

How to... manage your independence when investing in cryptocurrencies and other digital assets

'Crypto-tokens', 'digital tokens', 'coins', and 'cryptocurrencies' come in a variety of forms and functionalities, and the market for these types of digital assets continues to develop rapidly. To help determine if PwC Partners and staff can invest in a specific digital asset and whether this needs to be recorded in Checkpoint (where applicable), Global has produced detailed guidance¹ which can be found [here](#). A summary of this guidance which applies to all UK Partners and staff is set out below for ease of reference. Global has also produced a list of crypto-token classifications which can be found [here](#). If you are looking to invest in a digital asset that is not on the list then you should search using **CES** or add the digital token to Checkpoint as a User Added Instrument (guidance on how to do this can be found [here](#)).

| Token type | Definition | Examples | Classification | Permissibility | Checkpoint logging |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------|---------------------------------------------------------------------------------------------------|--------------------|
| Payment token | These tokens act as a digital currency by serving as a store of value and a digital medium of exchange between parties to facilitate the exchange of goods or services. | Bitcoin, Ethereum | Cash equivalent | Permitted | No |
| Utility token | The sole function is to confer digital access rights to products, services, or applications, or access to participate in a platform or ecosystem. | ERC20, Golem | Cash equivalent | Permitted | No |
| Security token | This token represents an ownership stake in a company, or a right to dividends or interest payments, or that otherwise constitutes a security, such as a stock share, bond, or debenture. This is sometimes also referred to as an equity token or tokenised securities. | Binance Coin, Ripple, Cardano | Financial Interest | Not permitted if issued by a restricted entity. Permitted if issued by an unrestricted entity. | Yes |
| Asset token | This token provides for a right to obtain assets, e.g. a right to obtain a particular quantity of gold or crude oil. | Agri-backed tokens | Financial Interest | Not permitted if issued by a restricted entity. Permitted if issued by an unrestricted entity. | Yes |

We appreciate that this is a complex area. If you have any questions about investing in digital assets or other aspects of your personal independence, then please submit a query to the Independence team via the Query Manager System which can be accessed [here](#) or leave a voicemail message on the Personal Independence Helpline (0207 213 3666).

¹ This guidance is based on the Global Independence rules. Staff should note that under the UK Independence Policy they are unable to hold a security / asset token in a restricted entity.