Digital Asset Industry Taxonomy

v0.2

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1. Introduction and Structure

1.1. Introduction and Purpose

This document presents a comprehensive methodology for the classification of digital assets, from industry to subsector. Several attempts have been made at properly classifying digital assets following frameworks that exist in traditional finance. However, most have failed at attaining usage as they presented a top-down classification system that, when applied to the vast digital asset ecosystem, fails to capture the nuances and peculiarities of a high number of digital assets. DAR's bottoms-up classification methodology stems from years of fundamental research and a deep understanding of digital assets. In this document, we attempt to fill the gaps in current classification methodologies and provide a full picture of the digital asset market.

1.2. Digital Asset Industry Classification Structure & Scope

In order to provide a familiar classification format, we have followed a structure with four resolution tiers widely used in equity markets: industry, supersector, sector and subsector. This document classifies digital assets that exist within public blockchain networks in what we define as the Digital Asset Industry. Private blockchain companies are outside of the scope of this taxonomy.

Figure 1: Digital Asset Industry Classification Structure
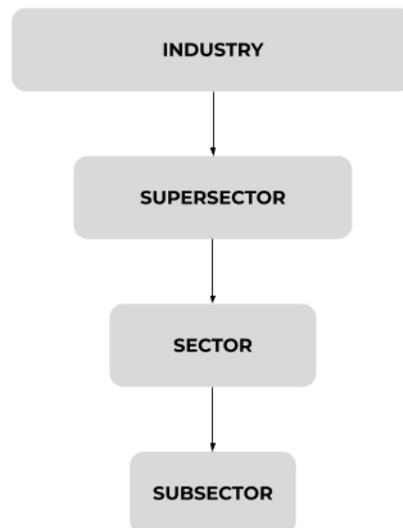
2.   Digital Currencies Supersector

2.1.   Digital Currencies Supersector

2.1.1. Digital Currencies Supersector Definition

The Digital Currencies Supersector is comprised of digital assets whose main objective is to replicate the fundamental functions of money: store of value, medium of exchange, and unit of account.

2.1.2. Digital Currencies Supersector Overview
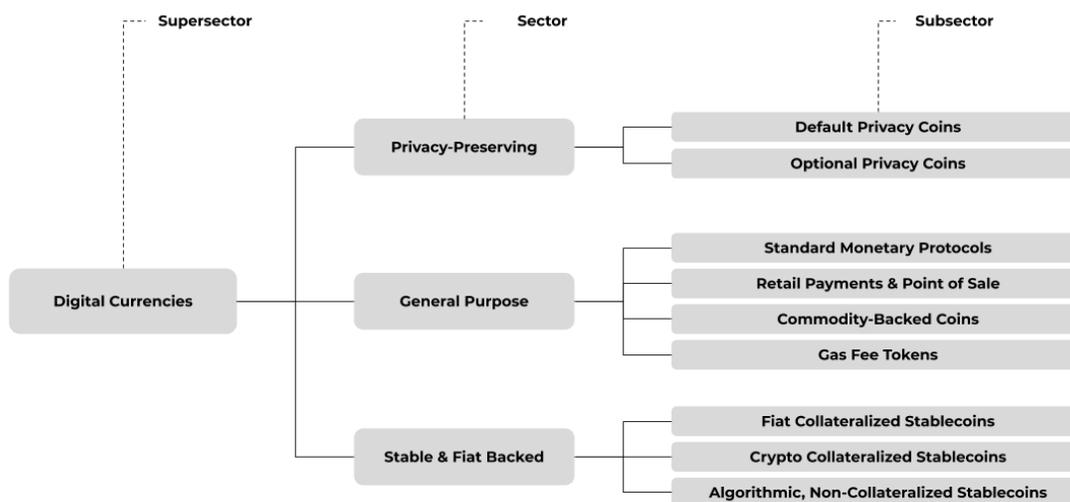
2.1.3. Digital Currencies Definitions

