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The AMF's Enforcement Committee fines an asset management company and the Chairman of its management board for breaches of their professional obligations

In its decision of 16 April 2021, the Enforcement Committee imposed on each of the implicated parties, the asset management company Gestys SA and the chairman of its management board Jean-Laurent Bruel, a fine of €50,000 and a reprimand.

Please note that the French version of this press release was published on 20 April 2021.

In 2018, the asset management company was managing €3.9 million in assets on behalf of two alternative investment funds and €10.3 million assets representing 115 client accounts as part of its discretionary management activity.

The Enforcement Committee first found that Gestys SA had breached own funds adequacy and liquidity rules. Its own funds were, at certain times, below the regulatory required level and it had not invested its own funds in liquid assets.

The Committee then upheld several breaches alleged against the company regarding the inadequacy of the system for managing conflicts of interest, disregard for the interests of investors and failure to inform them. In this regard, it considered in particular that the asset management company had not complied with the undertakings set out in its authorisation

file, because it had exceeded the maximum turnover rate for a fund, as declared in its programme of operations. It also held that, with regard to this fund, the strategy actually pursued by the asset management company, which resulted in a high portfolio turnover rate, was neither consistent with the management policy and strategy announced to the fund's holders, nor with the management policy and objectives described to clients under discretionary management, which meant that the asset management company had not acted in the interests of these investors.

Lastly, the Committee found that the asset management company had breached its obligations to collect information from clients as part of its anti-money laundering and anti-terrorist financing measures and that its procedure in this area was inadequate.

The Committee considered that all these breaches upheld against Gestys SA were attributable to the chairman of the company's management board in his capacity as the effective director at the time of the facts.

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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