precision, and economic rationality in determining the security status of crypto assets.
2. The Information Guidelines foster investor protection because they provide an enhanced and comprehensive disclosure framework of material information relevant to digital asset tokens and related technology that are important for investors and should be part of the tailored disclosure requirements.
3. The Information Guidelines provide a standardized framework of material information that should be made available by a digital asset project during the development stage toward decentralization or functional utility and while under a safe harbor exemptive relief from the registration requirements under the Securities Act for offers and sales of crypto assets.
4. The Information Guidelines provide flexibility for an adaptation to regulatory requirements under different regimes and industry standards, promoting a harmonized approach to information disclosure and therefore are a useful tool in the creation of a “sandbox” environment for projects that could operate cross-border under multiple regulatory regimes.

Global DCA Proposes Inclusion of the Information Guidelines as a Workable Solution for the Development of Enhanced SEC Regulations for Digital Assets

The Global DCA suggests that the Information Guidelines should be evaluated by the SEC Crypto Task Force as an information disclosure framework necessary to advance SEC objectives 1-4 identified above. Implementation of the proposed Information Guidelines as an integral part of the enhanced regulatory framework meaningfully enhances investor protection, while supporting innovation, market integrity and capital formation.

Information Guidelines directly address issues discussed in the SEC’s questions posed by Commissioner Peirce in the February 21, 2025 statement.³

The proposed Information Guidelines directly respond to the SEC’s questions posed by Commissioner Peirce, particularly on the topic of disclosure requirements and what disclosures are important for investor protection. We would like to offer the following responses to the select topics identified and related questions included in this statement:

Public Offerings

Q7: “People who have conducted or attempted to conduct registered or qualified token offerings have expressed frustration about the cost and feasibility of registration. Tokens and their issuers can differ significantly in some aspects from traditional securities and

² <https://www.sec.gov/newsroom/speeches-statements/peirce-statement-rfi-022125>

³ <https://www.sec.gov/newsroom/speeches-statements/peirce-statement-rfi-022125>

their issuers. Allowing token issuers to use appropriately tailored registration regimes may protect investors better than insisting that they use registration forms and mechanisms that are designed for other types of securities offerings. Could disclosure guidance and/or targeted relief address the concern, or are new forms or other mechanisms needed?”

Consensus has not yet formed around best practices related to disclosures for emitting new tokens or to support token trading in secondary markets. Nonetheless, both token purchasers and sellers have expressed a need for information standards to assist in their token-related operations and activities.

The Information Guidelines propose a comprehensive, standardized, yet flexible, disclosure framework that includes critical data points related to token offering and sale, governance, DLT technology, token economics and risk factors. This enables parties providing the information to disclose additional material and relevant information without conforming to ill-fitting traditional registration forms lacking these areas of disclosure, directly addressing concerns about the cost and feasibility of registration. We see the Information Guidelines as reducing costs for current and future market participants, given they are currently spending resources on redundant or incongruent efforts already seeking to meet requirements across incompatible disclosure standards globally.

Moreover, we crafted the Guidelines to possess “flexibility to meet various facts and circumstances which may change over time” and to be an adaptable roadmap customizable to the specific circumstances facing token issuers or parties providing the information. The proposed Information Guidelines are adaptable to various regulatory regimes and can be applied globally, promoting harmonized standards and enabling potential cross-border innovation and sandbox environments. This adaptability addresses not only cost and feasibility concerns, but also enables regulatory innovation.

The proposed information disclosure guidance and targeted relief can effectively address the stated concerns. They present a middle-ground approach: preserving investor protections while reducing compliance burdens through appropriately tailored, project-relevant disclosures — potentially obviating the need for entirely new forms or frameworks.

Lastly, as an additional related point, to effectively address future market demands for transparency, consistency, and standardization of data, a neutral and unbiased disclosure infrastructure is essential. This process is already underway. There are a few service providers that have started to focus on gathering this type of data for specific blockchains, their native tokens and related technology, as well as identifying significant participants within the token ecosystem. They can serve as a valuable resource to any interested party seeking this information. As an example, during the development of the Information Guidelines, the Steering Committee referenced “ClearFi,” a data disclosure platform developed by Broadridge. (Broadridge employees served on the Advisory Committee for the Information Guidelines project.) Broadridge, leveraging its extensive regulatory expertise and established success in managing financial communications infrastructure, is working to meet the market demand for transparency, reliability and consistency of data. The data disclosure platform consolidates and standardizes both on-chain and off-chain data into continuously updated repositories. Moving away from traditional static PDF disclosures, ClearFi employs real-time, structured data coupled with AI-driven analytics and validation processes, significantly enhancing investor education, and facilitating robust compliance verification. This approach strengthens market integrity, boosts investor confidence

and compliance, and equips industry stakeholders or any interested party with the essential information necessary for widespread adoption of tokenization.

