

## General regulation of the AMF

### Book V - Market infrastructures into force from 09/03/2018 to 21/04/2018

Information boxes have been inserted within the General Regulation. They allow for a direct access to the relevant European regulations on the subject matter.

The user will be redirected to the European regulations as initially published in the Official Journal of the European Union and to the subsequent corrigenda, if any. The AMF does not guarantee the completeness of the redirections to these European regulations and corrigenda.

The boxes are located at the most relevant level of the GRAMF depending on the provision of the EU regulations to which they refer (Book, Title, Chapter, Section, etc.).

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## Book V - Market infrastructures

The provisions of European regulations mentioned in the inserts listed below are directly applicable due to the entry into force of the:

Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU

Regulation (EU) No [600/2014](#) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012

Regulation (EU) No [648/2012](#) of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories

Regulation (EU) No [909/2014](#) of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012

Provisions applicable to trading platforms mentioned in titles I, II and III:

Commission Delegated Regulation (EU) [2017/565](#) of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive

Commission Delegated Regulation (EU) [2017/567](#) of 18 May 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to definitions, transparency, portfolio compression and supervisory measures on product intervention and positions

Commission Delegated Regulation (EU) [2017/584](#) of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying organisational requirements of trading venues

Commission Delegated Regulation (EU) [2017/570](#) of 26 May 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards for the determination of a material market in terms of liquidity in relation to notifications of a temporary halt in trading

Commission Delegated Regulation (EU) [2017/572](#) of 2 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on the specification of the offering of pre-and post-trade data and the level of disaggregation of data

Commission Delegated Regulation (EU) [2017/573](#) of 6 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on requirements to ensure fair and non-discriminatory co-location services and fee structures

Commission Delegated Regulation (EU) [2017/581](#) of 24 June 2016 supplementing Regulation (EU) No 600/2014 of the

European Parliament and of the Council with regard to regulatory technical standards on clearing access in respect of trading venues and central counterparties

Commission Delegated Regulation (EU) [2017/569](#) of 24 May 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the suspension and removal of financial instruments from trading

Commission Delegated Regulation (EU) [2017/580](#) of 24 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the maintenance of relevant data relating to orders in financial instruments

Commission Delegated Regulation (EU) [2017/566](#) of 18 May 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards for the ratio of unexecuted orders to transactions in order to prevent disorderly trading conditions

Commission Delegated Regulation (EU) [2017/574](#) of 7 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the level of accuracy of business clocks

Commission Delegated Regulation (EU) [2017/582](#) of 29 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards specifying the obligation to clear derivatives traded on regulated markets and timing of acceptance for clearing

Commission Implementing Regulation (EU) [2017/1005](#) of 15 June 2017 laying down implementing technical standards with regard to the format and timing of the communications and the publication of the suspension and removal of financial instruments pursuant to Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments

Commission Delegated Regulation (EU) [2017/575](#) of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards concerning the data to be published by execution venues on the quality of execution of transactions

Commission Delegated Regulation (EU) [2017/583](#) of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives

Commission Delegated Regulation (EU) [2017/2194](#) of 14 August 2017 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to package orders

Commission Delegated Regulation (EU) [2017/577](#) of 13 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on the volume cap mechanism and the provision of information for the purposes of transparency and other calculations

Commission Delegated Regulation (EU) [2017/590](#) of 28 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities

Commission Delegated Regulation (EU) [2017/585](#) of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the data standards and formats for financial instrument reference data and technical measures in relation to arrangements to be made by the European Securities and Markets Authority and competent authorities

[Article 511-0](#)

In this Book V, “financial instrument” means financial instruments as defined by Article L. 211-1 of the Monetary and Financial Code and the units referred to in Article L. 229-7 of the Environmental Code

## **Title I - Regulated markets and market operators (Articles 511-1 à 516-6)**

### Chapter I - Market operator and recognition of regulated markets (Articles 511-1 à 511-16)

#### Section 1 - Procedures for recognising regulated markets (Articles 511-1 à 511-12)

[Article 511-1](#)

To obtain recognition for the market it intends to manage as a regulated market in financial instruments within the meaning of Article L. 421-1 of the Monetary and Financial Code, the market operator shall submit a file containing the following information to the AMF:

- 1 • the items concerning the market operator, referred to in Article 511-2;
- 2 • the items concerning the market, referred to in Article 511-3.

[Article 511-2](#)

The items concerning the market operator, referred to in Point 1°, Article 511-1, shall include:

- 1 • Its articles of association;
- 2 • Its internal regulations (bylaws);
- 3 • The documents providing evidence of compliance with the requirements referred to in Articles L. 421-7 and L. 421-7-1 of the Monetary and Financial Code, notably a curriculum vitae, police record or equivalent document, a sworn statement relating to the absence of any administrative sanctions and a sworn statement relating to all current mandates;
- 4 • The identity of persons who are in a position to exercise, directly or indirectly, significant influence over the management of the regulated market referred to in Article L. 421-9 of the Monetary and Financial Code, as well as the amount of their holding.

Shareholders who, alone or in concert, own directly or indirectly 10% or more of the capital or voting rights are deemed to exercise significant influence;

- 5 • A programme of operations setting out its organisational structure and its human, material and technical resources implemented with respect to the envisaged activity on the regulated market concerned, including the type of transactions envisaged and the market model;
- 6 • The latest annual accounts, where they exist, and the financial resources available to it when the regulated market is recognised;
- 7 • The policy for managing any conflicts of interests, as referred to in Article 512-4;
- 8 • Agreements, if any, for outsourcing the management and surveillance of the regulated market.

[Article 511-3](#)

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The market-related items referred to in Point 2°, Article 511-1 shall include:

- 1 • Market rules, including the conditions and procedures for consulting with market members and issuers whose financial instruments are admitted to trading on this market, if such rules are modified;
- 2 • The procedures for settlement, and where relevant, clearing of transactions
- 3 • A description of procedures and measures implemented in order to comply with I, II and III of Article L. 420-3 of the Monetary and Financial Code;
- 4 • Fee structures referred to in Article L. 420-6 of the Monetary and Financial Code;
- 5 • The systems, procedures and arrangements in place to ensure compliance with Articles L. 420-4, L. 420-5, L. 420-7 and L. 420-8 of the Monetary and Financial Code.

#### Article 511-4

The AMF shall ensure that the items forwarded to it in accordance with Article 511-2 comply with relevant laws and regulations. In particular it checks:

- 1 • that the market operator is entitled to exercise the rights corresponding to the regulated market it manages;
- 2 • that the persons referred to in Point 4°, Article 511-2 are suitable to ensure the sound and prudent management of the regulated market;
- 3 • that the market operator has implemented:
  - a • arrangements for supervising trading on the regulated market it manages;
  - b • arrangements for supervising market members;
  - c • arrangements for ensuring on a continuous basis that it complies with the provisions applicable to it and to the regulated market it manages;
  - d • arrangements for monitoring the compliance of its business and staff;
- 4 • that the market operator has made provisions in case the persons referred to in b) and d) of Point 3 fail to comply with their obligations.

Where the persons referred to in the third subparagraph of Article 511-2 are already directing the activities and operation of a regulated market of another Member State of the European Union or another State party to the European Economic Area agreement, they are deemed to be of sufficiently good repute and sufficiently experienced to ensure the sound and prudent management of the regulated market.

#### Article 511-5

Pursuant to Article L. 421-4 of the Monetary and Financial Code, the AMF shall seek the opinion of the Prudential Supervision and Resolution Authority on the organisation, the human, technical and material resources and the financial resources of the market operator.

#### Article 511-6

The AMF can ask the market operator to provide any additional information it deems useful for ensuring that all the

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arrangements are put in place to meet the obligations applicable to the market operator or the financial instrument market it intends to manage.

#### Article 511-7

The AMF shall reach a decision on the programme of operations referred to in Point 5°, Article 511-2 within three months of receiving the full file or, where such is the case, the additional information it has requested.

#### Article 511-8

The AMF shall ensure that the items forwarded to it in accordance with Article 511-3 comply with relevant laws and regulations. In particular it checks that:

- 1 • The rules of the market concerned comply with relevant laws and regulations;
- 2 • The market operator has made the necessary arrangements for ensuring that the market concerned meets the requirements of this General Regulation on a continuous basis;
- 3 • The market operator's human, financial material and technical resources under Points 5° and 6° of Article 511-2 and 1° to 4° of Article 511-3 are suitable for managing the regulated market concerned;
- 4 • The market operator has effective arrangements for ensuring the efficient and timely finalisation of transactions executed under the systems of the regulated market it manages.

#### Article 511-9

Pursuant to Article L. 421-4 of the Monetary and Financial Code, the AMF proposes to the minister for economic affairs that the financial instrument market be recognised as a regulated market if it considers that all the conditions for recognition have been met.

#### Article 511-10

After the market has been recognised as a regulated market, and before commencing operations, the market operator shall inform the AMF that the resources referred to in Point 5°, Article 511-2 have been put in place.

#### Article 511-11

AMF decisions relating to the approval of the market rules shall be published on the AMF website. The approved rules shall be appended to the AMF decision.

Such publication shall take place after a new market has been recognised as a regulated market by the minister for economic affairs.

#### Article 511-12

The market operator shall publish the market rules on its website.

Section 2 - Changes in the conditions governing recognition of regulated markets (Articles 511-13 à 511-15)

#### Article 511-13

The market operator shall promptly inform the AMF prior to any changes to the items in the file referred to in Article 511-1 that resulted in the financial instrument market being recognised as a regulated market.

The AMF shall determine the measures to be taken as a result of such changes within one month of receiving the file or, where appropriate, any additional information it might have requested and, in particular, whether the provisions of Article L. 421-6 of the Monetary and Financial Code shall apply. Failing an express response from the AMF within this period, the changes shall be deemed to have been accepted.

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#### [Article 511-14](#)

The market operator shall inform the AMF of any plans to change the identity of the persons referred to in Article L. 421-7 of the Monetary and Financial Code who effectively manage the market operator.

The AMF shall refuse to approve these changes where there are objective and demonstrable grounds for believing that they would pose a serious threat to the sound and prudent management and operation of the regulated market.

The AMF makes its ruling on these amendments within three months of receiving the request or, where such is the case, the additional information it has requested.

#### [Article 511-15](#)

Where they do not result directly from relevant laws and regulations, material changes to market rules shall give rise to a consultation with market members and issuers whose financial instruments are admitted to trading on this market, under arrangements appropriate to the type of changes envisaged.

A market operator submits for AMF approval any proposed amendments to the rules of the market it operates. Where appropriate, it shall append the findings of the aforementioned consultation to its application.

AMF decisions relating to the approval of rule amendments are published on the AMF website. The approved rules shall be appended to the AMF decision.

### Section 3 - Market operator's authorisation (Article 511-16)

#### [Article 511-16](#)

I. - When applying for authorisation to provide one or more data reporting service(s) within the meaning of Article L. 323-1 of the Monetary and Financial Code, a market operator must submit an application to the AMF comprising the elements mentioned in Articles 2 and 5 to 20 of Commission Delegated Regulation (EU) 2017/571 of 2 June 2017 and in Commission Implementing Regulation (EU) 2017/1110 of 22 June 2017, according to the procedures described in the latter regulation.

The AMF shall reach a decision on the authorisation request within three months of receiving the file or, where such is the case, the additional information it has requested.

