



## Press release

# Joint Trades Call for Recalibration of Cryptoasset Prudential Standards and Highlight DLT's Transformative Role in Capital Markets

19 August 2025

WASHINGTON, D.C., 19 August 2025 - A coalition of leading global financial trade associations (“the Joint Trades”), together with Boston Consulting Group (BCG), Ashurst, and Sullivan & Cromwell as technical advisors, issued a letter to the Basel Committee on Banking Supervision (BCBS) urging a pause and recalibration of the Cryptoasset Exposures Standard (SCO60) and a comprehensive report highlighting the transformative potential of Distributed Ledger Technology (DLT) in capital markets.

The Joint Trades recommend essential revisions of the Basel banking prudential treatment of cryptoassets and pausing implementation of SCO60 ahead of its January 2026 effective date to allow for a targeted consultation and redesign. The letter highlights the excessively conservative and overly punitive capital treatment of cryptoassets that is misaligned with actual risks, in addition to various inconsistencies with current market risk management practices. The Joint Trades urge the BCBS to make revisions to the cryptoasset standard to better reflect actual risk profiles and to support responsible innovation within the regulatory perimeter.

The accompanying report, titled *“The Impact of DLT in Capital Markets: Ready for Adoption, Time to Act”*, illustrates how tokenization and DLT are reshaping securities issuance, collateral management and fund operations, with live use cases demonstrating significant efficiency gains, enhanced transparency and improved risk management. Importantly, the report describes how the overall size and significance of the cryptoasset market have increased, rendering many of the premises underlying the Basel standard outdated and requiring important adjustments.

## Key Report Highlights

**DLT is ready to scale:** Institutional adoption is accelerating, with tokenized money market funds and digital bond issuances gaining traction globally.

**Technology-neutral regulation is essential:** The Joint Trades emphasize that prudential frameworks must focus on the underlying financial activity and risk—not the technology used. Overly conservative capital treatments for cryptoassets risk pushing innovation outside the regulatory perimeter.

**Legislation and regulation must catch up:** Reform needs to keep pace with development of DLT-based finance and market developments.

**DLT enables safer, more efficient markets:** Use cases such as collateral management, fixed-income issuance and fund tokenization demonstrate reduced settlement times, improved liquidity and enhanced operational resilience.

## Six priority areas for ecosystem development:

1. Accelerate market development in high-potential asset classes.

2. Clarify legal foundations and align regulatory treatment.
3. Establish interoperability to prevent market fragmentation.
4. Address technical and operational integration gaps.
5. Enable scalable settlement with tokenized money and stable payment instruments.
6. Foster public-private coordination.

The stage for mass adoption of tokenization in capital markets is set, driven by clearer regulatory pathways, mature technology platforms and committed institutional participation. Now is the time for coordinated action to harness the benefits of DLT, modernize financial infrastructure and support sustained economic growth.

### About the Joint Trades

The Joint Trades include the Global Financial Markets Association (GFMA) and its members the Asia Securities Industry & Financial Markets Association (ASIFMA), Securities Industry and Financial Markets Association (SIFMA) and the Association for Financial Markets in Europe (AFME); Bank Policy Institute (BPI); Futures Industry Association (FIA); Financial Services Forum (FSF); Global Blockchain Business Council (GBBC); Global Digital Finance (GDF); Institute of International Finance (IIF); International Swaps and Derivatives Association (ISDA).

Download the full “*Impact of DLT on Capital Markets*” report [here](#) and the prudential letter [here](#).

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### About Global Financial Markets Association (GFMA)

GFMA represents the common interests of the world's leading financial and capital market participants to provide a collective voice on matters that support global capital markets. It also advocates on policies to address risks that have no borders, regional market developments that impact global capital markets, and policies that promote efficient cross-border capital flows to end users. GFMA efficiently connects savers and borrowers, thereby benefiting broader global economic growth. The Association for Financial Markets

in Europe (AFME) located in London, Brussels, and Frankfurt; the Asia Securities Industry & Financial Markets Association (ASIFMA) in Hong Kong and Singapore; and the Securities Industry and Financial Markets Association (SIFMA) in New York and Washington are, respectively, the European, Asian, and North American members of GFMA.