Q8: *“Should the Commission develop tailored disclosure requirements for offerings or classes of specific categories of crypto assets?”*

There is clear and growing consensus among industry stakeholders and legal scholars that the SEC should develop tailored disclosure requirements for securities offerings involving crypto assets. This view is rooted in the recognition that traditional securities disclosure frameworks—such as Forms S-1, F-1, and 10-K—are poorly suited for the unique technical, governance, and economic characteristics of digital asset tokens. We consider this essential for both regulatory clarity and effective investor protection in an evolving and technologically distinct market.

Q8 part 2: *“What types of disclosures would be important for investor protection?”*

Information disclosure outlined in the proposed *Information Guidelines for Tokens Available in the U.S.* should be adopted to address the specific risks and features of various token types. As outlined in the Guidelines, we identified the following areas as critical information points for investor protection, detailed in Exhibit 1 and abbreviated below:

Token Offering and Sale Information

This section of the Guidelines is intended to identify significant information in connection with offers and sales of Tokens to the public that are made before the distribution of Tokens.

Material Participants

Information regarding Material Participants, their holdings, token arrangements and limitations on token transferability, risks to the network, protocol or tokens posed by the absence or unavailability of Material Participants.

Governance

Information regarding any governance processes or mechanisms for deciding and implementing changes to the network, protocol or tokens, including voting thresholds and quorum requirements and whether there is any governing body and/or any type of foundation or organization that makes, controls, influences or implements governance decisions. Also, conditions under which modifications to the Network, Protocol or Tokens may be made, or if modifications are not possible, and means or mechanisms to notify holders of Tokens of material governance changes.

DLT Technology

Information regarding what the DLT System does and how it accomplishes its core objectives, including material information about the relevant network and the protocol, such as architecture, software, and the usage by applications of the protocol, cryptographic key management, and functionality. Information regarding how transactions on the network are validated and how the network and the protocol is designed to achieve consensus regarding transactions and data among participants. Known or suspected single points of failure (including centralization risk) making the Network and/or the Protocol susceptible to failure or attack. Information regarding any fees, such as transaction costs, gas fees, etc., applicable for utilizing the Network, including how they are assessed and who receives such fees. Include any rewards or refunds that a Network participant may receive and under what conditions they are received.

Token Information

Information about the Tokens and their key functions and features. Information regarding the creation or generation of the Tokens and how they were distributed to initial holders and any ongoing distribution. Information about the Token's supply and vesting, as well as information regarding changes in the total token supply, circulating token supply, token release schedule, vesting schedules, and token rewards, and the mechanism to make any such change.

Financial Information

Information regarding the price or value of the Token and if it bears any direct, material relationship to any entity's ongoing financial performance due to any promise by such entity or its affiliates to share such financial performance or other economic rewards with token holders. The mechanism by which such financial performance or rewards are to be shared. The relevant financial or economic data. Changes to the operations or functions of the network that are likely to directly affect the price or value of the token.

Risk Factors

A narrative, plain description of applicable risks relating to the tokens and network. The information presented should be easily digestible and readable by an average Token holder or purchaser and highlight the characteristics of the token or network which may include, to the extent relevant, the following risks: relevant risks of owning and using the tokens and the network commonly associated with all decentralized assets and technologies, including price volatility, limited rights of token holders, valuation and liquidity, key loss for custodial and non-custodial wallets, limitations or lack of insurance, counterparty, liquidity, transaction fees, concentration of assets, hedging, legal and regulatory, and general adoption of blockchain or decentralized technologies.

Relevant unique risks inherent to the tokens, the network, and their usage, including, to the extent relevant, inflation or deflation of the token, scalability of the network, novel technologies, forks or airdrops, loss of key personnel, unique risks of a token's consensus or governance mechanisms, hacking vulnerabilities and other cybersecurity events that could result in a substantial, immediate, and/or irreversible loss for token holders. Additional examples may include risks of software defects, errors, flaws or vulnerabilities in relevant software code, risks related to ransomware and malware attacks, risks identified in any technological audits performed or lack thereof, risks associated with security breaches to token holders, or any other security compromises of the network. Risks related to the failure to effectively apply proceeds from token offering and sale, and whether such risks would have adverse effects on the value of the tokens. Where the network, protocol and/or tokens are not yet in existence, the information should discuss the likely risks with respect to each of the items above.

