

# PUBLIC AND UNEQUIVOCAL PLEDGE

As responsible, innovative participants in digital asset markets, we seek to promote the integrity and efficient functioning of these markets.

We support and seek to participate in digital asset markets that demonstrate Market Integrity. We will integrate principles that uphold Market Integrity and Market Efficiency into our operations and business strategy.

We agree that, regardless of regulatory requirements, market activity should be reviewed and monitored on a reasonable ongoing basis for purposes of detecting and eliminating Market Manipulation and unfair market abuses. Clear instances of fraud and manipulation are illegal, and we will commit to preventing these activities to the best of our ability.

Digital assets and digital asset market structure may present novel forms of market activity and market manipulation. We agree to continually educate ourselves as to these unique challenges and how to address them.

Full Name

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Organization

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Signature

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## GOAL OF THE CMIC PLEDGE

Signers of the CMIC Pledge seek to advance the integrity and efficient functioning of digital asset markets. With this Pledge, we have the opportunity to build trust and help digital asset markets grow responsibly. With this Pledge, we endeavor to make digital asset financial services more inclusive, transparent, and productive for all consumers and market participants.

## KEY DEFINITIONS

**Market Integrity** is the preservation of fair and orderly digital asset markets which are appropriately defended against manipulation and abuse, such that public confidence and investor protection within those markets is maintained. (Source: [GDF MI CoC](#))

Further, **Market Efficiency** refers to the ability of market participants to transact business easily and at a price that reflects all available market information. Factors considered when determining if a market is efficient include liquidity, price discovery and transparency. (Source: [IOSCO](#))

**Market Participants** is an intentionally broad term that encompasses digital asset trading platforms, market makers, liquidity providers, brokerages, lending platforms, network operators, custody providers, and infrastructure providers, among other stakeholders in the space.

**Market Manipulation** is when someone intends to artificially affect the supply, demand or price of a digital asset. It involves entering into a transaction, placing an order to trade or any other behavior intended to give misleading signals regarding supply, demand, or price of the digital asset and engage in fraud. (Source: [Investor.gov](#) and [GDF MI CoC](#))

### Examples of Market Manipulation schemes

include, but are not limited to:

- A. Wash Trading**, where a single market player buys and sells the same asset so as to increase trading activity, attract investors, and ultimately affect prices.
- A. Spoofing**, where traders place orders with no intent to execute (non-bona fide orders) with the purpose of providing a false level of supply or demand for a given asset.
- A. Layering**, where traders place multiple non-bona fide orders on one side of the order book with the intent of moving the market price of the asset. Upon favorable market movement, the trader then executes an order on the other side of the book and cancels non-bona fide orders.
- A. Pump and Dump** schemes, where perpetrators engage in coordinated buying and/or receive tokens in exchange for promoting them, creating hype and excessive optimism (pump), and later sell the tokens (dump) before the market adjusts the price back downward and mainstream investors lose their money
- A. Front-running** orders, where trading platform operators may use insider information to take advantage of attractive buy and sell orders before customers have an opportunity to do so.
- A. New crypto-specific market manipulation** schemes unique to digital asset trading, as they are discovered and typologized, including but not limited to cross-market abuse and cross-asset wash-trading. (Source: [GDF MI CoC](#))