



PROCEDURE FOR EXAMINATION OF THE APPLICATION AND ESTABLISHMENT OF AN INFORMATION DOCUMENT FOR APPROVAL BY THE AMF OF AN INITIAL COIN OFFERING

Reference texts : Chapter II of title V of Book V of the Monetary and Financial Code ; Book VII of the AMF's General Regulation

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This instruction is adopted pursuant to the provisions of Articles 711-1 to 715-2 of the AMF General Regulation relating to initial coin offerings. It defines, in particular, the procedures for examination of the information document, describes its content in detail and specifies the conditions applicable to marketing material.

This instruction applies to all token issuers as referred to in Article L. 552-1 of the Monetary and Financial Code who request an approval of the AMF under the conditions defined in Articles L. 552-4 to L. 552-7 of the Monetary and Financial Code.

This instruction does not apply to initial coin offerings governed by Books I to IV, Chapter VIII of the Title IV of the Book V or the Chapter Ist of the Title V of the Book V of the Monetary and Financial Code. This instruction is therefore not applicable, in particular, when the tokens constitute financial instruments. This instruction is also not applicable to token offerings governed by the provisions of the Monetary and Financial Code related to intermediaries in miscellaneous assets and to crowdfunding intermediaries.

In accordance with the Article 711-2 of the AMF General Regulation, does not constitute an initial coin offering within the meaning of Article L. 552-3 of the Monetary and Financial Code, an offering open to subscription by less than 150 persons.

1. INFORMATION DOCUMENT

The information document referred to in Article 712-1 of the AMF General Regulation shall contain the information specified in § 1.1 to § 1.4 below.

1.1. Warning notice concerning the AMF approval

The AMF approval is presented on the cover of the information document in accordance with the template insert provided in Annex I – AMF insert regarding the scope of the approval.

1.2. Warning notice concerning the risks relating to the investment

The first page of the information document shall contain the following warning notice:

General warning notice

"Investment in an initial coin offering as defined in Article L. 552-3 of the Monetary and Financial Code entails risks of a partial or complete loss of the investment. No guarantee is given regarding the liquidity of the tokens acquired in the offering, the existence of a secondary market for said tokens, the value of the tokens acquired in the offering and the exchange value of said tokens in legal currency. Tokens do not constitute financial instruments within the meaning of Article L. 211-1 of the Monetary and Financial Code and confer no other right than those described in the information document. In addition, the regulatory framework applicable to the offering and to the tokens as well as the tax regime applicable to the holding of tokens are not defined to date in certain jurisdictions.

The approval issued by the AMF concerns only the offering covered by this information document. As from the end of the offering, the AMF will not monitor the issuer or its project. Any communications subsequent to the offering and relating thereto will not be reviewed by the AMF."

The subscriber is invited to read section 4 "risk factors" of the information document."

1.3. Content of the information document

In accordance with Article 712-2 of the AMF General Regulation, the information document shall be concise and comprehensible. It shall contain all information useful to the public regarding the offering and the token issuer. The information that it contains shall be fair, clear and not misleading, and shall make it possible to understand the risks relating to the offering.

The information document shall be produced by the issuer in accordance with the template defined in Annex II – Template of the information document.

1.4. Declaration of the person responsible

The "Declaration of the Person Responsible" section of the information document shall contain the following declaration:

"I hereby certify, after having taken every reasonable measure to this effect, that to the best of my knowledge the information contained in the information document is accurate and there are no omissions that could make it misleading."

2. ARRANGEMENTS THAT MUST BE PUT IN PLACE BY THE TOKEN ISSUER FOR THE OFFERING

2.1. Anti-money laundering and terrorist financing

2.1.1. Arrangements that must be put in place by the token issuer

Pursuant to Article L. 561-2 of the Monetary and Financial Code, for the offering the token issuer shall be subject to the obligations provided for by the provisions of Book V, Title VI, Chapter I, Sections 2 to 7 of the Monetary and Financial Code and the regulatory provisions pertaining thereto. Accordingly, it must, in particular:

- define and put in place a system making it possible to identify potential subscribers to the token offering and check these factors of identification;
- define and put in place a system for assessing the risks of money laundering and financing of terrorism. For this purpose, the token issuer shall set up suitable organisational structures, internal procedures and a supervision system for these risks to ensure compliance with its obligations relating to anti-money laundering and terrorist financing.

