



AUTORITÉ
DES MARCHÉS FINANCIERS

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Market activities continuity during the Covid-19 pandemic: the AMF states its expectations

In order to fully accompany financial market professionals in the current context, the AMF reminds the financial industry of the various requirements arising from the European texts. Where possible, for example in the case of non-critical requirements, the Authority has decided to grant participants time extensions.

This communication is an update of our first communication published 19 March. It may be updated again if the AMF deems necessary, especially if further questions of common interest for the industry are raised.

The AMF is in close contact with financial institutions, as well as with other national and European supervisory authorities, as part of its duties. Given this context, the Authority expects market participants to focus their attention on market activities continuity while a high degree of market integrity.

Authorised place of work

The recent instructions given by the government allow financial sector employees, when homeworking is not possible, to go to their place of work, provided they have permission from their employer.

The AMF reminds market operators that they are not prohibited from working from home. Nevertheless entities are expected to be watchful in this specific context, notably in case of:

- Matters of conflict of interest (with other persons present when homeworking);
- Possible latency risks which may incur difficulties with the monitoring of real-time trading.

Audit trail and voice-recording obligations

The AMF wishes to stress the importance of audit trail and voice-recording obligations. Exchanges with participants have shown that technical solutions already exist, and enable homeworking whilst ensuring compliance with regulatory requirements. However the swift, broad scale roll-out of such solutions may be challenging and the AMF will take this into account during its supervisory activities. All the same, the Authority expects participants to take the appropriate steps to ensure these requirements are complied with in a deteriorated operational environment brought about by the geographical separation of staff. The AMF has drawn attention to this matter at European level in order to ensure necessary harmonisation. ESMA has clarified its position on call taping under MIFID 2 on March 20.

Suspicious transactions and orders reports (STORs)

The systems and procedures established for the detection and identification of suspicious orders and transactions within the firms in accordance with the market abuse regulation (MAR) should consider market conditions. The AMF is of the view that market participants should, in the normal course of their activity, have in place the tools and procedures allowing them to select the alerts which, as a function of their significance, should generate potential suspicious transaction and order reports (STORs) of possible market abuse.

In this period of high volatility, the number of alerts generated by the systems and procedures may have increased significantly nonetheless. The AMF reminds market participants that they should exercise judgement in the processing of these alerts and file only those that are not purely a result of market conditions. The AMF expects them to take the appropriate steps allowing them to respect their reporting obligations within a reasonable period of time given the difficulties resulting from the coronavirus epidemic.

EMIR and MIFID II transaction reporting

Transaction reporting is crucial for the fulfilment of a regulator's duties and nonetheless so for the AMF in its monitoring of markets and participants, especially in times of crisis.

Participants must ensure that the transmission of reports remains steady, of good quality and is carried out within the regulatory timelines. Participants who encounter occasional difficulties with report transmission will be expected to swiftly submit missing data. Participants who encounter persistent difficulties are invited to contact their usual AMF staff member in order to provide information on the nature of the difficulties encountered and inform on the projected return to normal.

SFTR reporting

Entry into application for credit institutions and investment providers is scheduled for 13 April 2020. For CCPs and CSDs, this is scheduled for 13 July 2020.

The AMF is fully convinced of the importance of this new reporting, however it considers that the current situation will not allow to sufficiently prepare and be ready for 13 April 2020. ESMA, which supervises trade repositories charged with the reception of these reports, has indicated that it is extending its TR authorising procedure deadline beyond 13 April 2020, in order to allow actors more time to adequately ready themselves and to enable to be ready to report as of 13 July 2020.

The AMF will take this new timeline into account in its supervisory activities, in accordance with ESMA's press release. Concerning the backloading obligations and following ESMA's update, market participants are expected to focus exclusively on the reporting of SFTs concluded on or after 13 July 2020.

Best execution public reports

The AMF draws the attention of market participants to a press release published by ESMA (see section "[Find out more](#)"):

- "RTS 27" reports relating to 4th quarter of 2019 may be published no later than 30 June 2020, instead of 31 March 2020.
- "RTS 28" reports may also be published by 30 June 2020 at the latest, instead of 30 April 2020.

RCSI Annual questionnaire

Annual questionnaire submission is open since 20 March 2020, allowing firms wishing to do so to start filling it in. The submission deadline is postponed until 30 June 2020, instead of 30 April 2020, taking into account the current situation.

Other questionnaires or reports to be submitted to the AMF

As a general rule, and unless explicitly stated to the contrary, the due submission of questionnaires or reports to the AMF may be reasonably deferred.

Specifically, the submission deadline for the annual report on client asset protection is postponed until 30 September 2020, instead of 30 June 2020. Despite the importance of these reports, AMF considers that custody account keeper should focus their efforts, in the coming weeks and months, on key processes they are responsible for. Namely, they should pay an increased attention to settlement fails, corporate actions, and all the functions involved in good proceedings of shareholders general meetings.

Your interaction with the AMF

The majority of Markets Dept staff are homeworking, but are fully operational and invite participants to contact their usual staff members in order to inform of any difficulty. Furthermore, participants are invited to check the AMF website regularly where AMF or European authority announcements will be posted.


Read more

- ✎ ESMA provides clarifications for best execution reports under MiFID II
- ✎ Esma sets out approach to SFTR implementation
- ✎ ESMA clarifies position on call taping under MIFID 2

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