II. – The provisions of Article 328-2 apply to market operators that are authorised to provide data reporting services.

### Chapter II - Organisational rules for market operators and rules of conduct (Articles 512-1 à 512-12)

#### Section 1 - Organisational rules (Article 512-1)

Commission Delegated Regulation (EU) [2017/588](#) of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on the tick size regime for shares, depositary receipts and exchange-traded funds

#### [Article 512-1](#)

A market operator that outsources one or several important functions shall modify its programme of operations in accordance with Article 511-13.

Reliance on a third party shall not under any circumstances relieve the market operator of its responsibilities.



[Article 512-2](#)

The market operator shall conduct its business diligently, fairly, neutrally and impartially, respecting the integrity of the market.

[Article 512-3](#)

The market operator shall establish and maintain an effective conflicts of interest policy, set out in writing and appropriate to the size, organisation and businesses of the operator, including any multilateral trading facilities or organised trading facilities it manages.

[Article 512-4](#)

The conflicts of interest policy shall include the following content:

- 1 • it must identify, with reference to the specific activities carried out by the market operator, the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more of its members;
- 2 • it must specify procedures to be followed and measures to be adopted in order to manage such conflicts.

[Article 512-5](#)

The market operator shall keep and regularly update a record of the activities in which a conflict of interests entailing a material risk of damage to the interests of one or more of its members has arisen or, in the case of an ongoing activity, may arise.

Section 3 - Compliance rules for members of staff of the market operator (Articles 512-6 à 512-7)

[Article 512-6](#)

The market operator shall ensure that persons acting under its authority or on its behalf know that they are bound by the obligation of professional secrecy as provided for by law and on pain of the penalties prescribed thereunder.

Such persons may not use any confidential information in their possession other than to perform their duties at or on behalf of the market operator.

[Article 512-7](#)

The market operator shall draw up internal regulations establishing the rules of conduct applicable to persons acting under their responsibility or on its behalf.

These internal regulations shall stipulate the conditions in which a person may execute trades in financial instruments for his own account. They provide that persons with a function relating to the admission to trading of financial instruments or to market surveillance cannot trade for his own account in the financial instruments for which he is responsible. They give due regard to the provisions of Article 512-6.

Section 4 - Issuance of a professional licence to certain members of staff of a market operator and the conditions in which they perform their duties (Articles 512-8 à 512-12)

[Article 512-8](#)

The market operator shall appoint a person or persons to be responsible for the following:

- 1 • supervision of trading;
- 2 • monitoring of market members;
- 3 • compliance monitoring of the market operator and its staff.

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#### [Article 512-9](#)

The persons referred to in Article 512-8 shall have the requisite independence of decision-making as well as the technical and human resources needed to carry out their duties.

Such resources shall be commensurate with the size of the regulated market or markets managed by the market operator.

#### [Article 512-10](#)

The persons referred to in Article 512-8 shall hold a professional licence, issued by the AMF on the proposal of the market operator.

In preparation for the issuance of this licence, the market operator shall forward to the AMF, for each of the persons concerned, an application containing the items specified in an AMF instruction.

The AMF can ask the market operator or the persons concerned for any further information it deems appropriate.

The AMF shall reach a decision within one month of receiving the application or, where such is the case, the additional information it has requested.

#### [Article 512-11](#)

When the holder of a professional licence referred to in Article 512-10 ceases to perform the duties referred to in Article 512-8, the market operator shall inform the AMF, which withdraws the licence.

When the AMF withdraws the licence in accordance with an enforcement decision under Article L. 621-15 of the Monetary and Financial Code, it shall inform the market operator thereof.

#### [Article 512-12](#)

The person or persons referred to in Article 512-8 shall draw up a yearly report on the conditions in which they carry out their duties. This report shall be submitted to the executive body of the market operator, as well as to the AMF, no later than four months after the close of the financial year.

The report shall include:

- 1 • a description of how supervision and monitoring are organised;
- 2 • a list of the tasks performed in carrying out these duties;
- 3 • any observations made by the responsible person;
- 4 • measures adopted as a result of such observations.

Chapter III - Members of regulated markets (Articles 513-1 à 513-7)

Commission Delegated Regulation (EU) [2017/574](#) of 7 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the level of accuracy of business clocks

#### [Article 513-1](#)

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The rules of the regulated market governing the admission of market members shall stipulate their obligations under :

- 1 • the constitution and administration of the market operator;
- 2 • rules relating to transactions on the market;
- 3 • the professional requirements for the personnel of investment firms or credit institutions operating in the market;
- 4 • the conditions referred to in Article L. 421-17 of the Monetary and Financial Code applicable to members other than investment firms or credit institutions;
- 5 • rules and procedures for the clearing and settlement of transactions effected on the regulated market.

#### Article 513-2

The market operator shall ensure that the market member is authorised for the investment services it intends to provide on the regulated market, where such is the case.

Where the market rules provide for several categories of member, they shall stipulate the membership requirements for each category.

#### Article 513-3

Where a market member is based outside a State party to the European Economic Area agreement, admission is conditional on there being a cooperation and information sharing agreement between the AMF and the competent authority in the member's home country.

Notwithstanding the first paragraph, the market operator may enter into agreements with recognised markets, within the meaning of Article L. 423-1, D. 423-1 to D. 423-4 of the Monetary and Financial Code, whereby the members of one market are recognised as members of the other market, and vice versa.

#### Article 513-4

The market operator shall provide the AMF with a list of members of the regulated market it manages, stipulating their home country. It shall promptly inform the AMF of any changes to the list.

#### Article 513-5

The market operator shall ensure that members comply with the rules governing the market.

The market operator shall conclude an agreement with each member whereby the member agrees to:

- 1 • comply with market rules on a continuous basis;
- 2 • reply to any requests for information from the market operator;
- 3 • submit to on-site inspections by the market operator;
- 4 • rectify, at the behest of the market operator, any situation in which it no longer meets the membership requirements.

#### Article 513-6

Members of the regulated market shall enforce the obligations set forth in Section 5 and 6 of Chapter 3 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 and Articles L. 533-18 and L. 533-18-2 of the Monetary and Financial Code when executing orders on a regulated market on behalf of their clients.

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[Article 513-7](#)

The market rules may authorise a market member to outsource trading operations to another member.

In such an event, outsourcing in no way alters the market member's responsibilities to its clients.

Chapter IV - Principles for trading on regulated markets - transparency rules (Articles 514-1 à 514-9)

Section 1 - General provisions (Articles 514-1 à 514-4)

[Article 514-1](#)

The market rules shall set forth the conditions in which multiple third-party buying and selling interests are brought together within the market in a way that results in transactions in the financial instruments traded on the market's systems.

They shall also establish the manner in which prices are determined, as well as the functions likely to be carried out by market members.

[Article 514-2](#)

The market rules shall determine the categories of orders that members can execute.

They shall provide that market members must time-stamp orders as soon as they are issued on a regulated market and, in cases where the market members receive orders, that they also must time-stamp them as soon as they are received.

The market rules shall specify the principles of priority that apply when orders at the same price and on the same side of the market (buy or sell) are presented at the same time on the market.

[Article 514-3](#)

The market rules shall establish the principles under which trading of financial instruments can be suspended or removed.

They also provide for the conditions:

- a) Of technical interruption of trading in a financial instrument in the case of significant price fluctuations in this financial instrument on the market, particularly when the price variation reaches whether during the same trading session or from one session to the other one of the thresholds set by the market operator;
- b) In which orders exceeding pre-determined volume and price thresholds, or clearly erroneous orders, are rejected.

The market rules regulating price fluctuations shall take into consideration both the market model and the characteristics of the financial instruments traded on the market. The market operator must have the resources that enable it to verify the consistency of the prices resulting from transactions.

[Article 514-4](#)

The market rules shall specify the conditions in which the market operator may cancel one or more transactions or, in exceptional cases, clearly erroneous or irregular trades. They also stipulate the arrangements for informing the market of any such cancellations.

Section 2 - Derogations to transparency principles and publication of market information (Articles 514-5 à 514-8)

Commission Delegated Regulation (EU) [2017/587](#) of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments and on transaction execution obligations in respect of certain shares on a trading venue or by a systematic internaliser

#### [Article 514-5](#)

In accordance with Article L. 421-10 of the Monetary and Financial Code, the AMF shall be able to waive the obligation for a market operator to make public the information on current bid and offer prices and the depth of trading interests at those prices for the financial instruments referred to in Article 3 of Regulation (EU) No 600/2014 of 15 May 2014, and in the cases provided for in Article 4 of said Regulation.

The market rules shall stipulate the conditions under which a market operator may be waived from the obligation to make public the above-mentioned information.

#### [Article 514-6](#)

In accordance with Article L. 421-10 of the Monetary and Financial Code, the AMF may authorise market operators to defer the publication of transactions in the financial instruments referred to in Article 6 of Regulation (EU) No 600/2014 of 15 May 2014, in the cases provided for in Article 7 of said Regulation.

The market rules stipulate the conditions under which a market operator may be waived from the obligation to make public the above-mentioned information.

#### [Article 514-7](#)

In accordance with Article L. 421-10 of the Monetary and Financial Code, the AMF shall be able to waive the obligation for a market operator to make public the information on current bid and offer prices and the depth of trading interests at those prices for the financial instruments referred to in Article 8 of Regulation (EU) No 600/2014 of 15 May 2014, and in the cases provided for in paragraph 1 of Article 9 of said Regulation.

The market rules stipulate the conditions under which a market operator may be waived from the obligation to make public the above-mentioned information.

#### [Article 514-8](#)

In accordance with Article L. 421-10 of the Monetary and Financial Code, the AMF may authorise a market operator to defer the publication of transactions in the financial instruments referred to in Article 10 of Regulation (EU) No 600/2014 of 15 May 2014, in the cases provided for in Article 11 of said Regulation.

The market rules stipulate the conditions under which a market operator may be waived from the obligation to make public the above-mentioned information.

#### Section 3 - Notification to the amf (Article 514-9)

#### [Article 514-9](#)

The market operator shall report daily to the AMF:

- 1 • On the orders received from the members of regulated markets it manages and on the transactions effected in accordance with the rules of these markets;
- 2 • On the positions opened on financial contracts, except if this information has already been disclosed to the AMF by the terms of Article 541-24.

Commission Delegated Regulation (EU) [2017/568](#) of 24 May 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the admission of financial instruments to trading on regulated markets

#### [Article 515-1](#)

The market operator shall implement necessary arrangements to regularly review the compliance with the admission requirements of the financial instruments admitted to trading on the regulated market it manages.

#### [Article 515-2](#)

The market operator shall establish procedures that facilitate its members in gaining access to information published by issuers pursuant to Titles I and II of Book II.

### Chapter VI - Special provisions for certain markets (Articles 516-1 à 516-6)

#### Section 1 - Orders with instructions for deferred settlement and delivery (Article 516-1)

##### [Article 516-1](#)

The market rules may authorise a buyer or a seller, following execution of such buyer's or seller's order on the market, to defer the payment of the funds or the delivery of the financial instruments until a date set by those rules. The buyer, who is irrevocably bound to pay for the financial instruments once his order has been executed, shall not be required to disburse the funds until the date, set by the market rules, on which the financial instruments are registered in his account.

The financial instruments shall belong to the market member, in whose account they are registered at the date set by the market rules, pending registration in the buyer's account. The seller, who is irrevocably bound to deliver the financial instruments once his order has been executed, shall deliver them only at the date set by the market rules on which his account is debited. He retains title to the financial instruments as long as they are registered in his account.