The issuer shall also comply with any provisions, where applicable, with regard to asset freezing as provided for in Article L. 562-4 of the Monetary and Financial Code.

2.2. Asset monitoring and safeguarding system

2.2.1. Procedures for collection and management of funds and digital assets

The procedures for collection and management of the funds and digital assets raised via the offering as defined in Article 712-6 of the AMF General Regulation shall contain the following information:

- 1° The conditions under which the issuer may employ part of the funds and digital assets collected during the offering. These conditions must be consistent with the duration of the offering and the planned use of the funds and digital assets collected;

- 2° The conditions under which the issuer may convert the digital assets collected into euros or foreign currencies or other digital assets;
- 3° The conditions and procedures according to which the issuer will, where appropriate, reimburse the token subscribers before the end of the offering;
- 4° The conditions and procedures according to which the funds and digital assets collected will be secured subsequent to the close of the offering

2.2.2. Definition of the asset monitoring and safeguarding system

The system ensuring monitoring and safeguarding of the funds and digital assets raised via the offering as defined in Article 712-7 of the AMF General Regulation may take one of the following forms in particular.

The monitoring and safeguarding systems described in this paragraph as examples are not exclusive of any other system that would offer equivalent guarantees.

1° Establishment of an escrow agreement ensuring monitoring and safeguarding of the funds collected via the offering

The issuer may sign with a professional established in the European Union or in the European Economic Area (lawyer, notary, bailiff or investment service provider as defined in Article L. 531-1 of the Monetary and Financial Code, with the exception of investment management companies) an escrow agreement of the funds collected via the token offering. In order to establish a fund escrow agreement, the digital assets collected via the offering must first be converted into euros or foreign currencies.

The escrow agreement shall determine the amount of the funds invested, the duration of the escrow and the conditions of transfer or withdrawal of the funds, as defined by the issuer. Under this agreement, the professional shall deposit the funds in a dedicated account, it being specified that for lawyers this account shall mandatorily be opened with the CARPA, and for notaries with Caisse des Dépôts et Consignations.

The funds collected via the offering shall be sequestered in the account where they were deposited at least throughout the duration of the offering or until the conditions for withdrawal or transfer of the funds are satisfied. Withdrawal of the funds or their transfer to a third-party account may only take place after the professional has first checked that the offering has been closed or that the conditions for transfer or withdrawal of the funds, as defined by the issuer, are satisfied.

2° Establishment of a multi-signature system

The issuer may set up an address designed to receive and send digital assets corresponding to the issuer's digital-asset account, generated using at least two public keys: the public key provided by the issuer and one or more public key(s) generated by third parties. This address shall be generated in the form of a multi-signature address, so that entry and exit movements of the digital assets held on this address may take place only after authorisation by more than half of the holders of the private keys used to generate the address.

The issuer and all the private-key holders contractually agree not to sign transactions materialising (i) a withdrawal or (ii) a transfer of the digital assets held on the address to a third-party account, unless the conditions for transfer or withdrawal of the funds and digital assets, as defined by the issuer, are satisfied.

In order to guarantee the reliability, operability and efficiency of this system, the issuer shall appoint among the private-key holder(s) at least one independent third party. The issuer shall ensure that this independent third party is exposed to no established or potential conflict of interest in the token offering and has the required technical knowledge allowing it to understand its role and responsibility. The issuer shall appoint as many independent third

parties as needed to ensure that the proportion of keys held by the independent third parties is sufficient to block any withdrawal or transfer of the digital assets.

Among the independent third parties, the issuer shall appoint at least one professional established in the European Union or in the European Economic Area exercising as a lawyer, a notary or a bailiff, or a professional authorised in accordance with Article L. 54-10-5 of the Monetary and Financial Code in the capacity of service provider for the services referred to in Article L. 54-10-2 of the Monetary and Financial Code.

