

AMF instruction

Procedures for making disclosures and introducing changes, preparation of a prospectus and reporting for specialised professional funds and professional private equity funds – DOC-2012-06

References: Articles 423-16 to 423-53 of the AMF General Regulation

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Annex II-1 – Disclosure when making a change to a specialised professional fund (or a sub-fund)

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Annex III-1 – Standard prospectus template of a specialised professional fund

Annex III-2 – Standard template for the rules of a specialised professional fund

Annex III-3 – Standard template for the articles of incorporation of a specialised professional open-ended investment company

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Annex VII – Statistical and financial data to be filed with the Autorité des Marchés Financiers

Annex VIII – Reporting form for annual statistics on professional private equity funds

This instruction applies:

1 To specialised professional funds (*fonds professionnels spécialisés*) governed in particular by Articles L.214-154 to L.214-158 of the Monetary and Financial Code, including to French limited partnership (*sociétés de libre partenariat*) also governed by Articles L.214-162-1 to L.214-162-12 of the Monetary and Financial Code;

2 To professional private equity funds (*fonds professionnels de capital investissement*) governed in particular by Articles L.214-159 to L.214-162 of the Monetary and Financial Code.

Unless expressly stipulated otherwise, the term “management company” in this instruction means asset management companies authorised in France¹ or management companies authorised in a Member State of the European Union other than France that manage one or more alternative investment funds (AIFs) in France under the freedom to provide services or the freedom of establishment.

By convention, any reference in this instruction to unitholders or shareholders also covers, where relevant, partners in French limited partnership.

Where reference is made in this instruction to sending documents to the GECO database of the management company, management companies located in a Member State of the European Union other than France and managing or wishing to manage a specialised professional fund or a professional private equity fund shall email said documents to gjo@amf-france.org.

¹ Whether subject to Title I or Title I bis of Book III of the AMF General Regulation.

Chapter I - Procedures for making disclosures

Section I – Formation of a specialised professional fund and a professional private equity fund

Disclosure process when forming specialised professional funds and professional private equity funds

Step	Management company of the common fund (FCP) or open-ended investment company (SICAV) or French limited partnership	Autorité des Marchés Financiers
1	File a formation disclosure	
2		Acknowledgement of receipt of the application
3	Submission of the prospectus of the specialised professional fund or the rules of the professional private equity fund to the GECO database in accordance with the procedures stipulated in Annex VII	

Article 1 - Procedure for disclosing specialised professional funds and professional private equity funds

The formation of a specialised professional fund or a professional private equity fund (or a new sub-fund with the same characteristics) must be disclosed to the AMF within the month following the establishment of the deposit certificate for the funds of a common fund or for the initial capital of an open-ended investment company or French limited partnership. Note that this disclosure may be provided before the certificate is established.

The disclosure file must be signed by a person duly empowered by the open-ended investment company or the French limited partnership or, in the case of a common fund, by a person authorised by the management company. This person must be either one of the senior managers of the management company, the open-ended investment company or the French limited partnership, or a specifically empowered person.

In accordance with Article L.214-24-57 of the Monetary and Financial Code, applicable by reference from Article L.214-152 of the Monetary and Financial Code, specialised professional funds and professional private equity funds (or sub-funds presenting the same characteristics) may be set up as feeders.

In accordance with Article 423-40 of the AMF General Regulation, professional private equity funds must comply with the obligations provided for in Articles 422-105 to 422-118 and 422-120.

Annexes V and VI of this instruction describe the contents of information-sharing agreements in master/feeder arrangements compliant with Article L.214-24-57 of the Monetary and Financial Code for specialised professional funds and professional private equity funds.

Article 2 – Contents of the disclosure file

The disclosure file mentioned in Article 1 must include:

- 1 Two copies - one copy only if the application is filed online – of the duly completed disclosure form found in Annex I-1, I-2 and I-3 (depending on the type of AIF);
- 2 The attachments referred to in Annexes I-1 and I-3 (depending on the type of AIF), along with any other document that the management company, the open-ended investment company or the French limited partnership deems necessary.

The deposit certificate does not have to be filed with the AMF at the time of disclosure. It may be submitted after the disclosure is made, within the month following its establishment.

Article 2-1 – Specific provisions applicable to specialised professional funds and professional private equity funds managed by management companies authorised in accordance with Directive 2011/61/EU – Marketing procedure

Where the specialised professional fund or the professional private equity fund is managed by a management company authorised in France in accordance with Directive 2011/61/EU², said company must comply with Articles 421-1 and 421-13 of the AMF General Regulation before marketing units in France to professional clients and retail clients respectively³.