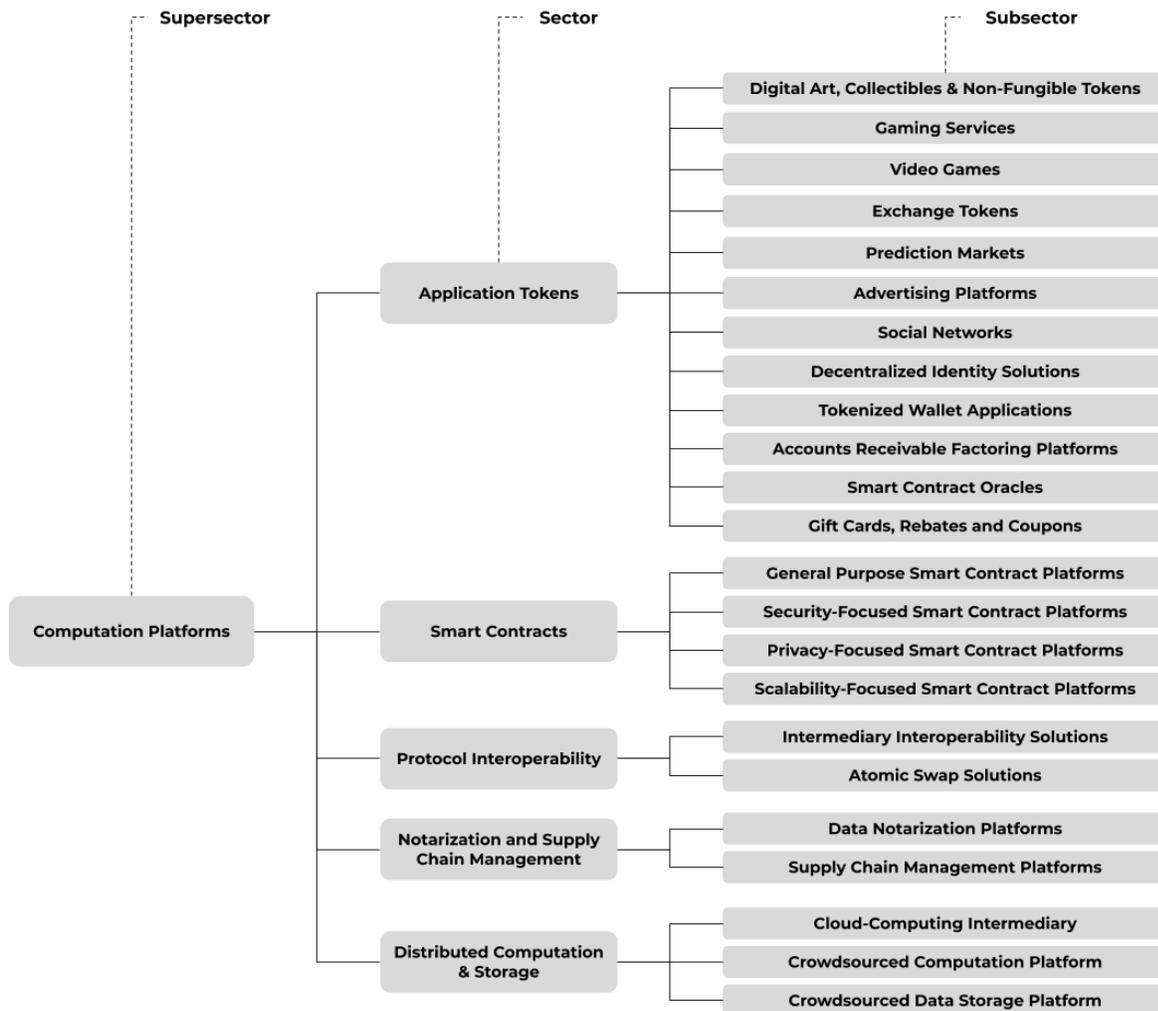| Supersector	Sector	Subsector	Definition
Digital Currencies	**General Purpose**	**Standard Monetary Protocols**	Digital currency protocols intended to be used as money and bound by algorithmic money issuance.
		Retail Payments & Point of Sale	Projects pursuing compatibility with existing payment infrastructure through debit or credit cards and specialized Point-of-Sale software and hardware.

