

2008

Facts
and figures



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Editorial by Jean-Pierre Jouyet, Chairman, Autorité des marchés financiers

I took over as Chairman of the Autorité des marchés financiers (AMF) on 15 December 2008 amid unprecedented economic and financial conditions and in the immediate aftermath of the Madoff affair. I felt instinctively that the AMF's mission should always be first and foremost to protect investors and their investments. That everything we do should strive towards, and stem from, that goal. Because the only way to finance our economy in the medium to long term is to restore investor confidence.

A review of the AMF's achievements in 2008 – the credit for which goes to my predecessor, Michel Prada, supported by Gérard Rameix – testifies to this. Recent decisions and ongoing discussions on matters such as the short selling of financial stocks, creeping takeovers and the overhaul of money market funds reflect that approach.

With the passage of time my instinct has turned into a conviction: now more than ever, being competitive means protecting savers and investors by ensuring that markets are transparent, well informed and well organised. In consequence our goals are to defend market transparency, work to expand the scope of regulation and improve regulatory harmony in Europe and internationally, and help promote Paris as a competitive financial centre by offering the most "reassuring" framework.

Nationally, I wanted these goals and their implications for the AMF's organisation to be presented in a strategic plan, which I and Secretary General Thierry Francq are putting out to consultation.

Internationally, the impetus of the G-20 summits has added momentum to our work. We need to make sure that the decisions taken at the 2 April summit in London are respected, both in letter and in spirit. Some examples of this include the effective regulation of complex financial instruments and the efforts we have made to impose a principle of general transparency in trading. At the European level, we will argue the case for the Larosière Group's recommendations on improving financial supervision in Europe. They offer consistency and, by paving the way for convergence of European regulators' practices, the promise of a uniform standard of protection for Europe's investors.

With its impartiality, independence and breadth of talent, the AMF is ready to tackle all these new projects with a fresh enthusiasm.

A handwritten signature in black ink, appearing to read 'JP Jouyet'.

Jean-Pierre Jouyet

AMF

in profile

The French securities regulator, the Autorité des marchés financiers (AMF), is an independent public agency responsible for ensuring the protection of investments and the proper functioning of France's financial markets. The AMF was established by the Financial Security Act of 1 August 2003 from the merger of three regulatory authorities: the Commission des opérations de bourse (COB), the Conseil des marchés financiers (CMF) and the Conseil de discipline de la gestion financière (CDGF).

The AMF has a Board and an Enforcement Committee. To carry out its duties, it calls on the expertise and support of five Consultative Commissions, a Scientific Advisory Board and a staff of some 373. The AMF has extensive financial and management independence.

Remit

The AMF has statutory responsibility for:

- > safeguarding investments in financial products;
- > ensuring that investors receive material information;
- > maintaining orderly markets.

The AMF cooperates with the other authorities responsible for overseeing financial and banking activities: Banque de France and Commission bancaire (banking), Comité des établissements de crédit et des entreprises d'investissement (CECEI, investment firms and credit institutions), Autorité de contrôle des assurances et des mutuelles (ACAM, insurance and complementary health insurance), and Comité des entreprises d'assurance (CEA, insurance).

And, as financial markets become increasingly globalised, the AMF lends its support to worldwide and European regulation by participating in international bodies and cooperating with regulators in other countries.

Jurisdiction

The AMF has jurisdiction over:

- > fundraising and disclosures by listed companies;
- > financial markets and market infrastructures;
- > investment services providers, financial investment advisers and direct marketers (jointly with the CECEI and CEA);
- > collective investment schemes.

Responsibilities

The AMF has four areas of responsibility:

- > regulating;
- > issuing authorisations;
- > supervising and monitoring markets and market participants;
- > punishing regulatory infringements.

Accountability

The AMF's General Regulation is approved by the Finance Minister.

Its decisions can be challenged in the courts or administrative tribunals.

The public accounting office, Cour des comptes, oversees its financial management and accounting.

The AMF reports annually to the President of France and to Parliament.

Key data, 2008

Operating income: €64.63 million

Operating expenses: €65.24 million

Average workforce for the year: 373

2008 Highlights

In 2008 the financial intensified

The effects of the crisis that began in the summer of the previous year intensified in 2008. In these turbulent conditions the AMF stepped up its supervision of investment management companies and the financial disclosures made by listed companies, particularly financial institutions.

With regard to asset management, the AMF's top priority was to make sure that investment management companies, some of whose funds were in difficulty, were properly informing their investors of decisions such as temporarily suspending the calculation of net asset value, segregating assets, or liquidating funds. The AMF also sought to ensure that investment management companies were working exclusively in the interests of their investors and were treating them fairly.

In terms of financial reporting, the AMF monitored the transparency of listed financial institutions' disclosures about exposure to subprime-affected assets. It closely monitored all listed financial institutions and launched investigations whenever circumstances warranted.

The AMF also took certain additional measures:

- > It authorised the exceptional use of certain tools by hedge fund management companies to manage the liquidity of their funds and effectively protect their investors;
- > It issued specific guidelines in a joint recommendation with the banking, insurance and accountancy supervisors (Commission bancaire, ACAM, CNC) instructing companies how to implement accounting standards for recording certain financial instruments at fair value;
- > On 19 September 2008 it issued temporary rules governing the short selling of financial stocks traded on regulated French markets. The rules were extended in December 2008 and again in February 2009.

A working group chaired by two AMF Board members, Marie-Ange Debon and Jean-Pierre Hellebuyck, was tasked with making proposals for a permanent future framework for the short selling of all listed securities. A public consultation was

launched in February 2009 after the group had issued its report, and the system implemented in September 2008 was extended until a permanent set of rules could be established.

