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The AMF Enforcement Committee fines a financial investment advisor and its chairman for breaches of their professional obligations

In its decision of 3 July 2020, the Enforcement Committee imposed, on each of the parties, Groupe Consultant en Gestion Financière Internationale (CGFI) and its chairman and sole shareholder, Jacques Defemme, fine of €50,000 as well as a 5-year prohibition to practice as a financial investment advisor.

The breaches alleged against CGFI, a financial investment advisor, related to the advice it had given to a religious congregation and a farming cooperative as part of its activity as a financial investment advisor on the one hand, and advice given to retail investors to invest in a British fund as part of its asset-management-related consultancy activity on the other.

First, the Committee found that CGFI had breached the rules of conduct of financial investment advisors (obligation to gather information about the client's situation, recommendation suited to the client's situation, provision of initial contact document, letter of engagement and a written report).

It also noted that CGFI had not informed its clients of its remuneration terms, and more specifically the fees that it was charging.

The Committee also found that CGFI had twice breached its obligation to publish information that was clear, accurate and not misleading in the context of its asset-management-related consultancy activity, by not providing information on the risks associated with the investment in the British fund and by disseminating inconsistent, inaccurate and imprecise information in position statements.

It also ruled that by cashing the investments of several investors in the British fund, CGFI had breached the prohibition on financial investment advisors to receive any funds other than those intended to remunerate them for their activity, and that by not transferring those sums to the fund, it had breached its obligation to conduct its activity with due care and diligence in the best interests of its clients.

Finally, the Committee sanctioned the failure by CGFI to fulfil its obligation of diligence and loyalty in cooperating with the investigation. In that respect, the Committee found that CGFI had provided backdated FIA regulatory documents and invoices.

The Committee considered that these breaches were also attributable to Mr. Defemme in his capacity as chairman of CGFI.

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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