DLT IN SECURITIES MARKETS

NATASHA CAZENAVE

Executive Director - European Securities and Markets Authority (ESMA)

Rethinking financial supervision of EU securities markets in a DLT world

Technology is a fundamental catalyst for change, shaping a landscape where digitalisation covers large swaths of our societies – and the pandemic has further increased the pace of transformation. In the financial sector, tools such as data analytics, machine learning, and cloud computing are set to play a greater role in the future as they are proving every day that they can bring faster, more transparent, and possibly cheaper services to consumers and investors.

The spotlight will also be on Distributed Ledger Technology (DLT), which presents several benefits with respect to the integration and even the competitiveness of the Capital Markets Union. Indeed, tokenisation associated with the use of DLT based platforms may reduce transactions costs, enhance the exchange of illiquid assets, help new asset classes emerge and foster cross-border trading.

At ESMA, our mission is to understand and monitor these trends to ensure that the European regulatory environment stays fit for purpose. A poorly designed regulatory framework would hinder the development of DLT-based market infrastructures, i.e. trading platforms or settlement systems. At the same time, it is our main duty to prevent investors, especially retail investors, from embarking on a journey that is too risky for them. In our view, the challenge is particularly acute as the current set of EU rules has not been built with innovations such as DLT in mind.

To address it, we are convinced that the approach taken by the European Commission and endorsed by EU policymakers to setup a pilot regime for DLT market infrastructures is the appropriate one. In essence, this temporary "regulatory sandbox" will create, under certain conditions, exemptions from specific requirements foreseen in EU financial legislation, such as MiFID or CSDR. In doing so, it will offer a safe space for market participants and supervisors in the EU to experiment and acquire expertise on the technology. This will promote the uptake of DLT in the trading and post-trading areas while ensuring investor protection, market integrity, and financial stability. In other words, the DLT pilot regime may become an example of how regulators can oversee innovation with flexibility.

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Furthermore, we believe that the implementation of the DLT pilot regime will be an opportunity to rethink existing financial reporting channels, as well as to adapt market surveillance mechanisms. That is the reason why, even though the text of the DLT pilot regime Regulation is not yet finalised, we have decided to launch a Call for Evidence to assess whether the Regulatory Technical Standards (RTS) developed under MiFIR relative to how certain pre- and post-trade transparency and data reporting requirements need to be amended so that they can effectively be applied to securities issued, traded and recorded on DLT. Based on stakeholders' feedback, we will reflect whether refinements to the RTS are necessary and submit our recommendations to the European Commission.

This process and further reflections are still ongoing. However, given that supervision of DLT market infrastructures under the pilot regime – and under the more stable legislative improvements that will perhaps result from the experiment – should be data-driven, we may already point to the limits of the traditional reporting approach under MiFIR ("push approach") for DLT market infrastructures to gather the data required to perform both policy and supervisory mandates.

At ESMA, we would see merit in granting all EU regulators with direct access to the data recorded on DLTs. This would allow them to extract the information they need from the DLT market infrastructures ("pull approach"), instead of remaining passive recipients of data reported by different market participants. All EU regulators would thus be able to conduct effective market surveillance, by being able to reconcile buy and sell transactions executed on trading venues. By embracing this so called DLT embedded supervision, they would also manage data stored on DLTs in a more efficient, secure, and cost-effective manner, while preserving quality, usability, and comparability of information.

Gains associated with DLT will only be reaped if we manage to strike the right balance between maximising the innovation potential and addressing supervisory and regulatory challenges, while avoiding market fragmentation. The DLT pilot regime is one significant step in the right direction, but we expect the European Commission to come up with additional proposals in coming years, for instance in the area of Decentralised Finance or Artificial Intelligence. As always, ESMA will be eager to contribute to the design of a regulatory framework suited to the digital age.

BIRGIT PUCK

Managing Director Securities Supervision - Austrian Financial Market Authority

A level playing field for innovation, investor protection and market integrity

Crypto-assets and the underlying distributed ledger technology (DLT) display potential for financial markets and their infrastructures. Tokenization of traditional assets, for example, has led to the emergence of new financial products. The fragmentation of assets, such as real estate or works of art, by means of tokenization has enhanced tradability and fungibility to a level that is comparable to that of traditional financial instruments, and has created new classes of rather complex derivative financial products and has changed the nature of traditionally less regulated investments e.g. qualified subordinated loans. However, they also come with risks, including high volatility, fraud schemes and operational shortcomings and vulnerabilities of crypto-asset services and exchanges, due in part to a lack of market transparency and integrity.

