



September 27, 2022

Delisting of a digital asset services provider with the assent of the *Autorité de Contrôle Prudentiel et de Résolution* (French Prudential Supervisory and Resolution Authority)

(Articles L.54-10-3 and D.54-10-5 III and IV of the Monetary and Financial Code)

BYKEP SAS

1. BYKEP SAS was registered as a digital asset services provider (DASP) by the *Autorité des Marchés Financiers* with the assent of the *Autorité de Contrôle Prudentiel et de Résolution* (French Prudential Supervisory and Resolution Authority) on 18 February 2021 for the services of custody on behalf of third parties or access services to digital assets and the purchasing or selling of digital assets against legal tender, as defined in Article D. 54-10-1 1° and 2° of the Monetary and Financial Code.
2. At its meeting on July 13, 2022, the Supervisory Board of the *Autorité de Contrôle Prudentiel et de Résolution* decided to refer the matter to the *Autorité des Marchés Financiers* in order to initiate delisting proceedings against BYKEP SAS, in accordance with the provisions of Article L. 54-10-3 and Article D. 54-10-5 IV of the Monetary and Financial Code.
3. At its meeting on July 19, 2022, the Board of the *Autorité des Marchés Financiers* decided to initiate such proceedings and informed the digital asset services provider by letter dated July 21, 2022.
4. On August 26, 2022, BYKEP SAS responded to this notification by sending observations to the *Autorité des Marchés Financiers*, stating that the complaints made did not justify the initiation of the delisting procedure.
5. On September 23, 2022, the *Autorité de Contrôle Prudentiel et de Résolution* issued a positive opinion on the delisting of BYKEP SAS to the *Autorité des Marchés Financiers*.
6. At its meeting on September 27, 2022, the *Autorité des Marchés Financiers* examined the observations received from BYKEP SAS and the opinion of the *Autorité de Contrôle Prudentiel et de Résolution*.
7. The information gathered by the *Autorité de Contrôle Prudentiel et de Résolution* during the course of its supervisory mission investigations and sent to the *Autorité des Marchés Financiers* revealed, in particular, that i) transactions were performed to debit client wallets without client consent, and ii) certain clients were sent unreliable and inaccurate information about their account balances. The *Autorité des Marchés Financiers* concluded that these malfunctions, which were known to the executive managers, constituted breaches of the requirements set forth in Article L. 54-10-3 1° of the Monetary and Financial Code concerning the good repute and competence of executives managers.
8. The information gathered by the *Autorité de Contrôle Prudentiel et de Résolution* during the course of its supervisory mission investigations and communicated to the *Autorité des Marchés Financiers* further showed that Know Your Customer files had not been updated and that there was a lack of

Know Your Customer supporting documentation when entering into a relationship with certain clients presenting a high risk of money laundering and terrorist financing, and a lack of monitoring tools tailored to the specific characteristics of transactions involving digital assets, in contradiction to the commitments made at the time of registration. The *Autorité des Marchés Financiers* concluded that these elements constituted breaches of the obligations in terms of combatting money laundering and terrorist financing, and the freezing of assets referred to Article L. 54-10-3 4° of the Monetary and Financial Code.

9. In view of these facts, the *Autorité des Marchés Financiers* decided to delist BYKEP SAS from the list of registered digital asset services providers with immediate effect.
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