The working group on money market funds, set up in late 2007 in the wake of the subprime crisis, issued its findings in 2008. Its most notable proposals included a stricter classification of money market funds with additional criteria for the maturity of portfolio holdings and enhanced disclosure requirements. Furthermore, the working group concluded that descriptions creating confusion about a fund's risk/return profile, such as "enhanced cash funds", should be banned and that consistency was needed between the AMF's system of fund categorisation and "in-house" classifications. Based on the working group's proposals, the AMF launched a public consultation on a series of measures in February 2009.

... and an unprecedented fraud came to light in the United States

In mid-December the revelation of a gigantic fraud in the United States had serious repercussions in Europe. Moving into action as soon as the fraud was announced, the AMF quickly ascertained that French funds' exposure to "Madoff risk" was around €500 million, of which over 90% was concentrated in funds catering to high net worth individuals or institutional investors.

Given the exceptional circumstances, the AMF issued a recommendation telling investment management companies how to implement solutions that it considered appropriate for evaluating the impact of the Madoff affair and how to correctly value their assets. The AMF reminded companies of their obligation to act solely in the interests of their investors and to treat them fairly.

To inform investors, the AMF published a Q&A explaining the Madoff affair and advising them to contact their financial services provider to find out whether they had been affected. The AMF's Ombudsman also made herself available to answer the public's questions and field requests for mediation with financial services providers. Furthermore the AMF stayed in close

contact with the law firms, industry groups and investor associations that were dealing with the case.

At the European level, the Madoff affair highlighted the need for concerted and consistent action with regard to depositaries so as to ensure that the rules and responsibilities associated with this function are construed in the same way from one country to the next. In this regard, the AMF expressed support for European legislation governing the roles and liabilities of fund depositaries.

A new AMF Chairman...

The President of France appointed Jean-Pierre Jouyet as Chairman of the Autorité des marchés financiers on 15 December 2008. Mr Jouyet succeeded Michel Prada – the AMF's Chairman since its creation in November 2003 – whose term of office was non-renewable. The terms of half the AMF's Board members also expired.

... and a General Secretary

Thierry Francq was named General Secretary starting 1 March 2009. He replaced Gérard Rameix, who had held the post since the AMF's inception.

Enhanced enforcement procedure

Several measures were added to the AMF's enforcement powers in 2008:

- > the maximum fine it can impose was raised from €1.5 million to €10 million;
- > a disqualification procedure was created for Enforcement Committee members;
- > the AMF Board is now represented at enforcement hearings and can state its observations.

Intermediation and asset management

A successful reform of fund authorisation procedures...

The AMF simplified its fund authorisation procedures in January 2008 in exchange for management companies' assuming greater responsibility for the regulatory compliance of their applications. The regulator's review now focuses on the principal characteristics

of the fund, and a fast-track approval process has been created for a certain type of fund. In addition, costs have been sharply reduced, notably by the introduction of an electronic filing option. At the same time, the AMF has published a guide to prospectus drafting in order to help management companies create regulation-compliant documents.

... that strengthens investor protection

Streamlining approval procedures has freed up the AMF staff to focus on issues that are important for protecting investors. The regulator's teams have stepped up the monitoring of promotional materials and marketing documents provided to investors at the point of sale. Similar efforts have increased oversight to ensure that funds' operating conditions and management strategies are consistent with their prospectuses and also comply with legal and regulatory provisions.

Finalised reform of regulatory framework for funds of hedge funds

The AMF has modified its General Regulation and Instructions 2005-02 and 2006-02 to incorporate the principal recommendations of the working group on funds of hedge funds chaired by AMF Board member Philippe Adhémar. The orders of 23 October 2008 completed the regulatory framework, notably by creating special mechanisms for managing liquidity.

Adopting a professional certification system for financial market participants

In autumn 2008 the task force chaired by AMF Board member Jean-Pierre Pinatton submitted for consultation its proposals on the regulatory knowledge required of market professionals occupying "key posts" with investment services providers. As a result, the AMF General Regulation was amended in February 2009.

Adapting regulations to entrepreneurial investment management companies

A working group on this issue was formed in 2007 with AMF Board member Jean de Demandolx Dedons in the chair. The group's mission resulted in a number of measures dealing principally with the authorisation and updating of the management companies' programmes of operations, as well as compliance requirements, internal control and risk controls.

Corporate financing and disclosure

The AMF plays an active role in making Paris a more attractive financial centre...

As part of moves to increase the attractiveness of Paris as a financial centre, the finance Minister announced in March 2008 a series of reforms to the legislation governing public offerings of securities. In particular the specifically French concept of "appel public à l'épargne" was replaced with two European concepts, "admission to a regulated market" and "offer of securities to the public", thus requiring a series of amendments to the AMF General Regulation. To this end, in summer 2008 the AMF began discussing potential changes with the aim of developing a comprehensive legal framework in 2009.

One of the initiatives undertaken by a working group formed in July 2008 and headed by AMF Board member Jean-Pierre Pinatton was to determine how the reforms would affect Alternext, since they widened the gap between the requirements for securities listed on a regulated market and those traded on a multilateral trading facility. The group's proposals will make it easier for companies to transfer from Eurolist Compartment C to Alternext while safeguarding shareholders' takeover rights; they

will also relax the provisions currently applicable to Alternext-listed companies.

In addition, a special compartment for professional investors was opened on the regulated market. Accessible to both French and foreign companies, the new facility waives some of the specific requirements set forth in the General Regulation. These will henceforth apply only to listed companies making offers of securities to the public.

... and simplifying the process for approving financial offerings

The efforts of the "simple track" working group, chaired by AMF Board member Bernard Field, led to the implementation in March 2008 of a simplified review and approval procedure for certain financial offerings made by companies that have filed three consecutive registration documents and are up to date with all their reporting obligations.