#### Section 2 - Corporate actions (Article 516-2)

##### [Article 516-2](#)

The market rules shall establish the procedures relating to the detachment of rights and other corporate actions that influence the price of financial instruments; they shall also stipulate the respective claims of buyers and sellers.

The rules shall also lay down the procedures that issuers of financial instruments admitted to trading on the regulated market managed by the market operator must follow to inform the operator of such actions.

Where financial instruments are admitted to trading without the consent of the issuer, the market operator shall make the necessary arrangements for gaining access to this information.

#### Section 3 - Other provisions (Articles 516-3 à 516-4)

##### [Article 516-3](#)

At the request of a market operator, the AMF can put in place an arbitration procedure to resolve disputes arising between the operator and its market members, between market members themselves, or between members and their clients.

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#### [Article 516-4](#)

Without prejudice to special regulatory provisions, where mandatory sales of the financial contracts referred to in II of Article L. 211-1 of the Financial and Monetary Code and equivalent financial instruments issued under foreign law are effected through an investment services provider, said provider shall publish a notice stipulating the date of sale, the type and number of financial instruments for sale, the selling price and the arrangements for the sale. This information shall be published at least fifteen days before the sale in a publication that carries legal notices.

Section 4 - Provisions applicable to certain compartments (Articles 516-5 à 516-6)

#### [Article 516-5](#)

The market undertaking may open a compartment for issuers applying to admit their financial instruments to trading on a regulated market without a public issue or sale if the equity securities or the securities that give or may give access directly or indirectly to the issuer's capital or voting rights are not already admitted to trading on a French regulated market.

Issuers may not ask for their financial instruments to be transferred off the compartment referred to in the first paragraph except in the case of a public issue or sale of financial instruments that entails the preparation of a prospectus.

#### [Article 516-6](#)

Financial instruments admitted to trading on the compartment referred to in Article 516-5 may not be acquired by an investor other than a qualified investor, within the meaning of 2 of II of Article L. 411-2 of the Monetary and Financial Code, unless such investor takes the initiative to do so and has been duly informed by the investment services provider about the characteristics of the compartment.

## **Title II - Multilateral trading facilities (Articles 521-1 à 525-8)**

Chapter I - General provisions (Articles 521-1 à 521-9)

Commission Delegated Regulation (EU) [2017/588](#) of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on the tick size regime for shares, depositary receipts and exchange-traded funds

Section 1 - Authorisation for an investment services provider to operate a multilateral trading facility and changes to the conditions of this authorisation (Articles 521-1 à 521-2)

Commission Delegated Regulation (EU) [2017/1943](#) of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on information and requirements for the authorisation of investment firms

Commission Delegated Regulation (EU) [2017/1018](#) of 29 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards specifying information to be notified by investment firms, market operators and credit institutions

Commission Delegated Regulation (EU) [2017/1946](#) of 11 July 2017 supplementing Directives 2004/39/EC and 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for an exhaustive list of information to be included by proposed acquirers in the notification of a proposed acquisition of a qualifying holding in an

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investment firm

Commission Implementing Regulation (EU) [2017/1945](#) of 19 June 2017 laying down implementing technical standards with regard to notifications by and to applicant and authorised investment firms according to Directive 2014/65/EU of the European Parliament and of the Council

Commission Implementing Regulation (EU) [2016/824](#) of 25 May 2016 laying down implementing technical standards with regard to the content and format of the description of the functioning of multilateral trading facilities and organised trading facilities and the notification to the European Securities and Markets Authority according to Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments

Sub-section 1 - Authorisation to operate a multilateral trading facility

[Article 521-1](#)

I. - In connection with the examination by the Prudential Supervision and Resolution Authority of the authorisation request for the service referred to in Point 8° of Article L. 321-1 of the Monetary and Financial Code, and before such authorisation is granted, the AMF shall receive and examine in accordance with Article R. 532-3 of that Code:

- 1 • The programme of operations of the applicant referred to in 5° of Article L. 532-2 of said Code;
- 2 • The relevant elements mentioned in Commission Implementing Regulation (EU) 2016/824 of 25 May 2016;

II. - In addition, the AMF receives and reviews the facility's operating rules referred to in Articles L. 424-2, R\*. 424-1 and R. 424-2 of said Code.

Sub-section 2 - Changes to the conditions for authorisation of a multilateral trading facility

[Article 521-2](#)

The AMF shall be notified of all material changes referred to in paragraph 1 of Article 8 of Commission Implementing Regulation (EU) 2016/824 of 25 May 2016, in accordance with Article R. 532-6, and notifies its decision within the time period indicated in II of this same Article.

Section 2 - Authorisation for a market operator to operate a multilateral trading facility and changes to the conditions of this authorisation (Articles 521-3 à 521-6)

Sub-section 1 - Authorisation for a market operator to operate a multilateral trading facility

[Article 521-3](#)

With a view to obtaining authorisation to manage an MTF, the market operator shall send the AMF an application comprising:

- 1 • a programme of operations relating to the envisaged activity setting out inter alia:
  - a • the types of business;
  - b • its organisational structure, the human material, technical and financial resources implemented;
  - c • the provisions and procedures mentioned in I of Article L. 420-9 of the Monetary and Financial Code, notably to control compliance with the system's rules by its members and to ensure a smooth trading process;
  - d • the provisions for ensuring compliance with the requirements referred to in Article L. 421-11 of said Code; and



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e • where relevant, the procedure for the clearing of transactions.

- 2 • the relevant elements referred to in Commission Implementing Regulation (EU) 2016/824 of 25 May 2016, notably a description of any links to or participation by a regulated market, a multilateral trading facility, an organised trading facility or systematic internaliser;
- 3 • the operating rules of the facility referred to in Article L. 424-2 of the Monetary and Financial Code.

#### Article 521-4

The AMF shall check that the documents or information referred to in Article 521-3 comply with relevant laws and regulations, and in particular that the market operator has the resources and organisational structure suitable for the envisaged activity and that it complies with the provisions of Article L. 421-11 of the Monetary and Financial Code.

The AMF shall seek the opinion of the Prudential Supervision and Resolution Authority on the organisation, the human, technical and material resources and the financial resources of the market operator.

It can demand any rule amendments or resource adjustments needed to ensure that the facility complies with relevant laws and regulations.

The AMF shall reach a decision on the authorisation request within three months of receiving the full file or, where such is the case, the additional information it has requested.

Sub-section 2 - Changes to the conditions for authorisation of a multilateral trading facility and withdrawal of the authorisation

#### Article 521-5

I. - The market operator shall promptly inform the AMF prior to any changes made to the elements of the programme of operations referred to in Point 1° of Article 521-3 that was part of the approved application for the operation of an organised trading facility.

II. - It shall also notify the AMF under the same conditions of any material change referred to in paragraph 1 of Article 8 of Commission Implementing Regulation (EU) 2016/824 of 25 May 2016.

III. - The AMF shall determine the measures to be taken as a result of such changes within one month of receiving the changes' file or, where appropriate, any additional information it might have requested and, in particular, whether the provisions of Article 521-6 shall apply. Failing an express response from the AMF within this period, the changes shall be deemed to have been accepted.

#### Article 521-6

The AMF shall withdraw the authorisation granted to a market operator where such operator:

- 1 • does not make use of the authorisation within 12 months, expressly renounces the authorisation, or if the MTF has not operated over the previous six months;
- 2 • has obtained the authorisation by making false statements or by any other irregular means;
- 3 • no longer meets the conditions under which authorisation was granted;
- 4 • has seriously and systematically infringed the provisions applicable to it.

Section 3 - Multilateral trading facility's rules (Articles 521-7 à 521-9)

[Article 521-7](#)

The rules of the multilateral trading facility shall establish inter alia:

- 1 • the conditions of access for members of the multilateral trading facility and their obligations. When a market member is established outside a State party to the Agreement on the European Economic Area, its access depends on whether or not an agreement for co-operation and exchange of information has been set up between the AMF and the competent supervisory authority of its country of registration;
- 2 • the category(ies) of financial instruments admitted for trading on the multilateral trading facility, the criteria for determining their admissibility, as well as their characteristics;
- 3 • the conditions for trading financial instruments on the facility, in particular:
  - a • the arrangements for bringing together buying and selling interests, and the dates and opening hours for trading;
  - b • the information made public concerning buying and selling interests and the transactions undertaken, including the information referred to in Articles 522-1 to 522-4;
  - c • the procedures for the suspension or removal of financial instruments from trading;
  - d • where appropriate, the mechanisms as defined in Paragraphs II to IV of Article L. 420-3 of the Monetary and Financial Code;
  - e • the obligation for members of the facility to time-stamp orders as soon as they are issued on a multilateral trading facility and, in cases where the market members receive orders, to time-stamp them as soon as they are received.
- 4 • Where such is the case, the obligations applicable to issuers notably for making financial disclosures;
- 5 • the consequences for members or issuers in the event of non-compliance with the system's rules;
- 6 • the procedures for settlement, and where relevant, clearing of transactions.

[Article 521-8](#)

After approval of the rules of the multilateral trading facility in accordance with Articles L. 424-2, R\*. 424-1 and R. 424-2 of the Monetary and Financial Code, the operator of the multilateral trading facility shall notify the AMF of any changes it plans to make to the facility's rules at least one month prior to the intended date of application.

The AMF shall ensure that the changes planned comply with the applicable legal and regulatory provisions. In this case, it shall approve them in accordance with Article R\*. 424-1 and R. 424-2 of the Monetary and Financial Code, within one month from the date of receipt of the application to make the change, or, where relevant, of any additional information requested.

When the operator of the system is an investment services provider, the AMF shall notify the French Prudential Supervision and Resolution Authority.

[Article 521-9](#)

Following the initial approval by the AMF of the rules of operation of the multilateral trading facility or the approval of the changes, the operator of the multilateral trading facility shall make these rules available to the public on its website.

AMF decisions approving the rules of multilateral trading facilities or changes made to them are published on the AMF's website. The approved rules are annexed to the AMF's decision.

Commission Delegated Regulation (EU) [2017/587](#) of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments and on transaction execution obligations in respect of certain shares on a trading venue or by a systematic internaliser

#### Section 1 - Derogations to transparency principles (Articles 522-1 à 522-4)

##### [Article 522-1](#)

In accordance with Article L. 424-2 of the Monetary and Financial Code, the AMF shall be able to waive the obligation for the operator of the system to make public the information on current bid and offer prices and the depth of trading interests at those prices for the financial instruments referred to in Article 3 of Regulation (EU) No 600/2014 of 15 May 2014, and in the cases provided for in Article 4 of said Regulation.

The rules of the facility stipulate the conditions under which the operator of a multilateral trading facility may be waived from the obligation to make public the above-mentioned information.

##### [Article 522-2](#)

In accordance with Article L. 424-2 of the Monetary and Financial Code, the AMF shall be able to waive the obligation for the operator of the system to make public the information on current bid and offer prices and the depth of trading interests at those prices for the financial instruments referred to in Article 8 of Regulation (EU) No 600/2014 of 15 May 2014, and in the cases provided for in paragraph 1 of Article 9 of said Regulation.

The rules of the facility stipulate the conditions under which the operator of a multilateral trading facility may be waived from the obligation to make public the above-mentioned information.

