BULLETIN DROIT & BANQUE

EXTRAIT 69

BULLETIN

DROIT & BANQUE

N° 69

Décembre 2021

Editeur:

Association Luxembourgeoise des Juristes de Droit Bancaire a.s.b.l.

www.aljb.lu

Secrétariat, Inscriptions:

secretariat@aljb.lu
House of Finance
B.P. 13
L-2010 Luxembourg

Issues with trading of tokenised securities in Luxembourg: the DLT Pilot Regime as solution ?

Karl Pardaens[1]
Avocat à la Cour
Elvinger Hoss Prussen

Benoît Nerriec
Juriste, member of the New York Bar
Elvinger Hoss Prussen

The proposal for a Regulation of the European Parliament and of the Council on a pilot regime for market infrastructures based on distributed ledger technology ("**DLT**") (the "**DLT Pilot Regime**" or the "**Regulation**")[2] was published as part of the digital finance package adopted by the European Commission on 24 September 2020 (the "**Digital Finance Package**"). The DLT Pilot Regime is at a more advanced stage compared to the proposal for a Regulation of the European Parliament and of the Council on markets in crypto-assets and amending Directive (EU) 2019/1937[3] ("**MiCA**")[4], which was also published as part of the Digital Finance Package, since amendments to the initial proposal have been voted by the European Parliament and published on 5 August 2021.

We analysed in a previous paper[5] that it is currently possible to issue tokenised securities in Luxembourg but that doing so raises some legal issues when it comes to transferring and trading tokenised securities on a platform. The questions relating to the secondary market activities are important for issuers and their investors and this is where the DLT Pilot Regime will become relevant. The objective of the DLT Pilot Regime with the creation of the status of DLT market infrastructure is indeed to enable the European Union "*to play a leading role regarding tokenized financial instruments and to contribute to the development of a secondary market for those assets*" (Recital (6)). To do so, the approach retained by the European Commission and the European Parliament is to put in place a pilot regime with temporary exemptions granted to the relevant operators of market infrastructures to allow them to test this new technology in the context of the trading and settlement of financial instruments. The DLT Pilot Regime also envisages the possibility for DLT market infrastructures "*to cooperate with other market participants in order to test innovative solutions based on DLT, on each segment of the value chain of the financial services*" (Recital (7)), which is a welcomed approach that will be beneficial for all market participants. In this article, we will give a brief overview of the scope of the DLT Pilot Regime (I) and we will discuss how it is intended to regulate DLT market infrastructures (II).

1 Scope of the DLT Pilot Regime

The DLT Pilot Regime contemplates the regulation of certain types of financial instruments on the one hand (A), and the regulation of certain types of market infrastructures on the other hand (B).

A. The financial instruments covered by the DLT Pilot Regime

Whereas MiCA focuses on the regulation of, among others, crypto-assets other than those qualifying as financial instruments, the DLT Pilot Regime very much deals with those instruments, which it defines as the "DLT financial instruments". The initial draft of the DLT Pilot Regime published on 24 September 2020 was not using this term but the term "DLT transferable securities". This difference of terminology has a substantial impact on the scope of this Regulation: DLT transferable securities were defined by cross-reference to article 4(1)(44) (a) and (b) of Directive 2014/65/EU ("**MiFID**") which, in simplified terms, meant that initially only securities similar to shares or bonds and issued, recorded, transferred and stored on a DLT were covered by the DLT Pilot Regime. With this amendment made by the European Parliament, in addition to

1 The views expressed in this paper are those of the authors and do not necessarily reflect the views of the law firm Elvinger Hoss Prussen, société anonyme.
2 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020PC0594.
3 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020PC0593.
4 For a preliminary analysis of MiCA, see K. Pardaens, B. Nerriec, *"The future of issuance and trading of tokens (other than financial instruments) in Luxembourg: A MiCA preliminary analysis"*, Revue Pratique de Droit des Affaires 2021/12, p. 11 et seq.
5 K. Pardaens, B. Nerriec, *"Tokenised securities in Luxembourg: concept and legal considerations to be taken into account upon an issuance"*, ALJB – Bulletin Droit & Banque N°67 – ALJB 2020, pages 29 et seq.