Greater transparency on securities lending before general meetings of shareholders ...

The working group on securities lending before general meetings of shareholders, chaired by AMF Board member Yves Mansion, published its report on 6 February 2008. The report recommends fuller disclosure of the type of interests held by shareholders, with the aim of curbing the influence that can be wielded during the general meeting season by shareholders with no permanent exposure to the economic risk of share ownership. In general this effort reflects the concerns – widely shared internationally – voiced by the industry groups representing listed companies.

... on major holding notifications and statements of intent ...

The working group chaired by AMF Board member Bernard Field published on 23 October 2008 its report on major shareholding notifications and statements of intent. The group said that creeping takeovers should be tackled by making shareholdings more transparent and providing the market with more relevant disclosures. Some of these proposals were incorporated into an executive order in January 2009.

... and executive compensation

A set of recommendations on the compensation of executive directors of companies listed on a regulated market were published on 6 October 2008 and adopted by the French Business Confederation (MEDEF) and an association representing French companies, AFEP. Further to this, the Council of Ministers at its 7 October 2008 meeting called on the boards of these companies to adopt the recommendations before the end of 2008. Accordingly, the AMF began centralising the companies' disclosures and published a summary of information provided by them about their compliance with the MEDEF/AFEP guidelines.

An active international role

In 2008 the AMF remained strongly committed to international regulation and cooperation. These efforts proved all the more important in the light of the year's events, including the 33rd annual conference of the International Organization of Securities Commissions (IOSCO) in Paris in May, France's EU presidency in the second half-year, and the G-20's decisions in November, as well as the ongoing financial crisis.

The AMF chaired or initiated several ad hoc IOSCO working groups and standing committees on topics related to the financial crisis, such as the valuation and due diligence issues facing investment management companies investing in structured products, the role of credit rating agencies, and hedge funds. These groups also tackled questions the monitoring of corporate finance transactions (exchanging information in the event of market abuse) and developments in market infrastructures.

The AMF actively participated in negotiating the proposal amending the UCITS Directive in order to help clarify the new mechanisms. The draft directive introduces cross-border arrangements such as mergers and master-feeder structures. It also speeds up some existing procedures, such as the passport for marketing funds throughout the EU. For its part, the Committee of European Securities Regulators (CESR) proposed rules, included in the final text, for the fund management company passport. Particular attention was also paid to investor

protection and the quality of investor disclosures. This involved overhauling the simplified prospectus, which will present key information in a streamlined two-page format. The AMF actively contributed to these efforts in collaboration with CESR. It welcomes these advances and will be watching closely to see how the work proceeds in 2009.

The AMF also contributed to the European Commission's work on substitute products, which deals with how investment products are marketed to retail investors and how various European laws on substitute products distort competition to the detriment of collective investment schemes.

In this effort, it relied on the conclusions of a working group of the Retail Investors Consultative Commission chaired by AMF Board member and Commission vice-chair Jacques Delmas-Marsalet. The report envisaged measures to harmonise the rules for marketing funds, structured products and life insurance policies.

Lastly, the AMF, which has for years argued for stricter oversight of credit rating agencies, supported the European Commission's initiatives in this regard.

Regulation of corporate financing and disclosures

The AMF regulates fundraising and disclosures by listed companies. All such companies are required to inform the public regularly about their business activities and results, and about transactions such as takeovers and mergers. The AMF oversees and monitors this financial information, making sure it is accurate, precise and fair and that it is disseminated to the public at large.

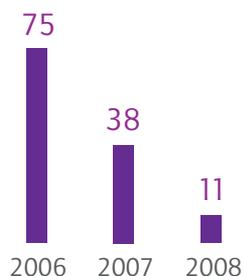
2008 key data

Offer documents approved by the AMF ⁽¹⁾	291
Registration documents	367
– o/w filed and reviewed <i>ex-post</i>	272
Admissions to listing on Euronext	5
Admissions to listing on Alternext	6

(1) Excluding expired approvals and including compliance decisions constituting approvals for tender offers

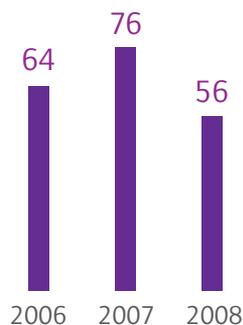
Source: AMF

APPROVALS FOR INITIAL OFFERINGS AND ADMISSIONS TO LISTING ON EURONEXT AND ALTERNEXT



Source: AMF

TENDER OFFERS



Source: AMF

FINANCIAL OFFERINGS AND DISCLOSURES

Filing rate for registration documents: 59%

Corporate financing

The AMF oversees and regulates transactions involving the securities of listed companies:

- > initial public offerings;
- > capital increases and rights issues;
- > public cash offers, exchange offers, buyout offers, etc.;
- > mergers, demergers, etc.

The AMF ensures that for each operation, companies offering securities to the public provide comprehensive and reliable information on a timely basis and in an equitable manner to all.

The AMF scrutinises the documents prepared by listed companies, such as simplified and full prospectuses, offer documents, shelf registration documents, base documents and securities notes, etc.

Depending on the case, these documents are either approved by the AMF prior to publication or are filed with the AMF and examined *ex-post*.

And to safeguard shareholders' interests, the AMF also rules on whether proposed tender offers are regulation-compliant.

In addition, the AMF makes sure that promotional materials related to a corporate financing transaction are clearly recognisable as such and contain no potentially misleading statements.

Disclosure quality

The AMF ensures that listed companies disclose price-sensitive information to the general public at the earliest possible opportunity. It also checks that companies comply with quarterly, half-yearly and annual disclosure requirements.

