



Book III - Service providers

Title I ter - Asset management companies of UCITS

Chapter III - Organisational rules

Section 11 - Risk management

General regulation of the AMF

Article 321-76 into force from 03 January 2018 to 31 July 2022

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Article 321-76

The following terms shall have the following meanings for the purposes of this Section:

- "counterparty risk" means the risk of loss for the UCITS resulting from the fact that the counterparty to the transaction or to a contract may default on its obligations prior to the final settlement of the transaction's cash flow;
- "liquidity risk" means the risk that a position in the portfolio cannot be sold, liquidated or closed out at limited cost in an adequately short time frame and that the ability of the UCITS to comply at any time with the provisions of the third paragraph of Article L. 214-7 or Article L. 214-8 of the Monetary and Financial Code is thereby compromised;
- "market risk" means the risk of loss for the UCITS resulting from fluctuation in the market value of positions in the CIS portfolio attributable to changes in market variables, such as interest rates, foreign exchange rates, equity and commodity prices, or an issuer's creditworthiness;
- "operational risk" means the risk of loss for the UCITS resulting from inadequate internal processes and failures in relation to people and systems of the asset management company or from external events, and includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the UCITS;

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- "board of directors" means the board of directors, executive board or any equivalent body of the asset management company.

✚ Version into force since 1 August 2022

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