##### [Article 522-3](#)

In accordance with Article L. 424-2 of the Monetary and Financial Code, the AMF may authorise the operator of the system to defer the publication of transactions in the financial instruments referred to in Article 6 of Regulation (EU) No 600/2014 of 15 May 2014, in the cases provided for in Article 7 of said Regulation.

The system's rules stipulate the conditions under which the operator of the system may be waived from the obligation to make public the above-mentioned information.

##### [Article 522-4](#)

In accordance with Article L. 424-2 of the Monetary and Financial Code, the AMF may authorise the operator of the system to defer the publication of transactions in the financial instruments referred to in Article 10 of Regulation (EU) No 600/2014 of 15 May 2014, in the cases provided for in Article 11 of said Regulation.

The system's rules stipulate the conditions under which the operator of the system may be waived from the obligation to make public the above-mentioned information.

#### Section 2 - Rules of conduct (Articles 522-5 à 522-7)

##### [Article 522-5](#)

Where applicable, the MTF manager shall provide, or ensure that there is access to, sufficient publicly available information to enable its users to form an investment judgement, taking into account both the nature of the users and the types of instruments

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traded.

#### Article 522-6

The MTF operator shall put in place the arrangements to:

- 1 • clearly identify any conflict of interest between itself and the facility it operates, including with its shareholders; and
- 2 • manage the potentially damaging effects of a conflict of interest on the operation and functioning of the facility or on its users.

#### Article 522-7

The MTF manager shall sign a membership agreement with each member, providing inter alia for:

- 1 • the obligation for the member to comply at all times with the rules of the facility and their implementing measures, to answer all requests from the manager for information, to submit to on-site inspections by the manager and bring itself into line with requirements at the manager's request;
- 2 • the measures taken by the manager in the event of poor performance or breach by the member of its contractual obligations, that may include the suspension of the member or the cancellation of the agreement.

### Chapter III - Supervision of the functioning of the mtf and its members (Articles 523-1 à 523-4)

Commission Delegated Regulation (EU) [2017/574](#) of 7 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the level of accuracy of business clocks

#### Section 1 - Issuance of professional licences to some members of staff (Articles 523-1 à 523-3)

##### Article 523-1

The MTF manager shall appoint a person or persons to be responsible with the following:

- 1 • supervision of trading;
- 2 • monitoring of MTF members.

Where managing an MTF is not its sole business, the investment services provider shall appoint a person other than the compliance officer to perform the functions referred to in Points 1° and 2°.

The market operator that manages an MTF may appoint the person or persons referred to in Article 512-8 to perform these functions in connection with the management of an MTF.

##### Article 523-2

The persons referred to in Article 523-1 shall have the requisite independence of decision-making as well as the technical and human resources needed to carry out their duties.

Such resources shall be commensurate with the size of the facility or facilities managed by the manager.

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#### [Article 523-3](#)

The persons referred to in Article 523-1 shall hold a professional licence, issued by the AMF on the proposal of the manager, as provided for in Articles 512-8 to 512-12.

### Section 2 - Notification to the amf (Article 523-4)

#### [Article 523-4](#)

The MTF manager shall report daily to the AMF:

- 1 • On the orders received from the members of the multilateral trading facility that he manages and on the transactions effected in accordance with the rules of the MTF;
- 2 • On the positions opened on financial contracts, except if this information has already been disclosed to the AMF by the terms of Article 541-24.

### Chapter IV - Multilateral trading facilities registered as an sme growth market (Article 524-1)

#### [Article 524-1](#)

The operator of a multilateral trading facility that is registered as an SME growth market may impose additional requirements to the ones set out in Articles L. 424-7 and D. 424-4-1 of the Monetary and Financial Code.

### Chapter V - Organised multilateral trading facilities (Articles 525-1 à 525-8)

#### [Article 525-1](#)

Multilateral trading facilities are considered as organized multilateral trading facilities if:

- 1 • 1° Their operating rules referred to in Article 521-7 are approved by the AMF at their request;
- 2 • 2° They report daily to the AMF, with regard to the orders they receive from their members for financial instruments admitted to trading on the facility; and
- 3 • 3° They arrange for a mandatory public offer procedure pursuant to Article 235-2 if the financial instruments they admit to the facility are those mentioned in point 1° of II of Article L. 211-1 of the Monetary and Financial Code.

#### [Article 525-2](#)

The AMF makes its ruling on the operating rules in accordance with articles R\*. 424-1 et R. 424-2 of the Monetary and Financial Code.

#### [Article 525-3](#)

The AMF publishes decisions relating to the approval of the operating rules on its website. The approved rules are annexed to the decision of the AMF.

#### [Article 525-4](#)

The provisions common to all MTFs referred to in Chapters I to IV of this Title shall apply to organised MTFs. MTFs shall also be subject to the following provisions.

#### [Article 525-5](#)

The information and documents to be sent to the AMF in accordance with Article 521-3 shall also relate to the arrangements implemented to monitor compliance with the obligations under Chapter IV, Title I of Book III and defined in the Regulation (EU) n° 596/2014 of the European Parliament and of the Council of 16 April 2014.

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#### [Article 525-6](#)

The manager shall notify the AMF without delay of any difficulties encountered in the performance of its obligations and of any facts known to them that may jeopardise the proper functioning of the facility.

They shall in particular provide the AMF without delay with all appropriate information where such facts may constitute market abuse as defined by the Regulation (EU) n° 596/2014 of the European Parliament and of the Council of 16 April 2014 as well as any failure by an issuer to comply with the obligations it has undertaken toward the managers in respect of financial disclosures.

#### [Article 525-7](#)

The rules of organised MTFs shall also establish:

- 1 • the procedures to be implemented in the event of the acquisition of control of an issuer whose financial instruments are traded on these facilities;
- 2 • the arrangements put in place to monitor compliance by issuers and members with the obligations under Chapter IV, Title I of Book III and defined by the Regulation (EU) n° 596/2014 of the European Parliament and of the Council of 16 April 2014;
- 3 • where such is the case the signing of a membership or admission agreement between the manager and issuers. In this case the manager shall make the necessary arrangements for ensuring that issuers comply with their contractual arrangements. The agreement shall specify the consequences of non-fulfilment of these obligations.

#### [Article 525-8](#)

The agreement referred to in Point 3° of Article 525-7 shall also establish the obligations relating to the procedures to be implemented in the event of the acquisition of control of an issuer whose financial instruments are traded on an organised MTF.

## **Title III - Organised trading facilities (OTF) (Articles 531-1 à 532-8)**

### Chapter I - General provisions (Articles 531-1 à 531-9)

Section 1 - Approval for the operation of an organised trading facility by investment services providers and changes to the conditions of this approval (Articles 531-1 à 531-2)

Commission Delegated Regulation (EU) [2017/1943](#) of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on information and requirements for the authorisation of investment firms

Commission Delegated Regulation (EU) [2017/1018](#) of 29 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards specifying information to be notified by investment firms, market operators and credit institutions

Commission Delegated Regulation (EU) [2017/1946](#) of 11 July 2017 supplementing Directives 2004/39/EC and 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for an exhaustive list of information to be included by proposed acquirers in the notification of a proposed acquisition of a qualifying holding in an investment firm

Commission Implementing Regulation (EU) [2017/1945](#) of 19 June 2017 laying down implementing technical standards with regard to notifications by and to applicant and authorised investment firms according to Directive 2014/65/EU of the European Parliament and of the Council

Commission Implementing Regulation (EU) [2016/824](#) of 25 May 2016 laying down implementing technical standards with regard to the content and format of the description of the functioning of multilateral trading facilities and organised trading facilities and the notification to the European Securities and Markets Authority according to Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments

#### Sub-section 1 - Approval for the operation of an organised trading facility

##### [Article 531-1](#)

I. - In connection with the examination by the Prudential Supervision and Resolution Authority of the authorisation request for the service referred to in Point 9° of Article L. 321-1 of the Monetary and Financial Code, and before such authorisation is granted, the AMF shall receive and examine in accordance with Article R. 532-3 of that Code:

- 1 • The programme of operations of the applicant referred to in 5° of Article L. 532-2 of said Code;
- 2 • The relevant elements referred to in Commission Implementing Regulation (EU) 2016/824 of 25 May 2016, notably those referred to in d) of paragraph 2 of Article 2, in paragraph 5 of article 2 and paragraphs b) and d) of Article 6 of said Regulation;

II. - Moreover, the AMF receives and reviews the rules of operation of the facility laid down in Articles L. 425-2, R\*. 425-1 and R. 425-2 of said Code.

#### Sub-section 2 - Changes to the conditions for authorisation of an organised trading facility

##### [Article 531-2](#)

The AMF shall be notified of all material changes referred to in paragraph 1 of Article 8 of Commission Implementing Regulation (EU) 2016/824 of 25 May 2016, in accordance with Article R. 532-6, and notifies its decision within the time period indicated in II of this same Article.

#### Section 2 - Authorisation for a market operator to operate a multilateral trading facility and changes to the conditions of this authorisation (Articles 531-3 à 531-6)

#### Sub-section 1 - Authorisation for a market operator to operate an organised trading facility

##### [Article 531-3](#)

With a view to obtaining authorisation to manage an OTF, the market operator shall send the AMF a file comprising:

- 1 • a programme of operations relating to the envisaged activity setting out inter alia:
  - a) the types of business;
  - b) its organisational structure, the human material, technical and financial resources implemented;
  - c) the provisions and procedures mentioned in I of Article L. 420-9 of the Monetary and Financial Code, notably to control compliance with the system's rules by its members and to ensure a smooth trading process;
  - d) the provisions for ensuring compliance with the requirements referred to in Article L. 421-11 of said Code; and
  - e) where relevant, the procedures for the clearing of transactions
- 2 • the items referred to in Point 2° of Paragraph I of Article 531-1;

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3 • the rules of operation of the facility referred to in Article L. 425-2 of the Monetary and Financial Code.

#### Article 531-4

The AMF shall check that the documents or information referred to in Article 531-3 comply with relevant laws and regulations, and in particular that the market operator has the resources and organisational structure suitable for the envisaged activity and that it complies with the provisions of Article L. 421-11 of the Monetary and Financial Code.

The AMF shall seek the opinion of the Prudential Supervision and Resolution Authority on the organisation, the human, material and technical resources and the financial resources of the market operator.

It can demand any rule amendments or resource adjustments needed to ensure that the facility complies with relevant laws and regulations.

The AMF shall reach a decision on the authorisation request within three months of receiving the full file or, where such is the case, the additional information it has requested.

Sub-section 2 - Changes to the conditions for authorisation of an organised trading facility and withdrawal of the authorisation

#### Article 531-5

I. - The market operator shall promptly inform the AMF prior to any changes made to the elements of the business plan referred to in Point 1 of Article 531-3 that was part of the approved application for the operation of an organised trading facility.

II. - It shall also notify the AMF under the same conditions of any material change referred to in paragraph 1 of Article 8 of Commission Implementing Regulation (EU) 2016/824 of 25 May 2016.

III. - The AMF shall determine the measures to be taken as a result of such changes within one month of receiving the changes' file or, where appropriate, any additional information it might have requested and, in particular, whether the provisions of Article 531-6 shall apply. Failing an express response from the AMF within this period, the changes shall be deemed to have been accepted.