In the event of late filing, the AMF publishes the names of the companies in question on its website. In the event of a serious delay, it can also petition the Courts to issue injunctions and penalties.

To improve the standard of information supplied to the market, the AMF publishes an annual report and recommendations on corporate governance and internal control in listed companies.

Regulation of markets, professionals and collective investment schemes

The AMF oversees the orderly operation of the market and establishes rules of conduct for the professionals it supervises. It regulates the asset management industry by authorising the creation of collective investment vehicles, approving investment management companies and clearing their programmes of operations.

Oversight of markets

The AMF sets the principles of market organisation and operation. These apply to:

- market operators, such as Euronext Paris, which organises trading in equities, fixed income securities and derivatives;
- securities settlement systems and the central securities depository, Euroclear France.

The AMF also approves the rulebooks of clearing houses, such as LCH.Clearnet, and establishes the operating requirements for clearing members.

Last but not least, it oversees financial markets and the transactions executed on them.

Oversight of professionals

The AMF sets the conduct of business rules and other requirements applicable to professionals authorised to provide investment services (ISPs). It approves asset management companies at the formation stage, after ensuring that they have sufficient resources and assessing the qualifications and integrity of their managers. The AMF also sets rules for the custody and administration of financial instruments. The AMF issues opinions to CECEI, the authority responsible for investment firms and credit institutions, regarding the programmes of operations of investment services providers other than investment management companies. The AMF supervises financial investment advisers (FIAs) and approves the professional associations to which they belong, which are responsible for upholding their rights and interests, implementing and ensuring compliance with conduct of business rules, and providing training for FIAs. It also supervises direct marketers acting on behalf of investment management companies.

Furthermore, it issues professional licenses for compliance officers in the investment departments of ISPs other than investment management companies and compliance officers in charge of management companies' internal control.

Oversight of collective investment schemes

The AMF authorises the formation of collective investment schemes, including open-end and closed-end funds, venture funds, innovation funds, company savings schemes, futures funds and local investment funds. Among other things, it examines the information set out in the prospectus given to all potential investors. Prospectuses contain key information such as operating procedures, track record, fees and commissions, product features, product-specific risks, etc. The AMF also monitors each scheme throughout its lifetime, paying particular attention to the clarity of disclosures to investors, including annual reports, newsletters and other advertising materials.

Other, special-purpose collective vehicles, such as securitisation funds, real-estate investment trusts and funds, and schemes specialising in areas such as film production, fisheries and forestry development, also come under AMF supervision.

2008 key data

Entities reporting to the AMF at 31 December 2008

Investment management companies	571
Investment services providers (other than investment management companies)	394

Authorisations issued in 2008

Authorisations to investment management companies	50
Approvals for programmes of operations	79
Opinions on programmes of operations for investment services other than asset management and/or for custody account keeping	12
Approvals of programmes of operations for asset management (investment services providers other than investment management companies) ...	10

General purpose collective investment schemes

Schemes operating as at 31.12.2008	12,293
Authorisations issued in 2008	1,121
Assets under management	€1,246.4 billion

PERSONAL INVESTMENT MANAGEMENT

Percentage of companies receiving authorisation in under 75 days: **67%**

Market supervision: inspections, investigations and sanctions

The AMF supervises the orderly operation of the French financial markets on a daily basis. Vested with investigatory and inspection powers, it works with other domestic and foreign authorities responsible for overseeing the banking and financial industries. The AMF can sanction any legal entity or natural person that infringes prevailing rules and regulations.

2008 key data

Market surveillance and discipline

On-site inspections of investment services providers . . .	66
Investigations opened	97
Completed investigations	95

Activity of the Enforcement Committee

Sanction proceedings completed	40
Sanctions handed out in 2008	84
o/w to corporate entities	35

INTERMEDIATION

Percentage of inspections completed in under 6 months: **72%**

INVESTIGATIONS

Percentage of domestic inspections completed in under 12 months: **75%**

SANCTIONS

Percentage of cases referred to the Enforcement Committee and resulting in a sanction: **63%**

Percentage of cases referred to the Enforcement Committee and closed in under 12 months: **44%**

A supervisory remit

The AMF oversees:

- > the financial instruments admitted to listing on Euronext Paris: equities, fixed-income, derivatives;
- > the professionals operating in financial instrument markets (credit institutions, investment firms, investment management companies, financial investment advisers, direct marketers acting for investment management companies);
- > the market infrastructures.

The AMF also monitors all trading of instruments listed on Euronext, regardless of where it is executed, including over-the-counter trades and those on multilateral trading facilities.

Inspection powers

The AMF conducts on-site and off-site audits of:

- > all firms licensed for investment services, together with their employees;
- > Euronext Paris;
- > the settlement system and the central securities depository;
- > clearing houses;
- > financial investment advisers;
- > direct marketers acting for investment management companies.

The AMF can call on other supervisory bodies, such as Euronext Paris, the central securities depository, the banking regulator (Commission bancaire) and audit firms.

Investigative powers

If misconduct is suspected, the AMF's Secretary General can order an investigation to identify those who may have committed market abuse, such as insider dealing, price manipulation, or releasing false information, be it a company, a private or institutional investor, a market professional or any other person or entity.

Sanction powers

An investigation report is sent to the AMF Board, which decides whether to issue a statement of complaint against the persons or entities in question and to refer the matter to the Enforcement Committee or another competent authority. Following an adversarial procedure, the Enforcement Committee makes a decision on matters of fact and may issue a fine and/or a disciplinary sanction for infringement of market rules or market intermediaries' professional duties.

