**Additional information sheet: Asset management company remuneration policy in accordance with the UCITS V Directive**

This document forms Annex 1.1 *ter* to AMF Instruction DOC-2008-03 – Authorisation procedure for asset management companies, disclosure obligations and passporting.

References:

Directive 2009/65/EC (consolidated)

Article L. 533-22-2 of the Monetary and Financial Code

Article 321-125 of the AMF General Regulation

Guide to UCITS V for asset management companies

ESMA guidelines on remuneration[[1]](#footnote-1)

It enables asset management companies wishing to be authorised under Directive 2009/65/EC, known as the UCITS Directive, to include items specific to remuneration policy in their programmes of activity.

Asset management companies are encouraged to describe at least the following points in detail.

1. **Scope of identified staff**

Indicate which staff are identified by the asset management company as being within the scope of the provisions of the Directive pertaining to remuneration.

*For reference, the following categories of staff must be included within the scope of identified staff, unless the asset management company can demonstrate that they have no material impact on the risk profile of UCITS and/or the company:*

* *Senior management (senior managers and managers responsible for portfolio management)*
* *Managers of support functions (marketing managers, human resources managers, administration managers)*
* *Finance managers*
* *The risk controller*
* *The compliance officer*
* *Identified risk takers in respect of the provision of ancillary services provided for in the third paragraph of Article 6 of the UCITS Directive or the fourth paragraph of Article 6 of the Alternative Investment Fund Managers Directive (AIFMD)*
* *Any other staff member with a material impact on the risk profile of the company or the UCITS it manages AND whose salary is significant[[2]](#footnote-2)*. *This category of staff members may include, for example, sales staff, individual market operators and specific trading desks.*
1. **Types of remuneration paid by the asset management company**

Indicate the different types of remuneration paid by the asset management company to identified staff, separating fixed remuneration from variable remuneration.

Specify the types of variable remuneration paid (cash, shares, options, discretionary pension contributions, etc.)[[3]](#footnote-3).

|  |  |
| --- | --- |
| Categories of personnel concerned | Variable remuneration (specify type) |
|  | Yes [ ]  No [ ] Type: … |
|  | Yes [ ]  No [ ] Type: … |

Do identified staff receive remuneration explicitly[[4]](#footnote-4) linked to performance fees related to the management of UCITS?

Yes [ ]  No [ ]

Where applicable, is this in line with AMF Position 2012-12, “A guide to fees”, and does it ensure that interests are aligned with those of investors?

Yes [ ]  No [ ]

1. **Applying the principle of proportionality**

Indicate whether the company wishes to invoke the principle of proportionality, separating proportionality pertaining to the company’s characteristics from that pertaining to the various categories of staff.

Specify the criteria on the basis of which proportionality is invoked:

Pertaining to the company:

* Size of the asset management company, amount of assets held in UCITS and assets managed under discretionary investment management agreements
* Size, scope and complexity of activities undertaken

Pertaining to staff:

* Structure of remuneration paid to staff members (amount of variable remuneration and/or percentage of variable remuneration relative to fixed remuneration)

Is the asset management company invoking the principle of proportionality laid down in the third paragraph of Article 321-125 of the AMF General Regulation?

Yes [ ]  No [ ]

If the asset management company is also authorised under the AIFM Directive, has the principle of proportionality been applied?

Yes [ ]  No [ ]

|  |  |
| --- | --- |
| **Criteria**  | **Justifications** |
| Size of asset management company   | Assets held in UCITS: …Assets held in AIFs: …Assets managed under discretionary investment management agreements: |
| Number of staff: |  |
| Number and category of identified staff  |  |
| Type, scope and complexity of activities undertaken – types of investment strategies |  |
| Structure of remuneration paid to staff members:- maximum amount of variable remuneration in euro- maximum percentage of variable remuneration relative to fixed remuneration | Maximum amount of variable remuneration paid to identified staff in euro: …*(Comment where applicable):*No maximum amount: [ ]  Maximum percentage variable remuneration paid to identified staff: …*(Comment where applicable):*No maximum percentage: [ ]   |

1. **Arrangements for payment of variable remuneration**

Set out arrangements for the payment of variable remuneration, if applicable:

* Indicate the payment deferral schedule (time horizon of the deferral, proportion of variable remuneration being deferred and form of deferred variable remuneration).
* Indicate whether payments are in cash or financial instruments.
* Give details of the retention policy.
* Set out arrangements for ex-post risk adjustments.

|  |  |
| --- | --- |
| **Payment procedures** | **Explanation** |
| Portion of variable remuneration paid in cash and financial instruments | *For reference, at least 50% of the variable component of remuneration must consist of units or shares of the UCITS concerned, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives.* |
| Proportion of variable remuneration deferred | *For reference, at least 40% of the variable component of remuneration must be deferred.*  |
| Deferral period | *For reference, the minimum deferral period is three years.*  |
| Details of retention policy, where applicable  | *For reference, the retention period is the period during which variable remuneration that has already vested and paid out cannot be sold.* |
| Arrangements for ex-post risk adjustments | *For reference, variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the asset management company, and justified according to the performance of the business unit, the portfolios it manages and the individual concerned.**The total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the management company and/or of the portfolios it manages occurs.* |

1. **Governance and establishment of a remuneration committee**

The management company declares that it complies with point I, (3) of Article 321-125 of the AMF General Regulation on governance of remuneration:

Compliance statement [ ]

The company is invoking the principle of proportionality in order not to establish a remuneration committee, as laid down in the point I of the third paragraph of Article 321-125 of the AMF General Regulation:

Yes [ ]  No [ ]

If yes, why?

- In accordance with the example given in the ESMA guidelines, the asset management company manages portfolios of UCITS whose value does not exceed EUR 1.25 billion and has no more than 50 employees, including those dedicated to managing AIFs and providing the services covered by points (a) and (b) of the third paragraph of Article 6 of the UCITS Directive (discretionary investment management and ancillary services).

Yes [ ]  No [ ]

- The company is part of a banking, insurance or investment group or of a financial conglomerate within which an entity is required to establish a remuneration committee and the existing remuneration committee assumes responsibility for verifying that the asset management company is compliant.

Yes [ ]  No [ ]

- The asset management company has taken into account considerations such as whether or not it is listed, its legal structure, the number of employees, assets under management, whether it also manages AIFs and whether it provides the services covered by the third paragraph of Article 6 of the UCITS Directive:

Details: …

1. **Risk alignment**

Indicate whether the company has put in place a discretionary pension policy (that also caters for departures before retirement) and a policy prohibiting hedging (points 16 and 17 of the first paragraph of Article 321-125 of the AMF General Regulation).

Explain how compliance is achieved, where applicable.

The asset management company has put in place a discretionary pension policy (that also caters for cases where a staff member leaves before retirement) and prohibits all forms of hedging against variations in remuneration resulting from payment instruments:

Yes [ ]  No [ ]

1. **Reporting**

The asset management company declares that it complies with or has taken all necessary steps to comply with the reporting requirements laid down in Articles 411-107, 411-113 and 411-121 of the AMF General Regulation and Article 33 and Annexes XIII and XIV of AMF Instruction 2011-19:

Compliance statement [ ]

1. **Areas of focus**

Indicate anything you wish to draw to the AMF’s attention as regards remuneration.

1. **Statement of compliance**

The asset management company declares that it complies with points 1 to 12 and 16 to 18 of the first paragraph of Article 321-125 of the AMF General Regulation.

Compliance statement [ ]

1. Guidelines on sound remuneration policies under the UCITS Directive and AIFMD

<https://www.esma.europa.eu/sites/default/files/library/2016-411_final_report_on_guidelines_on_sound_remuneration_policies_under_the_ucits_directive_and_aifmd.pdf> [↑](#footnote-ref-1)
2. A staff member whose salary is significant within the meaning of AMF Position 2013-11 incorporating the ESMA guidelines on remuneration for AIFMs is a staff member whose remuneration “falls within the remuneration bracket of senior management and risk takers”. As such, the term “significant salary” refers here to variable remuneration paid primarily to senior managers and finance managers. [↑](#footnote-ref-2)
3. Excluding compulsory and voluntary employee profit-sharing. [↑](#footnote-ref-3)
4. I.e. described specifically as being so linked in the applicable remuneration policy. Such remuneration consists of payments linked to the performance of UCITS made directly by the asset management company or the UCITS itself to identified staff. [↑](#footnote-ref-4)