
CODE OF CONDUCT

I. PREAMBLE

This Code of Conduct has been developed by the Association for Digital Asset Markets (ADAM), in consultation with ADAM Members and other participants and stakeholders in the markets for Digital Assets, to provide a common set of guidelines and professional standards of conduct to promote the integrity, fairness, and efficiency of Digital Asset markets.

ADAM Members will adhere to these principles in their Digital Asset market activities, and believe these principles should guide the conduct of all participants in the markets for Digital Assets.

The Board may, from time to time, amend this Code as trading practices, business models, and regulations evolve, promulgate rules to interpret or carry into effect the principles of this Code, or develop best practices for adhering to the principles of this Code.

Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in Appendix 1—Glossary / Terminology.

II. SCOPE

A. COVERED ACTIVITIES. This Code applies to the trading of Digital Assets, whether bilaterally or on a Platform, and related activities such as providing Custody Services.

For purposes of this Code, “**DIGITAL ASSET**” means (i) a cryptographically-derived digital instrument available on a public, private or permissioned blockchain or other form of distributed ledger, including without limitation instruments that represent, or facilitate the exchange of or access to, any digital or real-world asset, or any set of rights, protocols, or rules; or (ii) any option, futures contract, swap or other instrument or index, the value of which is derived wholly or principally from the value of underlying instruments meeting the description in clause (i). Digital Assets may be categorized in many different ways, and may be subject to varying legal and regulatory regimes depending on their features or the manner in which they are issued or exchanged. This definition is intended to be construed broadly to include all instruments generally meeting the descriptions in clauses (i) and (ii) above.

B. COVERED MARKET PARTICIPANTS. The Code applies to all ADAM Members when they participate in Digital Asset markets. Each Member’s implementation of the

principles outlined in this Code will necessarily reflect the nature, size and complexity of such Member's Digital Asset-related activities.

- C. RELATIONSHIP TO LAWS AND REGULATIONS.** Like other voluntary codes of conduct, this Code is not a substitute for existing laws or regulations. Rather, this Code is intended to be consistent with and complementary to applicable laws and regulations. Members should comply with all applicable laws and regulations.

III. GOVERNANCE, COMPLIANCE & RISK MANAGEMENT

Members will have a sound and effective governance framework for oversight of their Digital Asset market activity in accordance with this Code and applicable laws and regulations.

- A.** Members will have in place governance structures, oversight, supervision, and controls, consistent with the nature, size and complexity of their respective Digital Asset market activities, designed to comply with applicable laws and regulations and the principles set out in this Code.

Members' governance frameworks will provide for clear responsibility for and comprehensive oversight of their Digital Asset market activity, including the appointment of a senior officer with responsibility for overseeing compliance with the principles of this Code.

- B.** Members will conduct regular risk assessments and periodic reviews of risk and compliance controls, including a review of the key underlying risk assumptions.
- C.** Member personnel responsible for risk and compliance controls should be independent from the business lines carrying out the activities subject to such controls.
- D.** Members will conduct appropriate employee screening, including investigation of any prior disciplinary proceedings related to financial market conduct.

IV. ETHICS

Members will behave in an ethical and professional manner to promote the fairness and integrity of Digital Asset markets.

- A.** Members will observe high standards of commercial honor and just and equitable principles of trade. They will act honestly and fairly in dealings with other market participants, and will act with integrity by exercising judgment in avoiding questionable practices.
- B.** Members will maintain a high degree of professionalism and high standards of business conduct in Digital Asset markets. High standards of business conduct include: having sufficient knowledge of, and complying with, applicable laws and regulations; having sufficient relevant experience, technical knowledge, and

qualifications; acting with competence and skill and applying professional judgement; and having personnel who are appropriately trained and who have the necessary experience to discharge their employment duties in a professional manner.

V. CONFLICTS OF INTEREST

Members will take appropriate measures to identify and address or disclose conflicts of interest.

