



Transfer Policy

NOTIF - 8

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1. Mission

Circle Internet Financial Europe SAS (“**Circle France**”) as an authorised Electronic money institution (“**EMI**”) by the Autorité de contrôle prudentiel et de résolution (the “**ACPR**”) since July 1st 2024 under nb. 17788.

Circle France has been a French Digital Assets Services Provider since April 2024 and is therefore under the supervision of the Autorité des Marchés Financiers (“**AMF**”) with regard to crypto-assets services. Circle France provides services on crypto-assets in compliance with article 60 of Market in Crypto-Assets Regulation (“**MiCAR**”) including:

- Custody and administration of e-money tokens it issues (i.e. EURC and USDC) on behalf of clients;
- Transfer services for e-money tokens it issues (i.e. EURC and USDC) on behalf of clients.

For the provision of Transfer Services, within the meaning of Article 3.1 (26) of MiCAR, Circle France adopts this Transfer Policy, in accordance with Article 82 of MiCAR.

2. Introduction

This Transfer Policy (“**Policy**”) establishes a program ensuring that the Transfer Services are provided in compliance with MiCAR.

In particular, this Policy details the information that Circle France will provide to its clients (“**Clients**”) before, during and after any Transfer of Crypto-Assets.

This Policy has been drafted and should be understood in conjunction with Circle France's other policies and procedures and with the relevant provisions of Circle France's Technical documentation of the ICT systems and DLTs.

2.1. Purpose

The purpose of this Policy is to provide a comprehensive and consistent framework that governs the provision of Transfer Services by Circle France.

Transfer Services will be provided by Circle France to its Clients via the Circle Mint Account, Circle Mint API, and the Circle Payouts API services.

This Policy is used for internal purposes only. It sets out the information that must be provided to Circle France’s Clients in relation to Transfer Services.

This information is provided to the Client through the “**EEA Terms and Conditions**” for pre-contractual information and through specific processes put in place by Circle France for information to be provided before and after the execution of a Transfer of Crypto-Asset.

2.2. Scope

This Policy shall apply to all employees, officers, and Supervisory Committee (“**Committee**”) members of Circle France. As DASP, this Policy shall apply to activities undertaken by Circle France within the European Union.

3. Policy

This Policy is established pursuant to draft Guidelines on the procedures and policies, including the rights of clients, in the context of transfer services for crypto-assets (the “**Guidelines**”).

Clients can instruct Circle France to Transfer their Crypto-Assets to an external Address or another Account, Withdraw their Crypto-Assets or carry out Transactions on their behalf.

This Policy applies to every Transfer made by Circle France on behalf of its Clients.

In accordance with MiCAR and the Guidelines, Circle France implements measures to ensure:

- Provision to Clients with pre-contractual information on the conditions of Transfer of Crypto-Assets;
- Provision to Clients with information on individual Transactions;
- A minimum set of requirements in the Crypto-Asset Transfer process;
- Taking risk into account to determine the terms and conditions for executing, rejecting, returning or suspending a Crypto-Asset Transfer, in particular by taking into account the prevention of fund transfer abuse, and the fight against money laundering and the financing of terrorism (“AML-CFT”); and
- Provision of information to Clients concerning the conditions under which Circle France may be held liable.

3.1. Definitions

Address(es) means, in a Crypto-Asset environment, the hashed version of public keys, which are used to receive Crypto-Assets.

Account(s) refers to the Mint Account opened by the Client and used by Circle France to track holdings and Transfers of Clients in Crypto-Assets from an accounting perspective. The Clients can visualise their Transfers via the Circle Mint Account.

Client means a client who accepted the Transfer Agreement and has an ongoing relationship with Circle France.

Crypto-Asset(s) means a digital representation of value or rights which may be transferred and stored electronically, using Distributed Ledger Technology or similar technology as defined in article 3(1)(5) of MiCA Regulation and includes EMT.

Distributed Ledger or **Blockchain** refers to protocols and supporting infrastructure that allow computers in different locations to propose and validate Transactions and update records in a synchronised network.

Distributed Ledger Technology or **DLT** means a class of technologies based on Distributed Ledgers.

EEA Terms and Conditions refer to the terms and conditions concluded between Circle France and its Clients prior to the provision of Services. The EEA Terms and Conditions set out the pre-contractual information required in relation to the provision of the Transfer service.

EMT means electronic money tokens as defined in article 3(1) 7 of MiCAR.

MiCA regulation means Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in Crypto-Assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 (Text with EEA relevance).

Service(s) means all services defined in article in article 3(1)(16) of MiCAR including but not limited to Custody of Crypto-Assets, Transfer service for Crypto-Assets, Exchanging Crypto-Assets for other Crypto-Assets, Exchanging Crypto-Assets for funds, Execution for Orders on Crypto-Assets on behalf of third parties. Services also include issuance and redemption of electronic money tokens as defined by MiCAR in article 3(1)(5).

