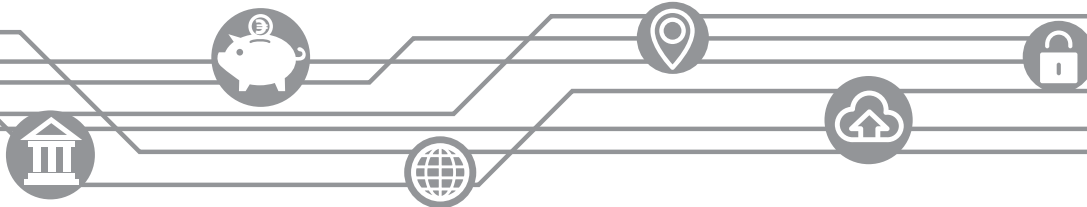


A PRACTICAL GUIDE FOR DIGITAL ASSET SERVICE PROVIDERS IN FRANCE



CONTENT

I	INTRODUCTION	3
II	EXECUTIVE SUMMARY	4
III	WHY CHOOSE FRANCE FOR SETTING UP YOUR ACTIVITIES OF DASP IN FRANCE	6
	III-1 A deep talent pool.....	6
	III-2 A compelling environment for R&D.....	7
	III-3 Innovation-driven and competent financial authorities.....	7
	III-4 A leadership in cybersecurity commitment.....	7
IV	A FAVORABLE TAX SYSTEM	9
	IV-1 VAT.....	9
	IV-2 Corporate tax.....	9
	IV-3 Attractive taxation for young and innovative companies.....	10
	IV-4 Research tax credit.....	10
	IV-5 Attractive taxation for companies located in “free zones”	11
V	THE NEW FRENCH REGIME FOR DIGITAL ASSET SERVICE PROVIDERS: INNOVATIVE, SIMPLE, ATTRACTIVE AND PROTECTIVE	13
VI	THE FRENCH ECOSYSTEM	18
VII	APPENDICES	19



I INTRODUCTION

The present Guide represents the collective work of the French financial ecosystem¹ (regulators, professional associations, lawyers, tax specialists, consultants...) gathered by Paris EUROPLACE.

Paris EUROPLACE is the organization in charge of developing and promoting the Paris financial centre. As a privileged intermediary of the European and French authorities, with which it maintains an ongoing and constructive dialogue, Paris EUROPLACE initiates proposals for the collective benefits of the financial centre.

Paris EUROPLACE federates and represents the diversity of players in the financial

industry: issuers, investors, banks, insurance companies, financial intermediaries, auxiliary professions, French and international, active on the Paris financial centre. It is taking a strong action to strengthen the competitiveness and attractiveness of the Paris financial centre through its various activities: think tank, contribution to European work, organization of international road shows, support for startups and FinTech, development of innovation and research in finance.²

The objective of this Guide is to bring together the concrete elements useful to digital asset service providers (DASPs) to set up their activities in France.

¹ See Appendix 1: list of members of the Working Group
² www.paris-europlace.com

II EXECUTIVE SUMMARY

France is determined to seize the opportunities raised by the digital revolution and stands at the forefront of financial services innovation. Its general environment - including a large talent pool, a compelling environment for R&D, a leadership in cybersecurity commitment, innovation driven and competent authorities - and reduced tax and social security contributions, in particular for young companies, innovative companies and companies located in free zones, are favorable to innovation.

More recently, France introduced pioneer legislation on the representation and transmission of financial securities on a Distributed Ledger Register. Furthermore, French accounting rules were modernized to integrate the accounting treatment of tokens³.

Now, France is introducing a simple and attractive regime both for Initial Coin Offerings (ICOs) and Digital Assets Service Providers (DASPs). A practical guide for ICO issuers in France is available on Paris EUROPLACE's website at the following address: <https://www.paris-europlace.com/en/file/3113/download?token=Gwr2KsG6>.

The present Guide explains how Digital Asset Service Providers may offer services related to tokens which are not considered as financial securities or currencies and how they may benefit from this new French regime and apply for an optional license delivered by the AMF.

