

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.