### **About ISDA**

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 76 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: [www.isda.org](http://www.isda.org). Follow us on [LinkedIn](#) and [YouTube](#).

### **About Institute of International Finance (IIF)**

The Institute of International Finance (IIF) is the global association of the financial industry, with about 400 members from more than 60 countries. The IIF provides its members with innovative research, unparalleled global advocacy, and access to leading industry events that leverage its influential network. Its mission is to support the financial industry in the prudent management of risks; to develop sound industry practices; and to advocate for regulatory, financial and economic policies that are in the broad interests of its members and foster global financial stability and sustainable economic growth. IIF members include commercial and investment banks, asset managers, insurance companies, professional services firms, exchanges, payment services providers, sovereign wealth funds, hedge funds, central banks and development banks. To learn more about IIF, please visit [www.iif.com](http://www.iif.com), follow us on Twitter, LinkedIn or YouTube, or check out IIF's podcasts.

### **About Futures Industry Association (FIA)**

FIA is the leading trade organization for the futures, options and cleared derivatives markets globally. FIA's membership includes clearing firms, exchanges, clearinghouses, principal traders, asset managers, execution firms, commodity brokers, end users and those legal, technology and other professionals who serve this community. FIA's mission is to support open, transparent and competitive markets, protect and enhance the integrity of the financial system and promote high standards of professional conduct.

### **About Global Blockchain Business Council (GBBC)**

Global Blockchain Business Council (GBBC) is the trusted non-profit association for the blockchain, digital assets, and emerging technology community. Founded in 2017 in Davos, Switzerland, GBBC comprises more than 500 institutional members and 284 Ambassadors across 124 jurisdictions and disciplines. GBBC furthers adoption of blockchain and emerging technologies by engaging regulators, business leaders, and global changemakers to harness these transformative tools for more secure and functional societies.

### **About Global Digital Finance (GDF)**

Global Digital Finance (GDF) is the leading global non-profit association of member firms offering an open innovation platform for advocating and accelerating the adoption of best practices for digital assets. GDF's mission is to promote and underpin the greater adoption of market standards for the use of crypto and digital

assets, through the development of best practices and governance standards in a shared engagement forum with industry, policymakers and regulators.

#### **About Bank Policy Institute (BPI)**

The Bank Policy Institute is a nonpartisan public policy, research and advocacy group that represents universal banks, regional banks and the major foreign banks doing business in the United States. The Institute produces academic research and analysis on regulatory and monetary policy topics, analyzes and comments on proposed regulations, and represents the financial services industry with respect to cybersecurity, fraud, and other information security issues.

#### **About Financial Services Forum (FSF)**

The Financial Services Forum is an economic policy and advocacy organization whose members are the eight largest and most diversified financial institutions headquartered in the United States. The Forum promotes policies that support savings and investment, financial inclusion, deep and liquid capital markets, a competitive global marketplace, and a sound financial system.

### **Technical Advisors**

#### **About Ashurst**

Global law firm Ashurst's Digital Assets team has a deep involvement in the sector's future development and regulation. They are trusted with the sector's most ambitious, transformational and innovative projects; specialising in particular in the design, build and delivery of new digital platforms, digital assets and digital money.

#### **About Boston Consulting Group**

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we help clients embrace transformation to benefit all stakeholders—empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact.

Our diverse global teams bring deep industry expertise and a range of perspectives that spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and digital ventures. We work collaboratively across the firm and with our clients to help them thrive and make the world a better place.

#### **About Sullivan & Cromwell**

Sullivan & Cromwell LLP is a global law firm that advises on major domestic and cross-border M&A; significant litigation and corporate investigations; finance and corporate transactions; and complex antitrust, regulatory, tax and estate planning matters. The firm's hallmarks are the highest-quality independent advice and intense dedication to solving client problems. Founded in 1879, Sullivan & Cromwell has more than 800 lawyers located in offices in New York, Washington, D.C., Los Angeles, Palo Alto, London, Frankfurt, Paris, Brussels, Hong Kong, Beijing, Tokyo, Melbourne and Sydney.