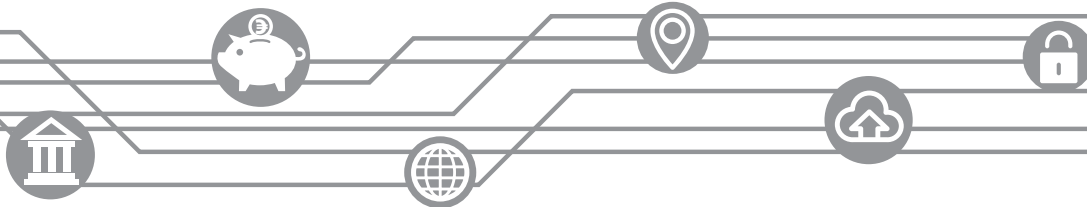
The AMF is the unique point of contact for those applying for a license or registration (registration is mandatory only for two categories of services). The process should take 3 months when the application file is complete.

Digital asset services covered by the law are:

- 1- Storage of digital assets or private cryptographic keys on behalf of third parties,
- 2- Buying and selling of digital assets against legal currencies,
- 3- Exchange of digital assets against other digital assets,
- 4- Operating a trading platform for digital assets,
- 5- Other services:
 - Reception and transmission of orders on digital assets on behalf of third parties,
 - Portfolio management on digital assets on behalf of third parties,
 - Advice to subscribers of digital assets,
 - Underwriting of digital assets,
 - Guaranteed investment of digital assets,
 - Non-guaranteed investment of digital assets.

Only the first two services require mandatory registration. The AMF will publish a list of registered service providers.

³ The PACTE law sets out the following definition: "digital assets include (i) The tokens mentioned in Article L. 552-2, excluding those that meet the characteristics of financial instruments mentioned in Article L. 211-1 and the savings bonds mentioned in Article L. 223-1; (ii) Any digital representation of a security that is not issued or guaranteed by a central bank or public authority, that is not necessarily attached to a legal currency and that does not have the legal status of a currency, but that is accepted by natural or legal persons as a means of exchange and that can be transferred, stored or exchanged electronically".



For the other services, an optional license is available to service providers.

The benefit of this license implies some general obligations and some specific obligations attached to particular services. It establishes an environment secure for users and favorable to the development of services on digital assets. This new regime aims to ensure market integrity and an efficient and transparent price formation mechanism,

as well as to provide investors with reliable information and guarantees.

The AMF will publish a “blacklist” of digital asset service providers which do not comply with the regulation.

Combined to a buoyant ecosystem, France offers Digital Asset Service Providers a compelling environment.

⁴ Paris Region Key figures 2018

⁵ Paris Region Key figures 2018

III WHY CHOOSE FRANCE?

III-1 A DEEP TALENT POOL

III-1-1 France offers excellent education infrastructures:

- The quality of education provided by French schools, the so-called “Grandes Ecoles”, and universities, particularly in financial mathematics and engineering, is internationally recognized. The 5 leading master’s degrees in finance are French (2018 Financial Times ranking worldwide).
- Paris Region hosts over 700,000 students, 16 universities and 70 “Grandes Ecoles”⁴.
- An educational system renowned worldwide:
 - Global MBA: French INSEAD, #2 ahead of London Business School and Harvard, HEC Paris #21.
 - Times “Higher Education World University Ranking 2015”: 4 higher education institutions in the Top 200;
 - ARWU “World University 2015 Ranking” (Shanghai ranking): 2 universities in the Top 10 in mathematics and in the Top 30 in physics.
- International recognition of universities in mathematics and IT: highly qualified engineers from Polytechnique, Mines, Centrale/Supelec, developers from Ecole 42 and Epitech, IT experts from Telecom, ENSAI, EISTI and Telecom management.
- Numerous top-level education options for international students:
 - 48 English-speaking programmes,
 - 18% of foreign students in universities,

- 112,000 foreign students in Paris among which 9,000 PhD in science⁵.

- Close relationships between corporations and universities/“Grandes Ecoles”
 - Research programmes and academic chairs

III-1-2 FINANCE INNOVATION Cluster: The French FinTech flagship

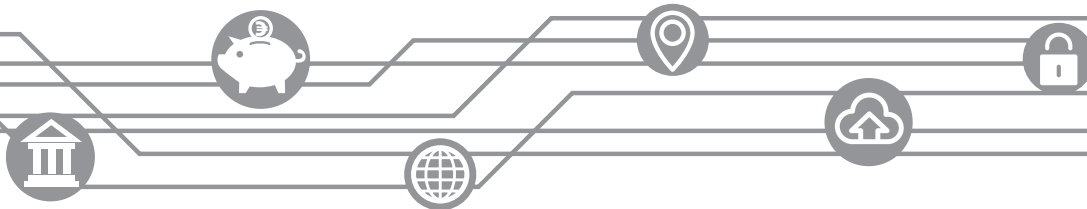
Part of Paris EUROPLACE, the Cluster was set up in 2008. It is a “project factory” that has already labelled 500 innovative projects. It is the leading sourcing and support platform for FinTech companies in France.