#### Article 531-6

The AMF shall withdraw the authorisation granted to a market operator where such operator:

- 1 • does not make use of the authorisation within 12 months, expressly renounces the authorisation, or if the OTF has not operated over the previous six months;
- 2 • has obtained the authorisation by making false statements or by any other irregular means;
- 3 • no longer meets the conditions under which authorisation was granted;
- 4 • has seriously and systematically infringed the provisions applicable to it.

Section 3 - Organised trading facility's rules (Articles 531-7 à 531-9)

#### Article 531-7

The rules of the facility shall establish inter alia:

- 1 • the conditions of access to the facility for clients and their obligations;
- 2 • the category(ies) of financial instruments admitted for trading on the organised trading facility, the criteria for determining their admissibility, as well as their characteristics;



3 • the conditions for trading financial instruments on the facility, in particular:

- a) the arrangements for bringing together buying and selling interests, and the dates and opening hours for trading;
- b) the information made public concerning buying and selling interests and the transactions undertaken, including the information referred to in Articles 532-3 and 532-4;
- c) the procedures for the suspension or removal of financial instruments from trading;
- d) where appropriate, the mechanisms as defined in Paragraphs II to IV of Article L. 420-3 of the Monetary and Financial Code;
- e) the obligation for the clients of the facility to time-stamp orders as soon as they are placed on an organised trading facility and, in cases where the clients receive orders, to time-stamp them as soon as they are received.

4 • Where such is the case, the obligations applicable to issuers notably for making financial disclosures;

5 • the consequences for clients or issuers in the event of non-compliance with the system's rules;

6 • procedures for settlement, and where relevant, clearing of transactions.

#### Article 531-8

After approval of the rules of the facility in accordance with Articles L. 425-2, R\*. 425-1 and R. 425-2 of the Monetary and Financial Code, the operator of the organised trading facility shall notify the AMF of any changes it plans to make to the system's rules at least one month prior to the intended date of application.

The AMF shall ensure that the changes planned comply with the applicable legal and regulatory provisions. In this case, it shall approve them in accordance with Article R\*. 425-1 and R. 425-2 of the Monetary and Financial Code, within one month from the date of receipt of the application to make the change, or, where relevant, of any additional information requested.

When the operator of the system is an investment services provider, the AMF shall notify the French Prudential Supervision and Resolution Authority.

#### Article 531-9

Following the initial approval by the AMF of the rules of operation of the facility or the approval of the changes, the operator of the organised trading facility shall make these rules available to the public on its website.

AMF decisions approving the rules of the system or changes made to them are published on the AMF's website. The approved rules are annexed to the AMF's decision.

### Chapter II - Trading principles, transparency and conduct of business rules (Articles 532-1 à 532-7)

#### Section 1 - Specific requirements applicable to the otf operator (Articles 532-1 à 532-2)

##### Article 532-1

The operator of the system shall ensure that the matched trades that include dealing on own account that it carries out do not lead to conflicts of interest with its clients.

##### Article 532-2

The operator of an organised trading facility exercises discretion when it decides to:

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1 • place or retract an order on the system; or

2 • not to match a specific order of a client with the orders available in the system at a given point in time, provided that that complies with specific instructions received from clients as well as with the provisions of Articles L. 533-18 to L. 533-18-2 of the Monetary and Financial Code.

For an organised trading facility that crosses client orders, the operator should be able to decide if, when and how much of two or more orders it wants to match within the system. In the case of a system that organises transactions, the operator of an organised trading facility should be able to facilitate negotiation between clients as to bring together two or more potentially compatible trading interests in a transaction.

Section 2 - Derogations to transparency principles (Articles 532-3 à 532-4)

Commission Delegated Regulation (EU) [2017/583](#) of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives

#### [Article 532-3](#)

In accordance with Article L. 425-2 of the Monetary and Financial Code, the AMF shall be able to waive the obligation for the operator of an organised trading facility to make public the information on current bid and offer prices and the depth of trading interests at those prices for the financial instruments referred to in Article 8 of Regulation (EU) No 600/2014 of 15 May 2014, and in the cases provided for in paragraph 1 of Article 9 of said Regulation.

The rules of the facility stipulate the conditions under which the operator of an organised trading facility may be waived from the obligation to make public the above-mentioned information.

#### [Article 532-4](#)

In accordance with Article L. 425-2 of the Monetary and Financial Code, the AMF may authorise the operator of the organised trading facility to defer the publication of transactions in the financial instruments referred to in Article 10 of Regulation (EU) No 600/2014 of 15 May 2014, in the cases provided for in Article 11 of said Regulation.

The market rules stipulate the conditions under which the operator of the system may be waived from the obligation to make public the above-mentioned information.

Section 3 - Rules of conduct (Articles 532-5 à 532-7)

#### [Article 532-5](#)

Where applicable, the OTF manager shall provide, or ensure that there is access to, sufficient publicly available information to enable its users to form an investment judgement, taking into account both the nature of the users and the types of instruments traded.

#### [Article 532-6](#)

The OTF operator shall put in place the arrangements to:

1 • clearly identify any conflict of interest between itself and the facility it operates, including with its shareholders; and

2 • manage the potentially damaging effects of a conflict of interest on the operation and functioning of the facility or on its

#### [Article 532-7](#)

The OTF manager shall sign a membership agreement with each client, providing inter alia for:

- 1 • the obligation for the client to comply at all times with the rules of the facility and their implementing measures, to answer all requests from the manager for information, to submit to on-site inspections by the manager and bring itself into line with requirements at the manager's request;
- 2 • the measures taken by the manager in the event of poor performance or breach by the client of its contractual obligations, that may include the suspension of the client or the cancellation of the agreement.

#### Chapter III - Supervision of the functioning of the otf and its clients (Article 532-8)

Commission Delegated Regulation (EU) [2017/574](#) of 7 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the level of accuracy of business clocks

#### [Article 532-8](#)

The provisions of Articles 523-1 to 523-3 shall apply to the OTF manager.

For the purposes of this Article, the terms "member(s)" referred to in Articles 523-1 to 523-3 shall mean "client(s)".

### **Title IV - Clearing houses (Articles 541-1 à 541-37)**

Regulation (EU) No [648/2012](#) of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories

Commission Delegated Regulation (EU) No [148/2013](#) of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards on the minimum details of the data to be reported to trade repositories

Commission Delegated Regulation (EU) No [149/2013](#) of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on indirect clearing arrangements, the clearing obligation, the public register, access to a trading venue, non-financial counterparties, and risk mitigation techniques for OTC derivatives contracts not cleared by a CCP

Commission Delegated Regulation (EU) No [150/2013](#) of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards specifying the details of the application for registration as a trade repository

Commission Delegated Regulation (EU) No [151/2013](#) of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, with regard to regulatory technical standards specifying the data to be published and made available by trade repositories and operational standards for aggregating, comparing and accessing the data

Commission Delegated Regulation (EU) No [152/2013](#) of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on capital requirements for central counterparties

Commission Delegated Regulation (EU) No [153/2013](#) of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties

Commission Delegated Regulation (EU) No [876/2013](#) of 28 May 2013 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on colleges for central counterparties

Commission Delegated Regulation (EU) No [1002/2013](#) of 12 July 2013 amending Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to the list of exempted entities

Commission Delegated Regulation (EU) No [1003/2013](#) of 12 July 2013 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to fees charged by the European Securities and Markets Authority to trade repositories

Commission Delegated Regulation (EU) No [285/2014](#) of 13 February 2014 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on direct, substantial and foreseeable effect of contracts within the Union and to prevent the evasion of rules and obligations

Commission Delegated Regulation (EU) No [667/2014](#) of 13 March 2014 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to rules of procedure for penalties imposed on trade repositories by the European Securities and Markets Authority including rules on the right of defence and temporal provisions

Commission Delegated Regulation (EU) [2015/1515](#) of 5 June 2015 amending Regulation (EU) No 648/2012 of the European Parliament and of the Council as regards the extension of the transitional periods related to pension scheme arrangements

Commission Delegated Regulation (EU) [2015/2205](#) of 6 August 2015 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on the clearing obligation

Commission Delegated Regulation (EU) [2016/592](#) of 1 March 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on the clearing obligation

Commission Delegated Regulation (EU) [2016/1178](#) of 10 June 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on the clearing obligation

Commission Delegated Regulation (EU) [2016/2251](#) of 4 October 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty

Commission Delegated Regulation (EU) [2017/610](#) of 20 December 2016 amending Regulation (EU) No 648/2012 of the European Parliament and of the Council as regards the extension of the transitional periods related to pension scheme arrangements

Commission Delegated Regulation (EU) [2017/979](#) of 2 March 2017 amending Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to the list of exempted entities

Regulation (EU) No [600/2014](#) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012

Commission Delegated Regulation (EU) [2017/581](#) of 24 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on clearing access in respect of trading venues and central counterparties

Commission Delegated Regulation (EU) [2017/582](#) of 29 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards specifying the obligation to clear derivatives traded on regulated markets and timing of acceptance for clearing

Commission Delegated Regulation (EU) [2017/2154](#) of 22 September 2017 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on indirect clearing arrangements

## Chapter I - Common provisions (Articles 541-1 à 541-37)

### Section 1 - Approval and publication of clearing house operating rules (Articles 541-1 à 541-4)

#### [Article 541-1](#)

The clearing house submits its operating rules to the AMF for approval.

The AMF makes its ruling on the basis of the activities that the clearing house intends to perform and the resources and facilities that it intends to implement.

The AMF makes its ruling on the operating rules within three months of receiving the file or, as appropriate, any additional information it might have requested. This period is reduced to one month for changes to the rules.

#### [Article 541-2](#)

Pursuant to Article L. 440-1 of the Monetary and Financial Code, the AMF may approve the operating rules in a language customary in the sphere of finance other than French, when they concern clearing of over-the-counter derivatives within the meaning of Article 2 (7) of Regulation (EU) n° 648/2012 of the European Parliament and Council of 4 July 2012.

#### [Article 541-3](#)

The AMF publishes decisions relating to the approval or of clearing house operating rules or amendments thereto, on its website. The approved rules are annexed to the decision of the AMF.

#### [Article 541-4](#)

The clearing house must permit any person who so wishes to access its operating rules at its registered office and to take away or receive, at that person's expense, a copy of the said rules.

### Section 2 - Rules of conduct applicable to clearing house and its staff (Articles 541-5 à 541-7)

#### [Article 541-5](#)

The clearing house shall perform its activities diligently, honestly and impartially.

#### [Article 541-6](#)

The clearing house shall remind the persons acting under its authority or on its behalf that they are bound by the rules of professional secrecy, under the terms and penalties provided by law.

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Such persons may not use any confidential information in their possession other than to perform their functions within or on behalf of the clearing house.

#### Article 541-7

The clearing house shall draw up internal regulations establishing the rules of conduct applicable to persons acting under its responsibility or on its behalf.

These internal regulations shall stipulate the conditions in which a person may execute trades in financial instruments for his own account. They give due regard to the provisions of Article 541-6.

#### Section 3 - Issuance of professional licences to certain clearing house staff (Articles 541-8 à 541-12)

#### Article 541-8

The clearing house shall appoint the following persons:

- 1 • A person responsible for supervising clearing;
- 2 • A person responsible for supervising clearing house members;
- 3 • A head of compliance.

#### Article 541-9

The responsible persons referred to in Article 541-8 must have the requisite independence of decision-making as well as the technical and human resources needed to carry out their duties. The resources must be suited to the clearing house's volume of business.

