



## Book VII - Token Issuers and Digital Assets Services Providers

### Title II - Digital Assets Services Providers

#### Chapter II - Specific provisions applicable to licensed digital assets services providers

##### Section 4 - Provisions relating to the services referred to in Article L. 54-10-2 5° of the Monetary and Financial Code

Sub-section 1 - Provisions applicable to the service of reception-transmission of orders for digital assets and the service of management of digital assets portfolios on behalf of third parties

Paragraph 2 - Specific provisions for the service of management of digital assets portfolios on behalf of clients

### General regulation of the AMF

#### Article 722-24 into force since 19 December 2019

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#### Article 722-24

I. - The services provider shall send to each of its clients, on a durable medium within the meaning of Article 314-5, a periodic statement of the portfolio management operations performed on their behalf, unless such a statement is provided by another person.

II. - The periodic statement referred to in paragraph I shall be a fair and balanced report on the operations undertaken and the portfolio's performance during the period covered, and shall include, where applicable, the following information:

- 1 • the name of the services provider;
- 2 • the name, or any other designation, of the client's account;

- 3 • a description of the content and value of the portfolio, with details concerning each digital assets held, its market value or its fair value if the market value is not available, the cash balance at the beginning and end of the period covered, and the portfolio's performance during the period covered;
- 4 • the total amount of fees and charges incurred over the period covered, breaking down by items at least the total management costs and the total costs related to execution, and including, where applicable, a statement specifying that a more detailed breakdown can be provided on request;
- 5 • a comparison of the performance during the period covered by the statement with the investment performance benchmark agreed between the services provider and the client, where applicable;
- 6 • the total amount of payments received during the period covered in relation to the client's portfolio; and
- 7 • for each transaction executed during the period covered, the following information, where applicable, unless the client chooses to receive information on the transactions executed transaction by transaction, in which case paragraph IV of this article shall apply:
  - a) the trading day;
  - b) the trading time;
  - c) the order type;
  - d) the identification of the trading platform;
  - e) the identification of the digital asset;
  - f) the buy/sell indicator;
  - g) the nature of the order if other than buy or sell;
  - h) the quantity;
  - i) the unit price; and
  - j) the total price.

III. - The periodic statement referred to in paragraph I shall be provided once every three months, except in the following cases:

- 1 • when the services provider provides its clients with access to an online system, characterised as a durable medium within the meaning of Article 314-5, allowing access to the updated valuations of the client's portfolio and allowing the client to easily access to the following information, and provided that the services provider has proof that the client accessed a valuation of their portfolio at least once during the quarter in question:
  - a) precise details on all the digital assets or funds held by the services provider for the client at the end of the period covered by the statement;
  - b) a clear indication of the assets whose ownership status shows special features, for example due to the existence of security interest; and

c) the market value or, when the market value is not available, the estimated value of the digital assets included in the statement with clear indication that the absence of a market price is liable to indicate a lack of liquidity. The valuation shall be estimated by the services provider in the most possible satisfactory way.

- 2 • when paragraph IV applies, the regular statement must be provided at least once every twelve months; and
- 3 • when the agreement on the portfolio management service between the services provider and a client authorises a leverage effect on the portfolio, the periodic statement must be provided to the client at least once a month.

IV. - Where their client has chosen to receive information on the transactions executed transaction-by-transaction, the services provider shall provide them immediately as soon as a transaction is executed by the portfolio manager, with the core information concerning that transaction on a durable medium within the meaning of Article 314-5.

The services provider shall send the client a notice of confirmation of the transaction, no later than the business day following its execution or, if the services provider receives confirmation from a third party, no later than the first business day following receipt of the confirmation from said third party.

The notice of confirmation shall contain the following information:

- 1 • the information referred to in paragraph II 7° of this article;
- 2 • the identification of the services provider which provides the information;
- 3 • the name or any other designation of the client;
- 4 • the total amount of fees and charges invoiced and, at the request of the client, their breakdown by item including, where applicable, the amount of any increase and decrease when the transaction has been executed by a digital assets services provider acting on its own account and when the services provider is subject to an obligation of best execution towards the client;
- 5 • the exchange rate obtained when the transaction involves currency conversion;
- 6 • the client's responsibilities regarding settlement of the transaction, and in particular the time limit for payment or delivery, and any useful information on the account, where this information and these responsibilities have not been previously disclosed to the client; and
- 7 • when the client's counterparty was the digital assets services provider itself, a person who is a member of the same group or another client of the services provider, a statement of that fact, unless the order was executed through a trading platform that facilitates anonymous trading.

The second paragraph shall not apply when the services provider's confirmation contains the same information as another confirmation that the client is to receive immediately from another person.

This Article shall not apply when the digital assets services provider which provides the service of reception-transmission of orders for digital assets or the service of management of digital assets portfolios also executes the orders it receives itself. In this case, Article 722-11 I shall apply.

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