

Book III - Service providers

Title I ter - Asset management companies of UCITS

Chapter IV - Conduct of business rules

Section 1 - General provisions

Sub-section 2 - Primacy of the UCITS' interest and market integrity

General regulation of the AMF

Article 321-101 into force since 01 August 2022

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Article 321-101

Investment services providers shall:

- 1 • ensure that the unit holders and shareholders of the same UCITS are treated fairly;
- 2 • refrain from placing the interests of any group of unit holders or shareholders above the interests of any other group of unit holders or shareholders;
- 3 • apply appropriate policies and procedures for preventing for preventing malpractices that might reasonably be expected to affect the stability and integrity of the market;
- 4 • ensure that fair, correct and transparent pricing models and valuation systems are used for the UCITS they manage, in order to comply with the duty to act in the best interests of the unit holders and shareholders. Management companies must be able to demonstrate that the portfolios of UCITS have been accurately valued;

- 5 • act in such a way as to prevent undue costs being charged to the UCITS and its unit holders or shareholders;
- 6 • ensure a high level of diligence in the selection and ongoing monitoring of investments, in the best interests of UCITS and the integrity of the market;
- 7 • ensure they have adequate knowledge and understanding of the assets in which the UCITS are invested;
- 8 • establish written policies and procedures on due diligence and implement effective arrangements for ensuring that investment decisions on behalf of the UCITS are carried out in compliance with the objectives, investment strategy and risk limits of these UCITS;
- 9 • when implementing their risk management policy, and where it is appropriate after taking into account the nature of a foreseen investment, to formulate forecasts and perform analyses concerning the investment's contribution to the UCITS portfolio composition, liquidity and risk and reward profile before carrying out the investment. The analyses must only be carried out on the basis of reliable and up-to-date information, both in quantitative and qualitative terms.

The asset management company shall take sustainability risks into account when complying with the requirements set out in paragraphs 6 to 9 above, and in Article 321-102.

When taking into account the main negative impacts of investment decisions on sustainability factors, as described in point a of paragraph 1 of Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 or as required by paragraphs 3 or 4 of Article 4 of said Regulation, the asset management company shall take into account such main negative impacts when complying with the requirements set out in paragraphs 6 to 9 above and in Article 321-102.

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