the transferable securities as defined under MiFID, will also be covered the other financial instruments listed in section C of Annex I of MiFID, i.e. money-market instruments, units in collective investment undertakings and derivatives instruments. The sole financial instruments excluded from the scope of the DLT Pilot Regime are the depositary receipts which are defined under MiFID as "*those securities which are negotiable on the capital market and which represent ownership of the securities of a non-domiciled issuer while being able to be admitted to trading on a regulated market and traded independently of the securities of the non-domiciled issuer*".[6] The justification provided by the European Parliament to exclude the depositary receipts is that "*in a DLT environment, shares and bonds could be considered as "native" security tokens while depositary receipts can be considered as "asset-backed" security tokens representing ownership rights of an underlying traditional share or bond*", adding that this understanding "*is based on the limitations in Article 3 that only apply to shares and bonds (and not depositary receipts)*".[7] This carve out in the definition of DLT financial instruments is not without consequences. In the absence of such carve out, the depository receipts issued, recorded, transferred and stored on DLT would be treated as DLT financial instruments, which is indeed not what article 3(1) of the DLT Pilot Regime currently provides. However, introducing the carve out in the definition of DLT financial instruments will lead to a situation where non-domiciled issuers will be able to issue DLT depositary receipts within the European Union without being caught by the DLT Pilot Regime, which therefore means that issuers unwilling to comply with the DLT Pilot Regime could use that carve out to issue "native security tokens" in a more favourable jurisdiction outside of the European Union and issue thereafter DLT depositary receipts representing such native security tokens within the European Union as a way to avoid the Regulation. We are not totally convinced by the pertinence of the argument put forward by the rapporteur of the European Parliament and that approach may well have negative consequences for the regulation of DLT financial instruments.

The DLT Pilot Regime also intends to introduce some limitations regarding the volume of DLT financial instruments which may be admitted and/or traded on a DLT market infrastructure as follows: (i) shares, the issuer of which has a market capitalisation of less than EUR 200 million, (ii) bonds (including sovereign bonds which were not included initially) with an issuance size of less than EUR 500 million, (iii) DLT ETF units (i.e. the units or shares of an exchange-traded fund within the meaning of article 4(1)(46) of MiFID) investing in the first two categories of financial instruments with an issuance size of less than EUR 500 million and (iv) DLT units of collective investment undertakings investing in the first two categories of financial instruments with an issuance size of less than EUR 500 million.[8] In addition to the limitations per type of DLT financial instrument, it is contemplated to have a limit for the total market value of a DLT market infrastructure set at EUR 5 billion. In the event these thresholds are reached, it would no longer be possible for the DLT financial instruments to be admitted on, or settled by, a DLT market infrastructure and the DLT financial instruments would have to be transferred back to traditional market infrastructures. How would this be achieved ? First of all, article 3(5) of the DLT Pilot Regime imposes the obligation on the operator of a DLT market infrastructure to submit to the competent authority (i.e. the authority granting the relevant permission to operate the market infrastructure) monthly reports evidencing that the above thresholds are not met. This same article provides that where the total market value of the DLT financial instruments reaches EUR 7 billion, the operator should activate the transition strategy set forth in article 6(6) of the DLT Pilot Regime and notify the competent authority accordingly in its monthly report. According to article 6(6), the transition strategy is a "*strategy for transitioning out of or winding down a particular DLT market infrastructure […], including the transition/ reversion of their DLT operations to traditional infrastructures, ready to be deployed in a timely manner*" when the thresholds are reached or when the permission or some of the exemptions granted are withdrawn or discontinued. The same article adds that the transition strategy must be clear, detailed, publicly available and updated on an ongoing basis, and that it shall "*set out how members, participants, issuers and clients shall be treated, in the event of such withdrawal, discontinuation or cessation*" of the DLT market infrastructure. The transitioning from a DLT market infrastructure to a traditional market infrastructure will most certainly raise a number of practical issues and it will be challenging to come up with such strategy but existing operators of market infrastructures will have an edge over new entrants which may have to establish their own traditional market infrastructure or may need to rely on third party operators.

6 Article 4(1)(45) of MiFID.

7 European Parliament, Committee on Economic and Monetary Affairs, Draft Report on the proposal for a regulation of the European Parliament and of the Council on a pilot regime for market infrastructures based on distributed ledger technology, 9 March 2021, Amendment 52, https://www.europarl.europa.eu/doceo/document/ECON-PR-689571_EN.pdf.

