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| Response Form to the Consultation Paper on guidelines on standard forms, formats and templates to apply for permission to operate a DLT market infrastructure |
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**Responding to this paper**

ESMA invites comments on all matters in this consultation paper and in particular on the specific questions. Comments are most helpful if they:

* respond to the question stated;
* indicate the specific question to which the comment relates;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all comments received by **9 September 2022**

**Instructions**

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

1. Insert your responses to the questions in the Consultation Paper in the present response form.
2. Use this form and send your responses in Word format (**pdf documents will not be considered except for annexes**);
3. Please do not remove tags of the type <ESMA\_QUESTION \_DLTM\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
4. If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
5. When you have drafted your response, name your response form according to the following convention: ESMA\_DLTM\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_DLTM\_ABCD\_RESPONSEFORM.
6. Upload the form containing your responses, **in Word format**, to ESMA’s website (www.esma.europa.eu under the heading “Your input – Open Consultations” -> Consultation Paper on the clearing and derivative trading obligations in view of the benchmark transition”).

**Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publically disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

**Data protection**

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading [Legal Notice](http://www.esma.europa.eu/legal-notice).

**Who should read this paper**

# All interested stakeholders are invited to respond to this consultation. In particular, this paper may be specifically of interest to trading venues, CSDs or other entities envisaging to apply for specific permission to operate a DLT market infrastructure.

**General information about respondent**

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| Name of the company / organisation | AMAFI |
| Activity | Investment Services |
| Are you representing an association? |  |
| Country/Region | France |

**Questions**

1. Do you have any comments or suggestions regarding the proposed guidelines? If so, please provide arguments supporting your comments and suggestions.

<ESMA\_QUESTION\_DLTM\_1>

***Association Française des Marchés Financiers* (AMAFI)** is the legal trade organisation representing financial market participants in France. AMAFI members are investment firms and credit institutions (French, European and global firms), operating in and/or from France (corporate and investment banks (CIBs), brokers-dealers, market-infrastructures, exchanges and private banks).

AMAFI is very implicated in the implementation of the pilot regime for market infrastructures based on distributed ledger technology (‘DLTR’) in relationship with other stakeholders such as lawyers, or entities which are involved in providing DLT arrangements in France.

Therefore, AMAFI welcomes the opportunity to respond to this consultation paper on a pilot regime for market infrastructures based on distributed ledger technology (‘DLTR’)

AMAFI considers that the proposed guidelines are appropriate at this stage.

<ESMA\_QUESTION\_DLTM\_1>

1. Is any clarification needed in respect of the content of certain items listed in the tables below? If so, please indicate.

<ESMA\_QUESTION\_DLTM\_2>

* ESMA may clarify the definition of the types of DLT mentioned in Annex to the Guidelines, Table 2, (a) “the business plan of the applicant”. For example, what would be the difference between a unpermissioned DLT and a public DLT.
* The Annex to the Guidelines, Table 2, (a) “the business plan” requires a “description of how their performance of functions, services and activities [provided to clients] deviates from those performed by a multilateral trading facility or securities settlement system that is not based on distributed ledger technology” and “if applicable, modality chosen to identify and differentiate the DLT functions, services and activities from those performed by a multilateral trading facility or a securities settlement system that is not based on distributed ledger technology”. This information will be provided in relation with the various exemptions requested. Therefore, these two items in the general description would be redundant with the rest of the application and could hence be removed.
* ESMA could use the Guidelines to harmonize the content of the “Transition strategy” mentioned in the Annex to the Guidelines, Table 2, (g). It could expressly mention that the purpose of the Transition strategy is to define the main principles that the DLT market infrastructure intends to implement if the situations listed in art. 7 § 7 of PRR occur. National authorities should refrain from imposing to DLT market infrastructures to define this strategy in a too detailed way as this strategy may need to evolve throughout time.
* ESMA could use the Table 3 of the Annex of the Guidelines to clarify how to assess whether natural persons admitted directly to a DLT MTF are "of sufficient good repute" and whether they have a sufficient "knowledge of the functioning of distributed ledger technology”. Here again, it is important to ensure that national authorities do not impose too many requirements which would make the direct admission of natural persons to a DLT MTF irrealistic. For example, ESMA could clarify, regarding the knowledge of the functioning of distributed ledger technology, that the confirmation that participants understand the notion of “DLT financial instruments” and the difference with other types of financial instruments is sufficient.

<ESMA\_QUESTION\_DLTM\_2>

1. Do you consider more specific forms or templates should be developed for certain items? If so, please specify.

<ESMA\_QUESTION\_DLTM\_3>

See our answers to Q1 and Q2

<ESMA\_QUESTION\_DLTM\_3>