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## **AMF public consultation on the abolition of its classification of collective investment undertakings**

**Complementing its participation in the FROG working group, which aims to enhance the positioning of French asset management internationally and to give the industry the best available distribution tools, the Autorité des Marchés Financiers (AMF) is questioning the need to retain its classification guidance of collective investment undertakings. This classification exists only for French funds and the AMF is launching a public consultation on the issue. The deadline for responses is 29 July 2016.**

Introduced in France in 1985, the co-called AMF classification guidance was intended to help investors distinguish between funds' management strategies in terms of the basic nature of their investments (equities, bonds or short-term instruments) and in terms of their geographical coverage (France or international). The classification evolved over time to take account of certain alternative investment funds (AIFs). While the continuation of this classification could be warranted by its educational value, the AMF notes the following:

- neither the future key information document for investment products as specified in the new Packaged Retail and Insurance-based Investment Products (PRIIPS) Regulation nor any other European regulation provide for the display of such a classification (apart from money market funds);
- distribution networks and platforms often produce their own fund classifications that do not necessarily match the AMF definitions;

- the majority of funds recently authorised by the AMF fall into the 'diversified' category, which does not offer precise information to investors;
- distribution platforms and networks in France offer international as well as French products, and the former are not classified; and
- the PRIIPS Regulation and MiFID 2 improve the quality of investor information in any case.

Keen to support the asset management industry, and at the same time ensure proper investor information, the AMF is consulting on the following questions:

- the abolition of the notion of a classification in AMF instructions;
- the retention of AMF classifications for optional use, with the exception of the 'diversified' category. The 'diversified' category would be abolished, as its name could mislead investors.

Note that money market fund classifications, which are required by a CESR's recommendation published the 19 May 2010, will be retained.

Responses to this public consultation should be submitted to the AMF **by 29 July 2016**, at the following address: [directiondelacommunication@amf-france.org](mailto:directiondelacommunication@amf-france.org) URL = [\[mailto:directiondelacommunication@amf-france.org\]](mailto:directiondelacommunication@amf-france.org)

### **About the AMF**

The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected, providing investors with adequate information and supervising the orderly operation of markets. Visit our website [www.amf-france.org](http://www.amf-france.org).

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