		Commodity-Backed Coins	Digital currencies pegged to the value of real-world commodities, such as oil, precious metals and minerals.
		Gas Fee Tokens	Currencies designed to be solely used as payment for transaction and computational fees in networks where a secondary token is used as a medium of exchange.
	Privacy-Preserving	Default Privacy Coins	Digital currency protocols where private transactions occur by default.
		Optional Privacy Coins	Digital currency protocols whereby both pseudonymous and anonymous transactions are enabled by default, allowing users to decide whenever to transact privately.
	Stable & Fiat Backed	Fiat Collateralized Stablecoins	Stablecoins backed by a pool of fiat collateral held by a centralized custodian.
		Crypto Collateralized Stablecoins	Stablecoins where collateral is posted in the form of a digital asset, often in a multisignature smart contract that can clawback assets as a result of volatility in the collateralized asset.
		Algorithmic, Non-Collateralized Stablecoins	Stablecoins that do not employ a reserve model to guarantee stability, but instead rely on a purely algorithmic system to value the asset on par with fiat currencies using seigniorage shares.

2.2. Computation Platforms Supersector

2.2.1. Computation Platforms Supersector Definition

The Computation Platforms Supersector is comprised of assets that exist within networks that support highly expressive, Turing-complete smart contracts.

2.2.2. Computation Platforms Supersector Overview

2.2.3. Computation Platforms Definitions

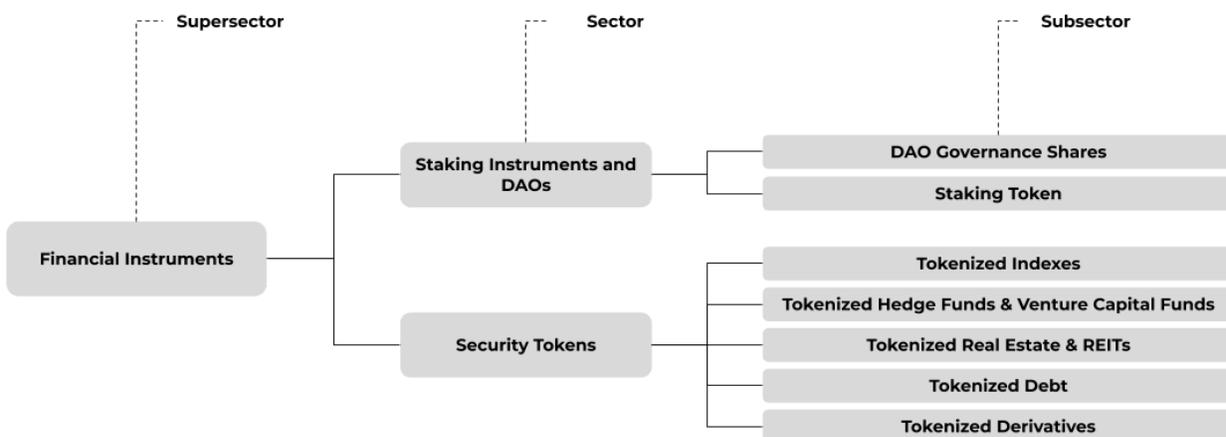| Supersector	Sector	Subsector	Definition
Computation Platforms	**Application Tokens**	**Digital Art, Collectictibles & Non-Fungible Tokens**	Digitized and cryptographically-bound ownership rights to both real world and digital assets, often in the form of Non-Fungible Tokens (NFTs).
		Gaming Services	Projects pursuing tokenized casinos and gambling applications.
		Video Games	Projects pursuing tokenized video games that allow players to use digital tokens to wager bets, exchange skins, and purchase in-game services.
		Exchange Tokens	Tokens used as trading pairs, liquidity providers, IEO and/or listing gateways for centralized and decentralized digital asset spot exchanges.
		Prediction Markets	Tokens used to pay for the creation, dispute and/or trading of events listed on prediction markets.
		Advertising Platforms	Projects pursuing tokenized advertising models and ad revenue sharing platforms.
		Social Networks	Tokenized social media networks where users employ specific tokens to "like," vote, monetize or reward content.
		Decentralized Identity Solutions	Tokenized identity solutions where a user's identity is tied to a specific token and cryptographic identity, or where specialized services such as AML/KYC checks are paid for using the application's token.
		Tokenized Wallet Applications	Wallet applications or browsers where through a specialized token users can source access to different applications.
		Accounts Receivable Factoring Platforms	Applications where enterprise users can tokenize and factor accounts receivable to source liquidity in a short time-frame.
		Smart Contract Oracles	Tokens used to report the outcome of events and/or feed data to smart contracts, which then use that information to update their state and/or trigger asset transfers.
		Gift Cards, Rebates and Coupons	Projects pursuing the tokenization of gift cards, rebate rewards, and coupons.
	Protocol Interoperability	**Intermediary Interoperability Solutions**	Tokenized intermediary networks in charge of validating the proof of the existence of one asset, and recreating it in another chain.
		Atomic Swap Solutions	Protocols that facilitate cross-chain atomic swap exchanges.
	Notarization and Supply Chain Management	**Data Notarization Platforms**	Notarization protocols that leverage public blockchains to timestamp general arbitrary data.
		Supply Chain Management Platforms	Platforms that aim to use blockchains to provide tamper-proof supply chain management systems.
	Smart Contract Platforms	**General Purpose Smart Contract Platforms**	Platforms for the computation and verification of multi-purpose Turing-complete contracts.

