



Basel Committee on Banking Supervision, Bank for International Settlements, CH-4002
Basel Switzerland

19 March 2024

Re: Consultation on crypto asset standards amendment

The School of Business at the University of Dundee is pleased to offer its insights on the Basel Committee's efforts to craft a framework for crypto asset standards. We wholeheartedly endorse the Committee's comprehensive strategy aimed at integrating cryptoassets within the global banking system's regulatory, supervisory, and disclosure framework.

As a globally recognised institution dedicated to making a significant impact through research, the University of Dundee is committed to meeting the diverse needs of our stakeholders and contributing to informed policy-making through rigorous, impactful research. On behalf of the University of Dundee School of Business, this consultation response is authored by Dr Murat Mazibas, an Associate Professor of Banking and Finance and a former member of the banking industry.

Views on Annex 1: Proposed Edits to the Basel Framework

Changes to SCO60.12 (2):

The Basel Committee's updates to SCO60.12 (2), as specified, focus on establishing robust asset quality criteria for the reserve assets backing cryptoassets pegged to one or more currencies. These amendments aim to ensure that such cryptoassets can always be redeemed at their peg value, especially during stressed market conditions. Please below find our detailed analysis of the proposed change:

Potential Benefits:

Enhanced Stability and Trust: The emphasis on assets with minimal market and credit risk, short-term maturities, and high liquidity supports the stability of stablecoins pegged to fiat currencies. This can bolster user and investor trust, especially important during market volatility.

Risk Mitigation: By specifying that reserve assets must have a proven record of stability and liquidity, even in stressed conditions, the guidelines directly mitigate liquidity and credit risk, crucial for the stablecoin's ability to meet redemption requests.

Operational Integrity: Requiring reserves to be bankruptcy remote and the pricing formula to be based on publicly available inputs enhances the operational transparency and integrity of stablecoin issuers.

Regulatory Clarity: By clearly defining eligible types of reserve assets and allowing national supervisors the discretion to include additional assets that meet these quality criteria, the amendments provide a clear regulatory framework that can adapt to different jurisdictions.



Potential Drawbacks:

Compliance and Operational Costs: For stablecoin issuers, meeting these detailed and stringent criteria could increase operational complexity and compliance costs, particularly for those with diverse or innovative reserve management strategies.

Limitation on Reserve Composition: The criteria might limit the ability of issuers to diversify their reserves with assets that don't strictly meet these conditions but could otherwise offer stability and liquidity benefits.

Potential Market Impact: Concentrated demand for the specified high-quality assets could impact their availability and pricing in the broader market, especially during periods of financial stress when liquidity is most needed.

Relevance and Efficacy:

Relevance to Stablecoin Issuers: These changes are particularly relevant for banks and financial institutions involved in issuing or managing stablecoins. They align with the Basel Committee's goals of ensuring financial stability and protecting the banking system from the risks associated with cryptoassets.

Relevance for Risk Management: The guidelines are well-suited for managing the unique risks associated with stablecoins, providing a comprehensive approach to ensuring that these assets remain stable and redeemable under all conditions.

Flexibility for National Implementation: Allowing national supervisors to include additional assets provides necessary flexibility, acknowledging the differences in financial markets and the availability of high-quality assets across jurisdictions. This flexibility is crucial for the global applicability of these guidelines.

In conclusion, the Basel Committee's amendments to SCO60.12 (2) introduce necessary and detailed criteria for the reserve assets of stablecoins pegged to currencies to enhance their stability, reliability, and operational integrity. While these changes present certain challenges for stablecoin issuers, we believe they are a crucial step towards safely and effectively integrating these emerging assets into the global financial system safely and effectively. Ensuring these guidelines remain adaptable and responsive to market developments will be key to their successful implementation and effectiveness.

Inclusion of SCO60.12 (3):

The Basel Committee's inclusion of specific asset quality criteria for reserve assets of cryptoassets not pegged to currencies, as outlined in SCO60.12 (3), addresses a crucial aspect of the cryptoasset ecosystem—how to manage the reserves of cryptoassets whose value is not directly tied to a fiat currency. We understand that this amendment aims to ensure that these cryptoassets maintain a stable value relative to their reference assets through prudent reserve management. Please below find our detailed analysis and implications of the proposed change:

Potential Benefits:



Alignment with Reference Asset Risks: By requiring that reserve assets largely include the same assets as the reference assets, the regulation ensures that the risk profile of the reserve closely matches that of the cryptoasset it supports. This can help maintain the stability of the cryptoasset's value relative to its reference assets.