International cooperation

To enhance the oversight of trading on Europe's financial markets, the members of the Committee of European Securities Regulators (CESR) set up CESR-Pol, a group responsible for facilitating effective and efficient sharing of information. The AMF has also signed the multilateral cooperation agreement of the International Organization of Securities Commissions, which aims to facilitate the exchange of information during investigations into market abuse.

Developments in financial regulation in France and internationally

Alongside other public and private-sector bodies, the AMF is helping to rebuild confidence in markets and playing an active part in consolidating France's position in an integrated Europe-wide financial sector. The AMF plays a major role in international financial standard-setting bodies in an effort to foster the integrity and efficiency of financial markets in a globalised world.

The AMF and the French financial community

Since it was founded in 2003, the AMF has actively worked for the Paris financial market by affording a much clearer view of how France's financial regulation system is organised amid intensifying international competition and heightened investor concerns about market shortcomings.

The AMF plays an active international role

The AMF plays an important role in the international arena. That role is particularly important at a time when financial markets are becoming closely integrated. The AMF plays an active role at the European level through its involvement in CESR, and also internationally through its activities at IOSCO, the Financial Stability Forum, the Joint Forum and the French-speaking regulators' institute, IFREFI.

In May 2008 the AMF hosted IOSCO's 33rd annual conference in Paris. In the course of the event, international regulators and financial market participants discussed the latest developments in the various fields of financial regulation: market organisation, asset management issues, financial disclosure and corporate governance, strategies, and the challenges facing intermediaries.

WORLD

The [International Organization of Securities Commissions \(IOSCO\)](#), formed in 1983, brings together financial regulators at the world level. It has 190 members. The AMF sits on IOSCO's Technical Committee and Executive Committee.

The [Financial Stability Forum \(FSF\)](#) is composed of the financial regulators, central banks and finance ministers in significant international financial centres, together with the International Monetary Fund, the World Bank, the OECD, international regulators and the European Central Bank. The FSF has 42 members.

EUROPEAN

The [Committee of European Securities Regulators \(CESR\)](#) comprises the regulatory authorities of the financial markets in the European Economic Area. CESR has 29 member-countries.

The [College of Euronext Regulators](#) comprises the five regulatory agencies of the countries in which Euronext is present: AMF (France), AFM (Netherlands), CBFA (Belgium), CMVM (Portugal) and FSA (UK). The Euronext regulators signed a cooperation agreement in January 2007 with the United States Securities and Exchange Commission for the NYSE Euronext alliance.

BILATERAL

The AMF has signed 39 cooperation agreements with other authorities on matters such as the exchange of information, conduct of investigations and technical cooperation. These bilateral relations are underpinned by two multilateral Memorandums of Understanding between the members of CESR (27 signatories) and IOSCO (44 signatories).

FRENCH-SPEAKING COUNTRIES

Formed in June 2002 on the initiative of the COB, the Institut francophone de la régulation financière (IFREFI) comprises the financial regulators that use French as their working language. IFREFI has a flexible structure that promotes dialogue and cooperation. The AMF provides the secretariat for the organisation. IFREFI has 16 signatories representing 27 countries.

Education and mediation

In addition to its regulatory, authorisation, oversight and disciplinary activities, the AMF protects investors by educating consumers and intervening should a dispute arise. Its aim is not to declare whether an investment is advisable or to certify a financial product but to ensure that investors have all the information needed to reach an informed decision.

2008 key data

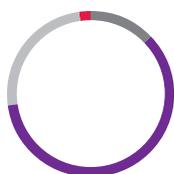
Number of cases opened

2,307 queries, of which 1,502 involving consultation and 805 involving mediation

Number of cases closed

In 2008, the Ombudsman responded to 1,473 consultation requests and 739 cases of mediation, of which 64% culminated in a settlement.

MEDIATION, BY SUBJECT AREA



- 13% Issuers + general market operation + financial instruments
- 60% Collective investments + portfolio management
- 25% Order reception/transmission
- 2% Direct marketing, personal financial planning and investment advice

Source: AMF

INQUIRIES BY SUBJECT AREA



- 49% Issuers + general market operation + financial instruments
- 23% Collective investments + portfolio management
- 16% Direct marketing, personal financial planning and investment advice
- 5% Other

Source: AMF

Informing the public

The AMF's website features:

- > educational guides explaining how markets work, giving details of financial products, and setting out the basic rules for managing investments wisely;
- > all rules and regulations applicable to the areas for which the regulator is responsible: directives, codes, laws, decrees and AMF regulations;
- > two databases:
 - "Decisions and disclosures" contains information supplied by listed companies, links to their websites, and information published by the AMF about financial offerings involving these companies (tender offers, major holdings, etc.);
 - "Geco" contains information about AMF-authorised collective investment schemes (prospectuses, net asset values) and investment management companies (authorisations, programmes of operations, products managed, etc.);
- > access to files containing details of financial investment advisors and direct marketers working for banking and financial organisations, making it possible to check whether the person in question is duly authorised;
- > a section containing AMF warnings about products and investment services not authorised in France.

The AMF operates public hotlines at:

- > the Documentation Centre, for general queries about financial markets and the way they operate;
- > the Ombudsman, for specific issues such as corporate actions, listed companies' disclosure requirements, asset management rules, stock order transmission and reception, custody account keeping, and the marketing of financial products.

The AMF has a decentralised regional network that operates through the local offices of the Banque de France.

Mediation and the Ombudsman

The Mediation department fills two roles. It responds to queries from all interested parties and seeks out-of-court settlements to individual cases that are referred to the department. Most of these cases involve retail investors but may also be submitted by professionals such as intermediaries or listed companies and concern every area of the AMF's jurisdiction: the marketing of financial products, market operations, the content of disclosures, order execution (timeliness and content), portfolio management and custody account keeping. The mediation procedure is governed by a charter and is confidential, free, adversarial and nonbinding. Either party may terminate it whenever they want, while retaining the right to petition the courts. If a case is referred to the Ombudsman, the limitation period on civil and administrative proceedings is suspended.

