

IEEE Standard for a Custodian Framework of Cryptocurrency

IEEE Consumer Electronics Society

Developed by the
Blockchain Standards Committee

IEEE Std 2140.5™-2020

IEEE Standard for a Custodian Framework of Cryptocurrency

Developed by the

Blockchain Standards Committee
of the
IEEE Consumer Electronics Society

Approved 3 June 2020

IEEE SA Standards Board

Abstract: A framework of a custodian service for cryptocurrency and token assets is defined in this standard. Custodian reference technical architecture, business logic description, custodian service business models, digital asset evaluation criteria, operational procedure models, and regulatory requirement support models are included in this framework.

Keywords: blockchain, cryptocurrency, custodian, digital asset, IEEE 2140.5, token

The Institute of Electrical and Electronics Engineers, Inc.
3 Park Avenue, New York, NY 10016-5997, USA

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PDF: ISBN 978-1-5044-6793-3 STD24234
Print: ISBN 978-1-5044-6794-0 STDPD24234

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Introduction

This introduction is not part of IEEE Std 2140.5–2020, IEEE Standard for a Custodian Framework of Cryptocurrency.

This standard defines a standard framework of a custodian service for cryptocurrency and token assets. The framework includes a custodian reference technical architecture, business logic description, custodian service business models, digital asset evaluation criteria, operational procedure models, and regulatory requirement support models.

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1. Overview

Asset custody mainly refers to custody services provided by third-party banks or securities firms in the financial and investment fields. For example, traditional equity investments or securities investment funds shall designate banks as third-party custodian institutions to complete fundraising to ensure that investors raise funds. The funds raised by investors are segregated from the funds owned by the fund management firm, and are held in custody by a fair third party, so as to avoid any theft or confusion.

Asset custody is a functional module of asset management and needs to meet the needs of asset escrow.

1.1 Scope

This standard defines a standard framework of a custodian service for cryptocurrency and digital assets. The framework includes a custodian reference technical architecture, business logic description, custodian service business models, digital asset evaluation criteria, operational procedure models, and regulatory requirement support models.

1.2 Purpose

There are no agreed frameworks for custodian services in token assets and cryptocurrency. This standard aims to provide a custodian framework with regulation, cryptocurrency processing and management in custody, and a reference technical architecture to support the framework.

1.3 Word usage

The word *shall* indicates mandatory requirements strictly to be followed in order to conform to the standard and from which no deviation is permitted (shall equals is required to).^{1,2}

The word *should* indicates that among several possibilities one is recommended as particularly suitable, without mentioning or excluding others; or that a certain course of action is preferred but not necessarily required (should equals is recommended that).

The word *may* is used to indicate a course of action permissible within the limits of the standard (may equals is permitted to).

¹The use of the word *must* is deprecated and cannot be used when stating mandatory requirements, *must* is used only to describe unavoidable situations.

²The use of *will* is deprecated and cannot be used when stating mandatory requirements, *will* is only used in statements of fact.