Such risks have constantly highlighted the urgent need for effective regulation and supervision of business activities in the crypto sector. Numerous crypto-asset related services remain widely unregulated, in contrast to regulated traditional financial instruments with crypto-assets as underlying or asset (in particular exchange-traded notes or investment funds but also security tokens as transferable securities) that are subject to existing European capital markets law.

In response, the European Commission published a Digital Finance Package last year, including several legislative proposals, with the DLT pilot regime and the Markets in Crypto-assets Regulation (MiCAR) at their core. The latter will introduce a variety of regulatory obligations and licensing requirements. For example, crypto-asset service providers will be subject to both prudential and conduct of business rules inspired by the MiFID II. In addition, similar obligations for issuers of crypto-assets and related white papers will also be imposed to those in the Prospectus Regulation along with authorisation requirements for certain crypto-assets that derive their value from fiat currencies and/or other underlying assets ("asset-based tokens" and "e-money tokens"). While MiCAR will lead to further market adjustments within the crypto-sector and will help to establish a level playing field, a number of issues arise from the current draft. The issue of decentralized finance, which is a major driver of the crypto market, remains completely unaddressed by MiCAR, giving room to potential investor protection risks.

MiCAR and the Pilot regime will provide a framework that will help to create a level playing field.

The DLT pilot regime, on the other hand, is intended as a temporary regime - similar to a sandbox - to allow market participants as well as regulators to gain experience with the use of DLT. The work on the pilot regime represented a considerable effort for both European legislator as well as national and European supervisory authorities. Emphasis was placed on carefully weighing up the changes brought about by the pilot regime to minimize possible risks, while also further fostering (European) innovation. The pilot regime aims at creating a harmonized legal framework for market infrastructures using DLT. It addresses gaps and issues in the existing regulatory framework when applied to crypto-assets. In doing so, it will help both companies and regulators to "learn" in a controlled environment and will enable market participants operating DLT market infrastructures to benefit from DLT by providing legal certainty through establishing uniform operating requirements.

DLT systems allow direct participation of end-investors. This could help to minimise costs and bring potential efficiency gains as all processes of a security's lifecycle may be provided via a single platform. However, the question remains about its impact on traditional CSD-centralised settlement and post-trade systems. One could argue that such end-investors, especially natural persons, have not previously been eligible as members of traditional trading venues and CSDs under MiFID II and CSDR. Consequently, the possibility for a DLT MTF to be exempted from the specific requirements for MTFs and to allow natural persons as members or participants of the DLT MTF, contrary to the existing rules, represents a significant paradigm shift, which must be balanced by appropriate safeguards.

Both MiCAR and the DLT pilot regime will provide a regulatory and supervisory framework that will help to create a level playing field allowing European businesses and investors to benefit from crypto-assets in a fair and transparent environment, thus contributing to making the EU a key player in the development of new financial services.

While several open issues and potential areas for improvement may exist in both legislative proposals, they nonetheless ensure a much needed high degree of investor protection and help to further strengthen the resilience and integrity of the European financial system.

JÉRÔME REBOUL

Head of the Regulatory Policy and International Affairs Directorate - Autorité des Marchés Financiers (AMF)

An EU framework to encourage the uptake of new technologies in financial services

With the development of automation, artificial intelligence, blockchains and the increasing use of the cloud computing, financial services are undergoing structural changes. Further, the global pandemic has dramatically accelerated the pace of digitalization in our daily lives. As regulators, we have to keep up with these changes, to stay in touch with the markets, so as to guarantee investor protection while fostering innovation to remain internationally competitive. In this respect, the AMF, through its legal analyses, specific regulation and position paper on financial innovation, has made a significant contribution to the European Digital Finance Package.

In particular, in a context of growing interest in the issuance of financial instruments on DLT, the AMF welcomed the proposal to set up a Pilot Regime Regulation (PRR) for market infrastructures based on DLT Infrastructures wishing to trade and settle transactions in financial instruments in the form of a crypto-asset.

In France, the use of DLT in securities market is promising with the development of multiple projects providing investors with services to issue and manage digital-native financial products registered on the blockchain.

