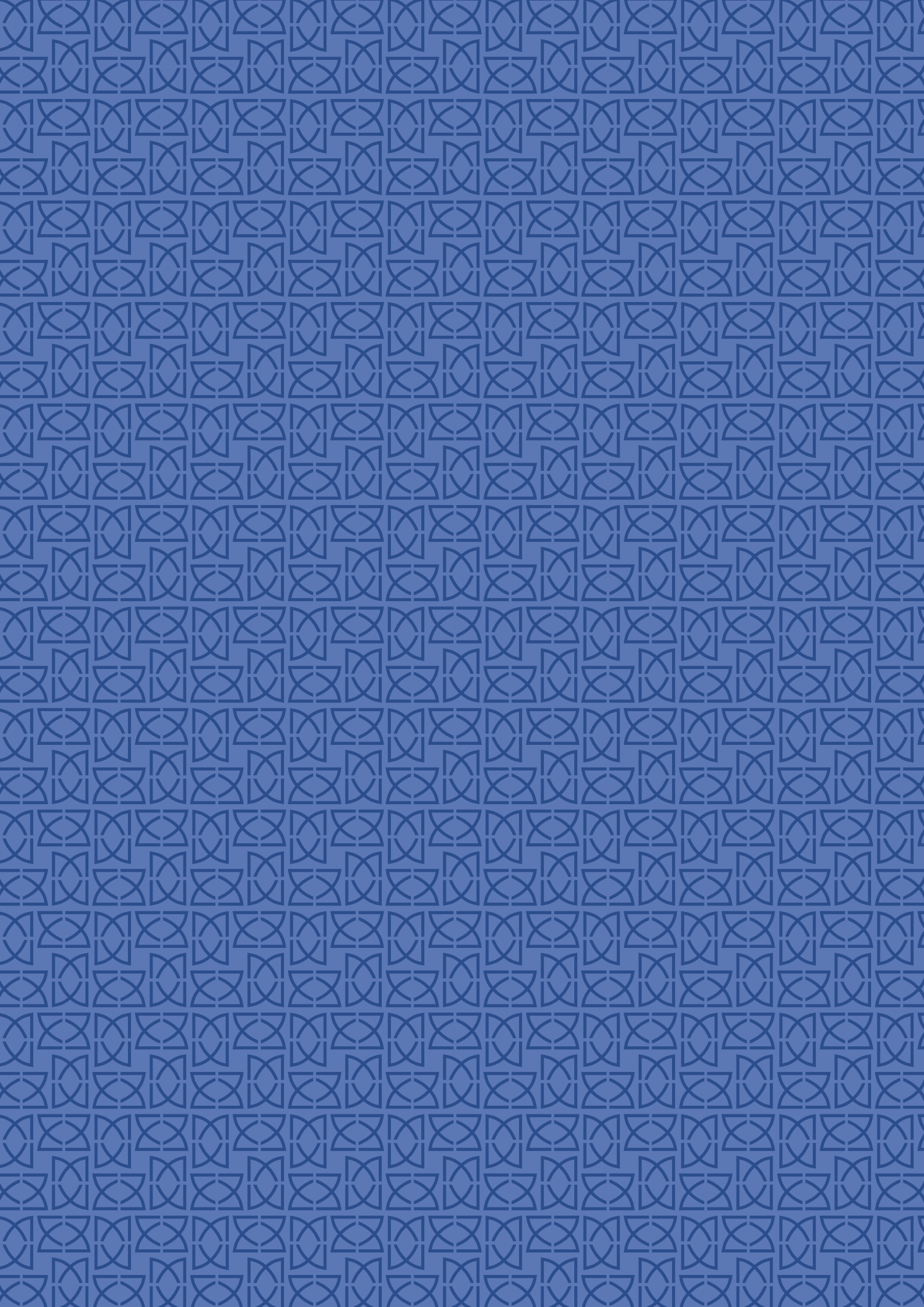


STRATEGY 2013-2016

# Making finance meaningful again



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# Message from the Chairman

## Making finance meaningful again

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**A**s announced in my New Year's message to the financial community, the AMF has been rethinking its role and objectives. After several months of reflection, we are publishing the AMF's strategy for the next three years.

The role of financial regulation has evolved considerably since 2009 because of the many reforms adopted in the wake of the financial crisis. Working alongside other French public authorities, the AMF has strongly supported international and European efforts to ensure that financial markets are better regulated and more transparent. The impact of these reforms, some of which are not yet fully in place, is considerable, not just on those who work in the financial sector but also on investors and economic agents generally.

At the same time we have not yet emerged from the crisis, and the financial sector in France is now at a crossroads. This is why we must all get back to fundamentals together. We have to ask ourselves – and answer – a basic question: what is finance for?