Consultative Commissions and the Scientific Advisory Board

With a view to fostering dialogue and consultation, the AMF set up five Consultative Commissions in February 2004. Furthermore, it regularly organises market-wide consultations through special working groups. It can also rely on input from members of its Scientific Advisory Board to help with its work.

The Five Consultative Commissions

The role of the five permanent Consultative Commissions is to assist the AMF in its deliberations and help it formulate its positions in the light of changes in techniques, products and market structures, as well as the evolving legal and financial environment, both domestic and international. Composed of experts appointed by the AMF Board for a three-year term, the commissions are chaired by Board members, who coordinate the work programmes and report back to the Board.

Each commission addresses a specific topic:

- > Markets and Exchanges, chaired by Jean-Michel Naulot;
- > Clearing, Custody and Settlement, chaired by Dominique Hoenn;
- > Individual and Collective Investment Schemes, chaired by Philippe Adhémar;
- > Disclosures and Corporate Finance, chaired by Yves Mansion;
- > Retail Investors, chaired by Jean-Claude Mothié.

The Scientific Advisory Board

The AMF has set up a Scientific Advisory Board composed of prominent personalities from the academic and financial worlds. Its members include several world-renowned foreign researchers, which gives it a broad international perspective. The Scientific Advisory Board has a three-fold remit:

- > to provide the AMF with more comprehensive information about ongoing academic research in the financial field;
- > to identify developments that might have an impact on the AMF's areas of activity;
- > to research issues of concern to the regulator.

To find a broader audience for this work, the AMF holds an annual Academic Conference. The third conference, organised jointly with the Banque de France, took place in Paris in October 2008 on the reorganisation of financial exchanges.

AMF Scientific Advisory Board

Michel Aglietta (Paris University, West Nanterre-La Défense),

Michel Albouy (Grenoble University PMF-ESA),

Noël Amenc (EDHEC),

Patrick Artus (Natixis),

Christian de Boissieu (Paris I University),

François Champarnaud (Agence des participations de l'Etat),

Patricia Charlety (ESSEC),

Jean-Philippe Cotis (INSEE),

Olivier Davanne (DPA Invest),

Thierry Foucault (HEC),

Olivier Garnier (Société Générale Asset Management),

Edith Ginglinger (Paris Dauphine University),

Christian Gourieroux (IX University, ENSAE),

Carole Gresse (Paris Dauphine University-CEREG),

Pierre Jaillet (Banque de France),

Ruben Lee (Oxford Finance Group),

Jean-François Lepetit (Conseil national de la comptabilité),

François-Serge Lhabitant (HEC Lausanne University),

Albert Menkveld (Vrije Universiteit Amsterdam),

André Orléan (CNRS),

Olivier Pastré (Paris VIII University, GP Banque),

Jean-Charles Rochet (Toulouse University-Institut d'économie industrielle),

Benn Steil (Council on Foreign Relations),

Xavier Vives (IESE Business School).

The Board

The AMF Board has 16 members. The Board is the decision-making body of the AMF. Its powers include: adopting new regulations; taking individual decisions: including on authorisations of firms and compliance of tender offers; scrutinising inspection and investigation reports; ordering sanction or injunction proceedings; suspending the business operations, in an emergency, of professionals subject to sanction proceedings; adopting the budget and approving the AMF's financial accounts, etc.



1 – **Jean-Pierre Jouyet** ① ② ③
Chairman, appointed by Presidential decree. (since 15 December 2008)

Michel Prada
(until 14 December 2008)

2 – **Jacques Delmas-Marsalet** ①
Councillor of the Conseil d'Etat, appointed by the Vice President of the Conseil d'Etat.

3 – **Martine Ract-Madoux** ②
Court of Cassation trial judge, appointed by the Chief Justice of the Court of Cassation.

4 – **Philippe Adhémar** ③
Conseiller maître of the Cour des comptes, appointed by the Auditor General of the Cour des comptes.

5 – **Jean-Paul Redouin** ①
Representative of the Banque de France, appointed by the Governor of the Banque de France.

6 – **Jean-François Lepetit** ③
Chairman of the Conseil national de la comptabilité.

7 – **Jean de Demandolx Dedons** ①
Appointed by the President of the Senate.

8 – **Jean-Michel Naulot** ②
Appointed by the President of the National Assembly.

9 – **Bernard Esambert** ③
Appointed by the Chairman of the Conseil économique et social.



10 – **Marie-Ange Debon** ③

11 – **Dominique Hoenn** ②

12 – **Olivier Poupart-Lafarge** ①
(since 15 December 2008)

Bernard Field
(until 14 December 2008)

13 – **Yves Mansion** ②

14 – **Jean-Pierre Pinatton** ①

15 – **Jean-Pierre Hellebuyck** ②

16 – **Jean-Claude Mothié** ③

Representing employee shareholders, appointed by the finance Minister.

Appointed by the finance Minister, after consultation with organisations representing listed industrial and commercial companies, firms managing collective investment schemes, other investors, investment services providers, market operators, clearing houses, settlement system managers and central securities depositories.

Ramon Fernandez
Director General of the Treasury and Economic Policy
(since 4 March 2009)

Xavier Musca
(until 3 March 2009)

Government Commissioner, appointed by the finance Minister. He sits on all configurations (Plenary Committee, Enforcement Committee and Specialised Commissions) but does not play a deliberative role. He may request a second deliberation.