With over 500 members (members are primarily innovative SMEs, banks and insurance companies, major universities, research labs, public authorities), FINANCE INNOVATION seeks to address the key barriers and opportunities in the financial ecosystem:

- Promote and support the French Fintech ecosystem locally and internationally, while building bridges with other Fintech hubs,
- Advocate for a democratic and inclusive financial services industry,
- Support SMEs throughout the country in their search for capital and funding,
- Attract greater investment.

⁴ Paris Region Key figures 2019

⁵ Paris Region Key figures 2019



This competitiveness cluster brings together large and small firms, research laboratories and educational establishments, all working together in a specific region to develop synergies and cooperative efforts.

From 2005 to 2016, 1,681 collaborative R&D projects received public financing of €6.8 billion including more than €1.7 billion granted by the French State through a dedicated fund (Fonds Unique Interministériel - FUI), €1 billion granted by local authorities.

III-2 A COMPELLING ENVIRONMENT FOR R&D

Innovation and R&D benefit from fiscal incentives, making France one of the most attractive and cost-effective countries in the world for R&D.

- **Paris Region ranks # 1 in Europe for R&D spending and number of R&D workers:**

- 115,000 researchers in 2015, 5,200 foreign researchers in 2017⁶.
- 7,682 patents filed in 2016.⁷

- **France offers attractive tax incentives for R&D:**

- All companies incurring R&D expenses are eligible to research tax credit (Crédit Impôt Recherche - CIR - in French)
- CIR is equal to 30% of all R&D expenses up to €100 million. For more details see section 4- “A favorable tax system for innovators”.
- In 2017, 24,000 companies in France benefited from this tax incentive.

III-3 INNOVATION-DRIVEN AND COMPETENT FINANCIAL REGULATORS

France has created one of the most blockchain friendly legislative and regulatory environments, fostering the growth of a rich, innovative ecosystem. On December 24th, 2018 a decree was issued to implement the Blockchain Ordinance on the representation and transmission of financial securities on a Distributed Ledger⁸.

The French financial markets authority AMF (Autorité des Marchés Financiers) and ACPR (Autorité du Contrôle Prudentiel et de Résolution) have set up specific divisions and teams dedicated to an open dialogue with innovative project initiators and entrepreneurs aiming at helping them determine the best status for their business and providing them with regulatory guidance at any stage of their project.

The AMF created its “FinTech Innovation and Competitiveness” division (FIC) in June 2016. This division works with stakeholders to analyze innovations taking place in the investment services industry and to identify competitiveness and regulation challenges.

III-4 A LEADERSHIP IN CYBERSECURITY COMMITMENT

On November 12th, 2018, at the UNESCO Internet Governance Forum, President Emmanuel Macron launched the “Paris call for Trust and Security in Cyberspace”. This high-level declaration on developing common principles for securing cyberspace has already received the support of many governments, civil society organizations

⁶ Paris Region Key figures 2019

⁷ Paris Region Key figures 2019

⁸ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=LEGITEXT000037904703&dateTexte=20190110>

and industry groups and representatives, representing a signatory list of around 300 signatures.

In 2009, a national authority for cyber defence and security of information systems (ANSSI) was created. To fulfil its missions, ANSSI deploys a broad range of regulatory and operational activities, from issuing regulations and verifying their application, to monitoring, alerting and providing rapid response – particularly on government networks.⁹

ANSSI's activities are:

- **Reacting to the cyber threat:** ANSSI provides a monitoring, detection, alert and response capability through its detection centre,

entrusted with the constant monitoring of sensitive networks and the implementation of defence mechanisms tailored to various kinds of attacks.

- **Supporting products and services development:** In order to prevent threats, ANSSI plays a role in the specification and development of a very high-grade product offer for government use and trusted products and services for government departments and civil society use.
- **Providing information and advice:** Knowing and anticipating the cyber threat and sharing its knowledge with national actors, government authorities, industry and citizens.

⁹ <https://www.ssi.gouv.fr/en/>

IV A FAVORABLE TAX SYSTEM

The French government has put in place an ambitious programme to reduce corporate taxes and reduce tax and social security contributions for young companies, innovative companies and companies located in free zones. The objective is to foster the growth of companies, the creation of innovative companies by reducing social charges and boosting hiring.

IV-1 VAT

VAT is a tax governed by a European Directive (Council Directive 2006/112 / EC of 28 November 2006).