Aside from direct employment in the financial sector, what is important for the French economy is the capacity of capital markets to channel financing to business by meeting the needs of savers and investors to invest their savings productively. What finance has to do is to provide economic agents with the resources they need to grow their business, in exchange for a risk-based return. Until now, the mainstay of the French business financing model has been bank lending. This model is set to undergo a sea-change that will require much greater use of organised markets and alternative forms of financing.

Accordingly, the finance industry will have to adapt, and new solutions will sometimes have to be offered to ensure that finance continues to deliver value added for the economy and for investors. With international competition becoming ever keener, our financial sector will have to measure up in terms of competitiveness. This is essential. If we do not keep up, then trading and asset management business will leave Paris for other financial centres, including some where financial market regulation is taken less seriously, or for the unregulated world of "shadow finance". The consequences for us would be particularly harmful from three standpoints: employment, protection of French investors, and ability to finance future growth.

To put finance back where it belongs – in service to the economy – we have to rebuild investor confidence. Mobilising all the participants is more necessary than ever if we are to regain the trust of savers. Confidence has been shaken by two successive crises, by malfunctions in the financial sphere, and by the scandals of the past few years. I am struck to see the ever-widening

gap between the sophistication of financial markets and products and the inadequate financial culture of the French at large. The regulator must see to it that investment products are not just accessible to savers generally but also intelligible to them. Savers must be able to understand what they are investing in. The regulator must establish the safety framework needed for investor protection – using its enforcement powers as needed – without discouraging risk-taking and long-term investing.

To counter the mistrust and lack of understanding of finance, I am convinced the AMF must take its role to be more than merely technical or legal. It is not enough to simply enforce the rules to the letter. The regulator must embody a vision of the role of markets and financial intermediaries in the service of the real economy, and that vision must become the standard. Along these same lines, the AMF must also exert its intellectual influence to bear on the public policy debate by enlightening citizens about the role of finance.

The AMF has an essential role to play as watchdog for risks to the financial system. Where needed, the AMF proposes changes to the rules or to the regulatory framework, and it stays heavily involved in efforts at European level or internationally to guide the future shape of financial regulation. In practice, the main regulations governing financial activities are now decided at European level. The AMF also uses its influence and powers of persuasion to advance the cause of reliable, transparent pan-European financial markets. The AMF supports the development of the European Securities Market Authority (ESMA) as a means of achieving greater convergence in regulatory regimes across the EU. It is my hope that industry professionals here will become more closely involved in the process of developing the new regulatory standards, even though that process is organised at European level. Industry professionals are at times disconcerted by EU regulations and by how

quickly they can change. The regulator must be at pains to explain the law that applies to them. Even if regulation must necessarily be independent and conducted exclusively in the public interest, I believe it is not the regulator's monopoly. The contributions of industry professionals and investor representatives are essential to good regulation.

Lastly, whether the issue is promoting the French regulatory model within Europe, or protecting investors, or ensuring that issuers are able to raise funds, the future of Paris as a financial centre is a pressing question. Collectively, we must manage to capitalise on the strengths of France's financial sector, in particular our listings of large multinational firms, our large banks, our dynamic asset management industry, and the advanced skills at our command in the financial domain. Through high-quality regulation, and with financial markets that serve the real economy as the goal, the AMF wants to be an active contributor to the dynamism and cohesiveness of the French financial sector.

With this in mind, the staff and Board of the AMF have drawn up this strategy document, Strategy 2013-2016. To fulfil our public interest role and take into account the opinions of all stakeholders, the document has been put out for comment until 6 September 2013. I hope this initiative will help strengthen the AMF's regulatory stance on serving our role as we understand it, namely to make finance meaningful again.

**GÉRARD RAMEIX**

Chairman,  
Autorité des marchés financiers



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This document is a summary of the «Strategy 2013-2016»  
PowerPoint presentation which is out for comment  
until 6 September 2013

## What we do

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The AMF exists to ensure that savings are protected, investors are informed and financial markets operate in an orderly manner

## Who we are

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### → Independent

An authority that acts in the general interest

### → Open

An authority in touch with its environment and with Europe

### → Committed

Engaged and capable staff



# Our strategic vision

Financial markets are a meeting place. For that reason, there has to be a link of trust between investors, financial intermediaries and listed companies. In recent years that relationship has been badly impaired by a series of scandals and successive financial crises. The regulator has a key role to play in restoring confidence – the only way to make finance meaningful again – by ensuring that the sector best fulfils its function of financing the real economy. The primary function of financial markets is to enable businesses in need of growth capital to find investors willing to assume risk in exchange for a return. For the markets to function properly, it is not enough to ensure trading transparency and transaction integrity. The proper gauge is the extent to which the markets are fulfilling their economic function. Accordingly, the regulator must explain the markets' role, educate the public by providing the information needed to choose appropriate investment products, and spell out the law for industry professionals. The AMF, at the interface between investors and industry professionals, wants to be a catalyst for a dynamic financial marketplace.

