



Book III - Service providers

Title I ter - Asset management companies of UCITS

Chapter IV - Conduct of business rules

Section 2 - Handling and executing orders

Sub-section 3 - Obligations of UCITS asset management company

General regulation of the AMF

Article 321-114 into force since 03 January 2018

DISCLAIMER : Information boxes have been inserted within the General Regulation. They allow for a direct access to the relevant European regulations on the subject matter.

The user will be redirected to the European regulations as initially published in the Official Journal of the European Union and to the subsequent corrigenda, if any. The AMF does not guarantee the completeness of the redirections to these European regulations and corrigenda.

The boxes are located at the most relevant level of the GRAMF depending on the provision of the EU regulations to which they refer (Book, Title, Chapter, Section, etc.).

This additional material is provided for information purposes only and does not constitute a regulatory instrument. The AMF shall not be held liable or responsible for any harm resulting directly or indirectly from the provision or the use of these information boxes.

Article 321-114

I. - When they transmit for execution orders resulting from their decisions to trade financial instruments on behalf of UCITS that they manage to other entities, asset management companies shall comply with the obligation referred to in Article 321-100 to act in the best interest of the UCITS that they manage.

II. - Asset management companies shall take the measures referred to in III, IV and V to comply with I.

III. - Asset management companies shall take all reasonable measure to obtain the best possible results for for the UCITS that they manage, taking into account the measures referred to in Article L. 533-22-2-2 of the Monetary and Financial Code. The relative importance of these factors shall be determined with reference to the criteria defined in Article 321-110.

IV. - Asset management companies shall establish and implement policies that enable them to comply with the obligation referred to in III. Such policies shall select the entities to which orders for each class of instruments are transmitted for execution. The selected entities must have order execution mechanisms that enable the asset management companies to comply with their obligations under the terms of this Article when they transmit orders to that entity for execution. Asset management companies

2023-10-11

shall provide unit holders or shareholders in UCITS that they manage with appropriate information about their policies developed for the purposes of this paragraph. This information shall be included in the management report.

V. - Asset management companies shall monitor the effectiveness of the policies established for the purposes of IV on a regular basis, especially with regard to the quality of the execution provided by the entities selected under their policies.

Where appropriate, they shall remedy any deficiencies brought to light.

In addition, asset management companies shall be required to conduct an annual policy review. Such a review must also be conducted each time a material change occurs that has an effect on an asset management company's ability to continue obtaining best execution for the UCITS that it manages.

VI. - This Article shall not apply when an asset management company also executes orders resulting from its investment decisions. In this case, the provisions of Article L. 533-22-2-2 of the Monetary and Financial Code and Sub-section 2 of this Section shall apply.

📌 **Version into force since 3 January 2018**