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## The AMF publishes the summary of its SPOT inspections on Record-keeping

**Effectiveness, quality and possibility of using recordings made by intermediaries during their market activities: the AMF reports on the operational implementation of MiFID II requirements.**

As part of its monitoring of the implementation of regulatory requirements on Markets in Financial Instruments, the AMF conducted a series of five short thematic inspections between November 2019 and February 2020, a few weeks before the outbreak of the COVID-19 health crisis. These inspections focused on the recording and retaining of telephone conversations and electronic communications for the years 2018 and 2019. MiFID II imposes obligations on investment services providers in their market activities.

The AMF focused on the following:

- the scope of application of the recording measures;
- the tools and systems used;
- the procedures and internal controls deployed;
- the system for identifying incidents and the remediation measures implemented where necessary.

On the whole, the AMF observed a good level of operational implementation of the regulatory provisions. For example, it was able to quickly access the recordings that it had selected and the demonstrations it attended confirmed the effectiveness of the tools in place. All the service providers inspected had correctly identified and defined the scope of their activities that require the recording of conversations and communications. The AMF also observed that the procedures in place were relatively operational. However, the AMF observed a low using of these recordings by the service providers. Regarding the process for identifying and managing incidents, the AMF's inspections showed that incident monitoring could be rather inconsistent and was not efficient enough.

In its inspection summary, the AMF reviews the good and poor practices observed. Some of the good practices identified were as follows:

- setting up a committee to monitor the scope of application of the measures;
- recording the emails of all employees working in a role related to market activities;
- banning the use of mobile phones when they cannot be recorded;
- informing those employees concerned by recordings in advance and mentioning the recordings in internal regulations;
- using a durable medium to refer to the possibility for the client to obtain a copy of the recordings of their conversations and of their communications relating to their transactions.

The AMF noted the following poor practices:

- splitting telephone conversations between several recordings;
- not mentioning in the procedures the length of time recordings are retained;
- not tracking and managing any incidents, not populating an incident tracking file.

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Summary of SPOT inspections on recording telephone conversations and  
📄 electronic communications and on retaining those recordings

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MIFID

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