- A.** Members will identify, and take appropriate steps to address, actual and potential conflicts of interest that may materially compromise or be perceived to materially compromise their ethical or professional judgement. The nature of any conflict of interest will depend on the nature of a Member's business and role in the Digital Asset markets. Each Member is responsible for identifying the conflicts that pertain to its own business and disclosing them and/or addressing them as appropriate.
- B.** Members will take reasonable steps to eliminate any material conflicts of interest. Where it is concluded that a specific material conflict of interest cannot reasonably be eliminated, Members will put in place appropriate arrangements to manage such conflict of interest. Measures to eliminate or manage conflicts of interest could include: segregation of duties and/or reporting lines; establishing information barriers; providing training to relevant personnel to enable them to identify and handle conflicts of interest; and having policies and controls on Personal Trading by firm personnel.
- C.** Members will disclose any material conflict of interest that has not been eliminated, as well as measures taken to manage such conflicts, to enable potentially affected parties to decide beforehand whether they wish to proceed with a transaction or service.
- D.** If a Member operating a Platform issues its own Digital Assets, including stablecoins, such Member will adopt and disclose policies to address conflicts of interest that may arise as a result of any of the following: incentives for creation and/or redemption; treasury transactions; market-making by the platform or an affiliate; or possession of material non-public information regarding the Digital Asset.
- E.** Where a Member operating a Platform facilitates trading on the Platform in part by operating its own or an affiliate, Principal trading desk, it will adhere to principles applicable to Members acting on a Principal basis, including clearly disclosing the nature of the relationship between the parties. Moreover, when transacting on the Platform the affiliated or internal trading desk should be treated on an arms-length basis, consistent with third-party market participants. In particular, the Platform should institute appropriate organizational and information barriers to limit access to, and trading on the basis of, information relating to Client orders or other Confidential Information. In addition, the member operating a Platform will clearly disclose the activities of any affiliated or internal Principal trading desk.

VI. TRANSPARENCY AND FAIRNESS

Members will provide clear communication regarding roles, capacities, pricing, fees, and other information reasonably necessary to enable other market participants to make informed decisions about whether to do, or continue to do, business with them.

- A.** Members will clearly communicate their roles and capacities in handling orders or executing transactions, including whether they are acting as Principal or Agent, and whether a relationship is one of Client or Counterparty.
1. Members will be truthful in their statements, use clear and unambiguous language, make clear whether the prices they are providing are firm or indicative, and provide to Clients and Counterparties all material information regarding the nature of the relationship between the parties that is necessary to make an informed decision as to whether to conduct business with each other and the terms on which they will interact.
 2. Members will provide clear and unambiguous information to their trading Clients and Counterparties, as the case may be, regarding settlement procedures, and any ability to, or mechanism for, unwinding transactions.
 3. Members will avoid making inaccurate or misleading statements about their respective regulatory status, or the status of any regulatory approvals or licenses they have obtained.
 4. Members will avoid making inaccurate or misleading statements regarding historical trading volumes and other material factors that may affect a Client's or Counterparty's decision to do business with that Member.
- B.** Members handling Client orders will do so with fairness and transparency, consistent with the role in which those Members are acting. In particular, such Members will:
1. Clearly disclose the terms and conditions under which the Member will interact with the Client, including fees and commissions, as applicable;
 2. Make Clients aware of how orders are handled and transacted, including factors that may affect execution policy (such as prevailing market conditions, liquidity, etc.);
 3. Where the acceptance of an order grants a Member executing the order discretion, make Clients aware of how that discretion will be exercised, and exercise discretion reasonably, fairly, and in such a way that is not designed or intended to disadvantage the Client; and
 4. When acting as an agent, have appropriate information barriers to prevent the sharing of information relating to Client orders with any affiliated Principal trading desk, provided that such information may be shared in a manner that does not disadvantage the Client. For example, such information may be

shared with affiliated Principal trading desks to request competitive quotes if it is provided at the same time and subject to the same terms and conditions as such information is shared with unaffiliated Principal trading desks.

