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The AMF Enforcement Committee fines an asset management company specialising in real estate for breaches of its professional obligations

In its decision of 2 July 2021, the Enforcement Committee imposed a financial penalty of €250,000 on Perial Asset Management.

The Committee upheld four series of breaches against Perial Asset Management. At the time of the facts, the company was managing €2.755 billion of assets in real estate investment companies (SCPIs) and real estate investment undertakings (OPCIs).

The Committee first found that the asset management company's property valuation procedure was incomplete and not fully operational because it did not detail the role of the independent valuer and did not mention the valuer's participation in the SCPI valuation committee. It also found that there was no effective traceability of the independent valuer's work, such as ensuring the consistency of the valuation methods used by the independent experts.

The Committee also found that some of the promotional materials distributed by the asset management company (sales brochures, promotional videos and posts on social media) contained unclear, inaccurate or misleading information in that these materials highlighted the advantages of investing in SCPIs while underplaying the corresponding risks. Furthermore, at the time of the facts, the company did not have a procedure for creating, validating and checking its marketing materials and did not perform any second-level controls in this area.

The Committee also fined the asset management company for various deficiencies in its conflict of interest management system. In particular, it found that the company had not dealt with conflicts of interest with companies that it had selected as service providers, that it had not recorded these conflicts of interest in the register intended for this purpose, and that it had not informed the subscribers of one of the funds about the remuneration paid to these service providers.

Lastly, the Committee considered that several breaches relating to the asset management company's anti-money laundering and counter-financing of terrorism (AML/CFT) system were confirmed. In particular, it found that the company's internal procedures, second-level controls and due diligence implemented in this area were incomplete. For example, the Committee noted that the company had not collected all the information required on its clients when it entered into a relationship with them and found various shortcomings in the system for classifying clients according to their level of AML/CFT risk.

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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