Operational Flexibility: Allowing a de minimis portion of the reserve to be held in cash or bank deposits provides necessary operational flexibility for issuers. This can facilitate day-to-day management of the cryptoasset arrangement, including handling fees, settlements, and redemptions, which may require liquid fiat assets.

Simplicity and Clarity: The criteria provide clear guidance for issuers of non-currency pegged cryptoassets on how to manage their reserves, potentially simplifying compliance efforts and reducing ambiguity in reserve management practices.

Potential Drawbacks:

Potential for Limited Diversification: By restricting reserve assets to those presenting the same risk profile as the reference assets (except for a minimal cash or bank deposit component), the regulation may limit issuers' ability to effectively diversify reserve risks. This could expose the reserves, and thus the cryptoasset, to heightened volatility in certain scenarios.

Operational and Compliance Burden: For issuers of complex or diverse cryptoassets, continuously ensuring that reserve assets match the risk profile of the reference assets might introduce significant operational and compliance challenges, especially when the reference assets themselves are volatile or subject to rapid changes.

Market Impact and Liquidity Concerns: If issuers need to adjust their reserves frequently to align with the changing risk profile of their reference assets, this could lead to increased market transactions, potentially impacting the liquidity and price stability of the reference assets.

Relevance and Efficacy:

Risk Management Emphasis: The changes are well-suited for cryptoassets not pegged to currencies, as they focus on managing the unique risks associated with these assets. They are applicable to banks and cryptoasset issuers who need to ensure the stability and integrity of their offerings.

Encouragement of Prudent Reserve Practices: By specifying the nature of reserve assets, the regulation encourages prudent reserve management practices, which is crucial for maintaining confidence in cryptoassets not pegged to traditional currencies.

Consideration for Operational Realities: The allowance for a de minimis portion of reserves to be held in cash or bank deposits acknowledges the operational realities of managing cryptoassets, ensuring issuers can meet short-term liquidity needs without compromising the overall stability of the reserve.

In conclusion, the inclusion of asset quality criteria for reserves of cryptoassets not pegged to currencies in SCO60.12 (3) represents a targeted effort to ensure these assets' stability and reliability. While introducing certain operational challenges, the amendment aligns with the Basel Committee's broader objectives of risk management and financial stability. We believe



that the success of these criteria will depend on their practical implementation and the ongoing adaptability of the regulatory framework to the evolving cryptoasset landscape.

Inclusions of SCO60.12 (4)(d) and (e), and footnotes:

The Basel Committee's SCO60.12 (4) (d) introduces specific requirements for risk management frameworks and (4) (e) transparency regarding the reserve assets backing cryptoassets. These changes aim to enhance the stability and trustworthiness of cryptoassets, particularly stablecoins, by ensuring that issuers adopt comprehensive risk management practices and commit to regular, transparent disclosures. Please find below our detailed analysis and implications of the proposed inclusion:

SCO60.12 (4)(d) - Risk Management Framework

Potential Benefits:

Enhanced Stability and Confidence: Mandating a robust risk management framework for assessing and monitoring reserve assets helps ensure the stability of the cryptoasset's value, enhancing user and investor confidence.

Comprehensive Risk Mitigation: Addressing a broad spectrum of risks (market, credit, concentration, and liquidity risk) encourages issuers to adopt a holistic approach to risk management, reducing the likelihood of significant impacts from adverse market conditions.

Operational Vigilance: Requirements like ongoing monitoring of counterparties and custodians, along with daily valuation and stress testing of reserve assets, ensure operational vigilance and readiness to respond to potential risks.

Potential Drawbacks:

Increased Operational Complexity and Costs: Implementing and maintaining a comprehensive risk management framework can be operationally complex and costly, potentially challenging for smaller issuers or those with limited resources.

Potential for Compliance Overload: The broad scope of risks and the requirement for ongoing monitoring and daily valuations might lead to compliance overload, diverting resources from other operational areas.

SCO60.12 (4)(e) - Transparency and Disclosure

Potential Benefits:

Market Transparency: Regular disclosure of the composition and value of reserve assets, along with the amount of cryptoassets in circulation, promotes market transparency, crucial for informed decision-making by users and investors.