Where the asset management company wishes to apply for authorisation to market the units or shares of the specialised professional fund or of the professional private equity fund in France at the same time as it discloses the fund, the management company must fill out the disclosure file, appending the necessary documentation (Cf. Annexes I-1 and I-2 for specialised professional funds and Annexes I-3 and I-4 for professional private equity funds).

The maximum waiting time of 20 working days mentioned in Article 421-2 of the AMF General Regulation to notify the asset management company whether it may begin to market the specialised professional fund or the professional private equity fund to professional clients also applies to the application to market to retail clients. If the management company carries out the marketing procedure at the same time as the disclosure is made, this period starts on the fund disclosure date, provided the application is complete. If the application is complete and compliant, notification to market in France will be issued with the acknowledgement of receipt mentioned in Article 3 of this instruction.

The asset management company shall refer to another AMF instruction where:

- it follows this procedure following disclosure of the specialised professional fund or of the professional private equity fund, in a situation where the fund was not marketed in France on being disclosed;
- it wishes to market the specialised professional fund or the professional private equity fund in a Member State of the European Union other than France under European passporting arrangements.

Where the specialised professional fund or the professional private equity fund is managed by a management company authorised in a Member State of the European Union other than France the management company shall refer to another AMF instruction as regards marketing the fund in France.

Article 3 - Acknowledgement of receipt

On receipt of the complete disclosure file, the AMF registers the disclosure. Acknowledgement of receipt of the disclosure is issued within eight worked days of receipt. The acknowledgement of receipt certifies that the application has been filed with the AMF and is without prejudice to the quality of information contained in the

² The total asset value of managed AIFs, calculated in accordance with Article 2 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012, exceeds the limits set in Article R.532-12-1 of the Monetary and Financial Code or, where it is lower but the asset management company has opted for full application of Directive 2011/61/EU.

³ Note that Articles 423-27 and 423-49 of the AMF General Regulation provide the list of persons that may subscribe or acquire units or shares of specialised professional funds or professional private equity funds.

file, which remains the responsibility of the open-ended investment company, the French limited partnership or the management company.

Article 3-1 - Management delegation requirements for a specialised professional fund or professional private equity fund

If the AIF or management company wishes to delegate management of the AIF (for example, investment management or, in the case of management companies authorised under the terms of the AIFM Directive, risk management), it must comply with the applicable provisions.

As regards asset management companies authorised in France, these rules are provided for in Articles 313-77⁴ and 318-58⁵ of the AMF General Regulation.

Asset management companies authorised in France shall refer also to instruction 2008-03.

Article 3-2 - Auditors

When a specialised professional fund or professional private equity fund is being formed, the authorisation application filed with the AMF must specify the name of the statutory auditor along with the name(s) of the individual(s) responsible for auditing the open-ended investment company, French limited partnership or common fund where the auditor is a legal entity.

At the request of the AMF, the auditor must submit the list of its auditing assignments in collective investments and management companies together with the date of appointment to functions performed, the latest budget invoiced or forecasted in the case of a fund formation as well as its total turnover.

The application should describe the work programme jointly agreed between the auditor and the open-ended investment company, French limited partnership or management company. The programme must specify the number of hours, broken down by audit task and nature of the activities. It should take into account, where applicable, the specific features of umbrella AIFs and master and feeder funds. The forecast auditing fees for these activities must be provided to the AMF, along with the hourly rate being considered.

The appointment by the specialised professional fund or the professional private equity fund of an auditor is possible where the appointment of said auditor has already been disclosed to the AMF as part of establishing another collective investment. If the auditor is not known to the AMF's staff, the management company, the open-ended investment company or the French limited partnership shall contact the AMF's staff.

Article 3-3 - Depositary

When forming a specialised professional fund or a professional private equity fund, the application filed with the AMF shall give the name of the fund depositary.

The appointment by the fund of a depositary is possible where the appointment of said depositary has already been disclosed to the AMF as part of establishing another collective investment. If the depositary is not known to the AMF's staff, the management company, the open-ended investment company or the French limited partnership shall contact the AMF's staff.

⁴ For asset management companies subject to Title I, Book III of the AMF General Regulation with regard to their AIF management activities.

