

Global Digital Finance announces Founding Members and releases industry Code of Conduct to drive global industry standards in crypto assets

PRESS RELEASE

Hong Kong, London and New York - 31 October 2018: Global Digital Finance (GDF), the industry body driving acceleration and adoption of digital finance announces today that global leaders in the cryptoassets sector Circle, Coinbase, ConsenSys, DLA Piper, Diginex, Hogan Lovells and R3 have joined GDF as Founding Members of the not-for-profit initiative based in London, New York and Hong Kong. Together, they form a group who will support GDF in developing its global strategy and growing a community membership of firms who wish to adhere to the Code of Conduct.

GDF today also announces the release of its industry led Code of Conduct (the GDF Code) and Taxonomy for Cryptographic Assets following approval of the Code by the GDF community in a series of global mini-summits held in Asia, Europe and the USA.

The Code recently completed a 60 day open public consultation which closed on the 31st August 2018, having received contributions from more than 200 firms in the global cryptoasset community and over 100 individual submissions of feedback from individuals and organisations.

The Code is the starting point for an industry-led “shared rulebook” to enable companies to demonstrate to their customers, markets and regulators, that they abide by ethical and professional standards in their conduct with clients, money handling, risk management, and market practice.

"Building public trust is essential to Circle and to democratizing finance using crypto assets and blockchain technology," said Jeremy Allaire, CEO of Circle. "We are proud to be joining an organization that is helping ensure the industry upholds the high standards the public deserves."

"Customers want to know the firms they are doing business with are ethical and not breaking (international) laws," says Simon Taylor, GDF Co-Founder, "this extends from cryptocurrencies like bitcoin, wallet providers and exchanges, to firms offering investment products in tokens, securities, and funds."

"The quality of the work the GDF team has produced in partnership with a large community of industry practitioners in 6 months is nothing short of outstanding," says Patrick Berarducci, ConsenSys Legal & The Brooklyn Project, "and includes a delivery pipeline which will continue to address additional participants within the space, such as funds and custodians."

"Having been involved since the inception of GDF, we were very keen to help baseline a taxonomy and subsequent code of conduct, with the guidance of existing legal and regulatory structures. It has been incredibly positive to see the industry come together with regulators and policy makers to achieve something significant in a relatively short space of time", says John Salmon, Partner & Global Lead of Blockchain Practice, Hogan Lovells.

Regulators have had a rapidly evolving and often widely divergent journey in the assessment and treatment of cryptoassets, especially in the area of payment tokens (cryptocurrencies) with their volatile price swings, and Initial Coin Offerings (ICOs) which the US regulators have indicated should be offered or sold in accordance with US securities laws.

“Individuals need to be able to distinguish crypto businesses that are trying to facilitate the safe transfer of digital assets, with a compliance-first approach, from those that may be pushing the boundaries of what may be considered legal in other areas”, says Zeeshan Feroz, UK CEO of Coinbase. “By adhering to the Code of Conduct, firms are making it clear to their customers that they take safety and security seriously.”

GDF has engaged in outreach with global regulators, standard setting bodies and non-governmental organisations through the development of the Code to help provide a consistent professional voice of responsible industry practitioners through this volatile period.

“We believe the Code is of vital importance to firms wishing to demonstrate to regulators they are adopting professional practices. The questionable practices by some in the industry should not hinder the access to cryptoassets offered in a transparent and responsible manner that customers and markets can fully trust,” says Todd McDonald, R3 Co-Founder.

“Regulators have been hugely supportive of the development of GDF and the Code,” says Jeff Bandman, GDF Co-Founder and the former LabCFTC innovation head, “digital assets are global and no one jurisdiction has authority over the entire sector. The Code provides industry adopters a supranational toolbox to demonstrate to global regulators that they are good citizens.”

Companies will be able to register with GDF to attest to their organization’s adoption of the Code from Q1 2019. The registration scheme is currently in development, led by DLA Piper and in consultation with global industry firms.

“Considering the cross-border nature of crypto assets, establishing a global standard of conduct for the crypto asset industry to commit to is a proactive way for member participants to demonstrate accountability and protection for investors. The Code provides a standard that fits within existing laws and regulations amidst potentially conflicting laws and regulations on a country by country basis”, says Martin Bartlam, International Group Head of Finance and Global FinTech Co-chair at DLA Piper.

“Ultimately we believe the direction of travel is for GDF to help create a global industry-led self-regulatory model, digital assets work seamlessly across borders which challenges current jurisdictional models,” says Lawrence Wintermeyer, Co-Founder of GDF, “and this will require a federation of industry participants and membership organisations with the support from organizations like national fintech and crypto members’ associations, the OECD, and the IMF.”

“As a Founding Member of GDF, we are delighted to be at the forefront of this important global industry initiative”, says Malcolm Wright, Chief Compliance Officer, Diginex. “We believe collaboration between leading market participants will be key to shaping the future regulatory environment for the digital asset industry and are committed to working closely with GDF to ensure success of future workstreams.”

About Global Digital Finance (GDF)

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.

About the Code of Conduct and taxonomy

Global Digital Finance conducted a consultation on the Code of Conduct for Cryptoassets and a supporting Taxonomy. The Code of Conduct consists of three parts, Part I – Overarching Principles, Part II – Additional Principles for Token Sales and for Token Sale Service Providers and Part III – Additional Principles for Token Trading Platforms.

Global Digital Finance has published additional principles to the GDF Code of Conduct: Part IV – Principles for Cryptoasset Funds and Fund Managers and Part V – Principles for Token Comparison and Rating Websites. This consultation will be open until 31 January 2019.

Future components of the code under development will include additional principles for Custody, Anti-Money Laundering and Counter-Terrorism Financing.

More information can be found at www.gdf.io

Notable industry contributors to the GDF Code of Conduct and Taxonomy:

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

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