C. Members operating Platforms will:

1. Provide clear information regarding trading rules (such as the methodology for matching orders), order types, and fee structures;
2. Protect against misuse of Client information or knowledge of Client positions by Platform personnel;
3. If a Platform offers margin trading, (i) make clear to all Clients the Platform's policies regarding availability of margin, (ii) protect Clients against mutualization of losses in the event of a participant default, unless Clients affirmatively consent to such loss mutualization, and (iii) protect against misuse of Confidential Information about margin levels or collateral liquidation by the Platform or Platform personnel;
4. Provide information regarding trades executed on the Platform, to the extent such information is provided, on a non-discriminatory basis to all Clients;
5. Avoid making inaccurate or misleading statements regarding trading volumes or available liquidity (including, to the extent trading volumes are disclosed, disclosing the methodology for calculating such volumes and identifying trading volumes facilitated by internal or affiliated proprietary trading desks);
6. Maintain objective, reasonable, and publicly-disclosed criteria for participation, which promote fair and nondiscriminatory access for Clients who meet the Platform's criteria and follow the Platform's rules; and
7. Provide to Clients clear information about which Digital Assets are made available for trading on the Platform, and any fees or other monetary or in-kind compensation that may be received from Digital Asset issuers for listing (both standard compensation arrangements and any fees or compensation received in addition to the disclosed standard compensation arrangements).

VII. MARKET INTEGRITY

Members will act professionally and adhere to practices, in line with their respective roles in the market, designed to promote market integrity and identify, detect, and deter Disruptive Trading Practices.

- A.** Members will implement policies and procedures reasonably designed to identify, detect, and deter Disruptive Trading Practices in their Digital Asset Market trading activity. In particular, and without limitation, Members will:
1. Not propose or enter into transactions that constitute Disruptive Trading Practices;
 2. Retain discretion, and exercise it appropriately, to decline a transaction requested by a Client when there are grounds to believe that the transaction would constitute a Disruptive Trading Practice;
 3. Monitor their trading activity (including trading activity they conduct on behalf of Clients) to identify, detect and deter Disruptive Trading Practices;
 4. Implement policies prohibiting personnel from engaging in Disruptive Trading Practices, including in their Personal Trading; and
 5. For Members handling Client orders, not execute or cause to be executed for their own account or benefit transactions in any Digital Asset while in possession of specific Confidential Information regarding the trading interest of their Clients in such Digital Asset, in a manner that is designed or intended to disadvantage the Client, and will only do so fairly, and pursuant to disclosures enabling Clients to understand the way their orders will be executed.
- B.** Members operating Platforms will implement policies and procedures reasonably designed to identify, detect, and deter Disruptive Trading Practices. In particular, and without limitation, such Members will:
1. Implement timely, and appropriately independent, trade surveillance mechanisms;
 2. Implement rules prohibiting submission of orders or other activity that would constitute Disruptive Trading Practices; and
 3. Prohibit employees from improperly disclosing or using Confidential Information received from Platform Clients or Platform Confidential Information such as decisions relating to whether to list a Digital Asset, including in their Personal Trading.



VIII. CUSTODY

Members will exercise due care in providing Custody Services.

- A. APPLICABILITY.** The principles in this Section VIII apply to Members that provide Custody Services.
- B. SAFEGUARDING OF CLIENT ASSETS.** Members will exercise due care in providing Custody Services, to ensure a high degree of customer protection. In particular, Members providing Custody Services will, without limitation:
1. Assess, and communicate clearly to their Clients, the technical options for secure custody of Digital Assets and any associated limitations on asset owners' ability to quickly access or liquidate (i.e., convert to fiat currency or another Digital Asset) such assets;
 2. Provide clear information to Clients regarding their policies with respect to the exercise of voting rights (including staking) on behalf of Clients and, unless otherwise agreed between the parties, not withhold in their own accounts material distributions (such as airdrops or gas) that belong to Clients. In addition, Members will provide clear information to Clients regarding the handling of any forks with respect to Digital Assets held or controlled by such Member;
 3. Adopt an information security program consistent with the principles of Section IX, below;
 4. Maintain a robust system of internal controls, including a complete audit trail of the movement of Digital Assets and other Client property (including fiat currency) between the Member, its Clients, and any third parties, that ensures that a Client's Digital Assets and other property (including fiat currency) are accurately accounted for and appropriately segregated from assets belonging to the Member; and
 5. Provide reasonable notice to Clients prior to changing any material terms of a custody arrangement, including without limitation fees, segregation of assets, or rights to distributions. Clients will have a reasonable opportunity to withdraw their Digital Assets and other property from such custody arrangement and seek alternative arrangements prior to the effectiveness of any such changes.