3° Establishment of a smart contract that may be based on a distributed ledger technology

The issuer may set up a smart contract which automatically carries out the procedures for management of the funds and digital assets referred to in Article 712-6 of the AMF General Regulation as determined by the issuer. This smart contract may be based on a distributed ledger technology.

In order to guarantee the reliability, operability and efficiency of this system, the smart contract set up by the issuer may not automatically perform withdrawal of digital assets or their transfer to a third-party account, except when the conditions for transfer or withdrawal of the funds and digital assets, as defined by the issuer, are satisfied.

The issuer shall ensure that the conditions under which the smart contract may be modified in order to take into account the specific features of the offering and any change in the conditions of the offering do not adversely affect safeguarding of the digital assets.

2.2.3. Scope of the asset monitoring and safeguarding system

When the issuer collects, via the token offering, both funds in euros or foreign currencies and digital assets, it shall ensure that the monitoring and safeguarding system established offers the guarantees defined in Article 712-7 III of the AMF General Regulation for all these funds and digital assets.

Thus, if the system established by the issuer is able to ensure the monitoring and safeguarding of the digital assets collected alone, the issuer shall ensure that in addition a system is established for monitoring and safeguarding of the funds collected in euros or foreign currencies.

Moreover, the issuer establishes a procedure of monitoring and consolidated accounting of the received subscriptions that makes it possible, at any time, to calculate the proceeds of the issue (comprised of all of the funds in euros or foreign currencies and all the digital assets collected via the offering) and to determine achievement of the minimum success threshold and of the maximum amount of the offering set by the issuer.

3. EXAMINATION OF THE APPLICATION FOR APPROVAL BY THE AMF'S STAFF

3.1. Application content to be filed with the AMF

Token issuers requesting the AMF's approval shall file the following information with the AMF:

- 1° A draft information document in accordance with Articles 712-2 to 712-5 of the AMF General Regulation and the present instruction;
- 2° An up-to-date copy of the memorandum and articles of association of the issuer or, for foreign issuers, their articles of incorporation;
- 3° For French issuers, an up-to-date copy of the "K-Bis" certificate from the Corporate and Trade Register; for foreign issuers, a copy of the deed of registration and an up-to-date copy of the "L-Bis" certificate from the Corporate and Trade Register;
- 4° Where applicable, the balance sheet and profit and loss account for the last financial year;

- 5° An official record of criminal conviction (bulletin No. 3) of executive corporate officers, natural persons within the meaning of Article L. 225-185 of the Commercial Code, or the equivalent for foreigners. If the jurisdiction in which the executive corporate officer is established issues no equivalent of a record of criminal conviction, the executive corporate officer shall draw up a declaration as shown in the template in Annex III – Declaration of non-conviction;
- 6° Any document proving the establishment of a system ensuring monitoring and safeguarding of the assets collected via the offering, within the meaning of § 2.2.2;
- 7° Any document proving the establishment of systems enabling the token issuer to meet its obligations regarding anti-money laundering and combating the financing of terrorism, within the meaning of § 2.1.1;
- 8° All marketing material related to the offering;
- 9° Legal documentation related to the token offering.

These documents shall be up-to-date, dated and signed. When these documents are not written in French or English, a translation certified as a true copy by sworn translator to a Court of Appeal in one of these languages shall be filed with the AMF.

3.2. Procedures for filing the the application's content

The first version of the draft information document shall be filed with the AMF in a readable electronic form (such as PDF, Word or RTF) by email at the following address: depotico@amf-france.org.

The documentation required for examination of the application (§ 3.1) shall be filed according to the same procedures.

When the draft information document is submitted, the filing entity shall indicate to the AMF the contact details of the contact to whom the AMF can send all its correspondence. When the application is presented by an intermediary, it shall contain the contact details of the issuer's responsible person with whom the AMF staff can establish contact.

3.3. Acknowledgement of receipt

Upon reception of the draft information document and the information referred to in § 3.1, the AMF shall acknowledge receipt of the initial application for approval of an information document as soon as possible, and within two working days of reception of said information, by electronic transmission.