In France, the standard rate of VAT is 20%. Reduced rates range from 2.10% to 10%.

The determination of the applicable VAT system results from the application of the provisions of the VAT Directive, as has been clarified in particular by the case-law and the administrations of various Member States.

To determine the VAT regime applicable to a transaction, the existence or not of a direct link has to be examined, i.e. whether the transaction provides a benefit to the

customer and whether the amount paid is in relation to the compensation to be obtained.

IV-2 CORPORATE TAX

According to the programme of gradual reduction of the corporate tax rate (Impôt sur les Sociétés - IS) put in place by the French government, the corporate tax rate will go down to 25% in 2022. Currently, it is 28% for profits below € 500,000 and 33.3% (or 1/3) for profits above this threshold.

The rate will then go down to:

- 31% above € 500,000 in profit in 2019;
- 28% of all profits in 2020;
- 26.5% in 2021.

A reduced rate of 28% applies to SMEs with:

- a turnover excluding tax ("CAHT") which is less than € 7.63 million;
- capital fully repaid and at least 75% owned by individuals (or by a company meeting this criterion).

For profits under € 38,120, the applicable rate is 15%.

IV-3 ATTRACTIVE TAXATION FOR YOUNG COMPANIES AND INNOVATIVE COMPANIES

New companies created before December 31st, 2019 and investing in research and development (R&D) can benefit from the status of “young innovative company” (JEI) or “young university enterprise” (JEU). They can benefit from tax and social exemptions.

Companies must, at the end of each financial year, meet all the following conditions:

- be an SME¹⁰;
- have less than 8 years of existence;
- be independent¹¹;
- not have been created as part of a concentration, a restructuring, an extension of activity, a resumption of such activities;
- R&D expenses of at least 15% of the tax-deductible expenses for this financial year¹².

JEU must:

- belong at least 10% to students or to teacher-researchers;
- have as their main activity the promotion of research work carried out by its directors or associates;
- conclude an agreement with the institution of higher education.

JEI and JEU may benefit from tax exemptions in:

- income tax or corporate tax:
 - total exemption during the 1st year (or the first tax period);

- then 50% exemption for the following period or year;

- territorial economic contribution (“CFE” and “CVAE”) and property tax for 7 years upon deliberation by the relevant local authorities.

The exemption from income tax may be cumulated with the research tax credit (CIR).

JEI may also, under certain conditions, benefit from:

- an exemption of capital gains from the sale of units or shares;
- an immediate restitution of their research tax credit receivable.

Tax benefits apply to companies created before December 31th, 2019.

The exemption from employers’ social security contributions and employees’ benefits concerns the remuneration of many employees¹³, provided 50% of their working time is devoted to the R&D project:

The exemption applies until the last day of the 7th year following the year of the creation of the company. For example, a company created on June 1st, 2019 benefits from the exemption until December 31st, 2026.

The exemption applies within the limit of a double ceiling¹⁴.

IV-4 RESEARCH TAX CREDIT (CIR)

The Research Tax Credit (or Crédit d’Impôt Recherche – CIR – in French) is a fiscal measure

¹⁰ Company employing fewer than 250 employees, with annual sales of less than 50 million euros, or a balance sheet total of less than 43 million euros. A threshold overrun only has effect after 2 consecutive exercises.

¹¹ Its capital must be held for at least 50% by natural persons, other JEI owned at least 50% by natural persons, scientifically recognized associations or foundations of scientific research and teaching

¹² Excluding expenses incurred by other JEIs carrying out research and development projects

¹³ • Research engineers, technicians, research and development project managers, industrial protection lawyers and project-related technology agreements, pre-competitive testing staff;

• corporate officers, under the general social security scheme, who are primarily involved in the company’s research and development project.

¹⁴ • A gross monthly salary per person capped at € 6,845.48 (corresponding to 4.5 times the minimum monthly wage called “Smic”);

• An annual ceiling of eligible contributions per institution, set at € 202,620 (corresponding to 5 times the annual ceiling for social security).

which aims at fostering the R&D activities of companies, regardless their sector of activity or size.

Companies, whatever their legal status, which are subject to corporate or income tax, and that incur basic research and experimental development expenditures, can benefit from the CIR by deducting these expenditures¹⁵ from their taxes under certain conditions¹⁶. The rate of the CIR varies according to the amount of investment.

Companies exempted from corporation tax are excluded from the scheme, except for innovative start-ups (JEI), for companies set up to take over a company in difficulty, and for businesses located in subsidized areas.

