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## The AMF applies the ESMA guidelines on performance fees

The Autorité des Marchés Financiers (AMF) has published a position DOC-2021-01 to incorporate the ESMA guidelines on performance fees in undertakings for collective investment in transferable securities (UCITS) and certain types of alternative investment funds (AIFs).

### A position echoing the ESMA guidelines

In a new position DOC-2021-01, the AMF has incorporated the guidelines published by ESMA on “performance fees in UCITS and certain types of AIFs” (ESMA34-39-992).<sup>[1]</sup> The objective of these guidelines is to promote greater convergence and standardisation in the area of performance fees and to encourage convergent supervision by competent authorities. They are intended, in particular, to ensure that the performance fee models used by asset management companies comply with the principles of acting honestly and fairly in conducting their business activities and with due skill, care and diligence, in the best interests of the fund they manage, thereby preventing undue costs being imposed on the fund and its investors. In addition, they aim to establish a common standard for the disclosure of performance fees to investors.

### Clarifications on the five ESMA guidelines

The five ESMA guidelines, which apply as of 5 January 2021, provide clarifications regarding the following aspects:

- The method for calculating performance fees;
- Consistency between the performance fee model and a fund's investment objectives, strategy and policy;
- The payment frequency of performance fees;
- Catch-up processes relating to negative performance;
- Disclosure of the performance fee model.

Note that these guidelines have an impact on existing AMF policy documents, which will be updated shortly.

### More about


- AMF Position DOC-2021-01 : Performance fees in UCITS and certain types of AIFs  
Guidelines on performance fees in UCITS and certain types of AIFs (ESMA34-39-992 EN)

### Keywords

COLLECTIVE INVESTMENTS

[1] Published on 5 November 2020

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