



**AMENDMENTS No.3  
AIFC AUTHORISED MARKET INSTITUTION  
RULES  
(AMI)**

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In this document, a blue font and underlining indicates new text and strikethrough indicates deleted text, unless otherwise indicated.

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#### Guidance: Purpose and application of AMI

The rules and guidance in AMI complement Chapter 2 of Part 3 of the Framework Regulations (Licensing of Authorised Market Institutions) and Part 6 of the Framework Regulations (Capital Markets). AMI also contains rules in relation to the supervision of Authorised Market Institutions which complement the provisions in Part 8 of the Framework Regulations (Supervision of Authorised Persons) and Chapter 7 of the GEN rulebook (Supervision). The purpose of the rules and guidance in AMI is to set out:

- the licensing requirements, or standards, which an applicant must satisfy to be granted a Licence to carry on either of the Market Activities of Operating an Investment Exchange, Operating ~~Private E-currency~~ Digital Asset Trading Facility and Operating a Clearing House;

...

The application of the rules in AMI is as follows:

...

Chapter 6 contains additional rules and guidance applicable to Authorised ~~Private E-currency~~ Digital Asset Trading Facility.

...

## 1. INTRODUCTION

### 1.1. Introduction

#### 1.1.1. Definitions

(1) An Authorised Market Institution is a Centre Participant which has been licensed by the AFSA to carry on one or more Market Activities. An Authorised Market Institution can be an Authorised Investment Exchange, an Authorised ~~Private E-currency~~ Digital Asset Trading Facility, an Authorised Clearing House and/or an Authorised Crowdfunding Platform.

...

(7) An Authorised ~~Private E-currency~~ Digital Asset Trading Facility is a Centre Participant which has been licensed by the AFSA to carry on the Market Activity of Operating a ~~Private E-currency~~ Digital Asset Trading Facility.

...

#### 2.4.4. Resources of Members

...

(2) The requirements in (1) do not apply to:



(b) the Member of an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility if the Member is a body corporate or an individual (natural person) that carries on the activity solely as principal.

#### 2.4.7. Testing relating to Members' technology systems

...

(4) The requirements in (1)-(3) do not apply to:

...

(b) the Member of an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility if the Member is a body corporate or an individual (natural person) that carries on the activity solely as principal.

## 2.5. Business Rules

### 2.5.1. Requirement to prepare Business Rules

Save where the AFSA otherwise directs, an Authorised Market Institution must establish and maintain Business Rules governing relations between itself and the participants in the market, including but not limited to:

...

(d) Admission to Trading Rules, prepared in accordance with AMI 3.2 or AMI 6.3, or Admission to Clearing Rules, prepared in accordance with AMI 4.1, governing the admission of Securities, Units in a Listed Fund or ~~Private E-currencies~~ [Digital Assets](#) to trading, or clearing and settlement, as appropriate to its facilities;

...

The requirements in (c) and (e) do not apply to the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility.

## 2.6. Membership

### 2.6.1. Persons eligible for Membership

(1) An Authorised Market Institution, except an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility, may only admit as a Member a Person who satisfies admission criteria set out in its Membership Rules and who is either:

...

(2) An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility may only admit as a Member a Person who satisfies admission criteria set out in its Membership Rules and which is:

## 2.7. Direct Electronic Access

### 2.7.1. Direct Electronic Access

Direct Electronic Access means any arrangement, such as the use of the Member's trading code, through which a Member or the clients of that Member are able to transmit electronically orders relating to Securities, Units in a Listed Fund or ~~Private E-currency~~ [Digital Asset](#) directly to the facility provided by the Authorised Market Institution and includes arrangements which involve the use by a Person of the infrastructure of the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility or the Member or participant or client or any connecting system provided by the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility or Member or participant or client, to transmit the orders and arrangements where such an infrastructure is not used by a Person.



## 2.9.2. Custody and investment risk

(1) An Authorised Market Institution must have effective means to address risks relating to:

...

(c) ~~Private E-currencies~~ [Digital Assets](#), if it is an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility.