Q8 part 3: "Should disclosure occur both at the time of sale and on an ongoing basis? If so, what information should the ongoing disclosure contain and how should that disclosure occur?"

We strongly suggest requiring disclosure at both the time of sale and on an ongoing basis. One-time disclosures at launch are insufficient to protect investors in dynamic, evolving token ecosystems. Ongoing disclosures would be needed to reflect changes in technology, governance, economics, and risks.

Nevertheless, we will highlight that, with the expansion of decentralization, relevant financial information and material data points may be available publicly on blockchain as a live stream of financial and quantitative information, and therefore may provide a more timely information disclosure source, and potentially causing information included in periodic regulatory filings to be outdated.

The Information Guidelines do not prescribe a rigid timeline or format for ongoing disclosures but do explicitly support their necessity and flexibility. The Guidelines take into consideration the flexibility to meet various facts and circumstances which may change over time. Our approach acknowledges that information relevant to purchasers and users of tokens is not static and must be updated as the network, protocol, or token evolves. Disclosure is expected beyond the point of sale—particularly for aspects like supply, incentives, and token economics—where investor understanding may evolve with time.

Q9: “Does Regulation A under the Securities Act, including the disclosure and ongoing reporting requirements, provide a useful vehicle to conduct offerings of crypto assets? Would revising aspects of Regulation A make it more useful for crypto asset offerings?”

For bona fide securities offerings that involve crypto assets, a version of Regulation A that accounts for the types of disclosures relevant to a token purchaser may be useful at this time and can serve as a practical starting point for digital asset token offerings.

Nevertheless, with the growing adoption of tokenization, we imagine cases where token sales larger than limits imposed by Regulation A are publicly offered, in which case just addressing registrations under Regulation A would not be sufficient. We would suggest the development of a Decentralized Technology Disclosure Addendum form that can be included with any registration form or statement prescribed by the SEC for securities offerings issued on a decentralized technology network in the form of a digital asset token. The suggested Information Guidelines can serve as such Decentralized Technology Disclosure Addendum. They can be the core of the disclosures required by a new form or forms prescribed by the SEC.

Safe Harbor from Registration

Q12: “If a safe harbor of some form is the right approach, what disclosure requirements would be feasible for early-stage projects to provide to token purchasers the material information regarding the blockchain project, crypto assets, and development team? What information should be required to be updated on an ongoing basis, and how should that information be provided?”

We believe information outlined in the proposed Information Guidelines would be feasible and useful to qualify for a safe harbor exemption. Naturally, technical or quantitative data might not be available before a token, or its related network, has launched, and therefore would have to be forward-facing or described in terms of what is intended for the asset. We support Safe Harbor implementation, contingent on the provision of clear, material information identified in the Guidelines.

Sandbox

Q47: “Would the Sandbox help foster tokenization and blockchain innovation? What types of products and services across the fintech landscape would firms like to test in the Sandbox? What regulatory, technical, and operational barriers pose the biggest challenges to innovation in this space? Could the Sandbox mitigate those challenges?”

Information Guidelines as a tool to gather key information for participation in Sandbox.

The Information Guidelines offer the ability to gather key information on crypto asset projects and would be an effective tool for onboarding applicants to any potential Sandbox program. The disclosure template provides a meaningful framework to assess the projects in question, is adaptable enough to remain relevant no matter the eventual regulations put forward, and serves as an actionable first step to later developing regulatory frameworks.

A Sandbox program would be welcomed by the industry and provide a space in which the regulators could begin the process of genuinely assessing and interacting with crypto asset participants in real time, pushing the conversation of regulation from the theoretical to the empirical and create a feedback loop between innovators and regulators allowing more adaptive rulemaking.

The largest barrier to further innovation remains the regulatory uncertainty for projects and new initiatives that seek to enter the United States crypto asset market. Without being able to assess the reception of new products, many innovative projects have sought to change the jurisdiction of their launch or have diverted resources elsewhere.

The United States market has been and will continue to be one that draws significant attention from entrepreneurial founders, innovators and other technically skilled groups. The Sandbox would allow various crypto projects to approach the SEC in good faith and provide information to identify new trends in market participant activity, monitor deployed blockchain technologies in real time, and assess the emerging parties from a position of cooperation. In short, the Sandbox project would meaningfully allow the SEC to formulate a practical and effective regulation framework.

Q48: “Could a cross-border Sandbox address challenges that U.S. and non-U.S. firms face when attempting to innovate in multiple jurisdictions? If so, how should the Commission structure it to operate globally? Do sandboxes in other jurisdictions serve as a good model?”