Transaction(s) refers to the transfer of a Crypto-Asset or to the execution and/or settlement of a trade related to Crypto-Asset.

Transfer(s) or Transfer Services means the act to transfer a Crypto-Asset from a Client's Account to an Address which belongs to a third party, in accordance with article 3.1 (26) of MiCAR. Transfers include Transactions and Withdrawals.

Transfer agreement refers to the Transfer agreement concluded between Circle France and its Client and set out in the EEA Terms and Conditions. The Transfer agreement is concluded in compliance with article 82(1) of MiCAR.

Transfer of Funds or Crypto-Assets Regulation or TFR Regulation refers to Regulation (EU) 2023/1113 of 31 May 2023 on information accompanying transfers of funds and certain Crypto-Assets.

Wallet(s) means a software application or other tool which is used to control, safeguard or manage public and Private keys (or their equivalent) associated with Crypto Assets. Wallets generally have multiple Addresses.

Withdrawal(s) means the act to transfer a Crypto-Asset from a Client's Account to an external Address which belongs to Client.

3.2. Pre-contractual information

Prior to entering into the Transfer Agreement (by signing the EEA Terms and Conditions), Circle France undertakes to provide its Clients, on a durable medium and in clear and understandable language, with the following information:

- Its name, the address of its registered office and any other address and any other means of communication, including e-mail address, useful for communicating with Circle France;
- the name of the competent national authority responsible for overseeing Circle France;
- a description of the main features of the Crypto-Asset Transfer service to be provided;
- a description of the form and procedure for initiating or consenting to a Crypto-Asset Transfer and for withdrawing an instruction or consent, including specification of the information that must be provided by the Client for a Crypto-Asset Transfer to be properly initiated or executed (including, how to authenticate oneself) ;
- the conditions under which Circle France may reject an instruction to Transfer Crypto-Assets;
- a reference to the procedure or process established by Circle France to determine the time of receipt of an instruction or consent to a Crypto-Asset Transfer and any cut-off time established by Circle France;
- an explanation, by Crypto-Asset, of the Distributed Ledger Technology (DLT) network used to transfer this Crypto-Asset;
- the maximum turnaround time for the Crypto-Asset Transfer service to be provided ;
- for each DLT network, the time or number of block confirmations required for the Transfer to be irreversible on the DLT network or considered sufficiently irreversible in the case of probabilistic settlement, taking into account the rules and circumstances specific to the DLT network;
- any charges, fees or commissions payable by the Client to Circle France in connection with the Crypto-Asset Transfer service, including those related to the manner and frequency in which information is provided or made available, and, where applicable, a breakdown of the amounts of such charges;

- the means of communication, including technical requirements for the Client's equipment and software, agreed between the parties for the transmission of information or notifications related to the Crypto-Asset Transfer service;
- how and how often information about the Crypto-Asset Transfer service is to be provided or made available;
- the language(s) in which the Transfer Agreement will be concluded and communication during this contractual relationship undertaken ;
- Circle France's secure Client notification procedure in the event of suspected or proven fraud or security threats;
- the means and deadline by which the Client must notify Circle France of any unauthorized or improperly initiated or executed Crypto-Asset Transfer, as well as Circle France's liability, including its maximum amount, for unauthorized or improperly initiated or executed transfers; and
- the Client's right to terminate the Transfer Agreement and the terms and conditions for doing so.

This information is contained in the EEA Terms and Conditions. The EEA Terms and Conditions are accepted by the Client when opening an Account. The opening of an Account is necessary for each Client who wishes to use the Crypto-Asset Transfer service.

Circle France ensures that, throughout the contractual relationship, Clients can access the EEA Terms and Conditions on a durable medium.

In the event of a change to the EEA Terms and Conditions, Circle France will inform the Client in good time before the change takes effect.

3.3. Information on individual Transfers of Crypto Assets

After receiving an instruction to Transfer Crypto-Assets but before executing the transfer of Crypto-Assets, Circle France shall provide the Client, on a durable medium, with at least the following information:

- a brief, standardized warning indicating whether and when the transfer of Crypto-Assets will be irreversible or sufficiently irreversible in the case of probabilistic settlement, based on Circle France's reasonable estimations; and
- the amount of the Crypto-Asset Transfer fees to be paid by the Client and, if applicable, a breakdown of the amounts of these fees;

This information is provided free of charge to Clients, at each Transfer, via the Client's Account. Circle France will inform the Client how to obtain this information.

Circle France guarantees that the initiation or execution of the Crypto-Asset Transfer does not take place before the transmission of the information that must accompany the Crypto-Asset Transfers, in accordance with Article 14 of TFR Regulation.

To this end, Circle France has updated its AML-CFT Policy with a specific section that complies with TFR Regulation.