The potential gains to be expected from DLTs applied to market infrastructures can be significant as the adoption of DLT-based solutions could be driven by projected cost savings and efficiency gains throughout the value chain (e.g reduction of intermediaries, or automation, resulting in faster, cheaper and frictionless transactions). This potential stems mainly from two features of the technology: (i) the ability to record information in a safe and immutable format; and (ii) the capability to make this information accessible in a transparent way to all market participants. Nevertheless, the use of DLT would entail similar challenges as those raised by conventional technology (e.g. fragmentation and interoperability issues) and would potentially create new ones (e.g. cyber risks).

This will promote competition, giving Europe the maximum chance in the race for technological progress.

Discussions on the PRR in the Council and Parliament have significantly improved the European Commission's proposal by

(i) opening up the exemption regime to all types of players, including new entrants, without relaxing the constraints that will weigh on the projects. This will promote competition, giving Europe the maximum chance in the race for technological progress;
(ii) by raising the thresholds proposed by the European Commission if necessary to ensure the financial equilibrium of projects likely to participate in the experimentation;
(iii) by not prohibiting from the outset certain business models that would be based on public blockchain technologies.

PRR has been approved by the European Council last December 2021 and should enter into force by the end of 2022. It can be confidently assumed that the discussions on MiCA and DORA regulations will move in the same direction quickly as the Council is also close to reaching agreement on both texts.

On the MiCA regulation specifically, a lot of attention has been paid (quite rightly) to the stablecoins in the Parliament's ECON Committee and in the Council. However, other crypto assets also present significant challenges and deserve attention. Though it seems now unlikely that direct pan-European supervision of activities by ESMA will be retainded, consistency in supervisory practices will be an issue.

In addition, trilogies may be useful to define i) investor protection measures better suited to the crypto-asset environment; and (ii) to introduce transaction reporting requirements for exchanges that have reached a certain size.

The requirements contemplated for the financial industry with MiCA and PRR need to be coordinated with the broader framework of the Digital Services package in order to create a safer digital space for users and where a level playing field for businesses is established. Considering that there is still no common definition of financial instruments across the EU, the dividing line between crypto-assets and tokenized financial instruments should also be further clarified.

The AMF is confident regarding the outcome of the ongoing European negotiations and will continue to strive to strike a balance between investors protection and the promotion of innovation in Europe.

SARAH PRITCHARD

Executive Director, Wholesale Markets - Financial Conduct Authority (FCA)

DLT applications in UK securities markets: turning challenges into opportunities

New financial technologies play an increasingly pivotal role in delivering innovative services and products to consumers. They can provide easier and better access to financial products, improve on those currently on offer and support the needs of markets. Distributed Ledger Technology (DLT) is an example of a rapidly developing technology that may offer such opportunities, but also some challenges.

The FCA has set out to be a more innovative, assertive and adaptive regulator. One that is outcomes focused and data led. We want to support innovation, but as a regulator, we need to be satisfied that innovation happens in a way which protects consumers and upholds market integrity, including minimising risks of financial crime.

Through our Innovate initiatives, including the (much replicated) regulatory sandbox, TechSprints and direct firm support, we have gathered unique hands-on experience of a wide range of DLT-focused business models. Last year, we supported 43 firms with cryptoasset or DLT-based innovations in our sandbox, allowing them to safely test and experiment in the market with real consumers. The sandbox has been successful in providing firms with the assurance and clarity they need to apply for authorisation. We are now seeing more DLT-based businesses at our authorisation gateway.

Our regulated firms also use a variety of DLT systems to run their businesses. These systems show potential promise for improving financial services: more efficient and resilient processes, reduced costs and enhanced transparency, and accuracy and clarity regarding the ownership of digital assets.

DLT can offer a variety of cyber security benefits as encryption is in-built into every record on the network. The use of consensus mechanisms amongst participants means that DLT could enable firms to pinpoint the threat in case of an attack by malicious third-party actors, ensuring a faster response.

The technology has the potential to profoundly change the post-trading landscape and further enhance the integration and efficiency of capital markets. The UK Treasury proposes to create a new joint Bank of England/ FCA Financial Market Infrastructure (FMI) sandbox regime, which we support. The FMI sandbox will support firms seeking to use DLT to provide FMI services such as securities issuance and settlement, allowing them to safely test their solutions against revised rules that account for the development of new technologies.