- ① Specialised Commission No 1
- ② Specialised Commission No 2
- ③ Specialised Commission No 3

The Enforcement Committee

The Enforcement Committee has 12 members. It has the power to sanction any legal entity or natural person having infringed laws and regulations on public offerings of securities and financial markets and having acted in a manner that impairs investor protection or interferes with the orderly operations of markets. The Enforcement Committee takes decisions pursuant to the notification of enforcement proceedings submitted to it by the Board of the AMF. It has total freedom of decision-making when carrying out its duties.



1 – Daniel Labetoulle
Chairman of the Enforcement Committee.
Chairman of the First Section
Councillor of the Conseil d'Etat, appointed by the Vice President of the Conseil d'Etat.

2 – Claude Nocquet-Borel
Chair of the Second Section.
Court of Cassation trial judge, appointed by the Chief Justice of the Court of Cassation.

3 – Jean-Claude Hassan
Councillor of the Conseil d'Etat,
appointed by the Vice President
of the Conseil d'Etat.
(since 26 November 2008)

Jacques Bonnot
(until 31 July 2008)



4 – Marielle Cohen-Branche
Court of Cassation trial judge,
appointed by the Chief Justice of
the Court of Cassation.



Members appointed by the finance
Minister

5 – Alain Ferri

**6 – Guillaume
Jalenques de Labeau**

7 – Pierre Lasserre

8 – Jean-Pierre Morin

9 – Antoine Courteault

10 – Jean-Claude Hanus

Representatives of the employees of companies or institutions providing investment services or managing collective investment schemes, market operators, clearing houses, settlement system managers and centralised securities depositories; appointed by the finance Minister.

11 – Joseph Thouvenel

12 – Jean-Jacques Surzur

Ramon Fernandez
Director General of the Treasury and
Economic Policy
(since 4 March 2009)

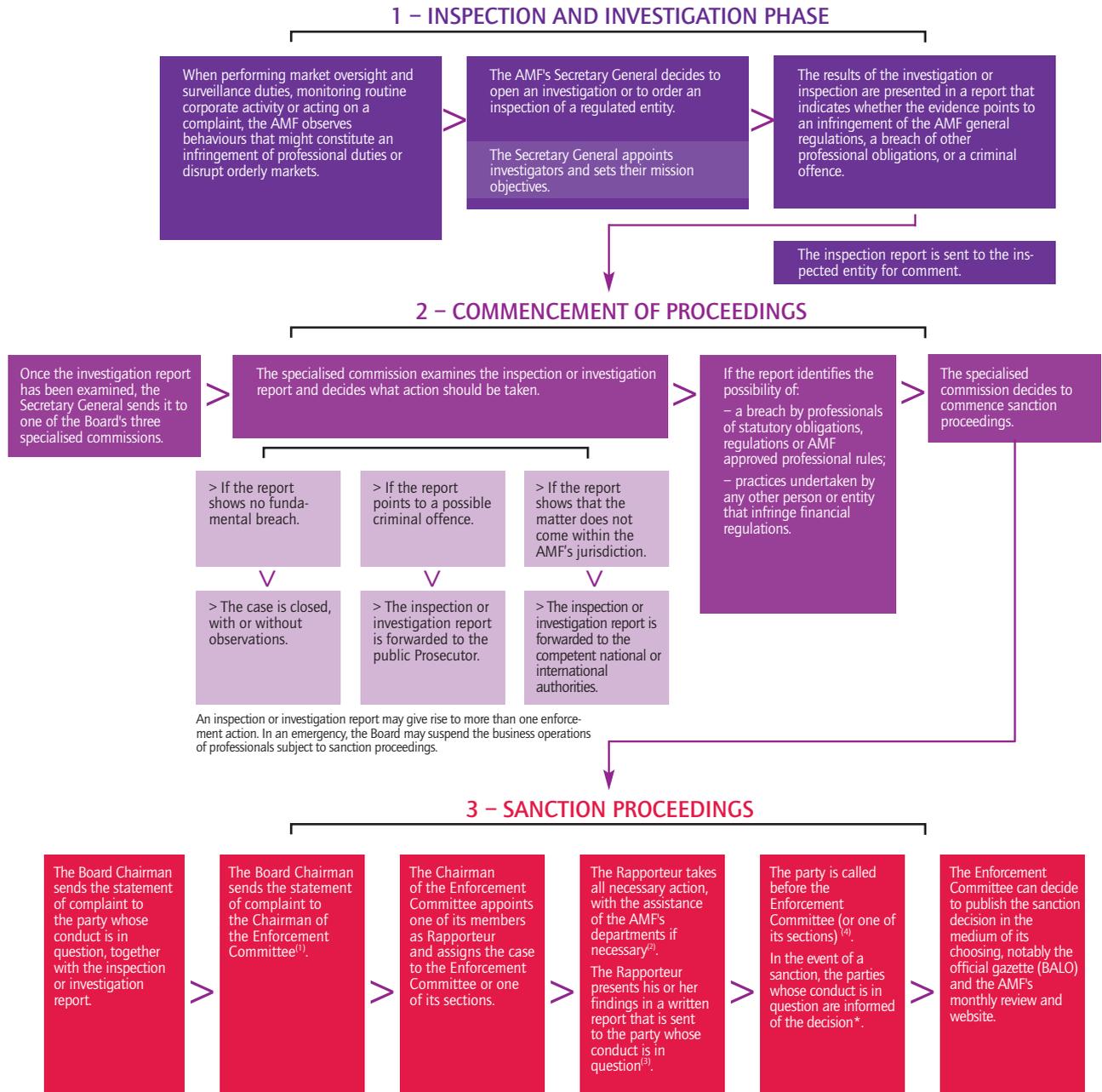


Xavier Musca
(until 3 March 2009)

Government Commissioner,
appointed by the finance Minister.
He sits on all configurations
(Plenary Committee, Enforcement
Committee and Specialised
Commissions) but does not play a
deliberative role. He may request a
second deliberation.