## 6. RULES APPLICABLE TO AN AUTHORISED ~~PRIVATE E-CURRENCY~~ [DIGITAL ASSET](#) TRADING FACILITY

### 6.1. Main requirements relating to trading on the facility

An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must, at the time a Licence is granted and at all times thereafter, have:

(a) transparent and non-discriminatory rules and procedures to ensure fair and orderly trading of ~~Private E-currencies~~ [Digital Assets](#) on its facility;

...

(2) An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must maintain effective arrangements to verify that its members comply with requirements set out in COB, AML.

(3) An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must not introduce a liquidity incentive scheme other scheme for encouraging bids on a trading venue or to increase the volume of business transacted unless it has obtained the prior approval of the AFSA.

(4) For the purposes of (1), an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must make available to the public, without any charges, data relating to the quality of execution of transactions on the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility on at least an annual basis. Reports must include details about price, costs, speed and likelihood of execution for individual ~~Private E-currencies~~ [Digital Assets](#).

### 6.2. Requirement to prepare Rules

(1) An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility's Rules must:

...

(f) contain provisions for penalties or sanctions which may be imposed by the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility for a breach of the Rules; and

(g) contain provisions for an appeal process from the decisions of the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility.

(2) An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must seek prior approval of its Rules (Business Rules, Admission to Trading Rules, Membership Rules) and of amendments to its Rules by:

...

(3) Where an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility has made any amendments to its Rules, it must have adequate procedures for notifying users and the AFSA of such amendments with a notice period of at least 30 days prior to making any amendments to its Rules available for market consultation.



(4) An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must have procedures in place to ensure that its Rules are monitored and enforced.

### 6.3. Admission of ~~Private E-currencies~~ [Digital Assets](#) to trading

#### 6.3.1. Admission to Trading Rules

(1) An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must make clear and transparent rules concerning the admission of ~~Private E-currencies~~ [Digital Assets](#) to trading on its facilities.

(2) The rules of the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must ensure that:

(a) ~~Private E-currencies~~ [Digital Assets](#) admitted to trading on an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility's facilities are capable of being traded in a fair, orderly and efficient manner; and

(b) ~~Private E-currencies~~ [Digital Assets](#) admitted to trading on an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility's facilities are freely negotiable.

#### 6.3.2. Application for admission of ~~Private E-currencies~~ [Digital Assets](#) to Trading

(1) Applications for the admission of a ~~Private E-currency~~ [Digital Asset](#) to trading can be made to an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility by the issuer of the ~~Private E-currency~~ [Digital Asset](#), by a third party on behalf of and with the consent of the issuer of the ~~Private E-currency~~ [Digital Asset](#), or by a Member of an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility.

(2) A ~~Private E-currency~~ [Digital Asset](#) can also be admitted to trading on the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility's own initiative.

(3) An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must, before admitting any ~~Private E-currency~~ [Digital Asset](#) to trading:

(a) be satisfied that the applicable requirements, including those in its Admission to Trading Rules, have been or will be fully complied with in respect of such ~~Private E-currency~~ [Digital Asset](#); and

(b) obtain approval of the AFSA in respect of such ~~Private E-currency~~ [Digital Asset](#).

(4) For the purposes of (1), an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must notify an applicant in writing of its decision in relation to the application for admission of the ~~Private E-currency~~ [Digital Asset](#) to trading. In the case that such decision is to deny the application, the written notice should indicate (i) whether the application has been considered by the AFSA, and if so, (ii) the AFSA's determination in respect thereof.

(5) For purposes of 3(b), an application to AFSA by Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility shall include:

...

#### 6.3.3. Decision-making procedures for the AFSA in relation to applications for approval of the admission of ~~Private E-currencies~~ [Digital Assets](#) to trading

(1) Where an Authorised Person Operating a ~~Private E-currency~~ [Digital Asset](#) Trading Facility applies for approval of the admission of a ~~Private E-currency~~ [Digital Asset](#) to trading, the AFSA may:

...