Independent Verification: Semi-annual verification by an independent third party adds a layer of credibility to the disclosed information, enhancing trust in the issuer's operations and the value stability of the cryptoasset.



Regulatory and User Confidence: These transparency requirements align with regulatory expectations for financial products and can build confidence among regulators, users, and the broader market in the cryptoasset's integrity.

Potential Drawbacks:

Disclosure Burden: The requirement for frequent disclosures and independent verification might impose significant burdens on issuers, including operational challenges and costs associated with ensuring the accuracy and timeliness of information.

Risk of Information Overload: While transparency is generally beneficial, there's a risk that too frequent disclosures could overwhelm users and investors, potentially leading to information overload or confusion.

Relevance and Efficacy:

Applicability to Stablecoins and Other Cryptoassets: These changes are particularly applicable to stablecoins due to their reliance on reserve assets to maintain value stability. However, risk management and transparency principles are broadly applicable across various types of cryptoassets.

Suitability for Enhancing Market Discipline: By requiring issuers to adopt risk management practices and disclose critical information regularly, these changes are suitable for enhancing market discipline and encouraging responsible issuer behaviour.

In conclusion, we believe that the Basel Committee's amendments to SCO60.12 (4) concerning risk management and transparency represent critical steps towards ensuring the safety, stability, and transparency of cryptoassets. While introducing certain operational and compliance challenges, these requirements are essential for building trust in cryptoassets and safeguarding against systemic risks. However, their success will depend on effective implementation and the ability of issuers to adapt to these regulatory expectations.

SCO60.14 Classification condition 2: Including primary and secondary markets within the applicable legal framework(s) for the settlement finality:

The Basel Committee's inclusion of both primary and secondary markets within the applicable legal framework(s) for settlement finality, as indicated in SCO60.14 (Classification condition 2), is a significant development aimed at strengthening the regulatory framework for cryptoassets. This change ensures that the legal frameworks governing cryptoassets provide clear rules for the finality of transactions, not just at the point of issuance or initial sale (primary market) but also during subsequent trades (secondary market). Please find below our detailed analysis and implications of the proposed inclusion:

Potential Benefits:

Comprehensive Market Coverage: Including both primary and secondary markets ensures that all stages of a cryptoasset's lifecycle are covered by settlement finality provisions. This



comprehensive approach enhances the legal certainty and stability across the entire market for these assets.

Increased Confidence in Transactions: Clear rules for settlement finality reduce the risk of disputes and enhance confidence among participants in both primary and secondary markets. This is crucial for the efficient functioning of markets and for fostering investor confidence.

Harmonization Across Markets: This change encourages harmonisation of legal standards across different market segments, facilitating smoother transitions for cryptoassets between the primary and secondary markets and reducing legal ambiguity.

Enhanced Risk Management: By ensuring settlement finality in both markets, the amendment aids in better risk management for participants, as the finality of transactions is a critical component in managing counterparty, liquidity, and operational risks.

Potential Drawbacks:

Regulatory and Legal Complexity: Implementing settlement finality across both market segments may involve navigating complex legal and regulatory landscapes, especially in jurisdictions with less developed legal frameworks for digital assets.

Implementation Challenges: For cryptoassets operating on distributed ledger technology (DLT) platforms, achieving recognised legal settlement finality in both primary and secondary markets might pose technical and operational challenges, particularly in permissionless systems where consensus mechanisms may not align neatly with legal concepts of finality.

Potential for Increased Compliance Costs: Ensuring compliance with settlement finality requirements across multiple markets could increase the regulatory and operational costs for cryptoasset issuers and platforms, potentially impacting smaller players disproportionately.

Relevance and Efficacy:

Applicability to Diverse Market Structures: This change is applicable to a wide range of market structures and cryptoasset types, acknowledging the diversity within crypto markets and aiming to bring uniform standards of legal certainty.

Suitability for Enhancing Market Integrity: By applying to both primary and secondary markets, the amendment is well-suited to enhancing the overall integrity and stability of the cryptoasset market. It ensures that investors and participants have clarity and confidence in the legal standing of their transactions across all stages of trading.

In summary, we believe that the Basel Committee's amendment to include settlement finality provisions for both primary and secondary markets within applicable legal frameworks represents a thoughtful approach to enhancing the regulatory landscape for cryptoassets. While it presents certain challenges in terms of implementation and compliance, the benefits in terms of legal certainty, market confidence, and risk management are significant. We also believe that



this change underscores the need for comprehensive regulatory oversight across the lifecycle of cryptoassets, aligning with broader financial stability and market integrity goals.

