AUTORITÉ
DES MARCHÉS FINANCIERS

Book IV - Collective investment products

Title I - Undertakings for Collective Investment in Transferable Securities (UCITS)

Chapter unique - Undertakings for collective investment in transferable securities (UCITS)

Section 4 - Calculating global exposure

Paragraph 1 - Measuring the global exposure of CIS to financial derivative instruments

Sub-paragraph 4 - Global exposure of structured funds

General regulation of the AMF

Article 411-80 into force since 26 October 2012

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Article 411-80

The global exposure of a structured fund may be measured using the commitment approach or the VaR approach.

If the structured fund meets all the following criteria, it may apply specific rules, set out in an AMF instruction, when measuring global exposure using the commitment approach:

1 • The remuneration offered to investors is based on a calculation formula whose possible predefined payoffs may be divided into a finite number of scenarios that depend on the value of the underlying assets. Each scenario offers investors a different payoff;

2 • The investor may be exposed only to one payoff scenario at a time during the life of the CIS;

3 • It is appropriate to use the commitment approach to measure the global exposure for each individual scenario, taking into

account the provisions of Article 411-73;

4 • The final maturity of the CIS does not exceed nine years, starting from the end of the marketing period;

5 • The CIS does not accept new subscriptions from the public following the initial marketing period;

6 • The maximum loss that the CIS may bear when switching from one scenario to another shall not exceed 100% of the net asset value at the end of the marketing period;

7 • The impact of each underlying asset on the investor payoff profile, at a given date, owing to a switch in scenario, shall comply with the diversification rules referred to in Article R. 214-21 of the Monetary and Financial Code, based on the net asset value at the end of the marketing period.

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