IX. INFORMATION SECURITY AND BUSINESS CONTINUITY

Members will adopt information security programs commensurate with their size, complexity, and risk, and will engage in regular business continuity planning.

A. INFORMATION SECURITY PROGRAMS. Members will adopt information security programs commensurate with the nature, size and complexity of their Digital Asset market activities, and the risks associated with their role in the Digital Asset markets. This may include, as appropriate:

1. Regular risk assessments;
2. Physical safeguards, secure authentication methods (including, where appropriate, multi-factor authentication), and other information access controls;
3. Industry-standard encryption of information in-transit and at rest;
4. Appropriate redundancy and contingency planning with respect to the management of Digital Asset keys;
5. Penetration testing and vulnerability screening, and prompt remediation of identified vulnerabilities;
6. Employee background checks (where consistent with applicable laws and regulations) and training, as well as ongoing monitoring of employee conduct as it relates to information security and access controls; and
7. Third-party audits of their information security controls, including certifications of any standards a Member represents that its information security controls meet.

In developing their information security programs, Members should take a risk-based approach and should familiarize themselves with emerging industry information security standards that may be appropriate for their business.

B. BUSINESS CONTINUITY, RESILIENCY, OUTAGES. Members will engage in regular business resiliency and continuity planning to enable the timely recovery of operations and fulfilment of the Member's contractual and legal obligations, including in the event of a wide-scale or major disruption. In addition, Members that operate Platforms or provide Custody Services that would cause material disruption in the event of their unexpected failure or outage, should:

1. Take reasonable measures to ensure that their systems have levels of capacity, integrity, resiliency, availability and security to maintain operational capability;
2. Adopt policies governing whether and under what circumstances trading may be halted in response to market volatility or external events, and for handling

such trading suspensions or trading halts due to outages, including how trading will be resumed, handling of open orders, and availability of Client funds; and

3. Provide reasonably timely notice, in accordance with applicable laws and regulations and taking into account any requests by regulators or law enforcement or any risks of disclosure, to affected parties of breaches, hacks, or other security incidents that have resulted in or are reasonably likely to result in exposure of sensitive information or loss, theft or inaccessibility of the party's Digital Assets or other property.

C. INSURANCE. Members will avoid making inaccurate or misleading statements regarding the amount or other material terms of any insurance policies and whether and under what circumstances such policies will be available to cover loss or theft of Client Digital Assets.

X. ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM

Members will take reasonably necessary actions to detect and deter money-laundering, terrorist financing or sanctions risk, including adopting an AML/CFT program and risk-based policies.

- A. Members will take reasonably necessary actions, including technical solutions and surveillance, to detect and deter money-laundering, terrorist financing or sanctions risk in accordance with their obligations under applicable laws and regulations.
- B. Members will develop, implement and maintain an AML/CFT program that is reasonably designed to assist governmental authorities in preventing their businesses from being used for money-laundering and/or the financing of terrorism.
- C. To inform the development and ongoing management of this policy, Members will conduct risk assessments no less than annually, taking into account the jurisdictions in which they operate, the customer base, and the size and scope of their business.
- D. Members will adopt risk-based policies, informed by the risk assessment, including without limitation:
 1. A system of internal controls, including comprehensive know-your-customer processes, and enhanced customer due diligence for higher-risk customers;
 2. Established processes to conduct ongoing sanctions screening and ongoing monitoring of customer activity and update risk levels accordingly;
 3. Designation of a member of senior management responsible for overseeing the AML/CFT program, with authority to report directly to the board of directors;
 4. Effective training, which should be regularly updated, for relevant staff to raise awareness of the serious nature of money laundering and terrorist financing activities and reporting obligations;



5. Appropriate record retention policies; and
6. External or independent internal audit of the required record-keeping and reporting processes, and the effectiveness of the AML/CFT program.