#### Article 541-10

The responsible persons referred to in Article 541-8 are required to hold professional licences, which are issued by the AMF on the clearing house's proposal.

In preparation for the issuance of this licence, the clearing house shall forward to the AMF for each of the persons concerned, an application containing the elements specified in an AMF instruction.

The AMF can ask the clearing house or the persons concerned for any further information it deems appropriate.

The AMF rules within one month of receiving the application or, where such is the case, the additional information it has requested.

#### Article 541-11

The clearing house informs the AMF when the holder of a professional licence referred to in Article 541-10 ceases to perform the function requiring that licence. The AMF then revokes the licence.

The AMF informs the clearing house whenever it revokes a professional licence in connection with the disciplinary proceedings referred to in Article L. 621-15 of the Financial and Monetary Code.

#### Article 541-12

The responsible persons mentioned in Article 541-8 draw up a yearly report on the conditions in which they carry out their duties. This report is submitted to the executive body of the clearing house, as well as to the AMF, no later than four months after the close of the financial year.

This report includes:

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- 1 • A description of how supervision and monitoring are organised;
- 2 • A description of the tasks performed in carrying out these duties;
- 3 • Any observations made by the responsible person;
- 4 • Measures adopted as a result of such observations.

Section 4 - Clearing house participation conditions (Articles 541-13 à 541-22)

#### Article 541-13

The operating rules of the clearing house stipulate the categories of admissible clearing members and the admission criteria, notably the minimum amount of financial resources and, where appropriate, the collateral clearing members must provide and operational capacity requirements.

If necessary, the minimum amount of financial resources and, where appropriate, the collateral clearing members must provide may be increased by the clearing house on the terms set out in its operating rules.

Where the rules provide for several categories of member, they stipulate the membership requirements for each category.

#### Article 541-14

At least once yearly, clearing members provide the clearing house with written information, including their financial statements and documents concerning any relevant collateral. They inform the clearing house immediately should their financial resources fall below the minimum requirement applicable to them.

#### Article 541-15

The operating rules determine the cases in which membership of clearing members that no longer meet the admission criteria is suspended or terminated.

#### Article 541-16

Pursuant to 5 of Article L. 440-2 of the Monetary and Financial Code, prior authorisation from the AMF is required for membership of a clearing house by credit institutions and investment firms having their registered office in a State not party to the European Economic Area agreement and by legal persons whose principal or sole purpose is the clearing of financial instruments and which are not established in metropolitan France or overseas administrative areas (départements).

The AMF shall ascertain that such organisations are subject in their home State to rules governing the conduct of clearing and supervision that are equivalent to those in effect in France.

Absence of objection by the AMF within one month of receiving the membership application forwarded by the clearing house shall imply authorisation.

Where the AMF requests further information from the applicant or the clearing house, this time period shall be suspended until such information is received.

#### Article 541-17

The AMF enters into agreements with the competent authorities of the home State referred to in Article 541-16 in order to organise exchanges of information with them.

The AMF can extend the time period referred to in the third paragraph of Article 541-16 where this is warranted by the conclusion of an agreement with home State authorities.

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An agreement may provide for an exemption from prior authorization for a category of institutions.

#### [Article 541-18](#)

Where, in connection with its supervisory duties as defined in this Title, a clearing house ascertains that one of its clearing members is not complying with the rules established by the AMF, it informs the AMF to this effect immediately.

#### [Article 541-19](#)

The clearing house checks that its operating rules are being complied with by its clearing members.

It enters into a membership agreement with each of their clearing members. By the terms of this agreement, the clearing members agree notably to:

- 1 • Comply with the rules established by the clearing house at all times;
- 2 • Reply to any request for information made by the clearing house;
- 3 • Submit to inspections conducted by the clearing house;
- 4 • Rectify, at the behest of the clearing house, any situation in which it no longer meets the conditions for membership.

#### [Article 541-20](#)

The operating rules of the clearing house define the list of clauses that must appear in the agreements referred to in Article 324-2.

#### [Article 541-21](#)

The operating rules of the clearing house may authorise a clearing member to subcontract clearing operations to another clearing member.

The rules may also authorise a clearing member to subcontract clearing operations to an entity that it controls, or by which it is controlled, within the meaning of Article L. 233-3 of the Commercial Code, provided that such entity fulfils the conditions of Article 541-13 and submits to inspection by the clearing house in question.

A subcontracting agreement does not alter the liability of a clearing member vis-à-vis third parties with regard to the subcontracted activities.

#### [Article 541-22](#)

The clearing house shall provide support for the natural persons who are to fulfil clearing functions and shall provide them with the information required for the conduct of their activity.

Section 5 - Transparency rules (Articles 541-23 à 541-24)

#### [Article 541-23](#)

The operating rules of the clearing house define the terms on which the prices and fees associated with the services are publicly disclosed.

#### [Article 541-24](#)

The clearing house shall report daily to the AMF on the transactions cleared and open positions on financial contracts.

Section 6 - Clearing house operation (Articles 541-25 à 541-30)

#### [Article 541-25](#)



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The operating rules of the clearing house stipulate the nature and scope of the guarantee that the clearing house gives to its clearing members, whether they are acting on their own account or on behalf of their clients.

#### [Article 541-26](#)

The operating rules of the clearing house stipulate:

- 1 • The arrangements for recording the transactions in its system;
- 2 • The arrangements to distinguish between the accounts opened by clearing members in which the transactions for their own account or for the account of their clients are recorded and, pursuant to Article 541-23, the level of protection and the costs associated with the different levels of segregation offered;
- 3 • Where appropriate, the arrangements for the settlement of the transactions that are cleared or the underlying thereof, and the arrangements for winding up settlement fails in the financial securities referred to in Article L. 211-1, II of the Financial and Monetary Code and in equivalent financial instruments issued under foreign law.

#### [Article 541-27](#)

The operating rules of the clearing house stipulate the pricing arrangements used to calculate its exposures to clearing members and the contributions referred to in Article 541-31 and for the liquidation of commitments at maturity.

#### [Article 541-28](#)

The operating rules of the clearing house of regulated markets provide that clearing members are *del credere* agents with regard to the clients whose accounts they keep.

In their capacity as *del credere* agents, clearing members are answerable to the clearing house for their clients' commitments.

#### [Article 541-29](#)

Where the clearing house of a regulated market in derivative financial instruments guarantees to clients the performance of their trades, it monitors the exposure of those clients.

#### [Article 541-30](#)

The operating rules of the clearing house require clearing members to inform the clearing house, upon request, of the identity of the clients whose positions they record.

### Section 7 - Collateral requirements (Articles 541-31 à 541-34)

#### [Article 541-31](#)

The operating rules of the clearing house establish the principles governing the determination of the:

- 1 • Deposits, margins and, more generally, all types of guarantees that clearing members must remit to cover or guarantee their commitments or positions, and the deadlines for providing the said cover to the clearing house;
- 2 • Contributions to the default fund;
- 3 • Assets and collateral it accepts to cover their exposure to their clearing members.

#### [Article 541-32](#)

The operating rules of the clearing house stipulate the terms on which they make intraday margin calls.

#### [Article 541-33](#)

The operating rules of the clearing house of regulated markets make provision for the minimum amounts that clearing members

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must call from clients whose accounts they keep in order to cover or guarantee those clients' commitments or positions, as well as the assets or collateral accepted to cover such exposures.

#### Article 541-34

The clearing house of a regulated market in derivative financial instruments set position limits on the market and limits on risk exposure applicable to market members. It may also set limits applicable to all market participants.

When these limits are reached, the clearing house may decide to increase the amount of margin that the market member or client must deposit with the clearing member to cover or guarantee the positions that have been taken. The clearing house may also refuse to record any transaction that would increase the open position of the market member or client in question.

Section 8 - Default procedures (Articles 541-35 à 541-36)

#### Article 541-35

The operating rules of the clearing house stipulate the cases considered as default of a clearing member, which shall include at least any failure by the clearing member to comply with its obligations pertaining to the settlement of market transactions or to the cover or collateral referred to in Article 541-31, and to in Article L. 440-9 of the Monetary and Financial Code.

The operating rules stipulate the procedures for managing such defaults and, in particular:

- 1 • According to the arrangements for recording and posting the assets and positions held, the terms and deadlines for the transfer of the assets and positions held by the defaulting clearing member for the account of its clients to another clearing member and, where appropriate, the steps taken by the clearing house with a view to actively managing the risks to which it is exposed on account of these positions, including the liquidation of the assets and positions in question, in accordance with Article L. 440-9 of the Monetary and Financial Code;
- 2 • The arrangements for the return of the balance referred to in Paragraph 7 of Article 48 of Regulation (EU) n° 648/2012 of the European Parliament and Council of 4 July 2012.

#### Article 541-36

The operating rules of the clearing house stipulate, in the event of the default of one or several clearing members:

- 1 • The order of use of the financial resources at their disposal to cover the losses incurred in accordance with Article 45 of Regulation (UE) n° 648/2012 of the European Parliament and Council of 4 July 2012;
- 2 • The amount of the dedicated own resources of the clearing house allocated in accordance with Paragraph 4 of Article 45 of Regulation (EU) n° 648/2012.

Where the clearing house considers that a clearing member is unable to meet its future obligations, it shall inform the AMF immediately.

Section 9 - Others provisions (Article 541-37)

#### Article 541-37

At the request of a clearing house, the AMF can put in place an arbitration procedure to resolve disputes arising between the clearing house and its members, between clearing members themselves or between clearing members and their clients.

## **Title V - Central depositories of financial instruments (Articles 550-1 à 550-12)**

Regulation (EU) No [909/2014](#) of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation

Commission Delegated Regulation (EU) [2017/389](#) of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council as regards the parameters for the calculation of cash penalties for settlement fails and the operations of CSDs in host Member States

Commission Delegated Regulation (EU) [2017/390](#) of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on certain prudential requirements for central securities depositories and designated credit institutions offering banking-type ancillary services

Commission Delegated Regulation (EU) [2017/391](#) of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards further specifying the content of the reporting on internalised settlements

Commission Delegated Regulation (EU) [2017/392](#) of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depositories

Commission Implementing Regulation (EU) [2017/393](#) of 11 November 2016 laying down implementing technical standards with regard to the templates and procedures for the reporting and transmission of information on internalised settlements in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council

Commission Implementing Regulation (EU) [2017/394](#) of 11 November 2016 laying down implementing technical standards with regard to standard forms, templates and procedures for authorisation, review and evaluation of central securities depositories, for the cooperation between authorities of the home Member State and the host Member State, for the consultation of authorities involved in the authorisation to provide banking-type ancillary services, for access involving central securities depositories, and with regard to the format of the records to be maintained by central securities depositories in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council

#### [Article 550-1](#)

The conditions for authorising central depositories and for approving their operating rules are set forth in this Title.

The functions of a central depository are to:

- 1 • Record in a specific account the entirety of the financial instruments making up each issue accepted for the depository's transactions. The issuing entities shall become members of the depository under the conditions set by its operating rules;
- 2 • Open current accounts for the following legal entities:
  - a • Legal entities eligible to participate in a financial instrument settlement system, under the terms of II of Article L. 330-1 of the Monetary and Financial Code;
  - b • Legal entities referred to in 5° and 7° of Article L. 542-1 of the Monetary and Financial Code;
- 3 • Ensure the circulation of financial instruments by book-entry transfer from one account to another;
- 4 • Verify that the total amount of each issue accepted for its operations and recorded in the specific account referred to in 1° is

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equal to the sum of the financial instruments recorded on the current accounts of the members referred to in 2°;

- 5 • Take all steps necessary to enable the exercise of rights attached to the financial instruments recorded in current accounts;
- 6 • Transmit registration information regarding holders of financial instruments between its members referred to in 2° and the member issuing entities referred to in 1°;
- 7 • Issue certificates representing French-law financial instruments for use abroad.

