AMF AUTORITÉ DES MARCHÉS FINANCIERS

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 2 - Provisions applicable to the service of buying or selling digital assets in a currency that is legal tender and the service of trading of digital assets for other digital assets

General regulation of the AMF

Article 722-8 into force since 19 December 2019

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Article 722-8

I. - The digital assets services provider shall comply with the following requirements for the execution of clients' orders:

1 • it shall execute orders in the order in which they are received and promptly, except where:

    a) the nature of the order or the client's interests requires otherwise; or

    b) the client has given specific instructions as provided for in Article 722-11.

2 • when it acts on its own account, it shall buy or sell at the price offered at the time of receipt of the order;

3 • it shall ensure that the orders executed are recorded on the clients' accounts immediately after execution;

4 • when it transmits the client's orders for execution on a trading platform for digital assets, it shall inform the client that the executed price may differ from the published price; and

5 • it shall inform clients of any serious difficulty likely to affect satisfactory order execution as soon as it becomes aware of such a difficulty.

II. – It shall not misuse information relating to clients' orders pending execution, and shall take all reasonable measures to prevent the misuse of this information by any person under its responsibility.

III. - It shall not execute clients' orders or transactions on its own account by aggregating them with orders from other clients, unless the following conditions are complied with:

a) it is unlikely that the aggregation of orders and transactions would be detrimental to one or more clients whose orders were aggregated;

b) each client whose order is aggregated is informed that aggregating may have an adverse effect on him in relation to a particular order ; and

c) an order execution policy shall be implemented in accordance with Article 722-11 I, and effectively applied, which shall provide for the fair allocation of aggregated orders and transactions, including the method by which the volume and price of orders determine allocations, and the treatment of partially executed orders.

Where the digital assets services provider aggregates an order with one or more orders from other clients and the aggregated order is partially executed, the services provider shall allocate the corresponding transactions in accordance with its order execution policy mentioned in Article 722-11 I.

IV. – The digital assets services provider that has aggregated transactions for its own account with one or more client orders shall refrain from allocating the corresponding transactions in a way that is detrimental to a client.

Where it aggregates a client's order with a transaction on its own account and where the aggregated order is partially executed, it shall allocate the corresponding transactions in priority to the client and not to the services provider.

However, if the digital assets services provider is able to reasonably demonstrate that, without such aggregation of orders, it would not have been able to execute the order or to execute the order on such advantageous terms, it may allocate the transaction on its own account proportionately, in accordance with its order execution policy mentioned in Article 722-11 I.

As part of the order execution policy, the services provider shall implement procedures designed to prevent the reallocation to clients on unfavourable terms of transactions on its own account executed in combination with clients' orders.

↘ **Version into force since 19 December 2019**