

Paris, 27 May 2009

Enforcement Committee decision concerning EGP Fonds et Gestion

In a decision handed down on 15 January 2009 the AMF Enforcement Committee issued a warning and a €50,000 fine against EGP Fonds et Gestion for failing to fulfil its professional obligations with regard to anti-money laundering and combating the financing of terrorism (AML/CFT).

The Committee's decision set out the content and scope of AMF/CFT requirements for asset management companies and stated that:

- Internal AML/CFT procedures must not be confined – as it was in the case at hand – to an internal memo headed "Internal control – anti-money laundering control" and mentioning, without going into further detail, that the TRACFIN correspondent should control any transaction worth more than €12,500.
- Special attention ought to have been paid to "the identity of persons resident in States or territories whose laws have been recognised as inadequate, or whose practices are considered as a hindrance to the fight against money laundering and terrorist financing, by the international body for cooperation and coordination for the fight against money laundering".
- The company disregarded its obligation to ensure that "[a]t the time of hiring, and periodically thereafter, [...] staff must be given information on and training in the obligations relating to the fight against money laundering and terrorist financing, in particular on applicable regulations and amendments, on current money-laundering techniques, on prevention and detection measures, and on the methods and procedures [implemented]". Four members of staff, including the head of compliance and internal control, had received no training; and employees had not been provided with training-related documentation.

An appeal may be lodged against this decision in accordance with Articles R. 621-44 and R. 621-46 of the Monetary and Financial Code

This document is simply a press release announcing the Enforcement Committee decision.