A central depository may accept for deposit financial instruments for which it does not hold the account of the issue. In such a case, it must at all times make sure that the quantity of financial instruments deposited with it is equal to the sum of financial instruments recorded on the current accounts of its members.

A central depository may organise and operate any system for the purpose of effecting delivery of financial instruments between its members as well as, if applicable, the corresponding cash payment, in accordance with the provisions of this Title.

#### Article 550-1-1

Admission of institutions wishing to open a current account with a central depository is subject to the prior approval of the AMF in the case of the institutions referred to in 6° of II of Article L. 330-1 or 7° of Article L. 542-1 of the Monetary and Financial Code.

The central depository shall submit the application for prior approval to the AMF and the components of the application shall be specified in an Instruction.

The AMF shall ensure that the competent home State authorities of the institution agree to set up exchanges of information with it.

If there is no opposition from the AMF in the one month period following the reception date of the application for approval submitted by the central depository or, as appropriate, further information requested by the AMF, the application shall be deemed to be approved. However, the AMF may extend this period if warranted by the arrangements for exchanges of information with the home State authorities.

#### Article 550-2

Any entity applying to be a central depository must be incorporated as a commercial company.

The applicant shall transmit to the AMF a filing that includes:

- 1 • Its articles of association;
- 2 • Its bylaws;
- 3 • Its operating rules;
- 4 • The identity of the persons who are in a position to exercise, directly or indirectly, significant influence over the management of the company, and the amount of their holding.

Shareholders who, alone or in concert with others, own directly or indirectly a fraction of 10% or more of the capital or voting rights are deemed to exercise significant influence;

- 5 • With regard to the activities in which it proposes to engage, a description of the human, technical and financial resources at its disposal or that it plans to commit, and in particular the resources assigned to risk management;

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6 • The *curriculum vitae* of its main executives,

7 • The operating rules of any payment and settlement system it operates, if appropriate

The AMF may ask the applicant to provide any additional information that the AMF deems useful.

The AMF shall ensure that the operating rules submitted to it comply with the provisions of these General Regulations and that all of the envisaged activities are compatible with the functions of a central depository.

The AMF shall approve the rules within three months from the date of receipt of the filing or the date of receipt of any additional information that was requested. For changes in the rules, the time period shall be reduced to one month. The approval decision shall be published on the AMF website. The approved rules shall be annexed to the decision.

The AMF makes its ruling on the authorisation application within three months of receiving the file or, as appropriate, any additional information it might have requested.

#### [Article 550-3](#)

The central depository shall promptly inform the AMF prior to any changes to the items referred to in Article 550-2, points 1 to 6.

The AMF shall determine the measures to be taken as a result of such changes within one month of receiving the file or, as appropriate, any additional information it might have requested. Failing an express response from the AMF within this period, the changes shall be deemed to have been accepted.

#### [Article 550-4](#)

Central depositories shall establish supervision of:

- 1 • The performance of their duties defined in Article 550-1;
- 2 • Compliance with their operating rules approved by the AMF pursuant to Article 550-2;
- 3 • The application of Articles 550-9 to 550-11.

For this purpose, they shall appoint a person to be in charge of this supervision.

#### [Article 550-5](#)

The supervisor referred to in Article 550-4 draws up a yearly report on the conditions in which he carries out his duties. This report is submitted to the central depository's executive body and to the AMF no later than four months after the end of the financial year.

The report includes:

- 1 • A description of how supervision and monitoring are organised;
- 2 • A description of the tasks performed in carrying out these duties;
- 3 • Any observations made by the supervisor;
- 4 • Measures taken as a result of such observations.

#### [Article 550-6](#)

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The supervisor referred to in Article 550-4 shall have the requisite independence of decision-making as well as the technical and human resources they need to carry out their duties.

The resources must be suited to the nature and volume of the business done by the central depository.

#### Article 550-7

Relations between the central depository and its members shall be governed by a membership agreement.

This membership agreement shall oblige members to:

- 1 • respond to any request for information from the central depository;
- 2 • obey the operating rules of the central depository at all times;
- 3 • rectify any irregularity at the request of the central depository if the latter finds the member to be in breach of its rules, of current regulations, or of conditions of membership.

#### Article 550-8

If a central depository finds that one of its members is not in compliance with the rules set forth in this Title, it shall so inform the AMF.

The central depository shall communicate any information or any document requested by the AMF.

#### Article 550-9

The central depositories shall establish systems for assessing and managing risks of money laundering and terrorist financing.

They shall set up suitable organisational structures, internal procedures and a supervision system to ensure compliance with the obligations relating to the prevention of money laundering and terrorist financing.

#### Article 550-10

The central depositories shall:

- 1 • Appoint a member of management to be responsible for implementing the anti-money laundering and terrorist financing system stipulated in Article L. 561-32 of the Monetary and Financial Code;

This manager may delegate some or all of the implementation to one of the depository's employees under the following conditions:

- a • The empowered person must have the necessary authority, resources and skills, and access to all relevant information;
- b • The empowered person must not be involved in the execution of the services and activities under supervision.

The manager shall remain responsible for the delegated activities.

- 2 • Ensure that the reporting party and correspondent referred to in Articles R. 561-23 and R. 561-24 of the Monetary and Financial Code have access to all the information they need to perform their duties. The depositories shall provide them with the appropriate tools and resources to comply with their obligations relating to the prevention of money laundering and terrorist financing.

The abovementioned reporting party and correspondent shall also be informed of:

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- a • Incidents relating to the prevention of money laundering and terrorist financing that are brought to light by internal control systems;
  - b • Shortcomings found by domestic or foreign supervisory authorities in the implementation of provisions relating to the prevention of money laundering and terrorist financing;
- 3 • Compile and periodically update a classification of the risks of money laundering and terrorist financing involved in their activities, according to their exposure to such risks, assessing the risks according to the nature of the transactions in financial securities, the characteristics of their members and the accounts that the members have opened with them;
- For this purpose, it shall consider the information published by the international body for cooperation and coordination in the prevention of money laundering and by the Minister for the Economy;
- 4 • Where necessary, determine a profile of usual transactions in financial securities on a member's account(s) that can be used to detect unusual transactions specific to such accounts with regard to the risks of money laundering and terrorist financing;
- 5 • Draft and implement written procedures to ensure compliance with the provisions relating to the prevention of money laundering and terrorist financing. These procedures shall focus on risk supervision, implementation of vigilance measures relating to members, record-keeping, detection of unusual or suspicious transactions in financial securities and compliance with the reporting obligation vis-à-vis the national financial intelligence unit. They shall update the procedures periodically;
- 6 • Implement supervisory procedures for due diligence relating to the risk of money laundering and terrorist financing;
- 7 • If the central depositories belong to a financial group, a mixed group or a financial conglomerate, they shall establish procedures for circulating the information needed to organise the prevention of money laundering and terrorist financing within the group as stipulated in Article L. 511-34 of the Monetary and Financial Code, while ensuring that this information is not used for any other purpose than the prevention of money laundering and terrorist financing.
- 8 • Consider the risks relating to the prevention of money laundering and terrorist financing, when recruiting employees, in accordance with employees' level of responsibility.
- 9 • At the time of hiring, and periodically thereafter, provide their staff with information on and training in the applicable regulations and amendments, current money-laundering techniques, prevention and detection measures, and the procedures established. They shall be adapted to the functions performed, members, locations and risk classification.

#### Article 550-11

The internal procedures shall also specify how the central depositories ensure that their branches and subsidiaries in other countries apply equivalent measures relating to vigilance and record-keeping, unless local legislation is an obstacle, in which case they shall inform the national financial intelligence unit.

#### Article 550-12

The central depository shall report daily to the AMF on the balances of the accounts referred to in Article 550-1, point 2.

## **Title VI - Payment and settlement systems for financial instruments (Articles 560-1 à 560-15)**

#### Article 560-1

In accordance with point 3°, Section VI, of Article L. 621-7 and Article L. 330-1 of the Financial and Monetary Code, the AMF shall determine the general principles of organisation and operation of payment and settlement systems for financial instruments and shall approve the operating rules of such systems, without prejudice to the authority conferred upon the Banque de France by Chapter I, Title IV, Book I of the Financial and Monetary Code.

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The principal function of a payment and settlement system for financial instruments is to process the instructions of its participants in order to ensure delivery of the financial instruments by the central depository concerned and simultaneous payment, where applicable, on the books of the payment agent.

#### Article 560-1-1

The participation of an institution referred to in 6° of II of Article L. 330-1 of the Monetary and Financial Code in a securities settlement system is subject to the prior approval of the AMF.

The settlement system shall submit the application for prior approval to the AMF and the components of the application shall be specified in an Instruction.

The AMF shall ensure that the institution concerned is subject to the requirements referred to in 6° of II of Article L. 330-1 of the Monetary and Financial Code in its home State and that the competent authorities of its home State agree to set up exchanges of information with the AMF.

If there is no opposition from the AMF in the one month period following the reception date of the application for approval submitted by the settlement system or, as appropriate, further information requested by the AMF, the application shall be deemed to be approved. However, the AMF may extend this period if warranted by the arrangements for exchanges of information with the home State authorities.

#### Article 560-2

Any entity wishing to operate a payment and settlement system for financial instruments must be incorporated as a commercial company. If it has not already addressed to the AMF the items referred to in Article 550-2, the applicant shall transmit to the AMF a filing that includes:

- 1 • Its articles of association;
- 2 • Its bylaws;
- 3 • The operating rules of the system;
- 4 • The identity of the persons who are in a position to exercise, directly or indirectly, significant influence over the management of the company, and the amount of their holding.

Shareholders who, alone or in concert with others, own directly or indirectly a fraction of 10% or more of the capital or voting rights are deemed to exercise significant influence;

- 5 • With regard to the activities in which it proposes to engage, a description of the human, technical and financial resources at its disposal or that it plans to commit, and in particular the resources it devotes or intends to devote to risk management;
- 6 • The *curriculum vitae* of its main executives;
- 7 • The names of the classes of financial instruments accepted in the system and the method of custody of each class.

The AMF may request that the applicant provide any additional information that the AMF deems useful.

The AMF shall verify that the system meets the definition given in Article L. 330-1 of the Financial and Monetary Code and that the rules submitted to it comply with the provisions of these General Regulations governing payment and settlement systems for financial instruments. It shall also verify that the applicant has or plans to have at its disposal suitable resources for operating a payment and settlement system for financial instruments.



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The AMF shall approve the rules within three months from the date of receipt of the filing or the date of receipt of any additional information that was requested. For changes in the rules, this time period shall be reduced to one month. The approval decision shall be published on the AMF website.

The approved rules shall be annexed to the decision.

#### Article 560-3

The managers of financial instrument settlement and delivery systems shall promptly inform the AMF prior to any changes to the items referred to in Article 560-2, points 1 to 7.