The technology has the potential to profoundly change the post-trading landscape.

As regulators also know, new technologies can present risks to consumers and market integrity.

DLT in financial services, especially at a large scale, may trigger operational risks that would in part, depend on the specific circumstances of each application. These risks might include, for instance, coding errors, stability risks with newly developed technology, interoperability risks, as well as scaling, latency, security and cyber risks.

From our perspective, such risks and potential system failures compromise the orderly functioning of markets and deprive consumers of access to financial services. We have a variety of requirements to remedy this and ensure that regulated firms' IT and cyber arrangements are vigorous and proportionate to the nature, scale and complexity of their business.

Another example relates to data protection. With the use of new technologies, firms will need to manage risks around their data effectively and be clear with their clients about how their data is being used. At the FCA, we have also been investing in our analytics and data science capabilities. This will ensure that we can use data and technology to identify, predict and prioritise risks across all sectors.

Ultimately, specific technology risks will in part depend on the actual application of DLT. We expect firms to ensure they are able to plan, test and demonstrate robust decision making when implementing new solutions. DLT networks should establish mechanisms to ensure that appropriate levels of encryption are maintained, and that careful consideration is given to availability, private key storage security, integrity, and other risks of harm to consumers and the market.

While we see that DLT has the potential to reduce financial crime risks by enabling more effective transaction monitoring and data sharing, we expect that relevant controls are in place to counter financial crime risks including fraud and market abuse through hidden identities.

Finally, the importance of working collaboratively should not be underestimated. Enabling innovation by directly supporting firms is an important aspect of what we do. However, we also need to ensure our requirements support a thriving and healthy ecosystem, and this doesn't happen in isolation.

Many of the new innovation challenges we face are global in nature. DLT solutions are being developed simultaneously in various financial markets, and it is therefore crucial that we work together closely and share expertise with our international counterparts.

JENNIFER PEVE

Managing Director, Head of Strategy and Business Development - The Depository Trust & Clearing Corporation (DTCC)

Golden rules for successful DLT implementation in the post trade space

Since distributed ledger technology (DLT) was first hailed as a cure-all to solve operational challenges in financial services about five years ago, expectations have tempered as firms have come to realize that its true value is more discrete. That's not to suggest enthusiasm in DLT has diminished, because the technology still holds great potential to reimagine and transform how markets operate. At DTCC, we are leveraging DLT across a number of innovative projects to improve how the market functions, and we remain excited by the opportunities to lead meaningful technology advancement for the industry.

As we consider ways to further improve post-trade processing using DLT, we are guided by two foundational principles which help inform our strategy and guide our decision-making.

First, we believe that initiatives which feature the use of new or evolving technologies must take into consideration that market participants have different levels of digital sophistication and capabilities. For market infrastructures, this is an even more important consideration because we need to ensure that our solutions are accessible to all industry participants and provide, at a minimum, the same level of risk mitigation as legacy products and services.

Second, we scrutinize the problem we're trying to solve and take a rigorous approach to defining the goal of the implementation. While technology is an enabler of our strategy, it's not always essential to delivering greater value to our clients. The reality is that new and emerging technologies may not be ideal in certain post-trade applications due to the complexity of financial markets and the level of risk that an implementation could pose to existing processes and systems. Therefore, we believe optimal implementations should be focused on:

- Whitespace or greenfield opportunities where innovative solutions could be implemented to drive growth, mitigate risk, reduce costs or enhance efficiencies for clients and the wider industry
- Initiatives that could be enhanced by bolting-on products and capabilities enabled through DLT to existing services using legacy technology. This approach delivers new capabilities while preserving all the benefits of the current, proven system.

Market infrastructure use cases where DLT delivers added post-trade benefits.

Our recently announced Digital Securities Management (DSM) platform is an example of greenfield innovation because it solves a lack of centralized infrastructure and automation in private markets. DSM will streamline the issuance, transfer and servicing of private market securities using cloud-based architecture to enable the book entry record-keeping of securities leveraging DLT. It will also support the digital asset ecosystem by providing the option to create tokenized representations of a security. The platform will be delivered via central and distributed infrastructure, enabling clients to access the service in the way that suits them best, depending on their level of technological capability.