(2) The AFSA may exercise its powers under (1)(b) where the AFSA reasonably considers that:

(a) granting the ~~Private E-currencies~~ [Digital Assets](#) admission to trading of ~~Private E-currencies~~ [Digital Assets](#) would be detrimental to the interests of Persons dealing in the relevant ~~Private E-currencies~~ [Digital Assets](#)



[Assets](#) using the facilities of an Authorised Person Operating a ~~Private E-currency~~ [Digital Asset](#) Trading Facility or otherwise; or

(b) any requirements imposed by the AFSA or in the Rules of an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility as are applicable have not been or will not be complied with; or

(c) the Issuer of the ~~Private E-currencies~~ [Digital Assets](#) has failed or will fail to comply with any obligations applying to it including those relating to having its ~~Private E-currencies~~ [Digital Assets](#) admitted to trading or traded in another jurisdiction.

(3) Where the AFSA denies an application for approval of admission of a ~~Private E-currency~~ [Digital Asset](#) to trading pursuant to (2), such ~~Private E-currencies~~ [Digital Assets](#) must not be admitted by an Authorised Person Operating a ~~Private E-currency~~ [Digital Asset](#) Trading Facility to its facility.

(4) Where the AFSA approves an application for approval of admission of a ~~Private E-currency~~ [Digital Asset](#) to trading subject to conditions or restrictions, the Authorised Person Operating a ~~Private E-currency~~ [Digital Asset](#) Trading Facility is responsible for implanting such conditions and restrictions in admitting the ~~Private E-currency~~ [Digital Asset](#) to trading, and such conditions or restrictions may not be varied or removed without the approval of the AFSA.

#### **6.3.4. Undertaking to comply with the acting law of the AIFC**

An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility may not admit ~~Private E-currencies~~ [Digital Assets](#) to trading unless the person who seeks to have ~~Private E-currencies~~ [Digital Assets](#) admitted to trading:

...

#### **6.3.5. Review of compliance**

The Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must maintain arrangements regularly to review whether the ~~Private E-currencies~~ [Digital Assets](#) admitted to trading on its facilities comply with the Admission to Trading Rules.

...

### **6.4. Suspending or removing ~~Private E-currencies~~ [Digital Assets](#) from trading**

#### **6.4.1. Power to suspend**

(1) The rules of an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must provide that the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility have the power to suspend or remove from trading on its facilities any ~~Private E-currencies~~ [Digital Assets](#) with immediate effect or from such date and time as may be specified where it is satisfied that there are circumstances that warrant such action or it is in the interests of the AIFC.

(2) The AFSA may direct an Authorised Person Operating a ~~Private E-currency~~ [Digital Asset](#) Trading Facility to suspend or remove ~~Private E-currencies~~ [Digital Assets](#) from trading with immediate effect or from such date and time as may be specified if it is satisfied there are circumstances that warrant such action or it is in the interests of the AIFC.

(3) The AFSA may withdraw a direction made under (2) at any time.

(4) ~~Private E-currencies~~ [Digital Assets](#) that are suspended from trading of ~~Private E-currencies~~ [Digital Assets](#) remain admitted to trading for the purposes of this Chapter.

(5) The AFSA may prescribe any additional requirements or procedures relating to the removal or suspension of ~~Private E-currencies~~ [Digital Assets](#) from or restoration of ~~Private E-currencies~~ [Digital Assets](#) to trading.

#### **6.4.2. Limitation on power to suspend or remove ~~Private E-currencies~~ [Digital Assets](#) from trading**



The rules of an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must contain provisions for orderly suspension and removal from trading on its facilities any ~~Private E-currency~~ [Digital Asset](#) which no longer complies with its rules taking into account the interests of investors and the orderly functioning of the financial markets of the AIFC.

#### 6.4.3. Publication of decision

(1) Where the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility suspends or removes any ~~Private E-currency~~ [Digital Asset](#) from trading on its facilities, it must notify the AFSA in advance and make that decision public by issuing a public notice on its website.

(2) Where the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility lifts a suspension or re- admits any ~~Private E-currency~~ [Digital Asset](#) to trading on its facilities, it must notify the AFSA in advance and make that decision public by issuing a public notice on its website.