The acknowledgement of receipt shall carry the reference number of the application for approval and the contact details of the person responsible for examining the application in the AMF's Corporate Finance Division, to whom questions can be sent regarding the application.

3.4. Time limit for examination

The AMF shall give notice of its approval within twenty working days following the acknowledgement of receipt referred to in § 3.3.

During its examination of the application, when the AMF indicates that the documentation is incomplete or that additional information must be included in the information document, the time limit of twenty working days shall commence only when the AMF has received the additional information requested.

3.5. Powers of the AMF

The AMF may demand any additional information useful for examination of the application and indicate, where applicable, the statements to be changed or the additional information to be included in the draft information document.

3.6. Declaration of the persons responsible for the information document

The declaration provided for in § 1.4, signed by the person(s) responsible for the information document, concerns the final version of the information document. It shall be dated at most two working days before the date of issuance of the approval on the token offering.

It shall be sent to the AMF by the procedures provided for in § 3.2, prior to issuance of the approval.

3.7. Issuance of approval

In accordance with the provisions of § 712-9 of the AMF General Regulation, when the AMF refuses its approval, it shall justify its decision.

The insert presented in Annex I – AMF insert regarding the scope of the approval must be reproduced identically on the cover of the information document, including the AMF logo, and mention the approval number issued by the AMF.

Before the start of the public offering, the issuer shall send to the AMF an electronic version of the information document, by the procedures defined in § 3.2, for online posting on the AMF website.

4. PUBLICATION OF THE INFORMATION DOCUMENT BY THE ISSUER

The information document shall be downloadable on the token issuer's website, in an easily identifiable and accessible manner.

It shall be possible to download the information document, as approved by the AMF, in full.

5. AMENDED INFORMATION DOCUMENT

When, pursuant to Article 712-11 of the AMF General Regulation, the token issuer must file an amended information document, it shall file it in accordance with the same procedures as those referred to in § 3.2.

The AMF shall give its approval on the amended information document within a time limit of seven working days, in accordance with the conditions of Articles 712-8 and 712-9 of the AMF General Regulation.

Such amended information document shall be transmitted and be downloadable in accordance with the same procedure as the original information document. It shall include the words "Amended information document" on the first page and describe the changes made in relation to the original information document.

6. COMMUNICATIONS BY THE ISSUER FOLLOWING THE APPROVAL

Pursuant to Article 714-1 of the AMF General Regulation, the news release announcing the result of the token offering shall indicate:

- 1° the amount of funds and digital assets collected during the offering period (broken down by type and date of publication of the result of the offering);

- 2° the total number of tokens of the same type issued (via the offering and, where applicable, prior to the offering);
- 3° the token allocation structure by category of holder; and
- 4° where applicable, the amount of the funds and digital assets collected during the offering period and already used by the issuer.

7. SUSPENSION OR WITHDRAWAL OF THE APPROVAL

When, pursuant to Article L. 552-6 of the Monetary and Financial Code, the AMF orders the termination of all communications concerning the token offering mentioning its approval, or withdraws its approval, the token issuer shall so inform the public via a publication on its website as soon as possible, and no later than the day following receipt of notification of the AMF's decision.

This publication shall be easily identifiable and accessible on the issuer's website.

If the approval is withdrawn, the issuer may no longer claim the AMF's approval in whatsoever form or format, including in any advertising document. All mentions of the AMF's approval on the token issuer's website shall be deleted.

ANNEX I – AMF INSERT REGARDING THE SCOPE OF THE APPROVAL

As a reminder, the use of the AMF logo is authorised only under the conditions provided for by the present instruction.



Approval of an initial coin offering

Pursuant to Article L. 552-5 of the Monetary and Financial Code and the General Regulation of the Autorité des Marchés Financiers ("AMF"), in particular Article 712-9, the AMF has approved this document under the number [●] dated DD/MM/YY and valid until DD/MM/YY. This document has been drawn up by the issuer and entails the liability of its signatories.

