

## AML/CFT regulations : AMF clarifications regarding the main measures to be adopted by token issuers applying for an optional approval

### Provisions regarding anti-money laundering and combating the financing of terrorism

The token issuers concerned must comply with certain provisions regarding anti-money laundering and combating the financing of terrorism (Articles L. 561-2 et seq. of the Monetary and Financial Code).

To enable them to better understand the main obligations incumbent on them as part of the ICO, the AMF specifies that, in investigating approval applications, it will be especially attentive to the following points :

- The **establishment of a risk classification** making it possible to determine the risk profile of each subscriber and the level of the vigilance measures to be complied with.
- For any subscription, whatever it amounts to, the **implementation of vigilance measures** allowing identification and verification of the subscribers' identity :
  - **Identification of the subscriber**, involving gathering the following identity information :
    - For a natural person: family name and first name, date and place of birth ;
    - For a legal entity: legal form, name, registration number and head office address.
  - **Identity check**, involving gathering any written documents of a conclusive nature, namely :
    - For a natural person: official identity document, currently valid and containing a photograph ;
    - For a legal entity: any deed or excerpt from an official register less than three months old or an excerpt from the Official Journal of the French Republic, establishing the name, legal form, head office address and identity of the partners and company officers, and the legal representatives.
  - Where the subscriber is not physically present at the time of subscription, the **application of an electronic identification mean certified or attested by the French National Agency for the Security of Information Systems (ANSSI)**, as defined by Article R. 561-5-1, 1°, a) of the Monetary and Financial Code, or the **application of two additional measures** out of those provided for in Article R. 561-5-2 of the Monetary and Financial Code, which may take the following form :
    - **Gathering a copy of an additional document substantiating identity ; and/or**
    - **The completion of a first payment in fiat currency of at least one euro**, from or to an account opened with a person mentioned in Articles 1° to 6° bis of Article L. 561-2 of the Monetary and Financial Code established in a European Union Member State or a State that is a party to the Agreement on the European Economic Area or in a third country imposing equivalent obligations with regard to anti-money laundering and combating the financing of terrorism ; and/or

- **Using a service, certified compliant by the ANSSI or a certification organism authorized by this agency**, as defined by Article R. 561-5-2, 5° of the Monetary and Financial Code.
- The issuers shall also establish a procedure enabling them to **obtain information concerning the source of funds** in cases of subscription for an amount that is unusually large or which appears not to have any economic justification or lawful purpose.
- Whatever the amount of the subscription, implementation in the issuer's firm of an **internal organization** comprising :
  - **Internal procedures** making it possible to determine the profile of the relationship established with the subscriber and to manage the identified risks. These procedures involve :
    - classifying in an internal document the risks to which the issuer is exposed, defining measures designed to prevent and manage those risks, detecting suspicious subscriptions and organising the protocol for validation or rejection of the subscriptions received ;
    - appointing, in the issuer's firm, **a person in charge** of the issuer's compliance with its obligations with regard to anti-money laundering and combating the financing of terrorism within the framework of an initial token offering.
  - An **internal control** system allowing the issuer to check, according to a predefined system, the orderly functioning of the internal procedures throughout the offer period.

Token issuers **may entrust to external service providers** the performance, in their name and on their behalf, of all or part of this due diligence. In such a case, the issuers nevertheless remain **responsible** for complying with their obligations.

As a reminder, issuers are also subject to **Tracfin reporting and information obligations** listed in Articles L. 561-15 et seq. of the Monetary and Financial Code and must appoint a Tracfin reporter in their organisation for this purpose.