The CIR covers the following activities: basic research, applied research and experimental development activities (prototypes or pilot plants) in any field.

To be eligible to the CIR, expenses must meet the following conditions:

- correspond to localized research operations within the European Economic Area (EEA), except for technological watch and patent defense expenses;
- determine the taxable result for income tax or corporation tax.

¹⁵ Eligible expenses are:

- amortization of property and buildings allocated to research;
- staff costs for researchers and research technicians (the salary of young doctors is taken into account for twice the amount for 2 years after being hired on permanent contracts);
- additional remuneration for employees who invent an invention;
- operating expenses, set at a flat rate of 75% of depreciation and 50% of staff costs (200% for expenses related to young doctors);
- outsourced research expenditure, entrusted to any public body, university, foundation recognized as being of public utility, association of the law of 1901 having as founder and member a research organization or a university, expenses retained for the double of their amount (to condition that there is no arm's length relationship between the organization and the company);
- research expenses entrusted to organizations accredited by the Ministère de la recherche (limited to 3 times the total amount of other research expenses eligible for the tax credit);
- patent fees;
- standardization expenses of the company's products (for 50% of the amount);
- technology watch expenses (60,000 € per year maximum);
- expenditure of new collections in the textile-clothing-leather sector.

¹⁶ Public subsidies received for research projects eligible to the CIR must be deducted from the basis of calculation of the credit. Refundable grants are added to the basis of calculation for the year of their reimbursement.

¹⁷ The following activities are excluded from exemptions:

- automotive and naval construction;
- manufacture of textile fibers;
- iron and steel industry;
- truck transport;
- furniture leasing, rental of non-professional buildings;
- Agriculture;
- construction and sales.

The rate of the research tax credit is:

- 30% for research expenses up to 100 million euros,
- 5% beyond.

The CIR is determined per calendar year, regardless of the closing date of the fiscal year.

For the tax credit that applies to SME innovation expenditure, the applicable rate is 20% (or 40% in overseas departments), on expenses capped at € 400,000 per year.

IV-5 ATTRACTIVE TAXATION FOR COMPANIES LOCATED IN URBAN FREE ZONES

In order to promote the economic development of urban free zones (Zones franchises urbaines - territoires entrepreneurs - ZFU-TE - in French), companies that set up and hire local workers can benefit from tax exemptions under certain conditions.¹⁷

Exemption may be granted to companies, regardless of their legal status and tax regime,

established in ZFU-TE¹⁸ before December 31st, 2020, which meet a number of criteria¹⁹.

Companies established in ZFU-TE benefit from a tax exemption on profits set at:

- 100% during the first 5 years;
- 60% during the 6th year;
- 40% during the 7th year;
- 20% during the 8th year.

Profits earned from activities outside ZFU-TE are excluded from the exemption and subject to the general rules.

The tax relief cannot exceed € 50,000 per 12-month period.

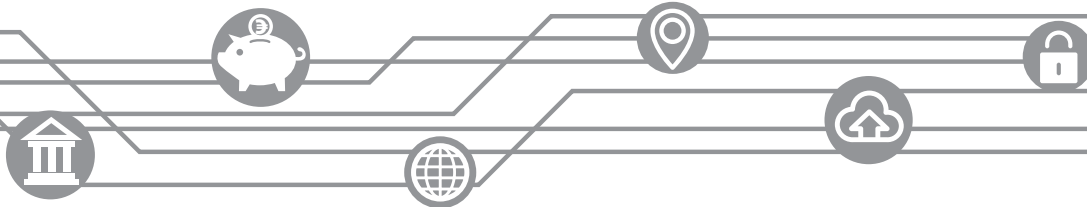
This ceiling is increased by € 5,000 per new employee residing in the district and hired full-time for at least 6 months.

The tax exemption is subject to the signing of a city contract provided for by the law of February, 21st 2014 for programming for the city and social cohesion.

¹⁸ <https://sig.ville.gouv.fr/atlas/ZFU/>

¹⁹ These companies must have:

- an industrial, commercial, artisanal or liberal activity;
- a physical location (an office, for example) and an actual activity (delivery of services, for example);
- 50 employees maximum;
- € 10 million in maximum turnover;
- a capital held less than 25% by a company with more than 250 employees.



V THE NEW FRENCH REGIME FOR DIGITAL ASSET SERVICE PROVIDERS: INNOVATIVE, SIMPLE, ATTRACTIVE AND PROTECTIVE

France is introducing a simple and attractive regime for Digital Asset Service Providers.