⁵ For asset management companies subject to Title I bis, Book III of the AMF General Regulation with regard to their AIF management activities.

Article 4 - Ex post review

The application is subject to an ex post review by the AMF. According to Article 314-30 of the AMF General Regulation, the AMF may require that advertising materials prepared or disseminated by an AIF be sent to it. It may at any time require changes to the presentation or the content of these materials to ensure that the information is accurate, clear and not misleading. It may also order the dissemination of these materials to be stopped.

Article 5 – Submission of the final versions of the prospectus or rules and other documents to the AMF

The management company, the open-ended investment company or the French limited partnership must electronically send in accordance with the requirements defined in Annex VII hereto:

- the prospectus of the specialised professional fund established as a common fund or open-ended investment company to which the fund's rules or articles of incorporation are attached;
- the prospectus consisting of the articles of incorporation of the French limited partnership; or
- the rules of the professional private equity fund.

The management company, the open-ended investment company or the French limited partnership is solely responsible for the information disclosed to the AMF.

Article 6 - Special case of the conversion of an existing AIF to a specialised professional fund

These conversions are subject to the provisions of this instruction.

Article L.214-162-12 of the Monetary and Financial Code states that "AIFs governed by this paragraph [i.e. declared funds] may be converted without winding-up into open partnership companies under the conditions established in the articles of incorporation or in the rules of the AIF".

Section II - Changes

Article 7 – Procedures for making changes (excluding mergers, demergers and liquidations)

Changes to AIFs or to sub-funds of AIFs must be carried out while complying with the procedures set out in their prospectus or rules and must be reported to the AMF no later than one month after the change is implemented.

Changes are reported:

1 By updating the GECO database; this task is performed by the management company, the open-ended investment company or the French limited partnership.

If the GECO database cannot be updated, the management company, the open-ended investment company or the French limited partnership shall send the AMF a letter specifying the nature of the change and the reasons why the proposed change cannot be reported via the GECO database. This letter does not exempt the management company, the open-ended investment company or the French limited partnership from sending to the GECO database, as mentioned in 2, the prospectus to which the rules or articles of incorporation of the specialised professional fund⁶ are appended or the rules of the professional private equity fund;

⁶ For open partnership companies, the prospectus consists only of the company's articles of incorporation.

2 By sending the prospectus to which the rules or articles of incorporation of the specialised professional fund⁷ are appended or by sending the rules of the professional private equity fund as amended to the GECO database in accordance with the requirements set out in Annex VII of this instruction.

These changes are either disclosed to the depositary or submitted for the depositary's prior consent in accordance with the terms of the agreement between the management company, the open-ended investment company or the French limited partnership and the depositary.

The auditor is also notified of these changes.

Article 8 – Special procedure for mergers, demergers and liquidations

In accordance with Articles 423-25, 423-44 and 423-45 of the AMF General Regulation, a merger or demerger must be disclosed within the month following its execution, and entry into liquidation, which must be immediately reported to the depositary so that the latter can give its formal consent, must be reported within one month following the decision of the management company, the open-ended investment company or the French limited partnership by sending the AMF the following items:

- 1 Two copies - one copy only if the application is filed online – of the duly completed disclosure form found in Annexes II-1, II-2 and II-3 (depending on the type of product);
- 2 The attachments referred to in Annexes II-1, II-2 and II-3 (depending on the type of product), along with any other document that the management company, the open-ended investment company or the French limited partnership deems necessary.

Pursuant to Articles 423-25 and 423-44 of the AMF General Regulation, the disclosure must be accompanied by the merger or demerger agreement and auditors' reports.

Article 9 - End of life of a professional private equity fund

Summary of the three steps from preliquidation to liquidation of a professional private equity fund



Article 9-1 - Pre-liquidation

Pre-liquidation is optional. The management company must decide to place the fund in pre-liquidation.

Pursuant to the provisions of Articles R.214-40 and R.214-41 of the Monetary and Financial Code, applicable by reference from Article R.214-204 of the Monetary and Financial Code, the management company sends an advance disclosure to notify the AMF and the depositary of its wish to open a pre-liquidation period for the fund under management.

The disclosure must include:

- a letter setting out the reason for opening the pre-liquidation period;

- the proposed notification of unitholders before this notification is issued.

After notifying the AMF and at least three worked days before the pre-liquidation period begins, the management company must send unitholders notification. The unitholders of the professional private equity fund must be clearly informed about the various parts of the process including:

- 1 the commencement date for this period;
- 2 the effect of pre-liquidation on lock-ups;
- 3 the possible consequences for management of the fund.