Inclusion of SCO60.20 (3):

The Basel Committee's inclusion of the due diligence requirement for Group 1b cryptoassets in SCO60.20 (3) is an essential measure to ensure banks maintain a comprehensive understanding of the stabilisation mechanisms of these assets. This measure is geared towards safeguarding the financial system by ensuring that only cryptoassets with effective and reliable stabilisation mechanisms are classified under Group 1b, which enjoys a less conservative capital treatment. Please find below our detailed analysis and implications of the proposed inclusion:

Potential Benefits:

Enhanced Risk Assessment: This requirement emphasises the need for banks to thoroughly assess the risks associated with Group 1b cryptoassets, focusing on the sustainability of their stabilisation mechanisms. It promotes a deeper understanding of the underlying risks and the effectiveness of these mechanisms in maintaining the asset's value.

Ongoing Monitoring: Mandating regular due diligence (whether monthly, quarterly, or annually, which should ideally be determined by supervisors) ensures that banks continuously monitor the stability and performance of these cryptoassets against their reference assets. This ongoing assessment is crucial given the volatility and dynamic nature of the cryptoasset market.

Transparency and Accountability: The requirement to conduct statistical or other tests to demonstrate stability (basis risk test) and to make the results available to supervisors enhances the transparency of the bank's involvement with cryptoassets. It holds banks accountable for their classification decisions and provides a basis for regulatory oversight.

Regulatory Oversight and Flexibility: Allowing supervisors to override the classification based on test results gives regulators flexibility to respond to changing market conditions and emerging risks. It ensures that the classification reflects the current risk profile of the cryptoasset.

Potential Drawbacks:

Operational and Compliance Burdens: These requirements could introduce significant operational and compliance burdens for banks. Conducting thorough due diligence and ongoing tests requires resources, specialised skills, and potentially new systems or processes.

Potential for Subjectivity in Testing: While statistical tests for stability are important, there might be subjectivity in selecting and interpreting these tests. The effectiveness of stabilisation mechanisms can be challenging to quantify precisely, leading to potential disagreements between banks and regulators.

Resource Intensity for Supervisors: The need for supervisors to review test results and possibly override classifications could strain regulatory resources. It requires supervisors to have a deep understanding of cryptoasset markets and the statistical methods used in testing.



Relevance and Efficacy:

Suitable for Risk Management: This inclusion is well-suited to the Basel Committee's risk-based approach to financial regulation. It ensures that banks' exposures to cryptoassets are managed with a clear understanding of the associated risks and the effectiveness of mitigation mechanisms.

Applicable Across Banking Sector: While more significant banks may be better equipped to meet these requirements, it's essential for the entire banking sector, including smaller institutions, to maintain rigorous standards for engaging with cryptoassets. Tailoring the frequency of due diligence to reflect the risk profile and market position of the cryptoasset can help manage the operational impact.

In conclusion, we believe that the inclusion of due diligence requirements for Group 1b cryptoassets in SCO60.20 (3) reflects the Basel Committee's commitment to ensuring that banks' engagements with cryptoassets are conducted safely and with a thorough understanding of the associated risks. While introducing certain operational challenges, we believe that this measure is crucial for maintaining the stability and integrity of the financial system as it interacts with the evolving cryptoasset market.

Inclusions to SCO60.55(1)(a) and (b):

The Basel Committee's inclusion of specific language in SCO60.55(1) regarding trades on regulated exchanges that clear through a Qualifying Central Counterparty (QCCP) reflects a strategic move to enhance the regulatory framework for banks' exposures to cryptoassets, particularly those classified under Group 2. This change aims to increase the safety and stability of cryptoasset transactions by ensuring they are conducted through platforms with robust risk management practices. Please find below our detailed analysis and implications of the proposed inclusion:

Potential Benefits:

Risk Mitigation: By requiring that trades of certain cryptoassets and their derivatives or ETFs/ETNs occur on regulated exchanges cleared through a QCCP, the amendments aim to mitigate counterparty, settlement, and operational risks. As QCCPs are subject to stringent regulatory standards for risk management, this can enhance the overall safety of transactions.