(3) Where an Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility has made any decisions on admission, suspension, or removal of ~~Private E-currencies~~ [Digital Assets](#) from trading on its facilities, it must have adequate procedures for notifying users of such decisions.

### 6.5. Transparency obligations

#### 6.5.1. Trading transparency obligation

An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must make available to the public:

(a) the current bid and offer prices of ~~Private E-currencies~~ [Digital Assets](#) traded on its systems on a continuous basis during normal trading hours;

(b) the price, volume and time of the transactions executed in respect of ~~Private E-currencies~~ [Digital Assets](#) traded on its facilities in as close to real-time as technically possible; and

...

#### 6.5.2. Public notice of suspended or terminated Membership

The Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must promptly issue a public notice on its website in respect of any Member that has a Licence to carry on Market Activities or Regulated Activities whose Membership is suspended or terminated.

#### 6.5.3. Cooperation with office-holder

The Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must cooperate, by the sharing of information and otherwise, with the AFSA, any relevant office-holder and any other authority or body having responsibility for any matter arising out of, or connected with, the default of a Member of the ~~Private E-currency~~ [Digital Asset](#) Trading Facility.

### 6.6. Additional requirements on technology resources

#### 6.6.1. Cyber-security policy

(1) An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility shall implement a written cyber security policy setting forth its policies and procedures for the protection of its electronic systems and members and counterparty data stored on those systems, which shall be reviewed and approved by the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility's governing body at least annually.

...

(3) An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must advise the AFSA immediately if it becomes aware, or has reasonable grounds to believe, that a significant breach by any Person of its cyber security policy may have occurred or may be about to occur.

#### 6.6.2. Technology governance



An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must, as a minimum, have in place systems and controls with respect to the procedures describing the creation, management and control of digital wallets and private keys.

### 6.6.3. Trading controls

An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must be able to:

...

### 6.6.4. Settlement and Clearing facilitation services

(1) An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility must ensure that satisfactory arrangements are made for securing the timely discharge (whether by performance, compromise or otherwise), clearing and settlement of the rights and liabilities of the parties to transactions effected on the Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility (being rights and liabilities in relation to those transactions).

(2) An Authorised ~~Private E-currency~~ [Digital Asset](#) Trading Facility acting as a ~~Private E-currency~~ [Digital Asset](#) Depository must:

(a) have appropriate rules, procedures, and controls, including robust accounting practices, to safeguard the rights of ~~Private E-currencies~~ [Digital Assets](#) issuers and holders, prevent the unauthorised creation or deletion of ~~Private E-currencies~~ [Digital Assets](#), and conduct periodic and at least daily reconciliation of each ~~Private E-currency~~ [Digital Asset](#) balance it maintains for issuers and holders;

(b) prohibit overdrafts and debit balances in ~~Private E-currencies~~ [Digital Assets](#) accounts;

(c) maintain ~~Private E-currencies~~ [Digital Assets](#) in an immobilised or dematerialised form for their transfer by book entry;

(d) protect assets against custody risk through appropriate rules and procedures consistent with its legal framework;

(e) ensure segregation between the ~~Private E-currency~~ [Digital Asset](#) Depository's own assets and the ~~Private E-currencies~~ [Digital Assets](#) of its participants and segregation among the ~~Private E-currencies~~ [Digital Assets](#) of participants; and

...

## 7. RULES APPLICABLE TO AN AUTHORISED CROWDFUNDING PLATFORM

### 7.2. Permissible activities

7.2.1 An Authorised Crowdfunding Platform may apply to the AFSA to carry on one or more of the following Regulated and Market Activities:

...

(h) Operating a ~~Private E-currency~~ [Digital Asset](#) Trading Facility

...

7.2.3 An Investment Crowdfunding Platform must not facilitate a Person investing in the following kinds of Investments through the Investment Crowdfunding Platform:

...

(e) ~~Private E-currencies~~ [Digital Assets](#); or

(f) rights or interests in a Security, Structured Product, Derivative or a ~~Private E-currency~~ [Digital Asset](#).