

Print from the website of the AMF

25 July 2022

## The AMF Enforcement Committee fines a depositary for breaches of its professional obligations

**In its decision of 20 July 2022, the Enforcement Committee imposed a fine of €500,000 and a warning to RBC Investor Services Bank France SA (“RBC ISBF”) for failing to exercise proper depositary control and for irregular and deficient monitoring of certain cash flows.**

RBC ISBF is a credit institution which, at the time of the facts, was mainly engaged in the activity of UCITS and AIF depositary bank for investment funds and institutional clients.

In connection with this activity, RBC ISBF's tasks included monitoring whether the UCITS for which it was the depositary had complied with the investment and asset composition ratios applicable to them. If any of these ratios were exceeded, its role was to implement a tiered intervention procedure.

After a sample of ratio overruns was analysed by the inspectors, RBC ISBF was alleged to be responsible for 28 anomalies in the implementation of this intervention procedure. The Enforcement Committee considered that 25 of these anomalies were confirmed, while pointing out that several of the anomalies that had been identified stemmed from the same facts and were therefore redundant.

However, the Committee dismissed the allegations that no unique identifier had been assigned to each of the ratio overruns identified, or that there were inconsistencies between

the start dates of the overruns recorded in the various control and reporting tools used by the respondent.

RBC ISBF was also responsible for monitoring cash flows into and out of the funds for which it was the depositary. In this capacity, it had to identify significant flows and in particular those which could be inconsistent with the AIF's operations, and ensure that the instructions that might be given for these flows were not contrary to the legal or regulatory provisions, the rules and constituent documents, or the prospectus of the AIF.

Based on an extraction of several thousand flows relating to seven AIFs for which RBC ISBF was the depositary over a 45-month period, the inspectors identified 14 questionable flows.

The Committee considered that for all of these 14 flows, the company in question had not collected sufficiently precise and convincing documents to comply with the aforementioned obligations.

In the specific case of five of these flows, which corresponded to current account advances paid by one of the AIFs to a beneficiary company, the Committee also found that RBC ISBF had failed to make sure that the fund concerned held at least 5% of the capital of this company.

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.*


### **Keywords**

COMPLIANCE

---

## ON THE SAME TOPIC

---

 [Subscribe to our alerts and RSS feeds](#)

ENFORCEMENT COMMITTEE  
NEWS RELEASES

SANCTIONS &amp; SETTLEMENTS

19 July 2022

The AMF Enforcement Committee fines one natural person and five legal entities, including an investment management company, for failing to comply with several reporting...

ENFORCEMENT COMMITTEE  
NEWS RELEASES

SANCTIONS &amp; SETTLEMENTS

18 July 2022

The AMF Enforcement Committee fines a portfolio asset management company for breaches of its professional obligations

ENFORCEMENT COMMITTEE  
NEWS RELEASES

SANCTIONS &amp; SETTLEMENTS

02 June 2022

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



#### Legal information:

Head of publications: The Executive Director of AMF Communication Directorate. Contact: Communication Directorate – Autorité des marchés financiers 17 place de la Bourse – 75082 Paris cedex 02