

ESMA issues a negative opinion on an Accepted Market Practice on liquidity contracts proposed by the French AMF

ESMA considers that the new AMP, applicable as of 1 July 2021, replacing the current AMP on liquidity contracts, applicable since 1 January 2019, is not compatible with the Market Abuse Regulation (MAR) and the relevant Implementing Regulation, and it is also diverging from ESMA's [2017 Opinion on Points for Convergence](#).

In its assessment, ESMA has identified several points of concerns. Those are the absence of limits on positions and the presence of volume and resources limits which are significantly higher compared to that recommended in the 2017 ESMA Opinion on Points for Convergence.

ESMA must issue its opinion, which is not binding, within two months of the notification, which was received on 31 March 2021. Should the AMF decide to establish its AMP contrary to the ESMA Opinion, it will have to publish on its website the relevant reasons, including why the AMF believes that the AMP does not threaten market confidence.