A cross-border Sandbox would be an excellent starting position to address the incongruity between foreign and U.S. based regulatory schemes for crypto assets. Blockchain and fintech innovations are inherently global, and conflicting or uncoordinated national regulations pose one of the greatest obstacles to responsible innovation. Divergent disclosure standards have been openly identified as one of these key obstacles. The Information Guidelines have been designed to elicit information in a jurisdiction and applicable regulation neutral manner, therefore are well equipped as a tool for a cross-border Sandbox to gather key information from various projects to participate in the program across jurisdictions.

As the Information Guidelines are jurisdictional and technologically agnostic it can incorporate a multitude of different projects that current exist under different regulatory regimes globally.

Further, they allow the regulator access to uniform information across otherwise divergent projects and provide a valuable first step towards active development of a regulatory structure without requiring commitment to regulatory policy decisions.

In conclusion, the GDCA appreciates the opportunity to provide comments on the SEC Crypto Task Force's February 21, 2025 statement, offering the Information Guidelines as a workable solution to meet certain main objectives identified by Commissioner Peirce and the SEC Crypto Task Force. We would welcome any questions and comments regarding this response.

Respectfully submitted,

Renata K. Szkoda, Chair
The Global Digital Asset and Cryptocurrency Association

Exhibit 1

PROPOSED INFORMATION GUIDELINES FOR CERTAIN TOKENS MADE AVAILABLE IN THE UNITED STATES

Introduction

This document sets forth proposed guidelines (the “Guidelines”) designed to identify and elicit material information about certain types of tokens (as explained more fully herein) to enable persons to make informed decisions when buying, selling, utilizing, evaluating or accumulating tokens. The Guidelines were designed by a Senior Steering Committee of legal and business scholars, practicing attorneys and former federal regulators who are subject matter experts in U.S. securities, commodities, swaps, technology, intellectual property, consumer protection and commercial law, among other areas.

We believe that it is more important to agree on the scope and substance of the information referred to in these Guidelines, rather than on any potential source, timeliness regarding the availability of any such information, or the administrator implementing any potential information regime. For this reason, the proposal makes no recommendation about these considerations.

The proposal acknowledges the general availability of certain information and provides a conceptual framework for the voluntary provision of additional information in light of existing U.S. laws and regulations as well as proposed legislation that relates to certain types of tokens. The proposal has been informed by various laws and rules, including the laws and rules applicable to securities, swaps, commodities, and consumer protection, and takes into consideration relevant pending legislative efforts. Any information disclosure mandated by applicable regulation(s) or other regimes, such as the Markets in Crypto-Assets Regulation (MiCA), should be considered to ensure consistent, seamless, global adoption.

The Guidelines take into consideration the following concepts:

- The general availability of certain information that is material to both purchasers and users of the Tokens in the context of DLT Systems (as defined below).

- General anti-fraud standards in the above-mentioned laws, particularly for the materiality standard.
- The ability to leverage information provided by a variety of persons, so long as there is a reasonable basis to believe those disclosures are applicable, material, and not misleading.
- Flexibility to meet various facts and circumstances which may change over time.

While this proposal has been informed by the principles underlying Form 10, Form 1-A, and Forms S-1 and F-1 under U.S. federal securities laws, the Guidelines recognize that courts have taken a position supporting the fact that even if a given transaction involving a token may implicate federal securities laws, including the investment contract analysis under the U.S. Supreme Court's *Howey* test, this does not necessarily mean that tokens are themselves securities or that aftermarket transactions in such tokens further implicate securities laws. Accordingly, these Guidelines are not intended in any way to address whether U.S. securities laws and rules thereunder apply to any particular transactions in the types of tokens covered by the Guidelines, nor do they address the implications of any potentially redundant or inconsistent requirements that may result in instances where such laws or rules may otherwise apply.

Congress or a regulator with jurisdiction over the matter could choose to propose and adopt laws, rules, regulations or forms, or to provide no-action or interpretive relief, relating to the disclosure required for use in a Token transaction, using this information regimen as the core of that requirement or relief.

The Senior Steering Committee approved the publication of the proposed Guidelines to solicit public comments on this proposal. The comment period was open from October 21, 2024 to February 28, 2025.