From surveillance to sanction

Overview of the enforcement function



(1) Parties whose conduct is in question have 1 month (or 2 months if they are based outside the EEA) in which to send their written observations about the complaints in question to the Chairman of the Enforcement Committee. They can apply to the Enforcement Committee to examine and copy other documents in the case file and may choose a counsel to assist them if they wish.

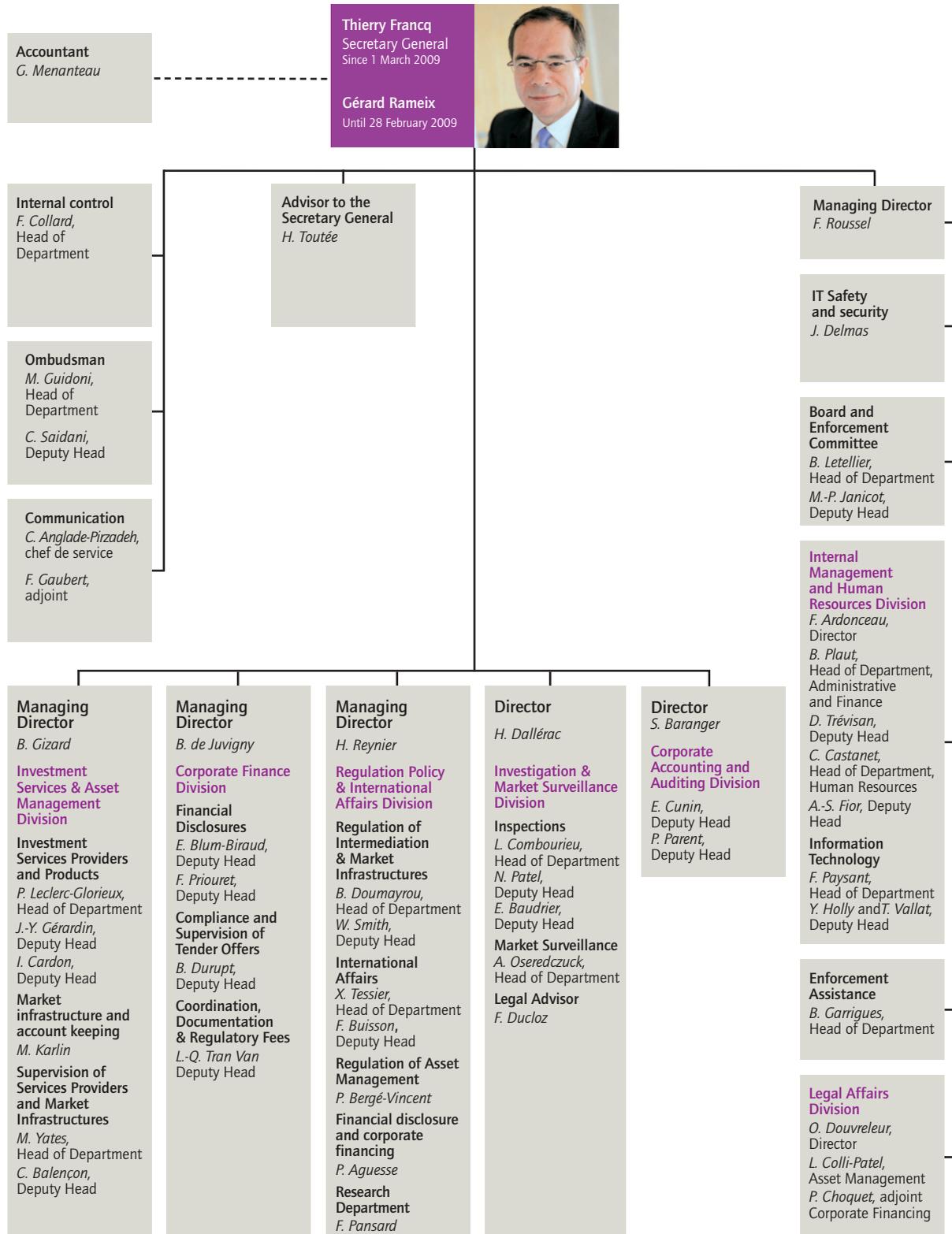
(2) Adversarial preparation: parties whose conduct is in question can request a hearing. The Rapporteur may also hear accused parties, or any other person he or she deems necessary, and may request additional documents.

(3) If the Rapporteur considers that supplementary notification should be filed or that a notice of regulatory proceedings should be served on another party or parties, he or she refers the matter to the Board.

(4) The accused party has fifteen clear days in which to submit written observations on the report.

* The sanction decision is reported to the Government Commissioner and to the Chairman of the AMF, who informs the Board. If the decision concerns an investment services provider other than an asset management company, it is reported to the CECEI and the Commission bancaire.

AMF organisation chart



Contacts

Communication Department

Tel: +33 (0)1 5345 6025

Email: contact@amf-france.org

Documentation Centre

Tel: +33 (0)1 5345 6200

(Monday to Thursday, 9.30am – 12.30pm and 2.30pm – 4.30pm)

Email: centrededoc@amf-france.org

Ombudsman Service

Tel: +33 (0)1 5345 6464

(Tuesday and Thursday, 2pm – 4pm)

Postal address: For the attention of Madeleine Guidoni

Autorité des marchés financiers

17, place de la Bourse

75082 Paris Cedex 02

Contact forms are available in the Ombudsman section of the AMF website

Web: www.amf-france.org

