FREE RESOURCE

Market Maker Contract Checklist

20 clauses to check before you sign a crypto market-making agreement, with what "good" usually looks like.

Use this with the draft agreement open. For each clause, tick it only if the contract text covers it clearly. If a clause is vague, write the question you will send back.

This is a checklist, not legal advice. Have a lawyer review the final agreement.

1 Scope

- [ ] **Venues, pairs and start date**
  Every exchange and pair named; start date tied to listing or a fixed date.
- [ ] **Services included**
  Quoting, DEX management, perps, trading competitions and reporting listed explicitly, or excluded.

2 Performance

- [ ] **KPI definitions: spread, depth at ±2% and ±5%, uptime**
  Numbers per venue and pair, not one blended figure.
- [ ] **How KPIs are measured**
  Data source (exchange data), sampling frequency, and both sides of the book.
- [ ] **Remedies for missed KPIs**
  Fee reduction, a cure period, and a termination right if misses repeat.

3 Economics

- [ ] **Fee amount and schedule, or profit-share definition**
  How profit is calculated, high-water mark, and when it is paid.
- [ ] **Token loan size, tenor and tranches**
  Tokens lent, as a share of circulating supply, and for how long.
- [ ] **Option strikes, exercise windows and settlement**
  Strikes stated in price terms, with dates; no open-ended rights.
- [ ] **Who bears exchange fees, hedging costs and funding**
  Stated in writing so costs do not appear later.

4 Assets

- [ ] **Accounts and addresses holding project inventory**
  Identifiable sub-accounts or wallets you can verify.
- [ ] **Limits on selling loaned tokens; price-impact limits**
  Caps on net selling per period, or on price impact.
- [ ] **Return of assets at the end of the term or on termination**
  Schedule and form: tokens, or the agreed cash equivalent.

5 Conduct

- [ ] **Prohibition of wash trading, self-trading and spoofing**
  An explicit clause, not implied by general compliance wording.
- [ ] **No price targets or price-support commitments**
  Any promise of price or volume is a reason to walk away.
- [ ] **Handling of your confidential information**
  Unlocks, announcements and treasury moves kept confidential and not traded on.

6 Reporting and governance

- [ ] **Report contents and frequency**
  Inventory, trades and loaned-token balances; access to raw data or read-only keys.
- [ ] **Named contacts and escalation**
  Who you call when the book is thin at 3 a.m.

7 Legal

- [ ] **Term, renewal and termination for convenience**
  Notice period stated; no automatic long renewals.
- [ ] **Confidentiality, liability and indemnities**
  Mutual where possible; caps that make sense for your size.
- [ ] **Governing law and dispute resolution**
  A named legal entity on their side, and a jurisdiction you can act in.

Your score _____ / 20 Notes column: owner, evidence link, or the question to send back.

Red flags

- Promises of price, volume or a listing.
- No named legal entity, or an entity in a jurisdiction that does not match the team.
- Reporting “on request” only, with no raw data access.
- Option strikes below the launch price without a clear reason.

Want a second pair of eyes on this?

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