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The AMF's Enforcement Committee fines EDF and its former Chairman and Chief Executive Officer for disseminating false information about the project to build a nuclear plant at Hinkley Point in the United Kingdom

In its decision of 28 July 2020, the Enforcement Committee imposed a fine of €5,000,000 on EDF for disseminating false information in a news release dated 8 October 2014. It also imposed a fine of €50,000 on Mr Henri Proglio, EDF's Chairman and Chief Executive Officer on the date of the disputed news release. However, it dismissed a breach alleged against EDF of failing to disclose insider information promptly, and cleared its current Chairman and Chief Executive Officer, against whom this breach had been alleged.

After acquiring British Energy in 2009, EDF launched a construction project for a nuclear plant with two European pressurized reactors (EPR) at the Hinkley Point C site in Somerset in the United Kingdom (the "HPC project").

On 21 October 2013, EDF announced that it had entered into an agreement with the British government on the key commercial terms of the contracts relating to the HPC project, including the confirmation that the HPC project would receive a financing guarantee from the British government, according to terms and conditions to be defined.

Then, in a news release of 8 October 2014 announcing the approval by the European Commission of the agreement relating to the HPC project under State aid rules, EDF

informed the market that following the decision of the Commission, *"the main elements of the agreements of October 2013 remained unchanged [...]"*.

The Enforcement Committee found that, by mentioning in the news release of 8 October 2014 that the 2013 agreements remained "unchanged", when there had in fact been significant changes to the financing plan by guaranteed debt, EDF had disseminated false information likely to set the share price at an abnormal or artificial level. The Committee found that this breach was also established against Mr Proglío, EDF's Chairman and Chief Executive Officer, on the date of the disputed news release, who was responsible for the company's financial disclosure and had reviewed the content of the news release before publication.

The AMF Board also alleged that EDF and its current Chairman and Chief Executive Officer had failed to disclose, as soon as possible after 17 June 2015, information about the decision by the EDF's management to continue the HPC project under the new context of full consolidation into the group's accounts and subject to substantial financial restructuring measures, which was inside information on 22 June 2015 at the latest, but was disclosed to the public only on 21 September 2015.

The Enforcement Committee found that this new orientation of the project was still only a working assumption on 17 June 2015, and was conditional on negotiations with other investors, on the European Commission choosing not to bring into question its decision of 8 October 2014 (which was not known until 18 September 2015), and on the British government's support for the projected changes, which occurs during the five-day official visit of the Chancellor of the Exchequer of the United Kingdom to China from 19 September 2015. For the Enforcement Committee, it was only after the events of 18 and 19 September 2015, which cannot be discounted as mere vagaries and were decisive in the decision-making process of EDF's management, that the information came to constitute inside information. The Committee considered that in disclosing this information on 21 September 2015, the first business day after the date on which the information became inside information, EDF had not breached its obligation to disclose "as soon as possible". The Enforcement Committee therefore concluded that EDF and its current Chairman and Chief Executive Officer were cleared of this second alleged breach.

An appeal may be lodged against this decision.

About the Enforcement Committee

The Enforcement Committee, which is made up of judges and professionals, has total freedom to make decisions. It can impose sanctions on any person or company whose

practices contravene laws and regulations that fall within the jurisdiction of the AMF. It ratifies settlement agreements signed by the Secretary General and respondents. And it takes part in the AMF's educational efforts by clarifying financial regulations when explaining its decisions.

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