This notification may be sent to unitholders in individual letters or provided to unitholders in the professional private equity fund's reporting documentation.

Article 9-2 - Winding-up

Winding-up is the decision to bring the fund's existence to an end. This decision may be taken by the management company, either as part of managing the fund or because one of the situations allowing for early winding-up listed below has arisen:

- liquidation of the master fund may lead to liquidation of the feeder fund;
- winding-up takes place because unitholders have asked to redeem all of the fund's units.

Article 9-3 - Liquidation

Liquidation entails realising the portfolio assets and repaying the fund's unitholders.

Article 9-3-1- Liquidation of assets

Once asset liquidation has been completed, the auditor of the professional private equity investment fund prepares a report on the liquidation terms and operations since the close of the last accounting year. This report is made available to unitholders and must be sent to the AMF in the month following its preparation.

Article 9-3-2 - Special case of units of carried interest / liquidation surplus

The rules of the professional private equity fund set the operating procedures for units of carried interest / liquidation surplus.

Chapter II – Procedures for notifying unitholders or shareholders when changes occur in the life of specialised professional funds and professional private equity funds

Article 10 - Unitholder or shareholder notification

Changes occurring during the life of a specialised professional fund or a sub-fund of a specialised professional fund governed by this instruction must be disclosed to unitholders or shareholders, in accordance with procedures set out in its rules or articles of incorporation under the terms of Article L.214-157⁸ of the Monetary and Financial Code.

Article 11 - Means of disseminating notifications

- I. Notification of unitholders or shareholders may take several forms:
- individual notification of unitholders or shareholders or;
 - collective reporting or newsletter.

⁸ Or of Article L.214-162-8 of the Monetary and Financial Code for French limited partnership.

The rules or the articles of incorporation determine the appropriate means of disseminating information according to the proposed changes.

II. Where the change requires the agreement of all unitholders or shareholders, the consent of unitholders or shareholders to the proposed change shall be considered to constitute individual notification.

III. The notification must state whether the change takes effect immediately or later. The management company, the open-ended investment company or the French limited partnership determines this timing according to the nature of the changes. Immediate effect means three worked days after effective notification of shareholders and unitholders.

Article 12 - Specific provisions for operations at the end of the professional private equity fund's life

Before the fund is wound up, unitholders of the professional private equity investment fund must receive individual notification mentioning in particular the following items:

- 1 The winding-up date leading to the entry into liquidation of the professional private equity fund;
- 2 The effect of pre-liquidation on lock-ups;
- 3 A provisional timetable for the operations;
- 4 The existence of a report prepared by the fund's auditor on the liquidation terms and how it is made available on completion of liquidation.

Article 13 - Redemption of units or shares of specialised professional funds

The specific financial terms applicable to the redemption of the shares or units of specialised professional funds, such as the ability for shareholders or unitholders who oppose proposed changes to redeem their shares or units free of charge, are also mentioned in the rules or the articles of incorporation of the specialised professional fund.

Chapter III – Preparing a prospectus for specialised professional funds and rules for professional private equity funds

Article 14 – General provisions

Each specialised professional fund or professional private equity fund, whether or not it has sub-funds or unit classes, shall prepare a single prospectus (for specialised professional funds) and a single set of rules (for professional private equity funds). The different sub-funds and unit classes are described in the prospectus or rules.

Article 14-1. – Special provisions

Pursuant to Articles 423-32-1 and 423-54, respectively, of the AMF General Regulation, specialised professional funds and professional private equity funds for which the subscription or purchase of units is not restricted exclusively to professional clients within the meaning of Article L.533-16 of the Monetary and Financial Code may be required to prepare a key investor information document.

Specialised professional funds and professional private equity funds may in fact be required to prepare a key investor information document under Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 (the "PRIIPs" regulation).

