

Dear Madam / Sir,

As part of its ongoing efforts to ensure DACS remains a relevant and accurate classification structure for the digital asset market, CoinDesk Indices is seeking feedback on potential changes to its Digital Asset Classification Standard (DACS). The document below outlines the list of potential changes. We seek feedback from interested participants that will serve as input into the review and decision-making process, which will be managed by CoinDesk Indices' DACS Committee.

### **DACS Consultation Topics and Questions**

1. Bitcoin is currently classified in the DACS Currency Sector.

*Do you agree with classifying Bitcoin as a currency?*

2. When initially launched, DAOs were an interesting and new concept that merited their own classification. However, currently most newly launched protocols are structured as DAOs with their respective tokens granting voting rights.

*Should the DAO Industry Group be dissolved and its constituents re-classified into more use-case centric Industries?*

3. If DAO's were reclassified (per question #2), several new potential Industries could be created. Should the below Industries be considered and added?

Stablecoin Issuer  
Fundraiser  
DAO Builder  
Multi-Sig

4. With the advent of scaling solutions like Arbitrum, the concept of 'Layer 2' has been thrust into the crypto zeitgeist. Likewise, 'Layer 1' such as Ethereum and 'Layer 0' such as Cosmos, have become a popular way to describe different functions of the Smart Contract Platform (SCP) sector.

Previously, SCPs were distinguished by their capacity for blockchain interoperability: Single Chain for non-interoperable SCPs [e.g. Ethereum], and Multi-Chain/Parachain for SCPs that could seamlessly interact with other SCPs in a homogeneous ecosystem [e.g. Cosmos].

Now that cross-chain "bridges," which act as a means of transferring assets across heterogeneous blockchains, are ubiquitous the Single/Multi distinction becomes murky: any two chains with access to a bridge can now be effectively called a "multi-chain."

*Should Single & Multi-Chain/Parachain Industry Groups under the Smart Contract Platform Sector be reorganized into Layer 0, Layer 1, and Layer 2, respectively?*

5. “Permissioned” or “closed” blockchains require the entities that validate and secure the network be effectively handpicked. This method contradicts with permissionless (“open”) blockchains, where anyone can be a participant in securing and maintaining the network. Permissioned chains are centralized by design, while permissionless chains are decentralized.

Blockchain as a Service (BaaS) is currently defined as permissioned: these services tend to be narrow-purpose and not interested in decentralization. Rather, their focus is on speed of transaction, throughput, and a desire to maintain absolute control over the network. It is conceivable that BaaS is not limited to permissioned blockchains, but then the question becomes ‘how do we define Blockchain as a Service?’

*Should Baas remain restricted to “permissioned-only” protocols?*

6. *Should the Stablecoins Industry Group (under the Currency Sector) be further divided into Centralized vs. Decentralized Industries?*
7. Automated Market Makers (AMM) are an innovation in decentralized finance (DeFi) that allow users to execute trades on a decentralized platform without the need for a counterparty, or an account with a brokerage. Central Limit Order Books (CLOB) are the traditional means of exchange between asset pairs with makers and takers trading at an agreed upon price. Both are forms of exchanging assets and both exist in the cryptocurrency space, although AMMs are far more prominent while decentralized CLOBs are largely on the way out.

*Should AMM and CLOB be combined into ‘Decentralized Exchanges’?*

8. Derivatives are a small but rapidly growing trend on the blockchain. Emerging innovative platforms allow for on-chain derivatives trading, including on margin, long and short. Currently, the DACS structure does not make the distinction between tokens representing derivatives platforms, and tokens that are themselves derivatives (of gold, for example).

*Should Derivatives Industry Group be further divided into Derivatives, Derivatives Platform, and (potentially) other Groups?*

9. Digitization is a small sector that intends to capture the platforms focused on putting various types of records on the blockchain: medical records, real estate deeds, intellectual property, etc. Such activities require leveraging computing and database resources, although one could view the sector as distinctly different from Computing itself.

*What are your expectations for the Digitization sector? Would it make sense to include digitization as an Industry Group under (e.g.) Computing instead of a stand-alone Sector?*

*10. Is there anything that you believe we should have asked and covered?*

**If you wish to provide feedback on this consultation, you may participate by visiting our [website](#) or clicking on this [link](#).**

Please see below links for helpful resources related to DACS:

[DACS Methodology](#)

[DACS Glossary](#)

[DACS Website with the Top 500 Assets](#)

Any changes resulting from this consultation will be announced on CoinDesk Indices Governance [page](#) with details of timing and implementation.

If you have additional questions, please contact [IndexServices@coindesk-indices.com](mailto:IndexServices@coindesk-indices.com)

Regard,

*CoinDesk Indices Team*