Building upon this, to ensure that new technology projects are accessible to all clients irrespective of their digital sophistication, we increasingly leverage APIs to support efficient connectivity, while also allowing the consumption and processing of data for clients that are not as far along the technology curve as others. Our Project Ion initiative, which is an alternative settlement platform for US equities that leverages DLT to support T+2, T+1, T+0 and extended settlement, will enable clients to benefit from a new DLT solution that delivers value-added functionality leveraging APIs. At the same time, the service relies on existing core infrastructure and platforms while bolting on value offered by DLT. The first phase of the Project Ion platform will support bilateral deliver order transactions that will be initiated by pilot participants through client nodes hosted by DTCC. Once launched, the transactions will be processed through the Project Ion functionality and then passed to DTC's existing systems for settlement processing.

New technologies like DLT can deliver tangible post-trade benefits when applied to specific use cases that meet strict criteria. Market infrastructures can play a critical role in identifying these opportunities, and through industry-wide collaboration, can lead innovation that brings increased efficiency and risk management capabilities to financial markets.

By applying our foundational principles to every project and technology assessment, we are able to ensure our strategy and approach ultimately aligns with client needs and propels the industry forward.

ISABELLE DELORME

Deputy Chief Executive Officer, Belgium, France & Nederland - Euroclear S.A.

DLT will bring the EU post-trade market to the next level. But not magically

As a financial market infrastructure, Euroclear has always been supportive of the development of new technologies that could make the financial markets safer and more efficient. Like many market players, we believe DLT can bring substantial benefits to the securities markets. Throughout 2021, several CSDs have been actively experimenting with this technology.

- Euroclear successfully led a consortium of banks under the auspices of the Banque de France to test the issuance and settlement of French OATs on a DLT platform using CBDCs.
- Clearstream tested together with the Bundesbank a settlement interface for digital securities (the 'trigger' solution) and announced the launch of their D7 platform.
- SIX went a step further and launched its own DLT settlement platform (Six Digital Exchange - SDX).

If some considered that European CSDs were reluctant to change and were not interested in taking part in this DLT evolution, 2021 started to prove them wrong.

Our experiment with Banque de France confirmed that this technology is suitable for post-trade market operations, something we all expected. But it also demonstrated that the value of blockchain technology does not lie in replicating 'as is' the management of securities settlement operations. The full benefits of DLT will be harnessed through a market reorganisation and increased direct participation. Having the custodians and the underlying clients together on one single blockchain platform will allow custodians to reduce (or even remove) reconciliation workload. It will also increase transparency, facilitate the identification of end investors and ease the registry management for issuers.

Another benefit of simplifying the intermediation process and removing the need for reconciliation between systems is that DLT will help in reducing the trading settlement cycle to T+1 or even T+0. The current T+2 settlement cycle is indeed driven by those traditional market challenges rather than by technological constraints coming from the legacy market infrastructures. CSDs could indeed switch to near instantaneous settlement with their current technology.

Trusted Third Parties could create trust in the market and ensure investor protection.

Furthermore, CBDC and security tokens can be easily transferred across different blockchain platforms because of their atomicity and simplicity, which makes them ideal for cross-border purposes (fungible across platforms and lower cross-border reconciliation processes).

In the Banque de France experiment, a permissioned blockchain was used as we concluded only this model would allow participants to benefit from all the blockchain features without losing the benefits provided by market operators (CSDs and Central Banks), which would continue to run the required controls. As highlighted by the High Level Forum on the Capital Market Union (CMU), in the context of crypto/digital assets, Trusted Third Parties could create trust in the market and ensure investor protection in, where appropriate, controlling access/admission, setting rules for participating nodes, addressing potential conflicts of interest, controlling compliance with "know your client"/anti-money laundering requirements, and applying risk management measures.

With the DLT Pilot Regime, European authorities confirmed their intention to position the EU as a key player in the development of DLT for the EU capital market. While this initiative may lead to some necessary learnings, it will not be sufficient to make the adoption of DLT a success. DLT, like any technology, will not solve the existing barriers to further integration of capital markets and post-trade services (often referred to as the "EPTF barriers"), for which the CMU Action Plan foresees specific actions. Regulatory authorities should also not forget that if the market reorganisation triggered by DLT is done without the end-purpose of benefiting the EU capital market as a whole, it could end-up reversing many progresses made over the last few decades in terms of market fragmentation, competitive dynamics and financial stability risks. DLT is not a magical solution to all the inefficiencies and harmonisation challenges in the area of securities post-trading.