For more information, visit <https://global-dca.org/proposed-u-s-disclosure-guidelines/>

Senior Steering Committee

Chris Brummer, Professor of Law, Georgetown University, and Faculty Director of Georgetown's Institute of International Economic Law

Lewis Rinaudo Cohen, Partner and Co-Head of the CahillNXT practice of Cahill Gordon & Reindel LLP

Patrick Daugherty, Partner and Head of Digital Assets Practice, Foley & Lardner LLP, Adjunct Professor of Law at Cornell and Northwestern

Daniel Davis, Partner and Co-Chair, Financial Markets Regulation, Katten, Muchin Rosenman LLP, former General Counsel, U.S. Commodity Futures Trading Commission

Zachary O. Fallon, Partner, Ketsal PLLC

Merrit B. Fox, Professor of Law & Director of the Program in Law and Economics of Capital Markets, Columbia Law School

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Jason Civaleri, Product Counsel, Grayscale

Lee Schneider, General Counsel, Ava Labs

Annemarie Tierney, Founder and Principal, Liquid Advisors

Sponsoring Associations and Organizations

The proposed Guidelines are sponsored by

GLOBAL DIGITAL ASSET &
CRYPTOCURRENCY ASSOCIATION



**THE DIGITAL
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GBBC Global Blockchain
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Support of industry groups does not necessarily reflect the views of any particular member of the group.

SCOPE AND ASSUMPTIONS

We refer to the tokens to which these Guidelines apply as “*native DLT*” tokens (“Tokens”; *see also “intrinsic”* tokens). The embedded links provide further definition of this category of tokens. Tokens may have many functions and features within and outside the Protocol, system, or the Network (the “DLT System”) on which they were created or generated, including but not limited to functioning as a mechanism of payment, resource allocation, sybil resistance or Network security; formal or informal governance or voting rights; rights to receive payments, attend events or participate in activities; evidence of membership in a formal or informal group or organization, *etc.*

The Guidelines would apply regardless of whether (a) the Token is considered as “fungible,” “non-fungible” (“NFT”), or under another technical standard; (b) a Network utilizes an account-based or token-based system (or another technical design); and/or (c) the Token is created or generated on a centralized or decentralized Network (where “decentralized” is defined as no single source of truth, no single point of failure, and no single authority responsible for, or capable of, changing data and/or account or transaction information).

These Guidelines are meant to assist with developing the appropriate scope and substance of information relevant to persons buying, selling, utilizing, evaluating, or accumulating Tokens. Those that provide information should tailor their information to the specific facts and circumstances related to the Token, taking into account the materiality principle to help identify information that is most useful to purchasers and users of the Tokens as of the date the information is provided. Additionally, the proposal provides guidelines that are meant to be flexible and can be adopted as requirements under different regulatory regimes and industry standards.

A Glossary of certain defined terms appears on page 12.

PROPOSED GUIDELINES

Section 1. Token Offering and Sale Information

This section of the Guidelines is intended to identify significant information in connection with offers and sales of Tokens to the public that are made before the distribution of Tokens on the Network. This section is not relevant where the Network is in existence and a distribution of Tokens has already been made.

Information regarding any Token offering, sale and, where applicable, the use of proceeds derived from such sale should be available, including:

- The seller of the Tokens and, to the extent relevant, its Material Affiliates.
- Details of the offering, including the number of Tokens in the offering, purchase price or how the price will be determined, length of offering period and any required qualifications for purchasers.
- Information about any agreements in furtherance of the distribution of Tokens in the offering, including the purchase price(s), any lock-up or other restrictions or conditions associated with the purchase of the tokens.
- A description of how the Network will be launched.
- The Token supply at launch, including the number of Tokens to be issued prior to and at launch.
- The number of Tokens that will be in the circulating supply after the offering.
- Information about any potential dilution or other changes in Token supply.
- The jurisdiction in which the sales are deemed to be made.
- An estimate of the net U.S. Dollar value of the sale proceeds, before and after the payment of expenses.
- An estimate of the net U.S. Dollar value of the sale proceeds from any other Token sales within the last 12 months, if applicable.
- The intended use of the proceeds from any sales. Examples may include: (i) payment of compensation of employees or consultants, (ii) development of the Network and underlying blockchain, and/or supporting applications, as applicable, (iii) payment of taxes, (iv) allocation for research and development, (v) marketing and education, and (vi) other anticipated uses for operating needs or capital expenditures.

Section 2. Material Participants

- To the extent the information is available, the names and relevant experience, qualifications, attributes, and skills of Material Participants. To the extent the information is available, the percentage of Tokens held by the Material Participants as a group, whether directly or beneficially, which data can be presented in aggregate form.
- Any limitations or restrictions on the transferability of Tokens held by Material Participants and any arrangement(s) to provide Tokens to Material Participants.
- Any Material Participants whose absence or unavailability would be materially adverse to the operation or continued development of the Network, Protocol or the Tokens.