At another level, the EU has acquired a determining role in financial regulation. The French regulator must bear weight on the EU rule-making process, if only to stand up for its vision of what EU markets should become or to bring about harmonised regulation and a level playing field within Europe. The AMF must have the powers of persuasion to share the meaning it gives to finance.

Consistently with this vision of the role and stance of the regulator, our strategy is organised along three dimensions, as articulated in the following pages:

- **Make every effort to achieve transparent, safe markets in Europe**
- **Restore investor confidence**
- **Bolster the financing of the economy**

The AMF will adjust its organisation and devote appropriate resources to carry out this strategy. At a time of tight budgets, our ambition for the 2013-2016 period is to improve the AMF's performance.

## STRATEGIC IMPERATIVES FOR THE AMF

- **Protect investors without relieving them of responsibility**
- **Educate the public on the role of finance**
- **Continue to be a fixed point of reference in an uncertain environment**
- **Be a recognised voice in Europe**
- **Be a catalyst for positive change in the Paris financial marketplace**

# Make every effort to achieve transparent, safe markets in Europe

Although the national scale is still fully relevant and appropriate for supervising financial sector participants, the main rules are now set at European and international levels. A single market in financial services in Europe is taking shape. Financial market regulation must consequently be harmonised at European level. Europe-wide integration has been taken a step further with the establishment of the European Securities Market Authority (ESMA) in January 2011. As this is happening, questions arising from where participants choose to be located are becoming weightier. To keep France's financial centre competitive, the public authorities need to exercise greater vigilance.

To participate fully in the standard-setting at European level and promote reliable, transparent markets in Europe, the AMF must adapt its mode of operation to match the new environment. It must devote more of its energy to rule-setting at European level, and it must be more systematic in developing strategic alliances with its European counterparts. To bring about regulation that is more effective and better suited to the new environment, the AMF wants the market ecosystem to be more closely associated with its actions at international and European level.

**The EU environment is increasingly important to what the AMF does. Regulating the financial sector is now determined to a very great extent by directives and regulations issued at EU level.**

The scope of regulation has been broadened in response to the financial crisis. Rules adopted at European level or in domestic law have given the AMF new tasks that it must now carry out. New players and new activities – commodity derivatives, hedge funds, short selling, OTC derivatives mandatory clearing, shadow finance – have been brought under the supervision of market regulators.

Our 2013-2016 strategy aims to consolidate the AMF's position within Europe in a lasting way, so that France's voice is heard and heeded on the question of effective, harmonised regulation of financial markets. The AMF will develop strategic alliances to further its agenda at European level. The AMF's influence in international bodies will be built by conducting in-depth research, analysing financial sector risks and identifying regulatory shortcomings. The AMF's own regulatory strategy will have to be explained and clarified, as will key issues in European regulation.

## OUR STRATEGIC OBJECTIVES

### → BUILD A EUROPE-ORIENTED ORGANISATION, SUPPORT THE DEVELOPMENT OF ESMA, AND INTENSIFY EFFORTS TO EXERT INFLUENCE

The AMF will step up its efforts at ESMA level. It will work harder on exerting influence in Europe in partnership with the Autorité de Contrôle Prudentiel, the Banque de France, Treasury officials and specialised committees of both houses of parliament. The AMF will maintain its active participation in the work of the International Organization of Securities Commissions (IOSCO) and will take part in working groups of the Financial Stability Board (FSB) in its areas of expertise. The number of AMF staff members on secondment to international or European bodies will be increased. The AMF's efforts at European level will aim to support harmonisation of regulatory frameworks and enhance the integrity, stability and transparency of the financial system. The AMF will support a strong ESMA with a powerful voice in Europe.

### → RE-ESTABLISH AN EFFICIENT MARKET SYSTEM AND MOVE TOWARDS EUROPE-WIDE SUPERVISION

The AMF will develop its early warning capability and its ability to act on market trends. It will do this by monitoring and regulating new practices that are having functional impacts on the markets. The AMF wants to move towards mutualised supervision in Europe, with more systematic collaboration than at present. It will propose to develop monitoring tools jointly with foreign regulators with a view to achieving economies of scale and greater regulatory efficiency. The AMF will work alongside the ACP and the Banque de France to ensure secure development of market infrastructures.



