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AMF publishes summary of the public consultation on corporate finance advice

Following a consultation in January and February, the AMF presents the responses it received and its suggestions for the activity of corporate finance advice.

Following regular queries from the marketplace, the AMF ran a consultation between 3 January and 28 February 2017 on entities that provide companies or their shareholders with advisory services and assistance as part of their projects concerning company disposals or transfers, external growth operations or the opening up of capital.

This type of service, commonly referred to as "mergers and acquisitions advice", "corporate finance advice", "business transfer advice" or, more generally, "equity finance advice" is provided both by non-regulated professionals and regulated players such as investment banks, financial investment advisers (FIAs) and regulated legal and accounting professions, including lawyers, notaries and chartered accountants.

Following initial work undertaken by the AMF, it would appear that corporate finance advice may fall under the description of ancillary service no. 3 in the Markets in Financial Instruments Directive (MiFID), which can currently be freely performed at EU and national level (when it is not being provided by an entity that has been specifically authorised by law). The AMF nevertheless wanted to ask the marketplace about the quality and risks associated with this activity and the opportunity for regulation.

It was thus suggested either to:

- confirm that the business of corporate finance advice requires no specific framework, that it can be provided freely and that it is therefore concerned only by common law; or
- allow operators to perform this activity under a specially adapted FIA status if they so desire, i.e. “optional” regulation.

The AMF received 62 responses to the consultation in total, which break down as follows:

- 32 responses from corporate finance advisors, of which 20 have FIA status and 12 have no particular status;
- 30 responses from other stakeholders: employers’ organisations, professional associations, banks, law firms, public-sector economic actors, etc.

Following the public consultation, the AMF has decided to retain the suggestion that the activity continue to be performed freely. In addition, it suggests continuing the educational efforts to explain the scope of the business of corporate finance advice and its limits compared with investment services requiring authorisation by way of publishing a joint AMF/ACPR guide in autumn 2017.

This document will aim to offer guidance to operators so they can determine the investment or related service that their own particular activity falls under and request any necessary authorisations or organise themselves so that they perform only corporate finance advice, which requires no authorisation.

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- 📄 [Report on the public consultation on corporate finance advice](#)

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