The summary table below presents the obligations of specialised professional funds and professional private equity funds with regard to preparing a key investor information document:

Relevant AIF (existing fund or fund created following the entry into force of the PRIIPs regulation)	Situation regarding the relevant client base	Before entry into force of the PRIIPs regulation	Following entry into force of the PRIIPs regulation
As applicable, specialised professional fund or professional private equity fund	The regulatory documents allow only professional clients to subscribe or purchase units or shares ⁹	The specialised professional fund or professional private equity fund does not have to prepare a KIID	The specialised professional fund or professional private equity fund does not have to prepare a KIID
	The regulatory documents do not include this restriction ¹⁰	Preparation of a KIID is optional The specialised professional fund or professional private equity fund may choose not to prepare a KIID OR The specialised professional fund or professional private equity fund may choose to prepare a KIID in accordance with Regulation (EU) No 583/2010	Preparation of a KIID is mandatory The specialised professional fund or professional private equity fund prepares a KIID in accordance with Regulation (EU) No 583/2010 OR The specialised professional fund or professional private equity fund prepares a KIID in accordance with Regulation (EU) No 1286/2014

The transition to the KIID (in the format specified by Regulation (EU) No 583/2010 or in the format specified by the PRIIPs regulation) by an already declared specialised professional fund or professional private equity fund represents a change that must be reported. The KIID must be filed through the GECO database.

Article 15 - Structure of the prospectus for specialised professional funds and the rules for professional private equity funds

Article 15-1 - Specialised professional funds

Specialised professional funds established as common funds or open-ended investment company

The prospectus of a common fund or open-ended investment company consists of the various items referred to in the standard templates prepared by the AMF and found in Annexes II-1, III-2 and III-3 of this instruction.

The management company may change the order and contents to the extent that these changes comply with legal, regulatory and ethical provisions applicable to specialised professional funds. However, the prospectus

⁹ Within the meaning of Article L.533-16 of the Monetary and Financial Code.

¹⁰ The units or shares of the AIF may then be subscribed or purchased by a retail investor through, for example, the minimum initial subscription amount of EUR 100,000.

precisely describes the investment and operating rules of the fund along with all the procedures for compensating the management company and the depositary. It provides a complete presentation of the planned investment strategies, along with the instruments used (in accordance with Article L.214-154 of the Monetary and Financial Code), especially in cases where such instruments require special monitoring, are exposed to specific risks or have specific features.

The structure includes the following sections:

- a) General characteristics;
- b) Operating and management procedures including compensation of the management company and the depositary;
- c) Business information;
- d) Investment rules;
- e) Asset valuation rules and procedures.

The fund's rules or articles of incorporation are appended to the prospectus. These set out:

- a) The investment rules;
- b) Conditions and procedures for the subscription, acquisition and redemption of units and shares;
- c) The net asset value below which the fund will be wound up;
- d) Conditions and procedures for amending the rules or articles of incorporation.

Note that funds formed before the entry into force of Order 2013-676 of 25 July 2013 amending the legal framework for asset management in the form of contractual retail private equity investment funds must prepare a prospectus and rules or articles of incorporation in accordance with this instruction.

Specialised professional funds established as French limited partnership

The prospectus of an French limited partnership consists of its articles of incorporation. These comprise the information specified in Annex III-4 of this instruction, as well as the other information that must be included therein pursuant to applicable legislative and regulatory provisions.

Article 15-2 - Professional private equity funds

Under the terms of Article 423-38 of the AMF General Regulation, the prospectus of a professional private equity fund comprises the fund's rules.

The rules specify all of the product's operating procedures and lay down in particular the responsibilities of each party.

The standard template of the rules found in Annex IV includes all the points that should be mentioned. The management company may adjust the order and content provided that such adjustment includes mandatory notices and complies with the mandatory notices mentioned in the standard rules as well as the legal, regulatory and ethical provisions applicable to professional private equity funds.

Mandatory notices are shown in italics in the standard fund rules.

Article 16 - Objectives and characteristics of the prospectus of specialised professional funds and the rules of professional private equity funds

The objectives and characteristics of the prospectus and the rules consist of providing:

- 1 Clear information that enables investors to make an informed investment decision. It must not be misleading, either by providing erroneous information or by omitting information that investors need to inform their decisions;

2 Detailed information about all the items, so that investors who are seeking it can find complete information about the management and operating procedures of the fund and compare the specific features of different funds;

3 Precise information about the risks identified when the fund was set up or when the prospectus or rules were updated. The prospectus or rules must not be misleading, either by providing erroneous information or by omitting information that is needed to understand all the management and operating rules of the fund, along with all the costs incurred;

4 The information that the depository, the statutory auditor and the compliance and internal control officer of the management company, the open-ended investment company or the French limited partnership need for their due diligence.