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### → IMPLEMENT THE NEW REGULATORY REGIME FOR DERIVATIVES AND INCORPORATE THE AMF'S NEW POWERS

In the wake of the financial crisis, the G-20 initiated a reform of derivatives markets. In Europe, the European Market Infrastructure Regulation (EMIR) has established the principle that derivatives should be subject to registration and clearing. EMIR will bring sweeping changes in the way derivatives are traded and trading is supervised. In addition, the AMF would be given new responsibilities under proposed legislation for separate regulation of banking activities (the draft Banking Act) and the forthcoming revision of the Markets in Financial Instruments Directive (MiFID 2).

The AMF will adapt its approach and organisational structure to accommodate the new environment ushered in by EMIR. At European level, the AMF will develop and support the use of new data made available by trade repositories. And it will take pains to assist industry professionals with the sometimes complex process of implementing these new regulations.

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### → IDENTIFY RISKS TO THE FINANCIAL SYSTEM AND FOREWARN WHEN REGULATION IS FALLING SHORT

The AMF helps to keep the financial system stable. Regulation has a tendency to develop in silos, without enough consideration being given to the interaction between different sets of rules.

We will expand the AMF's analytical and forecasting capabilities, and relaunch the Scientific Advisory Board in a different role. Research will be carried out in areas specific to the AMF, in particular on financial savings and market structure. As a member of the High Council on Financial Stability to be established under the draft Banking Act, the AMF will be an active contributor to its efforts.

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### → RECAST THE RELATIONSHIP WITH THE FINANCIAL COMMUNITY SO AS TO PARTICIPATE MORE EFFECTIVELY IN EUROPEAN REGULATION

Professionals need regulation to be clearer and easier to foresee. This requires a French vision of financial markets and financial market regulation, shared as far as possible by the regulator and the industry.

We seek to develop a new relationship between the AMF and the financial community, one that gives better consideration to the European component of regulation in order to give France greater influence in Europe. To this end, the AMF will redefine the way its consultative committees work. The multiple existing links between the regulator and financial intermediaries will be maintained. We will study the desirability and usefulness of forming a securities law committee focused on European regulation. We will be more systematic in communicating the AMF's European and international strategy.

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### → MAKE SURE THAT EUROPE IS A LEVEL PLAYING FIELD AND THAT PARIS IS AN ATTRACTIVE FINANCIAL CENTRE

The quality of regulation and investor protection can suffer if financial activities move to marketplaces with overly lax regulation. Efforts must therefore be made to encourage financial activities to relocate to Paris in order to finance economic activity and serve investors' interests.

The AMF will take part in devising peer reviews at European level to ensure that EU securities law is actually being applied in harmonised fashion. The regulator will bear in mind the competitiveness and appeal of France's financial centre.

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# Restore investor confidence

Opinion surveys routinely show that investors are increasingly disinclined to invest in securities such as shares or fund units. Broad saving aggregates are now showing a greater preference for liquid, risk-free, tax-sheltered savings vehicles. Another trend is the slower advance of individual share ownership and a greater shift towards an intermediated model of saving through asset management or life insurance. Furthermore, new forms of consumption are changing the way people relate to saving and its method of distribution. Research commissioned by the AMF and conducted by TNS Sofres examined the mainstays of investor confidence in France. The findings confirm that confidence in financial products has been broadly undermined. At the same time, social, environmental and governance concerns are arousing increasing interest.

**In its report on an audit of the French financial system conducted in 2012, the International Monetary Fund (IMF) recognised the good results the AMF was achieving on marketing of financial products: "The AMF has made significant progress in putting the investor and consumer protection topics on the agenda, and is achieving commendable results with some of its actions."\***

Investor protection is the AMF's primary duty. It is also what the general public expects from us, above all else. And it is necessary for developing trust in financial markets. Investor protection means protecting savings invested in the markets. It means providing investors with the trusted framework without which they cannot invest for the long term in the economy. But that protection must not be so tight as to discourage long-term investment in risky assets, which can produce better returns and is needed to finance economic activity. Investor protection is central to the job of all of the AMF's departments. For example, it applies to issues such as the reliability of the financial product marketing chain, the quality of financial disclosure, and governance of listed companies. To complement what it does operationally, the AMF may express a macro-financial opinion on savings and the way they are allocated.

The 2009-2012 strategic plan had put investor protection at the centre of the AMF's concerns by stepping up oversight of financial product marketing and consolidating the AMF's efforts in favour of balanced marketing suited to customer characteristics. With its Consultative Committee on Retail Investors and Minority Shareholders, the AMF also benefits from a forum for accommodating the interests of individual investors. It has also developed a Savings Observatory to gain

a better understanding of individual investors' behaviour. The AMF conducts numerous initiatives in financial education, a necessary prerequisite for sound investment decisions.