8 Article 3(1) of the DLT Pilot Regime. The last two categories were not included in the initial proposal.

To conclude, issuers should keep in mind that these rules and limitations regarding DLT financial instruments will of course need to be combined with other applicable financial regulations and, in particular, Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Prospectus Regulation**"). In other words, the DLT Pilot Regime will be relevant when it comes to trading and settlement of DLT financial instruments but the Prospectus Regulation will continue to fully apply at the time of the initial issuance of such DLT financial instruments.

B. The market infrastructures covered by the DLT Pilot Regime

Article 2(2) of the DLT Pilot Regime defines a "DLT market infrastructure" as (i) a DLT multilateral trading facility ("**DLT MTF**"), (ii) a DLT securities settlement system ("**DLT SSS**") or (iii) a DLT trading and settlement system ("**DLT TSS**").

A DLT MTF is a multilateral trading facility within the meaning of MiFID, which is authorised under the DLT Pilot Regime.

A DLT SSS is a securities settlement system within the meaning of article 2(7) of Regulation (EU) No. 909/2014 (the "**CSDR**"), which is authorised under the DLT Pilot Regime.

A DLT TSS is a DLT market infrastructure that combines the services performed by both a DLT MTF and a DLT SSS. As stated in Recital (9) of the DLT Pilot Regime, "*the combination of trading and post-trading within one single legal entity is currently not permitted, irrespective of the technology used, due to policy choices related to risk specialization and unbundling for the purposes of encouraging competition*". The same Recital immediately clarifies that "*the pilot regime should not be a precedent for a fundamental overhaul of the separation of trading and post-trading functions nor of the landscape of financial market infrastructures*". Nevertheless, this new form of market infrastructure is likely to create a substantial change in the industry and could become the new norm in the years to come.

Out of the three types of DLT market infrastructures, DLT MTFs are the ones to closely look at when considering trading DLT financial instruments in Luxembourg. Establishing an MTF or even an organised trading facility ("**OTF**") is something that requires important human and financial resources and obtaining a license to operate this type of regulated exchange takes time and is challenging in many ways, especially for new entrants. Even though we welcome the approach of the European Commission to opt for a pilot regime to test the regulation of DLT market infrastructures and spur start-ups and market infrastructures to develop innovative solutions relying on DLT and crypto-assets, we regret that the DLT Pilot Regime does not address alternative platforms or systems that may be put in place and which raise an important number of questions in practice. We are referring here to bulletin boards which represent indeed an attractive alternative to offer a secondary market for investors without all the regulatory burden attached to an MTF or OTF and which are thus frequently favoured by issuers of crypto-assets and/or their investors, at least at the early stages of their projects. The boundaries between bulletin boards and regulated exchanges are currently not well delineated which creates legal uncertainty. This issue has been raised by the European Securities and Markets Authority ("**ESMA**") in its report of 23 March 2021 on the functioning of OTF[9] in which ESMA noted that some projects related to crowdfunding and crypto-assets platforms are "*looking to offer a secondary market to their clients in a way where these arrangements would fall outside the trading venue scope, in particular by considering themselves as bulletin boards, with different levels of complexity*".[10] As highlighted by ESMA, this issue has found a particular echo with crowdfunding and crypto-assets platforms (including because of the intrinsic characteristics of these markets) but is essentially a broader issue regarding the difference between regulated exchanges and non-regulated exchanges and what are the decisive criteria to distinguish the two.

This situation is due to the absence of definition of bulletin boards under MiFID. When discussing OTFs, Recital (8) of Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 states that OTFs "*should not include facilities* ***where there is no genuine trade execution or arranging taking place in the system, such as bulletin boards*** *used for advertising buying and selling interests, other entities aggregating or pooling potential buying or selling interests […]*". In its report on the functioning of OTFs, ESMA recommended the insertion of a definition of bulletin board under

9 European Securities and Markets Authority, "MiFID II review report on the functioning of Organised Trading Facilities (OTF)", ESMA70-156-4225, 23 March 2021 (https://www.esma.europa.eu/press-news/esma-news/esma-makes-recommendations-organised-trading-facilities-under-mifid-iimifir).