This regime is set out in the PACTE law (law on the growth and transformation of businesses).

This new regime concerns entities which offer services related to digital assets which are not considered as financial securities

or currencies (financial instruments are excluded from this regime).

For the sake of simplification and efficiency, the **Autorité des Marchés Financiers (AMF)** is the single point of contact for Digital Asset Service Providers.

Digital Asset Service Providers may offer the following services:

Optional License

Mandatory Registration

1
Store digital assets or private cryptographic keys on behalf of third parties

2
Buy or sell digital assets against legal currencies

3
Exchange digital assets against other digital assets

4
Manage a trading platform for digital assets

5
Various services:
5a- Reception and transmission of orders on digital assets on behalf of third parties
5b: Portfolio management on digital assets on behalf of third parties
5c: Advice to subscribers on digital assets,
5d: Underwriting of digital assets
5e: Guaranteed Investment of digital assets
5f: Non-guaranteed investment on digital assets

→ Providers of purely technical solutions for private key storage do not fulfill the definition of service 1.

The definition of the different services is based on MIFID2 except for service n°1 which is defined as fulfilling the following 3 criteria:

- (i) record the digital assets in a register opened in the client's name,
- (ii) control the means of access to the corresponding digital assets,
- (iii) deal with events affecting digital assets or associated rights.

An implementing decree and the AMF General Regulation draw the outlines of each of these services, with the aim to ensure market integrity and an efficient and transparent price formation mechanism, as well as to provide investors with reliable information and guarantees.

For services subject to mandatory registration, i.e. services n°1 and 2, the AMF, in liaison with the ACPR, verifies:

- the good repute and competence of senior managers and shareholders with a list of documents to provide to the AMF (including ID, CV and statement that they are not subject of a criminal conviction or a prohibition to engage in an activity).

- that the DASP has AML/FT procedures in place.

→ These service providers benefit from a 12-month delay starting from the publication of the relevant implementing texts to register with the AMF.

→ Registration should take under 3 months.

→ The AMF will publish a list of registered service providers on its website.

Digital Asset Service Providers which apply for an optional license regarding services n°3, 4 and 5 should send the AMF the following documents:

- General information (name of company, services provided, constituting documents...);
- ID, competence and honorability of senior managers and relevant shareholders;
- Financial information;



- Proof of professional liability contract or required own funds;
- Information on the organization of the company;
- Operating rules (for trading platforms).

An implementing decree also lays out the licensing procedure (by the AMF only) and the procedure for consulting the French National Cybersecurity Agency (ANSSI).

Obtaining the license should take under 3 months (renewable once in case of exceptional circumstances).

→ Licensed service providers are placed under the supervision of the AMF.

All licensed DASPs should fulfill the following obligations, regardless of the services they provide²⁰:

- Activity programme;
- Proof of professional liability contract or required own funds;
- Adequate security and internal control system;
- Resilient and secure computer system;
- Management of conflicts of interest;
- Communication of clear, accurate and not misleading information to the client;
- Complaint policy and transparency of pricing policies;
- Rules of good conduct;
- Written agreement with the client.

Specific obligations apply to licensed DASPs providing particular services:

Regarding services n°1:

- Conclude an agreement with their clients which defines their missions and responsibilities,
- Set out a safekeeping policy,
- Ensure that the relevant means are in place to return the digital assets or access to the digital assets kept on behalf of their clients without undue delay,
- Segregate the holdings on behalf of their clients from their own holdings,
- Refrain from using the assets or keys they keep on behalf of their clients without express approval.

Regarding services n°2 and n°3:

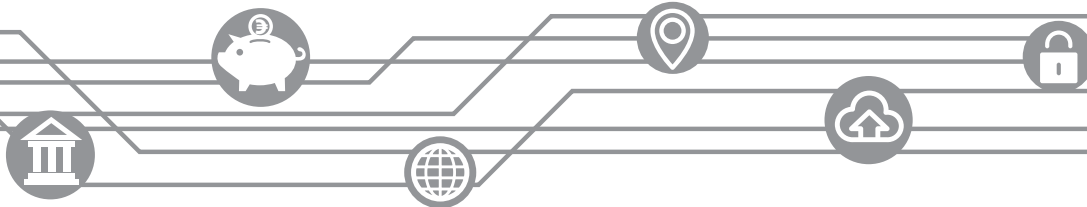
- Set out a nondiscriminatory commercial policy,
- Publish a firm price of the digital assets or the pricing method applicable to the digital assets,
- Publish the volumes and prices of the transactions completed,
- Execute their clients' orders at the published prices at the moment they receive them.