Article 17 - Dissemination procedures for the prospectus of specialised professional funds and the rules of professional private equity funds

Article 17-1 - Dissemination procedures during the subscription or acquisition of the units of a specialised professional fund or a professional private equity fund

Pursuant to the provisions of Articles 423-31 and 423-49 of the AMF General Regulation, the prospectus or the rules must be provided to the investor or acquirer before they subscribe or acquire fund units.

The prospectus or rules must be provided free of charge and may be delivered by any means including email subject to compliance with the provisions of Article 314-28 of the AMF General Regulation. Investors must indicate that they have read the prospectus or rules when they subscribe.

Making these documents available electronically (without sending them) does not constitute providing the prospectus in the case of specialised professional funds or the rules in the case of professional private equity funds unless the customer has explicitly agreed to receive information in electronic format.

Article 17-2 - Dissemination procedures for the prospectus or rules during marketing

The fund may be marketed directly by the management company, the open-ended investment company or the French limited partnership or through a marketing agent that is separate from the management company, the open-ended investment company or the French limited partnership.

Irrespective which marketing approach is taken, a subscription form is provided to investors at subscription to receive subscription commitments. For an initial subscription, before signing the subscription form, the investor receives the prospectus in the case of specialised professional funds or the rules in the case of professional private equity funds. The investor states in the subscription form that he or she has read the prospectus or rules.

Pursuant to Articles 423-30 and 423-49 of the AMF General Regulation, irrespective of the planned marketing approach, a warning must state that the subscription or acquisition, disposal or transfer of fund units, either directly or through an intermediary, are reserved for the investors mentioned in Article 423-27 of the AMF General Regulation in the case of specialised professional funds established as common funds or open-ended investment companies, in Article L.214-162-1 VI of the Monetary and Financial Code in the case of specialised professional funds established as French limited partnerships, or in Article 423-49 of the AMF General Regulation in the case of professional private equity funds. This warning also states that this fund is not authorised by the AMF:

- In the case of specialised professional funds, whose operating rules are laid down in the prospectus,
- In the case of professional private equity funds, which may adopt investment rules that differ from those of authorised funds.

The most recent updated prospectus in the case of a specialised professional fund and rules in the case of a professional private equity fund, the latest annual report and the most recent asset composition must be made

available to unitholders or shareholders on a website or, failing this, should be provided on receipt of a written request.

Chapter IV – Reporting

Article 18 - Half-yearly report and half-yearly asset breakdowns

I. In accordance with Articles L.214-24-62 and D.214-33 of the Monetary and Financial Code, applicable by reference from Articles L.214-152, R.214-202 and R.214-204, specialised professional funds¹¹ and professional private equity funds must draw up a half-yearly report at the end of the first half of their accounting year.

II. This report must be published no later than two months after the end of the first half of the year.

III. Reporting documents may be compiled as of:

- 1 Either the last trading day of the half year;
- 2 Or the day on which the last net asset value is calculated.

IV. Regardless of their presentation, all the disclosures about a specialised professional fund or a professional private equity fund or a sub-fund must include its name.

V. The reporting document must contain the following information:

1 A statement of assets and liabilities, including the following items:

- a) Financial securities;
- b) Bank balances;
- c) Other assets held by the specialised professional fund (items mentioned in Article L.214-154 of the Monetary and Financial Code and, in the case of french limited partnership, the assets mentioned in subparagraph 3 of Article 214-162-7);
- d) Total assets held by the specialised professional fund or the professional private equity fund;
- e) Liabilities;
- f) Net book value;
- 2 Number of units or shares in circulation;
- 3 Net book value per unit or share;
- 4 Securities portfolio;
- 5 Statement of changes in the composition of the portfolio during the reference period;
- 6 Quantified data on post-tax dividends paid or proposed during the period, for specialised professional funds only.
- 7 Summary of the cases in which and conditions under which gating was decided during the period.

VI. In accordance with Article L.214-24-49 of the Monetary and Financial Code, applicable by reference from Article L.214-152¹², a document called “asset composition” must be compiled as of the date of the last net asset value of the half year. This document must be sent to any shareholder or unitholder who requests it within eight weeks of the end of each half year.

This document must contain the following information:

- 1 An inventory of the portfolio with details about the quantities and values of financial instruments;
- 2 Net assets;

¹¹ Article L.214-162-10 of the Monetary and Financial Code in the case of French limited partnership.

¹² Article L.214-162-10 of the Monetary and Financial Code in the case of French limited partnership.