10 Ibid, paragraph 106.

MiFID and clarified what they are by explaining the following: "*a bulletin board **exclusively advertises trading interests without facilitating in any way the interaction of those interests**, unlike a trading venue. **It might include prices, quantities available, and even display the contact details** of potential buyers and sellers, however it cannot organise the bringing together of these interests, nor use a centralised order book or any other kind of trading system. Consequently, the **negotiation and conclusion of transactions should be performed bilaterally, outside of the system***".[11] Furthermore, ESMA explained that the definition of bulletin board to be inserted under MiFID should take into account the following elements:

"*a) an **interface that only aggregates and broadcasts buying and selling interests** in financial instruments (including financial securities registered in a distributed ledger);*

*b) the system **neither allows for the communication or negotiation between advertising parties**, including any notification of any potential match between buying and selling interests in the system, nor imposes the mandatory use of tools of affiliated companies; and,*

*c) there is **no possibility of execution or the bringing together** of buying and selling interests in the system*".[12]

One may only hope for the adoption of this legislative proposal in the coming months and depending on the timing of such amendment, a similar provision could be added under the DLT Pilot Regime to clarify what will qualify as a DLT bulletin board. In the meantime, however, issuers and their initial investors will continue to face some legal uncertainty and potentially lengthy discussions with the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") to determine whether their platform or interface qualifies as a trading venue or a bulletin board. Nevertheless, the characteristics of a bulletin board as set forth by ESMA should serve as a guide and assist issuers when discussing with the CSSF. In our view, two elements are crucial for a platform to qualify as bulletin board: first, there shall be minimal communication and/or negotiation possible on the platform. Advertising buying and selling interests with prices, quantities and contact details can be part of the design of a bulletin board but the communication between the advertising parties should remain as limited as possible, which therefore seems to exclude tools such as Bloomberg chats or the like to be integrated as part of the design of the platform. Second, the platform should exclude the possibility to execute trades and more broadly should not create the conditions for bringing together buying and selling interests, meaning that no contracts or transactions should be concluded directly on the platform but bilaterally outside of the platform, and that there shall not be any request for quotation type of functionality with alerts or automatic notifications when there is a match between buying and selling interests. Any platform whose design will not contain these functionalities should have solid arguments to qualify as bulletin boards, it being noted that a case-by-case analysis will remain necessary to determine the legal nature of the platform.

2 The regulation of DLT market infrastructures

Our aim in this section is not to comprehensively address all the obligations and requirements applicable to the DLT market infrastructures when the DLT Pilot Regime will enter into force because it would be premature to do so. Nonetheless, we would like to make general observations regarding some DLT-specific obligations that could be introduced (A) and some observations regarding the authorisation process (B).

A. General observations

Article 4 of the DLT Pilot Regime provides the requirements to be authorised as DLT MTF. A DLT MTF is an MTF subject to all the requirements applicable under MiFID, except that it may benefit from an exemption granted in accordance with article 4(1a). This exemption relates to the application of article 19 of MiFID, which imposes further requirements on top of the organisational requirements (article 16 of MiFID) and the requirements applicable in respect of the trading process (article 18 of MiFID). Furthermore, article 4(1a) also permits a natural person to be admitted as member or participant of the DLT MTF, subject to the satisfaction of the criteria set out in article 4(1a), it being specified that ESMA could require additional measures to ensure the protection of such natural persons before granting the exemption. This provision certainly illustrates the intention of the European Commission and the European Parliament to open opportunities to new actors by facilitating the access to this type of infrastructure, including to natural persons.

DLT MTFs will then have two possibilities for the recording and settlement of the DLT financial instruments traded on their platform. The first option will be to have recourse to a central securities depository ("**CSD**") operating a securities settlement

11 Ibid, paragraph 107.
12 Ibid, paragraph 116.

system, a DLT SSS or a DLT TSS. The second option will be for the DLT MTF to seek permission to record and settle DLT financial instruments itself, in which case it will qualify as DLT TSS (article 4(2)). This latter option will have legal consequences as, in such case, the DLT MTF will have to comply with all the requirements applicable to a CSD operating a securities settlement system under the CSDR (article 4(3)). A DLT MTF willing to qualify as a DLT TSS will be able to benefit from the same exemptions as a DLT SSS, and the compliance with the CSDR will be applied in a manner proportionate to the nature, scale and risks of its business.