We are well aware that there are still many challenges that need to be overcome before we can envisage the implementation of such blockchain platforms in a 'production' environment. One of these challenges will be the development of a safe settlement asset such as a wholesale CBDC, which will be essential for a secure and efficient EU digital securities market. Despite these difficulties, the trend is positive, and analysis continues across the market to come up with solutions.

We are proud that our Banque de France CBDC experiment has contributed to the journey that will eventually bring blockchain to the capital markets.

DANIEL KAPFFER

Chief Financial Officer & Chief Operating Officer - DekaBank Deutsche Girozentrale

DLT will be a reinvention of the securities markets - Ready for revolution?

The relevance of DLT to securities markets has changed significantly in a short period of time. While securities were exclusively tangible objects in many jurisdictions until recently, digital securities in particular will make the post-trade chain look completely different.

However, the potential of technological innovation goes far beyond simply digitizing the status quo:

DLT offers proof of stake, is near time and less vulnerable to fraud through the representation of the transaction in multiple ledgers. It has thus evolved from a fascinating new technology without application to one of the most important digital technologies in the securities markets. Via DLT investors gain access to new asset classes and are able to invest in existing asset classes in smaller lot sizes, for example real estate. In addition, investors will be able to look as their holdings in near time.

Also, the settlement of securities will be much easier, as there will be no need to go through a CSDR with its associated costs. A key benefit of recording all securities in a decentralized ledger is that it opens up a wide range of possibilities for both trading and post-trade activities, especially the possibility of merging trading and post-trade activities. Real-time (or near real-time) settlement would reduce settlement fails, eliminate the need to reconcile information across different systems and, ultimately reduce the number of transfer orders requiring SFD protection, not to mention cost savings and efficiencies.

Finally, DLT will be a key enabler for the European Capital Markets Union as it will significantly simplify cross border transactions. In this sense it will also be important for Europe's position in the global capital markets.

DLT is the tipping point in the financial market – action is needed: Let's make a bold move!

To promote DLT, four criteria should be considered:

First and foremost, member states need to modernize their national definitions of securities - this could be one area where the EU could still have a positive impact on standardization. A common tech-neutral taxonomy would also improve clarity in terms of the regulatory framework.

DLT is the tipping point in the financial market – action is needed: Let's make a bold move!

As a consequence, digital securities must have the same level of investor protection as traditional securities in order to increase confidence. In this context, it is very welcome that MiFID already defines digital securities as financial instruments. However, the custody of digital assets is still subject to national law. This leads to a certain reluctance in the market to hold a significant portion of assets with small technology providers or providers in regions of the world that feel at least inadequately regulated as a result. Confidence is an essential prerequisite for the further expansion of digital assets.

Second, client identification needs to be improved. This point is somewhat covered by the application of MiFID. Nevertheless, there is still a part missing which relates to KYC/AML; for example in Germany this is covered by the application of the regulation on information for transfers of funds to crypto assets.

And third, solutions for digital payment must be accelerated. In the short-term we need trigger solutions to central bank money and in parallel efforts for a digital euro including wholesale CBDC need to be accelerated. Otherwise, there is a risk that the settlement process will be near time for the security leg but will have to be delayed because of the cash leg to ensure delivery versus payment.

Last but not least, the scope needs to be broader than just digitizing the certificate and leaving the rest of the process as it is. We need to enable truly decentralized securities that lead to the full benefits described above. Therefore, we very much appreciate the pilot regime based on DLT. Negotiators have sought to strike a balance between innovation and preserving financial stability. Now we should have a discussion from the outset that the project must become permanent.

Furthermore, the DLT infrastructure should be expanded into a European DLT through the introduction of CBDC. Leaving the infrastructure up to many decentralized activities will not lead to a pan European harmonized capital markets infrastructure.

In short, it's clear that digital securities are on the rise! Their application at the heart of capital markets is the real game changer - not some coins where the drivers of substance are unclear.

In Europe, we must seize the opportunity to enable a Capital Markets Union and strengthen Europe's position in global capital markets. We need to prepare now. Policymakers have taken important steps, but some pieces are still missing or are only addressed at the national level. We should also be bolder in allowing decentralized and crypto securities.