Market Integrity and Transparency: Trading on regulated exchanges and clearing through QCCPs ensures a higher degree of market integrity and transparency. This can lead to more reliable pricing, liquidity, and reduced market manipulation, benefiting the overall ecosystem.

Regulatory Oversight: The involvement of regulated exchanges and QCCPs brings these cryptoasset transactions within the ambit of financial regulators, ensuring oversight and adherence to established financial market standards.



Investor Confidence: This requirement can boost investor confidence in cryptoasset markets by providing a safer trading environment. Knowing that cryptoassets and related products are traded on regulated platforms and cleared by QCCPs can reassure institutional and retail investors alike.

Potential Drawbacks:

Limited Access and Inclusion: Smaller or emerging cryptoassets that are not traded on regulated exchanges or lack ETF/ETN products may find it challenging to meet these requirements, potentially limiting their access to bank capital and broader market participation.

Operational and Compliance Costs: For exchanges and issuers of cryptoasset-related products, meeting the standards required for QCCP clearing can involve significant operational and compliance costs. These costs could be passed on to traders and investors in the form of higher fees.

Concentration Risk: There might be a risk of market concentration if only a few regulated exchanges and QCCPs meet the required standards. This could lead to a lack of competition and innovation in the market.

Relevance and Efficacy:

Suitability for Enhancing Market Stability: The inclusion is particularly suitable for enhancing the stability and integrity of the cryptoasset market. By leveraging the existing regulatory frameworks for QCCPs and regulated exchanges, the Basel Committee ensures that cryptoasset transactions adhere to high safety and transparency standards.

Applicability to Institutional Participation: These requirements are especially applicable to institutional investors and banks that engage in cryptoasset markets, as they often require higher risk management standards and regulatory compliance.

In conclusion, we believe that the Basel Committee's amendments in SCO60.55(1) reflect a careful approach to integrating cryptoassets into the traditional financial regulatory framework. While aiming to enhance safety, transparency, and oversight, these requirements recognise the unique aspects of cryptoasset markets. We believe that balancing the benefits of increased market integrity and investor confidence against potential challenges of market access and operational costs will be crucial for the continued development of the cryptoasset ecosystem.

Inclusion to SCO60.99:

The Basel Committee's inclusion and adjustments in SCO60.99 focus on specifying how banks should calculate counterparty credit risk (CCR) for derivative exposures involving Group 2b cryptoassets using the Standardised Approach for Counterparty Credit Risk (SA-CCR) framework. This framework, outlined in the credit risk standard (CRE52), is adapted for cryptoasset transactions with particular conditions regarding netting and hedging. Please find below our detailed analysis and implications of the proposed inclusion:



Potential Benefits:

Risk Sensitivity and Precision: SA-CCR provides a risk-sensitive approach to calculating CCR, considering both Replacement Cost (RC) and Potential Future Exposure (PFE). This approach is more precise than broad-brush methods, as it factors in the specific characteristics of the exposure. Applying SA-CCR to cryptoasset transactions ensures a nuanced understanding of the risk profile.

Netting Clarifications: The explicit allowance for netting within eligible and enforceable netting sets for the same Group 2b cryptoassets helps reduce the RC by recognising legally enforceable netting agreements. This can significantly lower the capital requirements for banks engaged in these transactions, reflecting the actual risk exposure more accurately.

Separation of Hedging Sets: Requiring that netting sets containing both derivatives related to Group 2b cryptoassets and other asset transactions be split enforces a clear segregation of risks. This separation ensures that hedging strategies and the calculation of PFE are appropriately tailored to the distinct risk characteristics of cryptoassets versus other assets.

Potential Drawbacks:

Operational Complexity: Implementing the SA-CCR for cryptoasset exposures, particularly with the specified exceptions and adjustments, adds complexity to risk management and reporting processes. Banks must adapt their systems to handle these calculations and segregations, potentially increasing operational costs.

Limited Netting Benefit: While netting is permitted for exposures to the same Group 2b cryptoassets, the restriction that Group 2b cryptoassets must not form part of any hedging set limits the opportunities for netting across a broader set of transactions. This could result in higher capital charges than if broader netting and hedging were permitted.

Challenges in Practical Implementation: The need to split netting sets containing both Group 2b cryptoasset derivatives and derivatives related to other asset transactions might complicate the management of derivative portfolios. It could also challenge the practical implementation of risk-reducing hedging strategies.