We note that article 5 of the DLT Pilot Regime governing the regulation of DLT SSS follows a similar approach as the one for DLT MTFs. Rules applicable to securities settlement systems under the CSDR will apply to DLT SSS with the possibility to request the exemptions set forth in paragraphs 2 to 6. These exemptions can be summarized in six categories relating to securities account and book entry requirements, delegation, participations, cash settlement, access and settlement finality[13]. Without going into the details of each category of exemptions, we would like to briefly mention the first category regarding securities accounts. Article 5(2) of the DLT Pilot Regime provides that a DLT SSS may be exempted from a number of articles under the CSDR if it is able to demonstrate that the use of a "securities account" or "book-entry form" is incompatible with the use of the DLT deployed, it being noted that if such exemptions are requested compensatory or corrective measures should be proposed. This exemption is interesting and relevant for Luxembourg in light of the amendments made in Luxembourg by the law of 22 January 2021 (the "**2021 Law**") which amended the law of 6 April 2013 on dematerialised securities and by the law of 1 March 2019 (the "**2019 Law**") which itself amended the law of 1 August 2001 on the circulation of securities. With these two laws, Luxembourg has modernised its legislation to recognise the use of DLT for dematerialised securities. Thanks to the 2019 Law, securities accounts may now be maintained on DLT while the 2021 Law clarified that dematerialised securities may be issued and recorded on securities issuance accounts maintained on DLT. In other words, CSDs wishing to operate a DLT SSS should be able to rely on the provisions inserted by the 2019 Law and the 2021 Law into Luxembourg law to demonstrate that they have put in place measures to ensure, *inter alia*, the recording of DLT financial instruments and the other compensatory or corrective measures set forth in article 5(2) (b) to (e) of the DLT Pilot Regime.

Similar to article 4(2) of the DLT Pilot Regime which permits DLT MTFs to go beyond their traditional scope of activities with the possibility to offer the recording and settlement of DLT financial instruments, article 5(6a) allows CSDs operating a DLT SSS to seek permission to admit to trading DLT financial instruments, in which case they will qualify as DLT TSS. If a DLT SSS does so, then it will have to comply with all the requirements applicable to DLT MTFs in a manner proportionate to the nature, scale and risks of its business, and will be able to benefit from the same exemptions as DLT MTFs.

Common requirements will also be applicable to DLT market infrastructures as set forth in article 6 of the DLT Pilot Regime. In addition to the requirements that one would expect to see for this type of entities such as, for instance, the requirements to establish a business plan describing the intended activities and services to be provided, IT and cyber arrangements proportionate to the nature and complexity of the business or risk management procedures, this article 6 also includes a certain number of requirements which are more DLT-specific. First, the DLT Pilot Regime requires legal documentation describing the rights, obligations, responsibilities and liabilities of the operator of the DLT market infrastructure and indicates that the legal arrangements shall specify "*the governing law, the pre-litigation dispute settlement mechanism, any insolvency protection measures under Directive 98/26/EC and the jurisdiction for bringing legal action*" (article 6(1)). Although these requirements may seem fairly standard, they will most certainly bring some complex legal questions in a DLT context given the intrinsic decentralised nature of DLT and the fact that nodes[14] of the DLT may be located in different jurisdictions. The DLT Pilot Regime seems to imply that these legal arrangements will have to be in written form but it is likely that the code of smart contracts will also have to take these requirements into consideration. Second, the latest draft of the DLT Pilot Regime added a couple of provisions dealing with the liability of operators of such DLT market infrastructures. Article 6(1a) of the DLT Pilot Regime states that "*the operators of DLT market infrastructures shall at all times remain fully responsible for the services and activities they carry out under this Regulation, including the operation of the distributed ledger deployed. Where the operators of DLT market infrastructures outsource part of their services and activities they shall ensure that the conditions laid down in Article 30 of Regulation (EU) No 909/2014 are complied with*

13 For a helpful summary table, see D. Zetzsche, J. Woxholth, *"The DLT Sandbox under the Pilot-Regulation"*, Law Working Paper Series, Paper number 2021-001, 23 April 2021, p. 15.