The approval has been granted in accordance with the provisions of Article 712-1 of the AMF General Regulation after verification by the AMF that the information document is complete and comprehensible.

The approval does not imply that the AMF has approved the appropriateness of the issuer's project or authenticated the financial, accounting and technical information presented. Moreover, the AMF has not carried out any verification of the smart contracts linked to the offering and has not verified whether these smart contracts are adequate in relation to the content of the information document..

ANNEX II – INFORMATION DOCUMENT TEMPLATE

1- Information regarding the token issuer
<ul style="list-style-type: none"> • Company description, and in particular: legal entity, share ownership structure, background and activity, and where applicable historical financial data • Contact details of the team in charge of the project • Team: biographies and description of the profiles and fields of competence of the team responsible for the project and any other players involved in the project or in the offering • Description of any interest, including conflicting ones that is material to the offer, providing detail of the persons involved and the nature of the interest • Governance principles of the legal entity • Appointment of an auditor : mention of the fact that the issuer has appointed an auditor and, where applicable, of the issuer's commitment to appoint an auditor at a later date
2- Issuer's project object of the offering
<ul style="list-style-type: none"> • Detailed description of the issuer's project, and in particular: product or service supplied, technology, market, customers and/or users, and legal and regulatory aspects specific to the market or to the issuer's project • Decision-making and governance mechanisms of the project • Subscribers for whom the offering is intended and any restrictions • The project's business plan, and in particular: objectives, execution and project phases, and where applicable resources already allocated to the project • Funding requirements for project development and where applicable financing already obtained • Expenses related to the offering • Allocation of the funds and digital assets collected during the offering and use of treasury tokens¹
3- Rights and obligations attached to the tokens offered to the public
<ul style="list-style-type: none"> • Detailed description of the following aspects: <ul style="list-style-type: none"> - functions, rights and obligations attached to the token; - project operating expenses borne by the subscriber, in particular expenses related to the distributed ledger technology on which the tokens are registered; - where applicable, divisibility of the tokens; - where applicable, description of other tokens already issued. • Rules and conditions for the use and functioning of the tokens

¹ The "treasury tokens" concept means tokens granted to the project at the time of issue and the tokens that the issuer buys back in the secondary market.

- Description of the distributed ledger technology on which the tokens will be registered and, where applicable, the distributed ledger technology onto which the issuer plans to migrate the tokens subsequent to the offering
- Timeline for use of the tokens
- Methods of transmission of the tokens and, where applicable, the issuer's intention to request a listing of the tokens on a trading platform
- Description of the general procedures for accounting for the tokens offered in the issue, depending on the type of rights attached to said tokens

4- Risk factors

The issuer shall provide a description of the main risk factors specific to the project, the tokens and the initial coin offering presented in the information document.

The issuer is invited to group these risks according to their type and to the following classification and, where applicable, to describe the measures taken to prevent these risks.

The risks described by the issuer shall include *at least* the following risks:

- **Economic risks**
 - risk of partial or complete loss of the investment;
 - currency exchange risk, including to euro or any foreign currency, borne by the subscriber;
 - risk related to valuation of the tokens;
 - risk of lack of liquidity for the tokens;
 - where applicable, risk due to the lack of secondary market.
- **Technological risks**
 - risk of errors or security flaws allowing hacking or theft of the issuer's data;
 - risk of loss or theft of the medium storing the subscriber's private key;
 - risks related to the asset monitoring and safeguarding system;
 - risks related to the distributed ledger technology on which the tokens are registered and the platforms on which the tokens can be exchanged.
- **Risks related to the project**
 - risk of failure at launch or of technical and operational development of the project;
 - risk of a substantial change in the project and in the rights attached to the tokens;
 - where applicable, risk due to the lack of regular communication by the issuer concerning its project or any event which could have an impact on the project;
 - risks due to the lack of visibility concerning the regulations applicable to the token offering in all the jurisdictions in which the tokens will be offered, and the tax treatment applicable to the token subscribers.