- Where the Network is not yet in existence, the information provided should cover what is intended with respect to each of the above items.

Section 3. Governance

- Information regarding any governance processes or mechanisms for deciding and implementing changes to the Network, Protocol or Tokens, including voting thresholds and quorum requirements and whether there is any governing body and/or any type of foundation or organization that makes, controls, influences or implements governance decisions.
- A description of how Material Participants are required to initiate or implement any changes (or overrides) to the Network, Protocol or Token agreed upon through governance or governance arrangements, formal or informal.
- The conditions in which modifications to the Network, Protocol or Tokens may be made, or if certain modifications are not possible.
- To the extent the information is available, the percentage of beneficial ownership (if significant) in governance arrangements, formal or informal, based upon the total number of Tokens outstanding as of the reporting date.
- If relevant, a description of how the governing body or Material Participants manage and use Tokens held in “treasury” or similar arrangement.
- The means or mechanisms to notify holders of Tokens of material governance changes.
- Where the Network is not yet in existence, plans with respect to governance should be made publicly available.

Section 4. DLT Technology

DLT SYSTEM

- Information regarding what the DLT System does and how it accomplishes its core objectives, including material information about the relevant Network and the Protocol, such as architecture, software, number of developers building on the Network and the usage by applications of the Protocol, cryptographic key management, and functionality.
- Information regarding how the Network’s infrastructure technology and the Protocol software is maintained and updated as available.

- Any official or other known material communications channels for discussion of technical matters related to the Network and Protocol.
- Information regarding the process of Network and Protocol upgrades and updates are proposed, developed, reviewed, and ultimately deployed.
- Information regarding whether the Network and/or the Protocol can be modified as well as whether any contract(s) related to the Token can be modified, by whom, and what effect(s) that may have on the rights of holders of the Tokens and/or on the finality of transactions and data.
- Information regarding whether the Network and/or the Protocol utilizes services that offer information or functionality outside the core functionality of the DLT System, if relevant. Examples of these services include interoperability tools (e.g., oracles, bridges), scalability solutions (e.g., roll-ups, sequencers) and bonded validator systems (e.g., master nodes). If relevant, information about how these services are used and any incentives and risks with respect to the accuracy and validation of the information provided.
- Information regarding how transactions on the Network are validated and how the Network and the Protocol is designed to achieve consensus regarding transactions and data among participants.
- Information regarding the measures taken to ensure Network and/or Protocol security, including links to summaries of third-party system audits, formal verification, and other security measures, if available.
- Known or suspected single points of failure (including centralization risk) making the Network and/or the Protocol susceptible to failure or attack. This includes, but is not limited to, single sources of truth related to the Network, and/or a single authority capable of or responsible for changing data recorded on the Network or transactions effected by users, consensus mechanisms, centralized control of keys critical to the Network, including, to the extent relevant, validation or mining mechanism. Include how the Network mitigates these risks.
- Where the Network/Protocol is not yet in existence, the information should cover what is intended with respect to these matters.

DLT NETWORK

- Information regarding statistics available to measure Network performance, including (if applicable) theoretical and actual number of transactions executed per unit of time, time to finality, consensus attack resilience, potential attack vectors, and block confirmation time.
- Information regarding any fees, such as transaction costs, gas fees, etc., applicable for utilizing the Network, including how they are assessed and who receives such fees. Include

any rewards or refunds that a Network participant may receive and under what conditions they are received.

- Where the Network is not yet in existence, the information should cover what is intended with respect to each of the above items, to the extent known.

PROTOCOL

- Known or suspected points of failure making the Protocol susceptible to failure or attack. This includes, but is not limited to, phishing attacks, social engineering vulnerabilities, or insider threats affecting authority or control over the Protocol, smart contract vulnerabilities, and opportunities to financially or economically manipulate the Protocol in ways that are not intended or described (such as rug pulls).
- Information regarding how the Protocol mitigates these risks.
- Where the Protocol is not yet in existence, the information should cover what is intended with respect to each of the above items to the extent known.

TOKEN ECOSYSTEM

- Information regarding the Token Ecosystem (on-chain and off-chain) including types of participants, technologies and other parties and systems using or affected by the Protocol, Network, and/or Token. Depending on the circumstances, information may include utilities, benefits, actual and anticipated uses (on-chain, off-chain, or cross-chain) of the Token.
- The size of the Ecosystem such as number of developers building on the platform, number of applications that are being developed or any other metrics related to the size/extent and activity of the Ecosystem.

