



Book III - Service providers

Title II - Other service providers

Chapter V - Financial investment advisers

Section 2 - Conduct of business rules

Sub-section 5 - Information provided to clients

Paragraph 3 - Information on costs and charges

General regulation of the AMF

Article 325-14 into force since 08 February 2020

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Article 325-14

I. - For the purposes of providing information to clients on all costs and charges pursuant to point 5° of Article L. 541-8-1 of the Monetary and Financial Code, the financial investment adviser shall comply with the requirements of paragraphs II to VIII. The information shall be provided on a durable medium or on a website (when that does not constitute a durable medium) provided that the conditions set out in paragraph III of Article 325-1 A are fulfilled.

II. - For ex-ante and ex-post disclosure of information on costs and charges to clients, financial investment advisers shall aggregate the following:

- 1 • All costs and associated charges charged by the financial investment adviser or other parties where the client has been directed to such other parties, for the investment services(s) and/or ancillary services provided to the client; and
- 2 • All costs and associated charges associated with the manufacturing and managing of the financial instruments.

Costs referred to in points 1° and 2° are listed in Annex II to Commission Delegated Regulation (UE) 2017/565 of 25 April 2016. For the purposes of point 1°, third party payments received by the financial investment adviser in connection with the advisory service provided to a client shall be itemised separately and the aggregated costs and charges shall be totalled and expressed both as an cash amount and as a percentage.

III. - Where any part of the total costs and charges is to be paid in or represents an amount of foreign currency, the financial investment adviser shall provide an indication of the currency involved and the applicable currency conversion rates and costs. The financial investment adviser shall also inform about the arrangements for payment.

IV. - In relation to the disclosure of costs and associated charges related to the products which are not included in the key investor information documents of the collective investment, the financial investment adviser shall calculate and disclose these costs, for example, by liaising with portfolio asset management company to obtain the relevant information.

V. - A financial investment adviser that recommends or markets to its clients the services provided by third party, shall aggregate the cost and charges of its services together with the cost and charges of the services provided by the third party. It shall also take into account the costs and charges associated to the provision of other services by third parties where it has directed the client to these third parties.

VI. - Where it calculates costs and charges on an ex-ante basis, the financial investment adviser shall use actually incurred costs as a proxy for the expected costs and charges. Where actual costs are not available, the financial investment adviser shall make reasonable estimations of these costs. The financial investment adviser shall review ex-ante assumptions based on ex-post experience and shall make adjustment to these assumptions, where necessary.

VII. - The financial investment adviser shall provide annual ex-post information about all costs and charges related to both the financial instruments and investment services where they have or have had an ongoing relationship with the client during the year. Such information shall be based on costs incurred and shall be provided on a personalised basis.

The financial investment adviser may choose to provide such aggregated information on costs and charges of the investment services and the financial instruments together with any existing periodic reporting to clients

VIII. - The financial investment adviser shall provide its clients with an illustration showing the cumulative effect of costs on return when providing advisory services. Such an illustration shall be provided both on an ex-ante and ex-post basis. The financial investment adviser shall ensure that the illustration meets the following requirements:

- 1 • The illustration shows the effect of the overall costs and charges on the return of the investment
- 2 • The illustration shows any anticipated spikes or fluctuations in the costs; and
- 3 • The illustration is accompanied by a description of the illustration.

↘ **Version into force since 8 February 2020**

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