3 The number of units or shares in circulation;

4 Net asset value;

5 Off-balance sheet commitments;

This document must be compiled in detail and must be understandable for any unitholder or shareholder.

VII. The document mentioned in VI may be replaced by the document used to calculate the net asset value, provided by the open-ended investment company, the French limited partnership or the management company to the statutory auditor, provided it contains the items referred to in points 1 to 5 of VI.

Article 19 - Annual report

The annual report must be drawn up as of the last day of the accounting year, or on the day on which the last published net asset value is calculated, if so stipulated in the prospectus or the rules.

It must contain at least the following items:

- the management report;
- the summary documents defined in the chart of accounts and the certification of the statutory auditor;
- any material change, as per Article 106 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012, in the information referred to in Article 21 of this instruction during the accounting year covered by the report.

Where the AIF is managed by a management company authorised in accordance with Directive 2011/61/EU, the annual report must also contain:

- the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the management company to its staff, and number of beneficiaries, and, where relevant, carried interest paid by the specialised professional fund or the professional private equity fund
- the aggregate amount of remuneration, broken down by senior management and members of staff of the management company whose actions have a material impact on the risk profile of the specialised professional fund or the professional private equity fund

A management company authorised under Directive 2011/61/EU of 8 June 2011 shall also comply with Article 107 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012.

The accounting information given in the annual report shall be prepared in accordance with French accounting standards and the accounting rules laid down in the rules of the specialised professional fund or professional private equity fund.

The statutory auditor's report, including any qualifications, shall be reproduced in full in the annual report.

The annual report of the fund must also contain information about changes in the structure of the securities portfolio during the accounting period and, where appropriate, information about the financial instruments in the portfolio that have been issued by the management company or entities from its group, by the open-ended investment company or by the French limited partnership. It must also mention, where relevant, collective investments referred to in Article 311-1 A, AIFs or investment funds managed by the management company or entities from its group.

If the fund's annual report is published within eight weeks of the end of the accounting year and it contains the items mentioned in points 1 to 5 of Article 18 (VI), the specialised professional open-ended investment company, the French limited partnership or the fund's management company (where the fund is established as a common fund) is not required to report the asset composition separately. In this case, the annual report is sent to any shareholder or unitholder who requests the asset composition report.

Management report

The information set out in Article 421-34 of the AMF General Regulation must be at least provided in the management report if it is not provided in the periodic reports and/or periodic disclosures according to the procedures and timeframe described in the prospectus.

Furthermore, in accordance with Article 421-35 of the AMF General Regulation, the management company must comply with Articles 103 to 107 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012.

The items that must be provided in the annual report and that are not included in the summary documents must be provided in the management report.

Article 20 – Specialised professional feeder funds or professional private equity feeder funds

The management report of a specialised professional feeder fund or professional private equity feeder fund must report the latest available information about direct and indirect charges that it incurs, meaning the charges actually collected, in the form of a percentage.

The annual report of the specialised professional feeder fund or professional private equity feeder fund mentions the items in the annual report of the master UCITS or AIF as well as the total charges of the specialised professional feeder fund or professional private equity feeder fund and the master UCITS or AIF.

The annual report of the master UCITS or AIF must also be appended to the management report of the specialised professional feeder fund or professional private equity feeder fund.

The other periodic reports must be annexed to those of the specialised professional feeder fund or professional private equity feeder fund.

The statutory auditor of a specialised professional feeder fund or professional private equity feeder fund must report problems and inaccuracies found in the statutory auditor's report on the financial statements of the master UCITS or AIF and draw the conclusions that he or she deems necessary, if they affect the specialised professional feeder fund or the professional private equity feeder fund.

Article 21 - Information made available to investors

Pursuant to I of Article 421-34 of the AMF General Regulation, the AIF or the management company must provide investors in the AIF with the following information, before they invest in the AIF:

a) a description of the investment strategy and objectives of the AIF, information on where any master AIF is established within the meaning of IV of Article L.214-24 of the Monetary and Financial Code and where the underlying funds are established if the AIF is a fund of funds, a description of the types of assets in which the AIF may invest, the techniques it may employ and all associated risks, any applicable investment restrictions, the circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, and the maximum level of leverage which the management company is entitled to employ on behalf of the AIF;

b) a description of the procedures by which the AIF may change its investment strategy or investment policy, or both;

c) a description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory of the French Republic;

