Comments on the discussion paper “Designing a prudential treatment for crypto-assets”

Comments on Question 4: What additional factors affect the risk profile of different crypto-assets which are relevant in the context of determining a prudential treatment?

I suggest the following additional factors and consider them as relevant in the context of determining a prudential treatment:

1. **Distributed Ledger network size**: Some public distributed ledgers rely on networks with thousands of nodes (e.g. Ethereum\(^2\)), while others only use a limited network of nodes (e.g. Steemit\(^3\)). A small network of nodes indicates a high-risk profile, while a large network of nodes indicates a low risk profile.

2. **Ratio of operators to nodes**: Are most of the nodes run by a single operator or are they distributed among many operators? The former indicates a high-risk profile while the latter indicates a low risk profile.

3. **Trustworthiness of node operators**: How trustworthy are the operators of the nodes? Are the nodes run by public/ private institutions (low-risk profile) or private persons (high risk-profile)? Is there a long-ranged commitment by the operators of the nodes?

4. **Reward for validation and storage of data**: What is the current/past/future reward for validation and storage of data for a node? Is it positive? The higher the reward, the lower is the risk-profile.

5. **Active maintenance of source code**: Is there a development team, which is committed to the ongoing maintenance of the DLT network? An active team would indicate a low-risk profile.

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\(^1\) Author details: Simon Hess, Monetative, Germany, simon.hess@monetative.de