5- Characteristics of the initial coin offering

- Number of tokens to be issued and already issued where applicable

- Planned amount of the issue: target amount, minimum amount allowing the project to be carried out (soft cap), and maximum amount that will automatically close the subscriptions when reached (hard cap)
- Token issue price and explanation of the principles used to establish the price
- Indication of any discounts in favour of categories of subscribers
- Currencies and digital assets accepted and exchange rate with the token
- Allocation structure of tokens already issued and to be issued by category of holder
- Where applicable, description of the stages preceding the offering (pre-offering issue and private sale). For each of these stages, the issuer shall indicate the token issue price, the preferential conditions of issue and the number of tokens allocated
- Token subscription procedures
- Timeline of the offering: chronological sequence of the offering, major stages of the offering, offering duration and means of publication of the results of the offering
- Information regarding the post-offering period:
 - intentions of the issuer regarding dilution of the token holders post-offering;
 - conditions under which the issuer can buy back or cancel tokens;
 - intentions of the issuer regarding custody of the treasury tokens and the placing of treasury tokens on the market;
 - description of any commitments (e.g. lock-up of the tokens) made by the issuer or anyone coming into possession of the tokens;
 - intentions of the issuer to disclose any element that may affect the value of the tokens and the conditions under which the issuer will report annually on the use of the funds and digital assets collected as part of the offering.

6- The technical procedures of the token issue

- Description of the technical specifications, and in particular: description of the distributed ledger technology protocol, technical architecture if the offering contains several smart contracts, and any standards used
- On a voluntary basis:
 - insertion of an internet link to the smart contract protocol allowing automatic execution of token issuance accompanied by comments describing the parameters of the smart contract and the objective of each function;
 - third-party audit performed on the smart contract protocol allowing automatic execution of token issuance, and means of identification of said third party.

7- Custody and refunding of the funds and digital assets collected via the initial coin offering

- Monitoring and safeguarding of the funds and digital assets collected:
 - detailed description of the procedures for collection and management of the funds and digital assets collected, as referred to in Article 712-6 of the AMF General Regulation;
 - form of the system(s) for monitoring and safeguarding of the funds and assets held by the issuer;

<ul style="list-style-type: none"> - recipient(s) of the funds and digital assets as defined in 3° of III of Article 712-7 of the AMF General Regulation, bank account and address designed for receiving and sending digital assets dedicated specifically to the offering; - currency exchange risk management and intention of the issuer to convert the digital assets into euros or foreign currencies; - where applicable, the issuer's commitment to maintain or establish, at the end of the offering, a system for monitoring and safeguarding of the funds and digital assets obtained during the offering. <ul style="list-style-type: none"> • Detailed description of the subscriber reimbursement process: <ul style="list-style-type: none"> - trigger events and conditions, particularly in cases of failing to achieve the soft cap or exceeding the hard cap; - conditions of reimbursement, and in particular: funds or digital assets which will be refunded and currency exchange risk management at the time of reimbursement.
<p>8- Systems to establish the identity of subscribers, anti-money laundering and security systems</p>
<ul style="list-style-type: none"> • Description of the mechanisms for establishing the identity of the subscribers and anti-money laundering mechanisms • Description of the systems established for cybersecurity and detection of technical malfunctions
<p>9- Applicable law and competent courts</p>
<ul style="list-style-type: none"> • Description of the legal system applicable to the issuer • Indication of the competent courts in case of dispute • Description of the tax regime applicable to holding tokens in France for French subscribers
<p>10- Declaration of the persons responsible</p>
<ul style="list-style-type: none"> • Declaration that the information in the information document corresponds to the facts, and that there is no omission liable to alter its scope (in accordance with the template declaration specified in § 1.4)

ANNEX III – TEMPLATE DECLARATION OF NON-CONVICTION

DECLARATION OF NON-CONVICTION

I the undersigned:

.....

Born on:

.....

in:

.....

of (last name and first name of the father):

.....

and (last name and first name of the mother):

.....

residing:

.....

Solemnly swear that I have undergone no criminal conviction or civil or administrative sanction in France, as referred to by Article 777 of the Criminal Procedure Code, or an equivalent conviction or sanction in any other jurisdiction.

Done in:

On [date]:

SIGNATURE: