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The AMF publishes a draft recommendation on the performance simulations offered to investors

The Autorité des Marchés Financiers (AMF) is publishing a summary of the feedback submitted in response to the public consultation launched in November 2016 on the future performance simulations offered to retail investors. It is also publishing a draft recommendation and best practices for this area.

The AMF is committed to providing the best possible support to professionals operating in France, while at the same time ensuring that savings are protected and investors are well-informed. To this end, in November 2016, it launched a consultation on the future performance simulations offered to retail investors prior to them receiving investment advice or services.

The AMF received sixteen responses in total, primarily from French management companies, financial investment advisors and professional associations. These stakeholders generally supported moves to clarify the rules on designing simulations and informing investors of their limitations.

Once the public consultation had ended, the AMF decided to:

- amend its General Regulation such that all regulated players are subject to the same provisions;

- publish a recommendation on the inclusion of the following message alongside future performance simulations, reminding investors that they are intended for information purposes only and do not guarantee the returns shown:
- Recommend best practices for the design of future performance simulations.

Sample message:

The graph [or figures] shown does [do] not predict the future performance of your investments. Its [or their] purpose is simply to illustrate the mechanisms of your investment over the investment period. Changes in the value of your investment may be higher or lower than what is shown.

[If several scenarios are shown (e.g. "favourable", "unfavourable" and "neutral"), the following sentence should be added:] Gains and losses may exceed the amounts shown in the most favourable and the most unfavourable scenarios respectively.

By continuing, you confirm that you have read and understood this warning and accept its contents.

To allow professionals to prepare themselves, the draft recommendation has been published. It will be incorporated into the AMF's policy once the amendments to the General Regulation have been approved.


About the AMF

The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected, providing investors with adequate information and supervising the orderly operation of markets. Visit our website www.amf-france.org URL = [http://www.amf-france.org].

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