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The AMF is supplementing its doctrine on the collection of information related to the client's knowledge by publishing a Position/Recommendation dedicated to the digitisation of client relationships

Mindful of the new technological environment with its benefits in terms of traceability, transparency and fluidity in client relationships, the AMF also wishes to guarantee effective protection for savers. In this context, the AMF is supplementing its Position DOC-2013-02 on collecting know-your client information in a Position/Recommendation dedicated to the risks brought about by the digitisation of relationships between the service provider and its client for the provision of investment services. This publication forms part of the work currently being conducted by the AMF with the ACPR within a joint unit, on the use of digital technologies in the financial sector's commercial practices.

From online brokerage to everyday banking and savings, digitisation has expanded considerably, leading to the emergence of 100% online institutions/distribution channels alongside the traditional distribution networks providing mixed approaches combining the traditional branch relationship and digital processes. The laws and regulations, particularly the rules of good conduct arising under the transposition of MiFID, must be observed regardless of what channel is used by the service provider to distribute financial instruments.

Whether conducted through connected platforms or objects, digitisation of processes entails new risks in the provision of investment services and/or the actions required before they are executed. If the service provider chooses to digitise processes specific to the provision of investment services or their earlier stages, it must take measures to reduce certain risks directly consequential on the absence of contact between the distributor and its client.

In this context, the AMF stipulates its requirements in a Position/Recommendation specifically dedicated to the risks brought about by digital transition on relationships between the service provider and its client and on the consequences for the client's behaviour, and concerning:

- the methods for collecting information and its traceability (forms and content of the questions asked, quality of the information collected, updates and retention of such information);
- use of the information collected (management of inconsistent answers, ability to justify to the client the consistency of the services offered);
- the means and procedures put in place to strengthen procedures, and the internal control system for the firms concerned;
- reputational risks associated with the systematic misuse of data related to a large number of clients or a failure in the data processing system;
- security risks associated with the retention of clients' personal data.

Read more

- AMF Position/Recommendation DOC-2013-02: Collecting 'know-your-client' information
- ACPR website

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