Relevance and Efficacy:

Suitable for Managing Cryptoasset Risks: The adjustments are suitably tailored to address the unique risks associated with Group 2b cryptoassets, ensuring that banks' capital requirements reflect the actual risk exposure. This is crucial for managing the potential high volatility and liquidity issues of these assets.

Applicable to Banks with Advanced Risk Management Capabilities: These requirements are most applicable to banks that already employ sophisticated risk management frameworks and have the infrastructure to implement SA-CCR. Smaller institutions might find these requirements more challenging to apply without significant support.



In conclusion, we believe that the Basel Committee's refinements to the calculation of counterparty credit risk for Group 2b cryptoasset exposures under the SA-CCR framework demonstrate a commitment to ensuring that banks' capital requirements accurately reflect the risk profile of these assets. While introducing certain operational challenges, these changes are essential for maintaining financial stability in the face of the growing cryptoasset market. Ensuring that banks have the necessary guidance and support to implement these changes effectively will be crucial for their successful integration into risk management practices.

Inclusion to SC060.118:

The Basel Committee's inclusion of a specific formula in SC060.118 for calculating the risk-weighted assets (RWA) arising from Group 2 cryptoassets in the event of a breach of the 1% limit offers a structured approach to manage regulatory capital requirements for banks involved with these assets. The detailed illustrative example provided in footnote [14] helps clarify the application of this formula in a practical scenario. Please find below our detailed analysis and implications of the proposed inclusion:

Potential Benefits:

Structured Risk Management: The formula provides a clear and structured method for banks to calculate RWA related to Group 2 cryptoassets, facilitating risk management by linking capital requirements directly to the level of exposure.

Incentive for Compliance: By escalating capital requirements for exposures exceeding the 1% threshold, the framework incentivises banks to actively monitor and manage their cryptoasset exposures, aligning banks' risk management practices with regulatory expectations.

Flexibility and Precision in Capital Requirements: The formula allows for a precise calculation of capital requirements based on the actual exposure beyond the 1% limit, offering a more nuanced and flexible approach than a flat increase in capital charges might provide.

Clarity and Transparency: The illustrative example in footnote [14] offers clarity on applying the formula, enhancing banks' transparency in how exposure limit breaches affect capital requirements.

Potential Drawbacks:

Operational Complexity: The requirement to calculate RWA using this formula may add operational complexity, particularly for banks with significant and fluctuating Group 2 cryptoasset exposures. It demands robust systems and processes for ongoing monitoring and calculation.

Potential for Increased Capital Charges: For banks close to or exceeding the 1% exposure limit, the application of this formula could result in significantly increased capital charges, potentially constraining their capacity to engage with the cryptoasset market.



Resource Intensiveness: The need for continuous tracking and calculation of RWA for Group 2 cryptoassets demands considerable resources, both in terms of technological infrastructure and expertise, which could be challenging for smaller institutions.

Relevance and Efficacy:

Suitable for Banks with Cryptoasset Exposures: This formula is particularly suitable for banks actively engaged in the cryptoasset market, providing a mechanism to quantify and manage the capital implications of their Group 2 (particularly Group 2b) cryptoasset exposures.

Applicable Across Diverse Banking Institutions: While all banks dealing with Group 2 cryptoassets must apply this formula in the event of a breach, its applicability and impact will be most pronounced for those institutions with larger or more volatile cryptoasset portfolios.

In summary, we believe that the inclusion of a detailed formula for calculating RWA in the event of a breach of the 1% Group 2 cryptoasset exposure limit reflects the Basel Committee's commitment to ensuring that banks maintain adequate capital against their cryptoasset exposures. While introducing certain operational and compliance challenges, this structured approach is crucial for maintaining financial stability in the face of the risks associated with the cryptoasset market. The illustrative example provided further aids in understanding and implementing the requirements, enhancing the framework's clarity and practical applicability.

[Views on Annex 2: FAQs Added to the Basel Framework](#)

We believe that the additions to the Basel Framework's FAQs in Annex 2 take a thoughtful approach to clarifying common questions and ambiguities regarding the cryptoasset standard. This not only aids in promoting a consistent understanding and implementation of the standard across jurisdictions but also provides banks and other stakeholders with clear guidance on compliance requirements. FAQs can serve as an effective tool for addressing practical challenges and uncertainties in applying the cryptoasset standard.

Many thanks for the opportunity to contribute to this vital and timely initiative.

Best regards,

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