Regarding services n°4:

- Set out functioning rules in French or English,
- Ensure a fair and organised negotiation,
- Engage their own capital on trading platforms that they manage only within the limits and under the conditions set out in the AMF General Regulation,
- Publish the details of the orders and of the transactions completed on the platform.

²⁰ As per the AMF General Regulation

	1	2	3	4	5
Service	Store digital assets or private cryptographic keys on behalf of third parties	Buy or sell of digital assets against legal currencies	Exchange digital assets against other digital assets	Manage a trading platform for digital assets	5a- Reception and transmission of orders on digital assets on behalf of third parties 5b: Portfolio management on digital assets on behalf of third parties 5c: Advice to subscribers on digital assets, 5d: Underwriting of digital assets 5e: Guaranteed investment of digital assets 5f: Non-guaranteed investment on digital assets
Mandatory registration	<ul style="list-style-type: none"> • Good repute and competence of senior managers and shareholders • AML/FT procedures 				
Optional license - common obligations	<ul style="list-style-type: none"> • Activity programme; • Proof of professional liability contract or required own funds; • Adequate security and internal control system; • Resilient and secure computer system; • Management of conflicts of interest; • Communication of clear, accurate and not misleading information to the client; • Complaint policy and transparency of pricing policies; • Rules of good conduct; • Written agreement with the client 				
Optional license - specific obligations	<ul style="list-style-type: none"> • Conclude an agreement with their clients which defines their missions and responsibilities, • Set out a safekeeping policy, • Ensure that the relevant means are in place to return the digital assets or access to the digital assets kept on behalf of their clients without undue delay, • Segregate the holdings on behalf of their clients from their own holdings, • Refrain from using the assets or keys they keep on behalf of their clients without express approval. 	<ul style="list-style-type: none"> • Set out a nondiscriminatory commercial policy, • Publish a firm price of the digital assets or the pricing method applicable to the digital assets, • Publish the volumes and prices of the transactions completed, • Execute their clients' orders at the published prices at the moment they receive them. 	<ul style="list-style-type: none"> • Set out a nondiscriminatory commercial policy, • Publish a firm price of the digital assets or the pricing method applicable to the digital assets, • Publish the volumes and prices of the transactions completed, • Execute their clients' orders at the published prices at the moment they receive them. 	<ul style="list-style-type: none"> • Set out functioning rules in French or English, • Ensure a fair and organised negotiation, • Engage their own capital on trading platforms that they manage only within the limits and under the conditions set out in the AMF General Regulation, • Publish the details of the orders and of the transactions completed on the platform. 	<ul style="list-style-type: none"> • Have a work schedule for each of their services, • Have the resources appropriate to the implementation of the programme, • For the services of management and advice, DASP collect from their clients the information required on their knowledge and experience with regards operations in digital assets, their financial situation, as well as their risk profile and their capacity to support losses.



Regarding services n°5:

- Have a work schedule for each of their services,
- Have the resources appropriate to the implementation of the programme,
- For the services of management and advice, DASP collect from their clients the information required on their knowledge and experience with regards operations in digital assets, their financial situation, as well as their risk profile and their capacity to support losses.

In the event of non-compliance with the rules, the AMF may hand down sanctions against licensed service providers and withdraw the license. **Unlicensed service providers will be prohibited from solicitation, patronage and sponsorship activities** (advertising will remain authorized).

The AMF may publish a “blacklist” of digital assets services providers that do not comply with the regulations and may block access to fraudulent websites offering services in digital assets.

Digital Asset Service Providers are invited to contact the AMF about their project at the following address: psan@amf-france.org

VI THE FRENCH ECOSYSTEM

This Guide has shown in its previous sections that DASPs can access a large pool of talent in France. Perhaps they come from this pool.

French taxation is very favourable to innovative start-ups. French regulators have set up competent teams to support issuers. French legislation recognizes the use of the Blockchain and the existence of digital tokens.

In this very attractive environment, the ecosystem is competitive and dynamic and covers all the needs of DASPs.

To set up activities in France and find out how to proceed, you may contact Paris EUROPLACE (info@paris-europlace.com) and the AMF (psan@amf-france.org). Paris EUROPLACE counts among its members consultants, lawyers and tax specialists who may be helpful to your project²¹. The AMF will respond to all regulatory questions.

