



REQUIREMENTS APPLICABLE TO PROFESSIONAL ASSOCIATIONS OF FINANCIAL INVESTMENT ADVISORS

Reference texts: Articles 325-36, 325-37, 325-38, 325-40, 325-42 and 325-43 of the AMF General Regulation

1. APPOINTMENT OF A PERSON RESPONSIBLE FOR EXCHANGES OF INFORMATION COVERED BY PROFESSIONAL SECRECY REQUIREMENTS WITH THE AMF

Pursuant to Article 325-37 of the AMF General Regulation, each association shall “appoint a person who will be responsible for the exchanges of information covered by professional secrecy requirements with the AMF pursuant to point IV of Article L. 541-4 of the Monetary and Financial Code”. This person must meet the following conditions:

- They must not conduct any activities in the financial sector aside from their duties within the professional association of FIAs, the umbrella association or “sister” association of the former.
- They must be on secondment or a salaried employee,
- They must have training and/or experience that is suited to their duties.

2. INFORMING THE AMF OF MODIFICATIONS TO THE APPROVAL DOSSIER

In accordance with Article 325-43 of the AMF General Regulation,¹ the association shall inform the AMF of any changes to key items in the approval dossier, notably concerning its management, organisation or supervision. Other changes to the approval dossier or certain important decisions are subject to the prior authorisation of the AMF.

2.1. The following are subject to the prior authorisation of the AMF

In accordance with Article 325-43 of the AMF General Regulation, the following are subject to the prior authorisation of the AMF.

- 1° Any material modification to the approval dossier;
- 2° Any material modification to the code of conduct;

¹ Article 325-43 “The association shall inform the AMF promptly of any changes to key items in the initial authorisation application, notably concerning its management, organisation or supervision.

The AMF shall inform the association in writing of any consequences that such changes may have on the authorisation.

The following are subject to the prior authorisation of the AMF.

1° Any material modification to the approval dossier;

2° Any material modification to the code of conduct;

3° The appointment of a new person responsible for the exchanges of information covered by professional secrecy requirements with the AMF pursuant to point IV of Article L. 541-4 of the Monetary and Financial Code.”

3° The appointment of a new person responsible for the exchanges of information covered by professional secrecy requirements with the AMF pursuant to point IV of Article L. 541-4 of the Monetary and Financial Code.

The following modifications are considered to be material modifications of the approval dossier and are therefore subject to the prior authorisation of the AMF:

- partial or full outsourcing of the verification of members when this was previously performed in-house,
- partial or full insourcing of the verification of members when this was previously outsourced to a third party,
- any simplification of the content of the verification grids (other than changes to their form),
- the introduction of, or any modification to, the procedures for managing conflicts of interest and for sharing information covered by professional secrecy requirements with the AMF,
- any modification of the conditions relating to membership or to the withdrawal of membership of the association,
- the human resources dedicated to verification of the members and notably the person responsible for those verifications when such a function exists within the association,
- any other changes that modify the working of the association or its relations with its members durably or significantly. Regarding any such modifications, the associations shall contact the services of the AMF in order to check what the right procedure is.

2.2. Changes subject to notification to the AMF

Any modifications concerning other key items in the approval dossier, the list of which is provided below, do not require the authorisation of the AMF. Pursuant to Article 325-43 of the AMF General Regulation, they must be notified to the AMF promptly when they occur:

- the designation, business name or address of the association,
- the corporate purpose or any other key items in the articles of association,
- the appointment or renewal of the legal representatives,
- the name of any outside contractors and the outsourcing terms,
- the conduct of the member verification missions,
- the distribution of powers between the legal representatives of the association and the salaried employees or persons on secondment.

3. REPORTING TO THE AMF ON THE ACTIVITY OF THE ASSOCIATION

Pursuant to Article 325-42 of the AMF General Regulation, no later than on 31 May each year, each association of financial investment advisors submits to the AMF a copy of its balance sheet and income statement for the last financial year, and an activity report on the previous calendar year, duly completed and complying with the template provided by the AMF. These data are reported by a secure link over the GECO extranet.

4. UPDATING THE KNOWLEDGE OF FINANCIAL INVESTMENT ADVISORS

Pursuant to Article 325-38 of the AMF General Regulation, the association referred to in Article L. 541-1 of the Monetary and Financial Code shall *“ensure that its members' knowledge is kept current by selecting or organising training programmes”*

The association selects or organises training programmes that are useful for its members.

Among the training programmes that are selected or organised, the following themes must be addressed as a minimum:

General knowledge of advice in financial investments²

- the status of financial investment advisors
- financial instruments
- the supervision of financial investment advisors (AMF, associations of FIAs, etc.)

General knowledge of the marketing of financial instruments

- banking or financial direct marketing and the remote supply of financial services
- investment services
- the regime for offers of securities to the public
- the different types of risk (credit, rate, liquidity, volatility, market, counterparty, operational, issuer and exchange risks)

Good conduct rules for financial investment advisors.

- confidentiality, protection of personal data and the saving and storage of data
- knowledge and evaluation of the client
- the obligation to check the adequacy of the product/service being recommended
- informing the client

Good organisation rules for financial investment advisors.

- conflicts of interests: prevention, management and handling
- regulations on the prevention of money laundering and terrorist financing
- handling customer complaints

The governance of financial instruments

² As defined in I of Article L. 541-1 of the Monetary and Financial Code