Section 5. Token Information

- Information about the Tokens and their key functions and features.
- Information regarding the creation or generation of the Tokens and how they were distributed to initial holders and any ongoing distribution.
- If relevant, information regarding the conditions under which the key functions and features of the Tokens (including any abilities and benefits) may be changed and by whom. (See to Section 3. “Governance”)
- Any incentive models including fee or reward mechanisms (and who receives them), and any mint/burn mechanisms.

- Where the Tokens are not yet in existence, the information should cover what is intended with respect to each of the above items.

Token Supply and Vesting Information

Information about the Token’s supply and vesting, which information may include, but is not limited to, as applicable at launch and on an ongoing basis, if reasonably available:

Total Token Supply	Total number of Tokens that there will ever be in existence (total supply available today/maximum possible supply).
Circulating Token Supply	The number of Tokens that have been minted, burned and are currently in circulation (excluding locked/treasury tokens).
Token Release Schedule	Release schedule for additional Tokens that can be minted or distributed by the Network as well as an indication of whether supply is intended to be inflationary vs. deflationary and whether issuance is fixed vs. variable.
Vesting and/or Lock-up Schedules	To the extent known, a schedule for Tokens that have been allocated to Material Participants that are subject to vesting and/or lock-ups.
Token Distribution/Allocation	Information about how Tokens were initially distributed and how that allocation has changed among investors, founders, miners/node operators, other participants, treasury reserve, <i>etc.</i>
Airdrops	Token supply that was previously provided and on what basis or amount intended to be provided as an airdrop.
Token Rewards (by each Category of Network Participant)	Which participants, including miners, node operators, stakers and delegators, liquidity providers, <i>etc.</i> , earn any type of token rewards or payments (or incur penalties) for their contributions to or participation on the Network.
Costs Associated with Transacting on the Network	Costs including transaction fees (such as “gas fees”, fees to miners) and other network or transaction costs.
Number of Active Wallet Addresses	The number of wallet addresses actively transacting in the Token.
Total Value Locked	The sum of all Tokens deposited in the Network that are earning rewards, interest, <i>etc.</i> , as applicable.
Treasury	Total Tokens in the treasury of the Network and/or any entity that may be viewed as an ecosystem foundation, community development pool, or other similar treasury.

- Information regarding changes in the Total Token Supply, Circulating Token Supply, Token Release Schedule, Vesting Schedules, and Token Rewards, and the mechanism to make any such change.
- Where Tokens are not yet in existence, the information should cover what is intended with respect to each of the above items, to the extent applicable.
- The risks associated with these matters should be described (See to Section 7. “Risk Factors”).

Section 6. Financial Information

- Information regarding the price or value of the Token and if it bears any direct, material relationship to any entity’s ongoing financial performance due to any promise by such entity or its affiliates to share such financial performance or other economic rewards with Token holders.
- The mechanism by which such financial performance or rewards are to be shared. Provide the relevant financial or economic data.
- Changes to the operations or functions of the network that are likely to directly affect the price or value of the Token.

Section 7. Risk Factors

A narrative, plain description of applicable risks relating to the Tokens and Network. The information presented should be easily digestible and readable by an average Token holder or purchaser and highlight the characteristics of the Token or Network which may include, to the extent relevant, the following risks:

General Risk Factors

- Relevant risks of owning and using the Tokens and the Network commonly associated with all decentralized assets and technologies, including price volatility, limited rights of Token holders, valuation and liquidity, key loss for custodial and non-custodial wallets, limitations or lack of insurance, counterparty, liquidity, transaction fees, concentration of assets, hedging, legal and regulatory, and general adoption of blockchain or decentralized technologies.

Token and Network Specific Risk Factors

- Relevant unique risks inherent to the Tokens, the Network, and their usage, including, to the extent relevant, inflation or deflation of the Token, scalability of the Network, novel

technologies, forks or airdrops, loss of key personnel, unique risks of a Token’s consensus or governance mechanisms, hacking vulnerabilities and other cybersecurity events that could result in a substantial, immediate, and/or irreversible loss for Token holders. Additional examples may include risks of software defects, errors, flaws or vulnerabilities in relevant software code, risks related to ransomware and malware attacks, risks identified in any technological audits performed or lack thereof, risks associated with security breaches to Token holders, or any other security compromises of the Network.

- Risks related to the failure to effectively apply proceeds from Token offering and sale, and whether such risks would have adverse effects on the value of the Tokens.
- Where the Network, Protocol and/or Tokens are not yet in existence, the information should discuss the likely risks with respect to each of the items above.