XI. STATEMENT OF COMMITMENT, ENFORCEMENT OF CODE

- A. STATEMENT OF COMMITMENT.** Members will annually sign the following statement, demonstrating their recognition of, and commitment to, adopting the practices set forth in this Code:

[Name of institution] (the “Institution”) has reviewed the content of the Association for Digital Asset Markets Code of Conduct (“Code”) and acknowledges that the Code represents a set of principles generally recognized as good practice in the Digital Asset markets. The Institution confirms that it is a Member, and is committed to conducting its Digital Asset market activities in a manner consistent with the principles of the Code. To this end, the Institution has taken (or, in the case of new Members, will reasonably promptly take) appropriate steps to comply with the principles of the Code, including the adoption of all necessary policies, procedures, and controls.

- B. REMEDIES FOR CODE VIOLATIONS.** The Board may, in accordance with the ADAM bylaws, take appropriate action to maintain the fairness and integrity of Digital Asset markets and the credibility of the Code. ADAM reserves the right, pursuant to a decision by the Board in accordance with the ADAM bylaws, to expel any Members for serious or repeated misconduct in violation of the principles of this Code, or refusal to undertake remedies requested by the Board in response to violations of the Code. The Board will develop procedures for investigating and addressing complaints, including providing notice and an opportunity to respond.

APPENDIX 1: GLOSSARY / TERMINOLOGY

As used in this Code, the following capitalized terms have the meanings ascribed to them:

“**ADAM**” means the Association for Digital Asset Markets.

“**AGENT**” means a market participant that executes orders on behalf of its Clients without taking on market risk in connection with the order. Handling Client orders “**in an Agency capacity**” or “**as an Agent**” means executing Client orders by finding available matching trades or otherwise without taking market risk or transacting using the market participant’s own capital.

“**BOARD**” means the board of directors of ADAM.

“**CLIENT**” means a customer who receives trading-related services, including brokerage, advisory and Custody Services, in exchange for fees or commissions. In the case of trading on a Platform, Client means a participant or user who transacts on the Platform.

“**CONFIDENTIAL INFORMATION**” means non-public information provided by one party to another and designated as “confidential” or “proprietary” or otherwise provided in a manner indicating an intention that such information not be disclosed. This may include non-public information relating to a party’s past, present, or future trading activity. Confidential Information does not include information that (i) is or becomes publicly available other than through the actions of the recipient, (ii) is developed independently by the recipient prior to receipt of and without the benefit of the Confidential Information (iii) becomes available to the recipient on a non- confidential basis from a source other than the providing party or was known to the recipient on a non-confidential basis prior to its disclosure by the disclosing party.

“**COUNTERPARTY**” means one party in a bilateral Digital Asset transaction with another market participant in which such party is not a Client of the other market participant.

“**CUSTODY SERVICES**” means safeguarding, storing, holding, maintaining custody of, or controlling Digital Assets on behalf of another person, whether acting as a Platform, wallet, third-party custody service provider, or any other role involving possession or control of another person’s Digital Assets or Digital Asset private keys (including one or more keys necessary to transfer Digital Assets under a multi-signature arrangement).

“**DIGITAL ASSET**” has the meaning assigned to it in Section II(a).

“**DISRUPTIVE TRADING PRACTICES**” means trading practices that are designed or intended to disrupt market functioning or undermine market integrity, including manipulative trading practices such as wash trades, spoofing, layering, “pump-and-dump” schemes, and other practices that cause undue latency or artificial price movements, or result in a false impression of trading volumes or market price, depth or liquidity.



“**MEMBER**” means a firm that is a member of ADAM.

“**PERSONAL TRADING**” means personnel of a market participant trading for his or her personal account or indirect benefit (for example, for their immediate family members or other close parties).

“**PLATFORM**” means a multilateral system operated by any organization, association, or group of persons which brings together multiple third-party buying and multiple third-party selling interests and provides a mechanism for executing trades, in accordance with non-discretionary rules, in one or more Digital Assets. For the avoidance of doubt, Platform does not include (a) single-dealer platforms or over-the-counter (OTC) trading desks in which the dealer or OTC desk is a counterparty to the transactions; (b) aggregator or order routing services; or (c) other technology solutions that do not provide a mechanism for executing trades.

“**PRINCIPAL**” means a market participant that transacts for its own account, including a market participant engaged in market-making.