The AMF also arranges mystery shopping visits at regular intervals as a way of influencing the policies pursued by marketing networks for investment products. It keeps a watchful eye on advertising campaigns in order to identify and curtail misleading or unsuitable promotions. Through some of its enforcement decisions, the AMF has demonstrated its concern that marketing should be balanced and transparent. It has also contributed to the evolving regulatory framework for governance of listed companies, with recommendations on the conduct of general meetings, exercise of voting rights, and disclosure of changes in major holdings.

The AMF's investor protection efforts are conducted in partnership with the Autorité de Contrôle Prudentiel through the ACP-AMF Joint Unit to better harmonise the rules applicable to financial institutions and the level of protection of those institutions' customers.

The AMF makes its expertise directly available to investors through the web platform at <http://www.abe-infoservice.fr>. It has also developed partnerships with France's competition and fraud prevention authority, DGCCRF, and the advertising regulatory authority. The AMF will continue and consolidate these various initiatives.

To restore investor confidence, we want the AMF to be part of an effort to put finance on new foundations and make its economic function more accessible and better understood. Financial innovation and financial complexity can develop in ways that do not serve the interest of investors. The AMF's goal is to ensure that financial products should be better suited to investors' needs and distributed through trustworthy networks. Investors should be better informed about the investment products they sign up for and the fees they are charged. We want regulation that is constantly more effective and better redress of harms, which underpins investors' trust.

## OUR STRATEGIC OBJECTIVES

### → BE RESPONSIVE TO INVESTORS' NEEDS AND CONCERNS

The AMF's agenda in the area of financial product marketing will be given greater depth, especially to ensure that products are suitable to investors' needs and profiles. In particular, the AMF will propose a legislative reform of the "miscellaneous goods" regime in regard to non-typical "investment" products that can be confused with financial products. The AMF will expand efforts to educate the public, especially over the Internet. The AMF also wants to do more in the area of sustainability, i.e. corporate social responsibility and socially responsible investing. Lastly, the concerns and interests of individual investors need to be represented more prominently within the AMF, and stronger and more systematic links with institutional investors need to be developed.

### → DO MORE TO ACHIEVE REDRESS OF HARMS

Mediation – a free public service provided for by law – is an appropriate means of resolving disputes out of court. Redress of harm, however, is another matter, normally one for the civil court rather than the AMF. There is a necessary distinction here between redress and enforcement.

The AMF's mediation activity will be enhanced in several ways. Recommendations will be issued systematically in mediation cases; the Ombudsman will be given greater visibility; and cases outside the ambit of AMF mediation will be referred to other bodies within shorter time frames. We will keep working to improve redress of harms. In particular, we will encourage voluntary indemnification of harmed investors by recognising it as a mitigating circumstance in enforcement decisions. Lastly, we want the AMF to be able to send case documents to the civil court, if so requested, to facilitate an appropriate remedy.

### → ENLIGHTEN OPINION LEADERS AND THE PUBLIC ON THE ROLE OF THE FINANCIAL SECTOR

The AMF must be a guidepost and a voice for advocacy with regard to the allocation of savings and, more broadly, the role of finance. The AMF's efforts to teach and explain the role of finance, in particular those directed at the general public, will be continued. Within the AMF, the macroeconomic approach will be strengthened.

### → FOSTER RELIABLE, HIGH-QUALITY FINANCIAL INTERMEDIATION

Coordination between the ACP and the AMF on supervising financial intermediaries is essential. It will be made even closer. We will put the emphasis on developing means other than enforcement actions, such as best practices and mystery shopping visits, to ensure that the industry puts customers' interests first. The AMF also wants to help develop new forms of financing that fit better with investors' concerns and modes of consumption. A notable example is the area of participative finance, where the AMF can provide a framework for developing innovative platforms and products.

Ten years after the introduction of Financial Investment Adviser (FIA) status, this profession still gets little recognition, and the way it operates can entail risks of mis-selling, as seen in some local cases of fraud. AMF contacts with the FIA associations will be stepped up, and their role in this profession could be rethought. The AMF will also step up its oversight of FIAs in a measured way and based on a specific action plan for this profession.

The AMF will continue to step up monitoring of market intermediaries, initiated in 2011, in order to have a clearer view of the operational risks in this sector. It will clarify its expectations of these intermediaries by publishing an outline of its policy.

### → PURSUE AN ACTIVE ENFORCEMENT PROGRAMME WITH A GRADUATED APPROACH TO SHORTCOMINGS

The recently introduced settlement procedure has already proved effective and worthwhile. At present, this procedure is available only in cases of a financial intermediary's breach of professional obligations. We would like to extend it to all breaches short of those in the market abuse category. With a view to speeding up the process without impairing the quality of investigations or the decisions reached, the AMF will also look into implementing an accelerated enforcement procedure with reduced penalties where the person or entity charged admits to the facts in the case.

We will focus on developing a more graduated enforcement approach that varies according to the severity of the breaches and the size of the entities involved. We will initiate thematic controls on particular topics. These are a good way to gain understanding of the issues encountered in implementing regulations and compile a register of best practices for the industry.

The AMF will strengthen the instructive value and exemplary nature of its enforcement decisions by ensuring that the target populations receive proper feedback. Lastly, the AMF will ask for the legal power to punish individuals or firms that conduct regulated activities without having authorisation to do so.

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# Bolster the financing of the economy

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For the past several years, the amounts of funds raised by issuing new shares on the French market have been low, and few new companies have been floated on the stock exchange. Business financing by private equity funds has also declined. At the same time, activity by large-cap and mid-cap corporate issuers on bond markets has revived. The new prudential standards will shift the balance between bank credit and the capital markets; as a result, there will be a substantial shift in the methods of financing used by the business sector. In addition, the trend towards globalisation of banking and financial markets has been held back by the crisis that broke out in 2007. Retail investors also tend to value local presence when choosing investment assets. Investors' nervousness is further accentuated when the short-term and medium-term growth forecasts for France and Europe show an uncertain outlook that is bound to have repercussions on levels of market activity. Low-interest-rate monetary policy is having a major impact on investor behaviour and market trends.

Employee savings plans constitute an important pool of long-term investments. Employee share ownership provides a way of involving employees and giving them a stake in the company they work for. It is traditionally a fundamental pillar of popular share ownership.

In this complex environment, the AMF must be careful to ensure that regulation is not holding back activity in the markets that it supervises. It also needs to pay attention to the economic dimensions of what it does. Although the AMF is not a leading player in terms of financing the economy, we believe that when putting regulation into action, it must always bear in mind the ultimate purpose: to develop an efficient market to finance the economy. The AMF's remit under the law – “to ensure orderly operation of the markets” – does not come down merely to the technical aspect of market operation. The economic role of the markets, their function of providing financing to business, must not be given short shrift by the regulator. For this reason, the AMF needs to know and analyse the whole environment in which it is operating, looking beyond the boundaries of the markets by themselves. As regards the financing of the economy, the AMF works to complement the efforts of other public authorities. Success in this endeavour depends on effective cooperation between all the stakeholders and on the AMF's ability to use its expertise and its policy instruments to drive favourable changes.

Financing the economy through the capital markets will be developed as a cross-disciplinary function at the AMF, one that touches on a wide range of topics that it has already addressed but that require an overarching approach. This function may be developed at the AMF by bringing together several disciplines with different reasons to concentrate on this same objective. These could include the staff departments that deal with issuers, markets, asset management, or regulation and international affairs. The AMF wants to help make the financial community more cohesive by developing smoother dialogue between the regulator and financial intermediaries, issuers and investors, without losing sight of the need for a dynamic trend to help small, mid-sized and middle tier companies. However, this concern must not get in the way of operating efficiency and reliable decision-making in the regulator's most important duties, namely protecting and informing investors.

France's financial sector has genuine strengths, including recognised know-how in asset management. The AMF wants to help enhance the value of these strengths.

## OUR STRATEGIC OBJECTIVES

### → STAY IN STEP WITH DEVELOPMENTS IN FINANCING THE REAL ECONOMY

The AMF is a key player in guiding financial innovation and the various channels of financing to the economy. In a difficult economic environment, the AMF must be particularly vigilant on the quality of financial disclosure and the transparency of financial communication by listed companies. The AMF seeks that the interests of minority shareholders are better aligned with those of the companies in which they invest. This concern has led the AMF to become increasingly involved in topics relating to corporate governance.

The AMF will be attentive to the development of appropriate, secure forms of securitisation within an evolving legal framework. The AMF will keep a watchful eye on the risks generated by new financing channels and will need to be capable of playing its early-warning role when required. The AMF will build up its capacity to evaluate and allow for the impact of new regulations on the financing of the economy. Within the international and European bodies to which it belongs, it will work to promote accounting standards that suit the financial markets' function in financing the economy. Action on the corporate governance agenda will continue, especially on favouring exercise of voting rights by all shareholders.

### → DEVELOP AN APPROACH SUITED TO THE NEEDS OF SMALL, MIDSIZED AND MIDDLE TIER FIRMS

The AMF needs to pay more attention to the needs of small, mid-sized and middle tier issuers in terms of advice and assistance.

The AMF will undertake an outreach effort for listed small, mid-sized and middle tier firms, in collaboration with the regional departments of the Banque de France. A staff member in the Corporate Finance Directorate will be appointed as a talking partner for these companies. Development of crowdfunding will be accommodated by maintaining a balance between seeking funds and protecting investors. The AMF will campaign for a European regulatory framework better suited to small, mid-sized and middle tier firms.

### → FACILITATE DEVELOPMENT OF AN INNOVATIVE, COMPETITIVE AND DEPENDABLE ASSET MANAGEMENT INDUSTRY

Regulation of asset management will undergo rapid change with the entry into force of the Alternative Investment Fund Managers (AIFM) Directive, and the UCITS V and UCITS VI draft directives, which overhaul regulations for collective investment in transferrable securities. Having a pool of funds invested long-term is an important objective for financing the economy.

The AMF will continue its efforts to be an influential voice in the major European projects relating to asset management. To ensure that France remains competitive as a financial centre, the AMF will strive to align French regulatory practice with European standards. It will favour innovation while still holding asset managers to demanding authorisation and monitoring requirements. The AMF also wants to encourage rationalisation of product ranges.

### → MOBILISE THE FINANCIAL COMMUNITY TO ENSURE THE PARIS FINANCIAL CENTRE SERVES THE ECONOMY

Changes in the ownership of Euronext are a historic opportunity to form an ambitious exchange that serves issuers and investors alike.

The AMF intends to support this development, within a secure framework, at national and European level. Industry initiatives in favour of small-cap and mid-cap issuers and expansion of the bond market are particularly welcome and will be supported accordingly. The AMF will work alongside others to promote a suitable European regulatory framework for long-term investment. The AMF is also committed to clarifying and explaining regulations and policy, using its new website for this purpose.



# Our ambition

## Improve the AMF's performance

The AMF is organised according to an original institutional model that has reached a degree of maturity since formation in 2003. The key features of this model are independent governance and complementary skills on the Board and on the Enforcement Committee.

The financial sector is evolving so rapidly and in so many aspects – technological, technical, economic, regulatory – that the AMF needs to continually ensure that appropriate skills and resources are at its command. The highly specialised nature of its regulatory tasks requires highly specialised expertise. The AMF's operating efficiency depends on sophisticated information systems, especially in the areas of market surveillance and monitoring of regulated entities.

**The AMF's ability to fulfil its missions depends in the first instance on the quality and effectiveness of its human capital.**

The 2009-2012 strategic plan committed the AMF to review the extent of its resources as a response to the financial crisis. New regulations, notably those on derivatives, hedge funds, commodity markets and algorithmic trading, have expanded the AMF's remit. It will have to deploy appropriate resources to carry out its new tasks. During the current period, several activity segments still need to be reinforced and will require dedicated resources. These segments include supervising market intermediaries, overseeing and monitoring Financial Investment Advisers, developing influence internationally and at European level, implementing the European Market Infrastructure Regulation (EMIR) and other new tasks assigned to the regulator under the Banking Act and MiFID 2. A measured increase in staff numbers, at a slower pace than during the previous period, will be necessary out to 2016. The number of jobs authorised by parliament – 469 full-time equivalent positions – will not be exceeded. This may require some adjustments to financial resources, depending on what happens with the level of industry contributions.

At the same time, the AMF is always careful to limit its spending. It has signed on to conduct successive cost-cutting plans. The AMF's 2013-2016 strategy takes into account the heightened level of performance expected from the regulator. This legitimate expectation comes as much from those in the regulated sector as from investors and citizens at a time of necessary reduction in public expenditure.

### **THE EUROPEAN DIMENSION WILL BECOME A MORE INTEGRAL PART OF THE AMF'S ORGANISATION AND OPERATIONS**

The European Union is a direct source of law, and it has operational consequences as well. All regulatory departments in the AMF must now develop their own strategic vision and have a "regulation" function within their department that incorporates a new blend of the European, legal and economic approaches.

### **THE AMF'S SINGULAR HUMAN RESOURCES MODEL WILL BE MAINTAINED AND ENHANCED TO SERVE ITS STRATEGY**

To perform its duties, the AMF has to rely on the expertise and engagement of members of its staff. The AMF must be able to attract staff with specialised financial, legal and accounting skills as well as diversified high-level all-rounders. Throughout staff members' careers at the AMF, there must be a commitment on the employer's part to develop their technical and behavioural skills, so that they understand better what is at stake and acquire more regulatory intelligence. We must also ensure that AMF staff members see prospects of professional advancement ahead of them, so that after several years' service in their public-interest mission they will be able to move on to careers in the financial markets. The AMF wants to buttress this human resource model with a unifying vision of its mission built around clearly stated values and unflagging attention to social cohesion. We will be particularly attentive to ensuring that the skill profiles and career paths of AMF staff members are more closely connected to what the AMF seeks to achieve at European level and internationally.

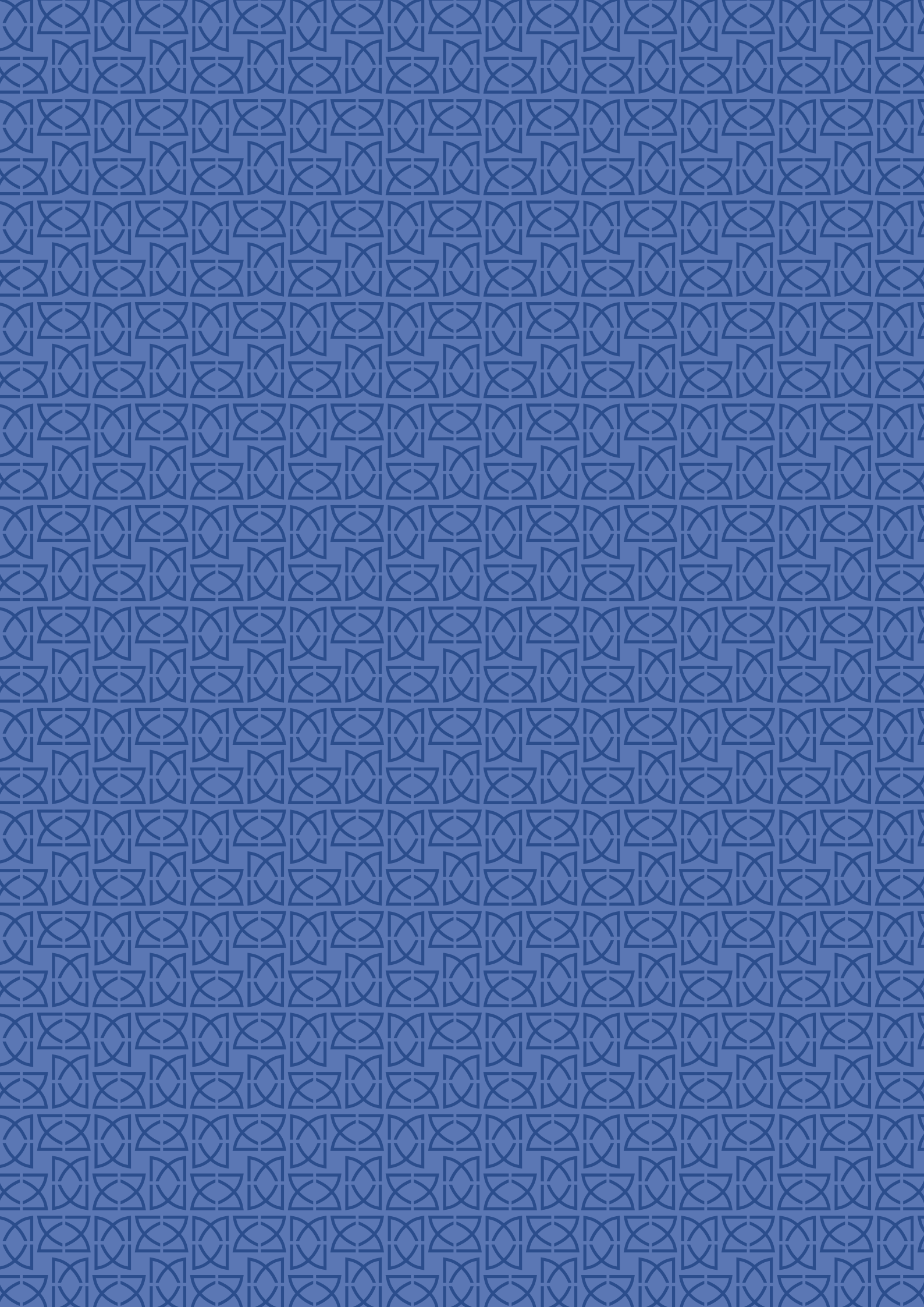
### **INFORMATION SYSTEMS ARE AN ESSENTIAL PART OF THE REGULATOR'S TOOLKIT. THEY MUST BE GOVERNED MORE EFFICIENTLY**

The performance and response times of the AMF's information systems are critical to regulatory efficiency. They help to give the regulator a positive image. Our key specialised applications are strategic resources. Linkages between the Information Systems Directorate and the regulatory staff departments will be strengthened.

### **WE SEEK TO EMPHASISE CROSS-DISCIPLINARY COLLABORATION TO MAKE REGULATION MORE EFFECTIVE**

We will be implementing a more matrix-based organisation structure. The project management approach will be used more widely. Implementation of knowledge management schemes will be initiated.





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