Section 8. Exhibits

To the extent materially relevant and available, the following documentation should be disclosed:

- Any and all relevant whitepapers (including any technical and Token whitepapers) and other documentation related to the Network, Protocol and/or the Tokens.
- Source code that has been open sourced or otherwise made publicly available for inspection (i.e., a text listing commands to be compiled or assembled into an executable computer program used by Network participants to access the Network, amend the code, and confirm transactions).
- The location of a publicly accessible code repository.
- Documentation on the Token’s smart contract(s).
- Recent code audit reports.
- Location of a publicly available and independently maintained block explorer (and/or instructions for an independent third party to create a block explorer or similar tool for verifying the transaction history of the Tokens).

Glossary of Defined Terms

In these Guidelines, each of the following terms have the meanings set forth after such term:

Airdrop is defined as a distribution method where the Tokens are generally sent to multiple recipients, initiated by a project, platform, or entity, primarily used for promotional, or community-building purposes and may be contingent upon certain eligibility criteria.

DLT System (Distributed Ledger Technology System) is defined as distributed infrastructure, composed of the database, Network, hardware components, the Protocol and decentralized applications, that enables validation, allows for the storing, sharing, and updating of authoritatively ordered records and maintains informational integrity through consensus-based validation procedures and/or cryptographic signatures.

Ecosystem is defined as the interconnected system or network of contributors or participants that supports and interacts with the Tokens and their underlying Network. It includes, but not limited to, the technology infrastructure (e.g., DLT System, Protocol), participants (e.g., token holders, validators, developers), and services (e.g., transfers, wallets).

Material Affiliate is defined as a person, group of persons, or entity under control or common ownership to the seller of the Token that play a significant role in the operation, facilitation or decision-making of the offer or sale of the Tokens.

Material Participant is defined as each person, group of persons, or entity that materially contributed and/or continues to contribute to the development and/or operation of the Network, Protocol and/or the Tokens. Examples may include the core development team(s), founders, officers, directors, key personnel, significant validators, significant miners, and/or persons with significant governance power or authority.

MiCA is defined as markets in Crypto-Assets Regulation (Regulation (EU) 2023/1114 of the European Parliament and of the Council of the European Union).

Network is defined as an architecture of interconnected nodes and processes that implement the DLT System Protocol.

Protocol is defined as a set of software based formal rules that codify a system architecture and rules of engagement. It refers to the software components of the technology, that is, the programs, system contracts, applications and smart contracts, and related software infrastructure that defines how data is managed, secured, and processed to create, update, and maintain the ledger or database that lies at the heart of the system and the Token.

Token is defined as the cryptographically secured internal unit of account native to specified DLT System, designed to indicate/represent a specific utility interest, ownership, and/or right (anyone or a combination of) the following: value, asset(s), access, information, privileges, or functions within a specified DLT System. The token is intrinsic to the DLT System's architecture and function primarily within its environment. Depending on the design, a token can be fungible or non-fungible, depending on whether it is identical or unique.

Reference Materials

1. Blockstack 1-A Registration Filing APRIL 11, 2019
https://www.sec.gov/Archives/edgar/data/1719379/000110465919020748/a18-15736_1partiandiii.htm
2. Younow Inc. 1-A Registration Filing JULY 30, 2020
https://www.sec.gov/Archives/edgar/data/1725129/000121390020019268/ea124773-253g2_younow.htm
3. INX F-1 Prospectus Filing SEPTEMBER 29, 2020
https://www.sec.gov/Archives/edgar/data/1725882/000121390020028848/ea127478-424b4_inxlimited.htm
4. ESMA Consultation Paper on MiCA OCTOBER 5, 2023
https://www.esma.europa.eu/sites/default/files/202310/ESMA75453128700438_MiCA_Consultation_Paper_2nd_package.pdf
5. MiCA REGULATION (EU) 2023/1114
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32023R1114>
<https://eur-lex.europa.eu/legal-content/EN/LSU/?uri=CELEX:32023R1114>
6. Safe harbor proposal by SEC Commissioner Hester Peirce dated APRIL 13, 2021
<https://www.sec.gov/news/public-statement/peirce-statement-token-safe-harbor-proposal-2.0>
7. FIT21 Bill THE FINANCIAL INNOVATION AND TECHNOLOGY FOR THE 21ST CENTURY ACT
<https://www.congress.gov/118/bills/hr4763/BILLS-118hr4763eh.pdf>
8. ESMA MiCA Overview
<https://www.paulhastings.com/insights/client-alerts/mica-esmas-mandates-for-crypto-market-abuse-suitability-and-crypto-transfer>
9. Commodity Futures Trading Commission Global Markets Advisory Committee Taxonomy and Definitions recommendations <https://www.cftc.gov/media/10321>