14 In simplified terms, a node is a participant to a network which may take several forms such as a server, a computer or even a smartphone. The participants to a network can therefore easily be in different locations and possibly different jurisdictions.

in full, as applicable". Article 6(5a) further adds that "*the operator of a DLT market infrastructure shall be liable to its clients for any loss of funds, collateral and DLT financial instruments, or of means of access to such assets, resulting from unauthorised access, hacking, degradation, loss, fraud, cyber-attack, or from theft or negligence or other serious malfunctions up to an amount not exceeding the market value of the assets lost.*" These two articles are certainly going in the right direction for investors' protection but will also have an impact on the way DLT infrastructures are set up with presumably a tighter control by the operator vis-à-vis the entities or persons which may become nodes or participants to the DLT. Third, operators of DLT SSS or DLT TSS benefiting from an exemption regarding the application of article 3(2) of the CSDR requiring that securities be recorded in book-entry form, will have instead to establish a set of rules on the functioning of the DLT including rules to access it, the participation of the validating nodes, rules to address conflicts of interest or rules on risk management and risks arising from insolvency to ensure investor protection and financial stability (article 6(2)). Fourth and finally, we note that where an operator will ensure the safeguard of, among others, the DLT financial instruments and of the cryptographic keys associated therewith, it will have to establish adequate arrangements to prevent the use of such DLT financial instruments without the consent of the participant, member, issuer or client concerned (article 6(5)). All these requirements will be beneficial for investors but will be complex and time-consuming to put in place for market participants, including in particular for new entrants (e.g. start-ups) which may not have the necessary human and financial resources to write down the rules and policies contemplated by the DLT Pilot Regime and ensure their implementation from an operational perspective.

B. Observations regarding the authorisation process

The approach is once again quite straightforward: a legal person authorised as an investment firm or to operate a regulated market under MiFID may apply for permission to operate a DLT MTF (article 7(1)) while a legal person authorised as a CSD under the CSDR will be able to apply for permission to operate a DLT SSS (article 8(1)). In order to apply for permission as a DLT TSS, an entity will have to be authorised as both a CSD under the CSDR and as an investment firm or market operator under MiFID (article 7(1b) and 8(1b)).

Moreover, we note that the amendments voted by the European Parliament have broaden the scope of the persons who can seek permission to operate a DLT MTF or a DLT SSS: the DLT Pilot Regime contains comparable provisions for DLT MTFs and DLT SSS whereby a person that is not authorised as either an investment firm or as an operator of a regulated market under MiFID, or as a CSD under the CSDR, as applicable, may apply for permission to operate a DLT MTF or a DLT SSS, respectively, provided that such legal person complies with the relevant requirements applicable to investment firms or market operators under MiFID or to CSDs under the CSDR, as applicable. These two derogations set out in article 7(1a) and 8(1a) of the DLT Pilot Regime illustrate the intention to open the role of DLT market infrastructures to new entrants rather than limiting the scope of the pilot regime solely to existing market infrastructures. This being said, the requirements imposed on DLT market infrastructures will make it difficult for new entrants to obtain the relevant permissions, even though each of article 7(1a) and 8(1a) specifies that the compliance with MiFID or CSDR for these entities should be made "*in a manner proportionate to the nature, scale and risks of its business*". Besides, it is to be noted that it is not possible to apply for a permission before the DLT Pilot Regime enters into force, which will give a timing advantage to the players that are already authorised as CSDs, investment firms or market operators and that benefit from the adequate resources, while new entrants will need to start the process from scratch and are thus unlikely to get the relevant permission before a few months (if not years) after the entry into force of the DLT Pilot Regime, at least in Luxembourg based on our current experience.

Conclusion

The entry into force of the DLT Pilot Regime will certainly bring more legal certainty and clarity for the trading and settlement of DLT financial instruments and the obligations applicable to DLT market infrastructures in relation thereto, but as briefly discussed in this article, a number of issues will likely remain for the trading of DLT financial instruments (including until further clarity regarding bulletin boards is introduced under EU law), and the process for obtaining the relevant permission to operate a DLT MTF, DLT SSS or DLT TSS will bring numerous legal and operational questions. The DLT market infrastructures may well be a major change for the industry (including in particular DLT TSS) but it will take some time before this becomes reality and that we see DLT market infrastructures replacing traditional market infrastructures.

www.aljb.lu

B.P. 13, L-2010 Luxembourg

C.C.P.L. IBAN LU19 1111 0754 4576 0000