After the execution of individual Crypto-Asset Transfers, Circle France shall ensure that the Client is provided with at least the following information:

- names of principal and beneficiary ;
- the Address of the Distributed Ledger or the originator's Crypto-Asset Account number;
- the Address of the Distributed Ledger or the beneficiary's Crypto-Asset Account number;
- a reference enabling the Client to identify each Crypto-Asset Transfer;
- the amount and type of Crypto-Assets transferred or received;
- the debit value date or credit value date of the Crypto-Asset Transfer; and
- the amount of fees, charges or commissions relating to the Transfer of Crypto-Assets and, where applicable, a breakdown of the amounts of these fees.

This information is provided, free of charge, directly within the Client's Account.

When a Crypto-Asset Transfer is rejected, returned or suspended, Circle France shall ensure that the Client is provided with the following information:

- the reason for rejection, dismissal or suspension;

- if applicable, how to remedy the rejection, return or suspension; and
- the amount of costs or fees incurred by the Client and the possibility of reimbursement.

3.4. Execution times and cut-off times

Circle France implements cut-off times so that Crypto-Asset Transfer instructions are considered to be received on the same business day. Circle France has set the cut-off time at 2pm CET.

Circle France also sets maximum turnaround times depending on the Crypto-Assets transferred. The maximum execution times set by Circle France are as follows:

- USDC: 5 days
- EURC : 5 days

These deadlines are applicable subject to any delays applied in the execution of transactions on the Blockchain on which the Crypto-Assets concerned are issued.

In addition, for the Transfer of Crypto-Assets to be irreversible on the DLT, or sufficiently irreversible in the case of probabilistic settlement, the number of block confirmations required, based on Circle France's reasonable estimations, may be found via the following [link](#).

3.5. Rejection or suspension of a Crypto Asset Transfer instruction or return of transferred Crypto Asset

Circle France has established a Risk-Based TFR Policy, integrated with its AML-CFT Policy, to determine whether and how to execute, reject, return, or suspend a Crypto-Asset Transfer.

This procedure takes into account the relevant provisions of the TFR Regulation, and the European Banking Authority's guidelines aimed at preventing the misuse of money transfers and certain Crypto-Assets for money laundering and terrorist financing purposes.

Circle France has also updated its risk classification to include:

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- the risk factors it will take into account to assess which Transfers will be monitored during or after the Transfer; and
- which risk-increasing factors, or combination of risk-increasing factors, will always trigger monitoring during Transfer, and which factors will trigger a targeted review after Transfer.

In order to check whether fund and Crypto-Assets Transfers are accompanied by the required information on the originator and beneficiary, and to facilitate the detection of suspicious transactions, Circle France has set up a specific procedure, detailed within its AML-CFT Policy, to detect whether any information is missing or incomplete. Checks are carried out prior to any transfer.

In the event of missing or incomplete information, Circle France may, depending on the risk factors identified:

- request the required information on the originator and beneficiary of Crypto-Assets before transmitting the transfer of Crypto-Assets;
- suspending the customer account; or
- decide to offboard the customer.

When the initiating or beneficiary Crypto-Asset service provider repeatedly fails to provide the required information, Circle France shall:

- take steps which may initially involve issuing warnings and setting deadlines before proceeding to reject Transfers, restrict or terminate the business relationship if the required information is still not provided; or
- directly reject any new Transfer of Crypto-Assets to or from the said Crypto-Asset service provider, or restrict or terminate its business relationship with the said Crypto-Asset service provider.

Circle France shall report this omission and the measures taken to the competent authority responsible for monitoring compliance with anti-money laundering and anti-terrorist financing provisions.

4. Responsibility of Circle France

In accordance with the EEA Terms and Conditions, Circle France undertakes to use its best endeavors to provide the Transfer Services to its Clients.

In the event of unauthorized or improperly initiated or executed Crypto-Asset Transfers, Circle France's liability can only be enforced under the conditions described in section 23 of the EEA Terms.

5. Non-Compliance

Infringement to this Policy may result in administrative penalties and other administrative measures by the competent authorities.

Any employee found to have violated this Policy may be subject to disciplinary action up to and including termination of employment.

6. Exceptions

The Policy Owner is accountable for ensuring adherence to the Policy. All exceptions must be submitted in writing to the Policy Owner.

Exceptions will be evaluated and approved where appropriate, by the Policy Owner. In certain instances, exceptions to this Policy may need to be approved by a governing committee.

7. Roles & Responsibilities

Role	Responsibility
Head of Compliance	<ul style="list-style-type: none"> • Ensure the implementation of this Policy; • Ensure knowledge and good understanding of this policy by Circle France's employees; • Undertake regular review of the procedures put in place related to Transfer Services, in order to ensure compliance with this Policy;

8. Governance & Accountability

This Policy is owned by the Head of Compliance of Circle France, maintained by Compliance Programs, and approved by the Committee. This Policy will be reviewed and approved annually as well as contextually based on regulatory, business, and product changes.

Material changes that are required outside of this cycle must be approved by the Committee.

Non-material changes may be approved by the Head of Compliance of Circle France.