

## ABOUT DARSA

DARSA™ is a neutral, not-for-profit, global organization that develops and maintains the most widely-used digital assets and registry standards system in the world. DARSA Standards improve the efficiency, safety, and visibility of digital assets placed across the Blockchain(s). DARSA's aim is to engage with communities of trading partners, industry organizations, governments, and technology providers to understand and respond to their business needs through the adoption and implementation of global standards.

## ABOUT DARSA North America (NA)

DARSA NA™, a member of DARSA Global, is a not-for-profit digital assets registry and standards organization that facilitates industry collaboration to improve supply chain visibility and efficiency through the use of DARSA Standards.

DARSA NA aims to create trading-partner collaboration that optimizes their Digital assets placement on the blockchain(s), drives accountability and consumer trust while also enabling a roadmap to regulatory compliance. They achieve these benefits through solutions based on DARSA global unique meta-tag numbering and identification systems, Blockchain Product Code-based UAC, UTC, data synchronization, and electronic information exchange.

## INTRODUCTION

Prior to the release of bitcoin there were a number of digital cash technologies starting with the issuer based ecash protocols of David Chaum and Stefan Brands. Adam Back developed hashcash, a proof-of-work scheme for spam control. The first proposals for distributed digital scarcity based cryptocurrencies were Wei Dai's b-money and Nick Szabo's bit gold. Hal Finney developed reusable proof of work (RPOW) using hashcash as its proof of work algorithm.

On 18 August 2008, the domain name bitcoin.org was registered. Later that year on 31 October, a link to a paper authored by Satoshi Nakamoto titled *Bitcoin: A Peer-to-Peer Electronic Cash System* was posted to a cryptography mailing list. This paper detailed methods of using a peer-to-peer network to generate what was described as "a system for electronic transactions without relying on trust". On 3 January 2009, the bitcoin network came into existence with Satoshi Nakamoto mining the *genesis block of bitcoin*(block number 0), which had a reward of 50 bitcoins.

By 2019 the Financial Regulators from all around the World continue to fail in addressing the issue of decentralization and the effect it had on assets that can be digitized for the blockchain. DARSA's aim is to bring forth a business case to create a standardized framework for registration and sharing data about digital assets been created and transferred among parties in the blockchain supply chain. The DARSA framework has a neutral position on the Howey Test for securities. DARSA's aim is to create transparency and trust to the blockchain consumer and bring a framework to the new digital products been created by the Blockchain technologies.

## SITUATION ANALYSIS:

Exchanges and financial regulatory institutions rely on the creators of the digital assets to follow compliance but have no way to track the creation and chain of custody on digital assets created on the various blockchains. Digital Assets primarily Tokens using the Ethereum blockchain are created with no true transparency or real record of custodial ownership. In effect the whole process is a closed system to the Exchanges and financial regulatory institutions to identify customers and AML cash flow.

## PROBLEM STATEMENT:

To gain efficiencies in accountability there is a need for a common way to identify digital assets creators and digital assets placed on the Blockchain and funds used in the currency supply chain. In addition these identifiers should be part of a standardized set

of data elements that accompany digital assets and funds throughout the digital asset supply chain. These standardized data elements should be communicated through an electronic messaging standard that helps drive elimination of lack of transparency and due diligence of digital assets on the blockchain and improve accuracy and traceability in the Blockchain and Currency supply chain.

## 1.1 OBJECTIVE

To reduce fraud and consumer risks, and improve controls and service levels, the DARSA framework provides electronically sharing data about [cash packages that are transferred between] and among organizations involved in the cash supply chain, including Federal Reserve Banks, financial institutions, armored car companies, and merchants.

As part of the framework, the Digital Assets Data Standards comprised of the DARSA and other Industry leaders are tasked to create the standard data elements to be used throughout the Blockchain(s). The Digital Assets Data Standards perform the following tasks:

- Review Blockchain model and assess applicability to Token Creation and supply chain.
- Reviewed the current and future state workflows
- Provided the descriptions of the workflows and steps
- Made decisions that were approved by the Coordinating Team regarding changes to the workflows
- Identified and agreed upon the data elements that would be used within each “what to expect” file
- DARSA created a standard data element format that was approved by the Coordinating Team

## 1.2 SCOPE

Defines which DARSA identifiers and codes (UAC, UTC) will be implemented for:

- Exchanges
- Token Issuers
- Ownership Transparency of Blockchain Assets
- KYC/AML additional identifiers

Create a framework of standardized data elements to accompany token sales and token deposits across the blockchain supply chain, as well as a standard for electronic transmission of these data elements in an open, interoperable decentralized system.