The AMF shall determine the measures to be taken as a result of such changes within one month of receiving the file or, as appropriate, any additional information it might have requested. Failing an express response from the AMF within this period, the changes shall be deemed to have been accepted.

#### Article 560-4

The operator of a securities settlement system shall establish supervision of:

- 1 • The performance of its duties defined in Article 560-1;
- 2 • Compliance with the security settlement system's operating rules approved by the AMF pursuant to Article 560-2;
- 3 • Application of Articles 560-12 to 560-14.

For this purpose, it shall appoint a person to be in charge of this supervision.

#### Article 560-5

The supervisor referred to in Article 560-4 draws up a yearly report on the conditions in which he carried out his duties. This report is submitted to the executive body of the operator of the payment and settlement system, and to the AMF no later than four months after the end of the financial year.

The report includes :

- 1 • A description of how supervision and monitoring are organised;
- 2 • A description of the tasks performed in carrying out these duties;
- 3 • Any observations made by the supervisor;
- 4 • Measures taken as a result of such observations.

#### Article 560-6

The supervisor referred to in Article 560-4 shall have the requisite independence of decision-making as well as the technical and human resources he needs to carry out their duties.

The resources must be suited to the nature and volume of the business done by the operator of the payment and settlement system for financial instruments.

#### Article 560-7

Relations between the operator of a payment and settlement system for financial instruments and the participants in that system shall be governed by a participation agreement.

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This participation agreement shall oblige participants to:

- 1 • Obey the operating rules of the system at all times;
- 2 • Respond to any request for information from the system operator;
- 3 • Rectify any irregularity at the request of the system operator if the latter finds the participant to be in breach of its rules, of current regulations, or of the conditions of participation.

#### Article 560-8

The operator of a payment and settlement system for financial instruments shall engage in no other activity that may create a conflict of interest with the operation of the said system.

#### Article 560-9

The operator of a payment and settlement system for financial instruments shall implement the procedures necessary to ensure that the number of financial instruments corresponding to each issue is identical to the number of financial instruments in circulation.

#### Article 560-10

A payment and settlement system for financial instruments must have appropriate risk management procedures to safeguard the rights of system participants in the event of a default on delivery or payment by one or more participants.

#### Article 560-11

The operating rules of a payment and settlement system for financial instruments shall establish the conditions, including the time, under which an instruction in the system is considered to be irrevocable, in accordance with Article L. 330-1 of the Financial and Monetary Code.

The operating rules of a payment and settlement system for financial instruments referred to in Article L. 330-1 of the Financial and Monetary Code shall also determine the conditions under which the settlement of transactions effected outside a regulated market and pertaining to financial instruments kept on account with a custody account-keeper participating in such payment and settlement system shall be deemed irrevocable within the meaning of Article L. 211-17 of the Code.

#### Article 560-12

The operator of a securities settlement system shall establish systems for assessing and managing risks of money laundering and terrorist financing.

It shall set up suitable organisational structures, internal procedures and a supervision system to ensure compliance with the obligations relating to the prevention of money laundering and terrorist financing.

#### Article 560-13

The operator of a securities settlement system shall:

- 1 • Appoint a member of management to be responsible for implementing the anti-money laundering and terrorist financing system stipulated in Article L. 561-32 of the Monetary and Financial Code;

This manager may delegate some or all of the implementation to one of the operator's employees under the following conditions:

- a • The empowered person must have the necessary authority, resources and skills, and access to all relevant information;
- b • The empowered person must not be involved in the execution of the services and activities under supervision.

The manager shall remain responsible for the delegated activities.

- 2 • Ensure that the reporting party and correspondent referred to in Articles R. 561-23 and R. 561-24 of the Monetary and Financial Code have access to all the information they need to perform their duties. The operators shall provide them with the appropriate tools and resources to comply with their obligations relating to the prevention of money laundering and terrorist financing.

The abovementioned reporting party and correspondent shall also be informed of:

- a • Incidents relating to the prevention of money laundering and terrorist financing that are brought to light by internal control systems;
  - b • Shortcomings found by domestic or foreign supervisory authorities in the implementation of provisions relating to the prevention of money laundering and terrorist financing;
- 3 • Compile and periodically update a classification of the risks of money laundering and terrorist financing involved in their activities, according to their exposure to such risks, assessing the risks according to the nature of the instructions relating to securities and cash that the participants send to the system and the characteristics of the participants.

For this purpose, they shall consider the information published by the international body for cooperation and coordination in the prevention of money laundering and by the Minister for the Economy;

- 4 • Where necessary, determine a profile of usual instructions from a participant that can be used to detect unusual instructions with regard to the risks of money laundering and terrorist financing;
- 5 • Draft and implement written procedures to ensure compliance with the provisions relating to the prevention of money laundering and terrorist financing. These procedures shall focus on risk supervision, implementation of vigilance measures relating to participants, record-keeping, detection of unusual or suspicious instructions and compliance with the reporting obligation vis-à-vis the national financial intelligence unit.

It shall update them periodically;

- 6 • Implement supervisory procedures for due diligence relating to the risk of money laundering and terrorist financing;
- 7 • If the operator belongs to a financial group, a mixed group or a financial conglomerate, it shall establish procedures for circulating the information needed to organise the prevention of money laundering and terrorist financing within the group as stipulated in Article L. 511-34 of the Monetary and Financial Code, while ensuring that this information is not used for any other purpose than the prevention of money laundering and terrorist financing;
- 8 • Consider the risks relating to the prevention of money laundering and terrorist financing, when recruiting employees, in accordance with employees' level of responsibility;
- 9 • At the time of hiring, and periodically thereafter, it shall provide its staff with information on and training in the applicable regulations and amendments, current money-laundering techniques, prevention and detection measures, and the procedures and implementation arrangements referred to in Article 315-52. They shall be adapted to the functions performed, participants, locations and risk classification.

#### Article 560-14

The internal procedures shall also specify how the securities settlement system operator ensures that its branches and subsidiaries in other countries apply equivalent measures relating to vigilance and record-keeping, unless local legislation is an obstacle, in which case they shall inform the national financial intelligence unit.

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[Article 560-15](#)

The manager of the settlement and delivery system shall report daily to the AMF:

- 1 • On financial instrument delivery operations and, where appropriate, cash payment;
- 2 • On settlement fails in financial instruments and cash.

## **Title VII - Transfer of ownership of financial instruments accepted by a central depository or settlement system (Articles 570-1 à 570-8)**

[Article 570-1](#)

As soon as an order is executed, the buyer is definitively bound to pay for, and the seller is definitively bound to deliver, the financial instruments at the date mentioned in Article 570-2.

The service provider to which the order is transmitted may, upon receipt of the order or as soon as it is executed, require that a guarantee provision be made in its books, in cash in the case of a purchase and in financial instruments in the case of a sale.

[Article 570-2](#)

For a trade involving financial instruments mentioned to in II of Article L. 211 of the Financial and Monetary Code, on a market mentioned in Title or Title II of Book V, the transfer of ownership mentioned in Article L. 211-17 of the Financial and Monetary Code shall result from the entry of the transaction in the account of the buyer. This account entry takes place on the effective trade settlement date specified in the operating rules of the settlement system, when the account of the buyer's custody account-keeper, or the account of the agent of this custody account-keeper, is credited on the books of the central depository.

Barring the exceptions provided for in Articles 570-3 to 570-8 and 322-55, the date on which the trade is effectively settled and, simultaneously, the account entry is made at the central depository, shall be no later than three trading days after the order execution date.

The same date shall apply when the financial instruments of the buyer and the seller are recorded on the books of the same custody account-keeper.

[Article 570-3](#)

The trade shall be recorded in the accounts of the buyer and the seller as soon as the custody account-keeper is informed that the order has been executed. This accounting record shall be regarded as book entry registration and imply transfer of ownership as of the effective trade settlement date mentioned in Article 570-2.

In the case of a sale that is not settled in full within a time period set by the rules of the clearing house or the settlement system, the accounting record shall be cancelled.

In the case of a partial settlement affecting multiple buyers, the accounting records shall be cancelled in part in proportion to the rights of each buyer.

Such cancellation of accounting records shall be without prejudice to action brought by the parties concerned.

[Article 570-4](#)

In the case of a transaction covered by Book II, the initiator of the transaction shall specify the date on which entries will be made in the accounts of the buyers and sellers and the corresponding movements will be made in the accounts kept in the name of the custody account-keepers on the books of the central depository, in compliance with the rules of the market or multilateral trading facility concerned.

[Article 570-5](#)

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The operating rules of a market or multilateral trading facility may provide that, for some types of transactions, the date on which entries are made in the buyers' accounts and, simultaneously, the corresponding movements are made in custody account-keepers' accounts at the central depository shall be less than three trading days after the trading date.

#### [Article 570-6](#)

For trades on a regulated market or multilateral trading facility, the buyer shall have title from the day of order execution to any financial rights detached between the trade date and the date of entry in the buyer's account.

By exception, the rules of a regulated market or multilateral trading facility may provide that, for some or all of the debt securities admitted to trading thereon, the buyer shall have title to such rights only after ownership of the said financial instruments has passed to him.

#### [Article 570-7](#)

An entry in the books of the central depository in a real-time settlement system recording the settlement of a transaction on behalf of a custody account keeper during the course of a day shall transfer ownership of the securities to that custody account keeper, if it is the acquirer or if its customer has not yet paid for them. The entry in the books of the central depository shall record a settlement on behalf of an acquiring customer of the custody account keeper in the course of a day if said customer has paid for the securities.

#### [Article 570-8](#)

In the case of a sale made outside a market mentioned in Title I or Title II of Book V, or an equivalent trade, as specified in an AMF instruction, and excluding the case provided for in Article 570-7, the transfer of ownership referred to in Article L. 211-17 of the Financial and Monetary Code results from entry in the account of the buyer, which takes place when the account of the buyer's custody account-keeper is credited on the books of the central depository.

This account entry date shall occur no earlier than three trading after the sale date, unless the parties agree otherwise.

The same date shall apply when the financial instruments of the buyer and the seller are recorded on the books of the same custody account-keeper.

## **Title VIII - Provisions common for trading platforms : position limits and position reporting (Articles 580-1 à 580-2)**

Commission Implementing Regulation (EU) [2017/1093](#) of 20 June 2017 laying down implementing technical standards with regard to the format of position reports by investment firms and market operators

Commission Implementing Regulation (EU) [2017/953](#) of 6 June 2017 laying down implementing technical standards with regard to the format and the timing of position reports by investment firms and market operators of trading venues pursuant to Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments

#### [Article 580-1](#)

In application of Articles L. 420-11 and following of the Monetary and Financial Code and in accordance with Commission Delegated Regulation (EU) 2017/591 of 1 December 2016, the AMF shall draw up, modify and publish the limits on the size of positions a person can hold at all times.

#### [Article 580-2](#)

In accordance with paragraph 3 of Article 8 of Commission Delegated Regulation (EU) 2017/591 of 1 December 2016, the AMF shall approve or reject a request for exemption from the application of position limits by a non-financial entity when the

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contribution of its position is objectively measurable as reducing risks directly relating to the commercial activity.

On receipt of a request for exemption by a non-financial entity, the AMF shall verify that the application includes all the information provided for in paragraph 2 of Article 8 of the above-mentioned Regulation, and, if so, carries out its review. If not, it shall ask the applicant for the missing information.

The AMF shall notify its decision on this request within 21 calendar days following the receipt of complete information supporting the request.