Professional associations are also very involved and open. DASPs should not hesitate to contact those that best correspond to their project:

- AFG²²: French Association of Financial Management: gathers the management companies of approved portfolios in France, i.e. more than 400 members, as well as corresponding members (lawyers, consultants, compliance specialists...)
- AFTI²³: The purpose of the Association

Française des Professionnels des Titres (AFTI), set up in 1990, is to bring together professionals from banking and financial institutions involved in activities on financial instruments.

- AMAFI²⁴: The French Financial Markets Association (AMFI) gathers all institutions that operate on the financial markets (credit institutions, investment firms, market companies, clearing houses, central securities depositories and settlement system managers). The Association also counts among its members lawyers and experts on these activities.
- France Invest²⁵ represents French private equity. It gathers venture capital companies, funds, management companies of investment companies, lawyers and consultants.

Finally, a very dynamic environment has developed to facilitate the life of start-ups in their operational life (premises, administrative procedures...). FINANCE INNOVATION²⁶ is the entry point: info@finance-innovation.org

²¹ www.paris-europlace.com/en/list-of-members

²² www.afg.asso.fr/en

²³ www.afti.asso.fr

²⁴ www.amafi.fr/en

²⁵ www.franceinvest.eu/en

²⁶ www.finance-innovation.org/en

VII APPENDICES

VII-1 LIST OF MEMBERS OF PARIS EUROPLACE “DIGITAL ASSETS” WORKING GROUP

Emilien BERNARD-ALZIAS, Avocat à la Cour, SIMMONS & SIMMONS
Thomas CUVELIER, Chargé d'études marchés, AMAFI
Stéphane DANIEL, DAVIS POLK & WARDWELL
Laurent DE BERNEDE, Co-fondateur CREDIT.FR
Emmanuel DE FOURNOUX, Directeur des activités de marché, AMAFI
Thibaut de LAJUDIE, Associé, AILANCY
Hubert DE VAUPLANE, Associé, Avocat au Barreau de Paris, KRAMER LEVIN
Carine DELFRAYSSI, Directrice, Affaires juridiques et européennes, PARIS EUROPLACE
Cyril DENIAUD, Avocat à la Cour · Associé / Partner JEANTET ASSOCIES
Domitille DESSERTINE, Directrice Division Fintech, innovation et compétitivité, AMF
Muriel FAURE, AFG - ASSOCIATION FRANCAISE DE LA GESTION FINANCIERE
Vincent FIDELLE, Avocat associé, HOGAN LOVELLS
Faustine FLEURET, Finance and Regulatory Strategy Associate, CONSENSYS
Philippe GOUTAY, Avocat, JONES DAY
Guillaume GUÉRIN, Avocat, Counsel COHEN & GRESSER AAEPI
Pauline GUERIN, Chargée de mission banque d'investissement et de marchés, FBF
Franck GUIADER, Head of Innovation & FinTech, Gide
Louis-Charles HEVIN, Observateur Direction des affaires juridiques, AMF
Karima LACHGAR, Avocat, CMS FRANCIS LEFEBVRE
Jonathan LEWIS, Partner, CLIFFORD CHANCE EUROPE
Matthieu LUCCHESI, Lawyer, GIDE LOYRETTE NOUEL
Marie-Aude NOURY, Avocat, CABINET NOURY
Alice PEZARD, Avocat, PEZARD AVOCAT
Ana PIRES, Banque d'investissement et de marchés, FEDERATION BANCAIRE FRANCAISE
Alain PITHON, Secrétaire général, PARIS EUROPLACE
Marc RIPAULT, PWC
Eric ROTURIER, Avocat, ALLEN & OVERY
Stéphanie SAINT PÉ, Déléguée Générale, AFTI
Dibril SAKO, Avocat à la Cour, Associate, DLA PIPER
Bruno SCHNEIDER LE SAOUT, Treasurer, AFIP
Ladislav SKURA, Juriste Direction droit de l'entreprise, MEDEF
Thomas VALLI, Directeur des études économiques, AFG
Virginie VIGNON-PRIAM, Responsable Juridique adjoint IT/IP, BNP PARIBAS



PARIS EUROPLACE

About Paris EUROPLACE:

Paris EUROPLACE is the organisation in charge of developing and promoting the Paris Financial Marketplace and the French financial industry internationally. It brings together all financial industry stakeholders; its 400+ members include issuers, investors, banks and financial intermediaries, insurance companies, attorneys and accountants, consulting firms, etc. The association is chaired by Augustin de Romanet, Chairman and CEO of Groupe ADP.

www.paris-europlace.com

 Paris EUROPLACE

 @europlace