- d) the identity of the management company, the AIF's depository, auditor and any other service providers and a description of their duties and the investors' rights;
- e) where the AIF is managed by a management company authorised under Directive 2011/61/EU, a description of how the management company is complying with the requirements of IV of Article 317-2 of the AMF General Regulation (or its equivalent, transposing paragraph 7 of Article 9 of Directive 2011/61/EU, in the law applicable to the management company);
- f) a description of any management function delegated by the management company and of any safe-keeping function delegated by the depository, the identification of the delegatee and any conflicts of interest that may arise from such delegations;
- g) a description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets;
- h) a description of the AIF's liquidity risk management, including the redemption rights both in normal and in exceptional circumstances, and the existing redemption arrangements with investors;
- i) a description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors;
- j) a description of how the management company ensures a fair treatment of investors and, whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or the management company;
- k) the latest annual report referred to in Article 19;
- l) the procedure and conditions for issuing and redeeming units or shares;
- m) the latest net asset value of the AIF or the latest market price of the unit or share of the AIF;
- n) where available, the past performance of the AIF;
- o) the identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depository on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist;
- p) a description of how and when the information required under IV and V of Article 421-34 of the AMF General Regulation will be disclosed;
- q) if applicable, the admission of units or shares on a regulated market or a multilateral trading facility and the admission procedure.

This information, with the exception of that referred to in k), m) and n), is contained in the prospectus and the standard fund rules and articles of incorporation provided in the annexes to this instruction. The information contained in j) may also appear in these documents. A correlation table is provided in Annexes I-2 and I-4 (Table no. 1). The information not contained in these regulatory documents is mentioned in Annexes I-2 and I-4 (Table no. 2); this information must be made available to investors.

The AIF or the management company informs investors of any material change in this information.

Note that Article 421-34 of the AMF General Regulation also contains the following provisions:

“IV.- EU AIFs and AIFs marketed in the European Union, or their asset management company, management company or fund manager, shall periodically disclose to unitholders or shareholders:

1 The percentage of the AIF’s assets which are subject to special arrangements arising from their illiquid nature;

2 Any new arrangements for managing the liquidity of the AIF;

3 The current risk profile of the AIF and the risk management systems employed by the AIF or its asset management company, management company or fund manager to manage those risks.

V.- EU AIFs and AIFs marketed in the European Union employing leverage, or their asset management company, management company or fund manager, shall, for each such AIF disclose, on a regular basis:

1 Any changes to the maximum level of leverage which the asset management company, management company or fund manager may employ on behalf of the AIF as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement;

2 The total amount of leverage employed by that AIF.”

Furthermore, in accordance with Article 421-35 of the AMF General Regulation, the management company must comply with Articles 108 and 109 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012.

Article 22 - Presentation of statistical documents

On 31 December of each year, asset management companies must prepare statistical reports for all the specialised professional funds or professional private equity funds that they manage.

Statistical information is gathered for each of the funds taken individually and presented using the template in Annex VII of this instruction.

Chapter V – Transitional provisions

Article 23

1. Contractual UCITS and retail private equity investment funds existing at the publication date of Order 2013-676 shall use the name specialised professional fund and must revise their legal documentation before 22 July 2014.

Streamlined retail private equity investment funds (*FCPR à procédure allégée*) existing at the publication date of Order 2013-676 shall use the name professional private equity fund and must revise their legal documentation before 22 July 2014. However, if necessary, the term “Streamlined retail private equity investment fund” should be kept in the text of the rules to identify the tax regime that applies to these products.

2. As an exception to Article 15-1 of this instruction, contractual retail private equity investment funds that are definitively closed to subscriptions on the publication date of the abovementioned order may prepare a set of rules only.

3. AIFs that are reported as existing on 27 July 2013, the publication date of Order 2013-676 amending the legal framework for asset management, and that are definitively closed to subscriptions on the same date are not required to update their prospectus and rules or articles of incorporation.

However, if these documents are not updated, they must include the following notice, which should be inserted at the earliest opportunity:

Under the terms of Article 35 of Order 2013-676 of 25 July 2013 amending the legal framework for asset management, this fund is now called a “specialised professional fund/professional private equity fund” and complies with the provisions of the Monetary and Financial Code and the AMF General Regulation applicable to specialised professional funds/professional private equity funds.
In accordance with AMF instruction 2012-06, this document has not been updated insofar as the fund was definitively closed to subscriptions on the publication date of Order 2013-676.

Management companies must insert this notice in the abovementioned documents by 31 December 2014 at the latest.