		Security-Focused Smart Contract Platforms	Platforms that provide security-focused, Turing-complete contracts that can be created using functional programming languages with semantics that can be formally verified.
		Privacy-Focused Smart Contract Platforms	Platforms that provide privacy-focused, Turing-complete contracts that can be executed and verified privately.
		Scalability-Focused Smart Contract Platforms	Platforms that enable smart contracts to be processed and verified in parallel through techniques such as blockchain sharding and centralized database management systems.
	Distributed Computation & Storage	Cloud-Computing Intermediary	Platforms that enable smart contracts and their developers to source centralized cloud-computing resources via a tokenized intermediary.
		Crowdsourced Computation Platform	Platforms that enable users to receive passive income by renting unused computational resources, which can then be purchased by smart contract applications and developers.
		Crowdsourced Data Storage Platform	Platforms that enable users to receive passive income by renting unused storage space, which can then be purchased by smart contract applications, developers and consumers to store data in a decentralized fashion.

2.3. Financial Instruments Supersector

2.3.1. Financial Instruments Supersector Definition

The Financial Instruments Supersector is comprised of assets that apply the decentralized properties of digital assets to financial contracts and corporate structures that exist in traditional finance.

2.3.2.Financial Instruments Overview

2.3.3.Financial Instruments Definitions

Supersector	Sector	Subsector	Definition
Financial Instruments	**Staking Instruments and Decentralized Autonomous Organizations**	**DAO Governance Shares**	Tokenized shares that grant members of a Decentralized Autonomous Organization units of voting power.
		Staking Token	Tokens for the purpose of time-locking, whereby holders receive passive income by increasing a network's resistance against Sybil attacks.
	Security Tokens	**Tokenized Indexes**	Tokenized baskets of real-world securities or digital assets.
		Tokenized Hedge Funds & Venture Capital Funds	Tokenized securities whereby holders have a claim on a fund's performance.
		Tokenized Real Estate & REITs	Tokenized securities that represent shares of ownership of a real estate property or Real Estate Investment Trust.
		Tokenized Debt	Tokenized debt instruments, P2P loans, and Collateralized Debt Obligations.
		Tokenized Derivatives	Tokenized financial derivatives which derive their value from the performance of an underlying asset.