AUTORITÉ DES MARCHÉS FINANCIERS

Print from the website of the AMF

19 August 2016

The Autorité des Marchés Financiers (AMF) launches a consultation on the use of stress tests to help manage risk at asset management companies

Stress tests are a major part of risk management for asset management companies. Regular stress testing is mandatory under national and European regulations, but the methods used vary according to the investment strategies and assets managed. The AMF has prepared a guide to help asset management companies implement and use stress tests. The consultation period for the guide runs until 30 September 2016.

Two years after the AIFM Directive entered into force, the AMF met with asset management companies of different sizes and from different sectors to analyse how they currently go about conducting stress tests. The AMF analysed the conditions under which stress tests are implemented and used, and how they fit into the procedures for managing market and liquidity risk.

All the asset management companies we met with use stress tests, but the scenarios and test models are different.

The AMF wants to assist management companies in the implementation and use of stress tests by publishing a guide that presents best practices which could usefully be generalised, particularly regarding the implementation of:

- stress tests that simulate problems on both the assets and liabilities sides of a fund;
- stress tests across all funds managed by a management company;
- a stress-testing policy that explains the procedures to follow if alert thresholds are triggered and how the results should be disseminated within the asset management company; and
- the use of stress tests during the various stages of a fund's life, from creation and liquidation to ongoing risk management.

The guide reminds companies that stress tests should be used as part of a global risk management policy and that they should therefore be regularly updated and tailored to each fund.

The guide is based on existing regulatory requirements and is not intended to be a new AMF Policy.

Contributions to this public consultation must be sent to the AMF by **30 September 2016** at the following address: directiondelacommunication@amf-france.org URL = [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 URL = [http://www.amf-france.org]

Press contact:
AMF Communication Directorate - Stéfanie Duschenes - Tel : +33 (0)1 5345 6023 or +33 (0)1 5345 6028

ON THE SAME TOPIC

Subscribe to our alerts and RSS feeds

PROFESSIONAL GUIDE

STRESS-TESTING

23 February 2017

Guide to the use of stress tests as part of risk management within asset management companies

PUBLIC CONSULTATION

STRESS-TESTING

19 August 2016

Public consultation of the AMF on a Guide to the use of stress tests as part of risk management within asset management companies

Legal information:
Head of publications: The Executive Director of AMF Communication Directorate. Contact: Communication Directorate – Autorité des marches financiers 17 place de la Bourse – 75082 Paris cedex 02