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 422-55 into force since 21 December 2013

Article 422-55

I. - If the use of financial contracts does not create any additional exposure for the retail investment fund, it is not necessary to include the underlying exposure in the commitment calculation if it fulfils the following criteria:

1 • Its purpose is to swap the performance of all or part of the retail investment fund asset with the performance of other reference financial instruments;

2 • It completely eliminates market risk for the swapped assets. Performance of the retail investment fund no longer depends on the performance of the assets that are the subject of the swap;

3 • It does not include any additional optional component, any leverage or any other additional risk relating to any direct investment in the reference assets.

II. - A financial contract shall not be not taken into account in calculation of aggregate risk using the commitment approach if it fulfils the following criteria:

a) Combination of the financial contract and a cash sum invested in assets yielding the risk-free rate of interest offers equivalent exposure to that obtained by a direct investment in the underlying asset;

b) It does not generate any additional exposure or leverage, and does not add any market risk.

III. - If the commitment approach is used, the calculation of aggregate risk need not include any temporary cash borrowing agreements concluded on behalf of the retail investment fund pursuant to Article R. 214-32-40 of the Monetary and Financial Code.

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