AMF | AUTORITÉ DES MARCHÉS FINANCIERS

Book IV - Collective investment products

Title II - AIFS

Chapter II - Funds open to retail investors

Section 1 - Retail investment funds

Sub-section 4 - Calculation of aggregate risk

Paragraph 1 - Measurement of aggregate risk for retail investment funds in relation to financial contracts

Sub-paragraph 2 - Commitment approach

General regulation of the AMF

Article 422-53 into force since 21 December 2013

Article 422-53

I. - If the asset management company uses the commitment approach to calculate aggregate risk, it shall also use this approach for all positions on financial contracts, irrespective of whether they are used as part of general policy for the retail investment fund, for the purposes of risk reduction or for the purposes of efficient portfolio management, as specified in Article R. 214-32-27 of the Monetary and Financial Code.

II. - If a retail investment fund, in accordance with Article L. 214-24-56 of the Monetary and Financial Code, uses techniques and instruments designed to increase its leverage or exposure to market risk, including repurchase agreements or securities lending or borrowing transactions, the asset management company shall take these transactions into account when calculating aggregate risk.

III. - Calculation of aggregate risk for a retail investment fund using the commitment approach requires the position of each financial contract to be converted into the market value of an equivalent position for the underlying asset for the contract in question.

The stages of calculation of aggregate risk using the commitment approach and the conversion formulas shall be specified in an AMF instruction.

↘ **Version into force since 21 December 2013**