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## **Speech by Benoît de Juvigny, AMF Secretary General - Sino-French Forum on Asset Management - 14 November 2016**

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Vice Chairman FANG Xinghai,  
Mr. WU Xiaoyong,  
Vice Chairwoman ZHONG Rongsa,  
Honourable members of the Chinese delegation who are present with us today,  
Arnaud de Bresson,  
Pierre Bollon,  
Arnaud Dewachter,  
Paul Perpère,  
Ladies and Gentlemen,

I am very glad and honoured to open, jointly with WU Xiaoyong, this Sino French Forum on Asset Management in Paris, while our Chairs will join us later.

Indeed, at the same time, today, and here at the same place in the premises of the ministry of finance, takes place the 4th High Level Economic and Financial Dialogue between our two nations since 2013.

The France-China High Level Economic and Financial Dialogue is key to insure communication and coordination in the fields of financial regulation between our 2 countries.

This Sino-french forum on asset management is the second one after the one in Beijing last year.

We had the opportunity last year to better understand the Regulatory Framework for Investment Funds and Asset Managers for the 2 countries. Industry representatives and regulators also had a first exchange of views on asset management strategies and risk management.

The target of this forum is to go deeper in the mutual understanding of asset management regulation and framework on both sides but including also more developments on the distribution side.

We hope to enable the participants to this forum to understand all the value chain, from the regulatory side to the marketing and distribution details.

I am very pleased that the French-Chinese relationship remains of the highest quality and has become stronger and deeper.

I am delighted today to witness this new milestone in the dialogue between our two nations in the field of financial regulation.

For now more than 20 years, the relationship between the two authorities the AMF and the CSRC has grown stronger and is one of the key pillars of the highest quality of the relationship in financial markets regulation.

Our teams in several areas of activity have built strong links. The AMF has had the pleasure of welcoming several delegations from the CSRC to Paris and has also travelled to Beijing for very fruitful discussions with its counterpart.

Our strong relationship and day to day discussions with professional associations are also to underline: we are all here to create opportunities.

I hope that this forum will enable dialogue and fruitful opportunities between regulators, professional associations, asset managers, distributors and investors.

Over the past years, financial markets have changed significantly: financial market conditions in Europe with very low interest rates, distribution channels with booming digital initiatives ... but I am convinced that our 2 countries have great opportunities for asset managers.

There is no doubt that we have witnessed, in China, a most fascinating evolution of capital markets which have developed with impressive speed and dynamism.

I am firmly convinced that in France, the French asset management industry is robust. At its disposal is a significant savings pool, which is undergoing structural growth, thanks to France's demographic footprint. Asset managers have developed high quality investment strategies spanning across a broad field of expertise, and a number of them are recognized at the international level. First rate service providers are very present in France with, as standard bearers, the large French custodians.

If I may recap on the key figures, which are impressive at European level:

At the end of 2015, the French asset management industry represents:

- 630 asset management companies;
- With nearly 1.9 trillion euros of net assets managed under French UCITS/AIFs ; and
- More than 1.5 trillion euros of net assets under discretionary management ;
- 3 firms are in the top 20 at the global level.

I want to underline also that France is the only European country to provide a full ecosystem where major players are present on the whole value chain: management companies, depositaries, transfer agents, intermediaries, financial services providers and distributors.

Today, we, as regulators, will focus on three topics:

- Systemic management

We are part of FSB and IOSCO discussions on systemic risk in the field of asset management activities and we take into consideration all potential risk of asset management in order to provide asset managers with tools to manage their main risk in funds: liquidity risk for example.

- The second focus is investor protection

The French asset management industry is also evolving within a field of expertise which benefits from a high level of investor security. This legal security has already been

demonstrated before the highest courts (e.g., on the matter of asset restitution by depositaries).

This is important for French investors, as well as a key target for the AMF.

— The third focus is innovation and competitiveness.

The AMF is actively accompanying new players and initiatives. We have set up a Fintech, innovation and competitiveness division, whose mission is to analyse current innovations in the financial services sector, and to identify the challenges regarding competitiveness and regulation.

This division has just launched "Agility", which demonstrates the AMF's will to become an agile institution, studying the ecosystem in which supervised market participants develop.

It is all about accompanying supervised market participants in their initiatives to expand their fields of activity or in their relocation.

Agility is the starting point of progressive transformation which the supervisors are undertaking to address the profound changes in financial services models. In this respect the AMF is somewhat of a pioneer.

The Agility program also concerns Brexit.

Brexit is bad news for European finance; however, it can also offer opportunities to the Paris market place.

The French asset management industry is of course totally integrated in the European market.

Given the result of the British referendum on the European Union, certain players across the Channel could consider the total or partial relocation of their activities to continental Europe. This one-off context places the Paris financial center in a new position. The attractiveness, excellent amenities and conditions afforded by the French asset management ecosystem will allow players to continue benefiting from marketing and cross-border management mechanisms provided for in the texts of the European Union (passport).

For all these reasons, I am convinced that the dialogue between France and China can be a good opportunity also for Chinese asset managers to have access to the European market.

I thank you for your attention.

Lastly, I would like to wish again everyone very fruitful discussions.

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