General regulation of the AMF

Book IV - Collective investment products into force from 30/07/2023 to 31/12/2023

Information boxes have been inserted within the General Regulation. They allow for a direct access to the relevant European regulations on the subject matter.

The user will be redirected to the European regulations as initially published in the Official Journal of the European Union and to the subsequent corrigenda, if any. The AMF does not guarantee the completeness of the redirections to these European regulations and corrigenda.

The boxes are located at the most relevant level of the GRAMF depending on the provision of the EU regulations to which they refer (Book, Title, Chapter, Section, etc.).

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Book IV - Collective investment products

Title I - Undertakings for Collective Investment in Transferable Securities (UCITS) (Articles 411-1 à 411-140)

Article 411-1

1. The term "Undertaking for Collective Investment in Transferable Securities" (UCITS) designates an open-ended investment company (société d'investissement à capital variable - SICAV) or a common fund (fonds commun de placement - FCP) approved in accordance with Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009;

2. The term "holder" designates the holder of units in an FCP or shares in a SICAV;

3. Where SICAVs do not delegate the overall management of their portfolio as stipulated in Article L. 214-7 of the Monetary and Financial Code, they shall meet all the conditions applying to management companies and respect the obligations applying to such companies.

4. References to "members of the board of directors or the executive board of the SICAV" shall be understood to include, where applicable, the chairman of a simplified joint-stock company or the senior managers designated by the articles of incorporation to carry out the duties of the board of directors in accordance with the provisions of Article L. 227-1 of the Commercial Code.
Chapter unique - Undertakings for collective investment in transferable securities (UCITS) (Articles 411-2 à 411-140)

**Article 411-2**
The provisions of this Chapter apply to all collective investment schemes governed by of Book II, Title I, Chapter IV, Section 1, Sub-section 1 of the Monetary and Financial Code, as well as to their management companies and depositaries.

Section 1 - Authorisation (Articles 411-3 à 411-19)

**Article 411-3**
A UCITS cannot transform itself into another collective investment.

Sub-section 1 - SICAVs

**Article 411-4**
The articles of incorporation of a SICAV are signed by the first shareholders in person, or by a specially empowered agent. The said articles stipulate the names of the first shareholders and the amounts paid in by each of them, and, where applicable, the names of the first directors or the names of the members of the executive board and the supervisory board, as well as the names of the first statutory auditor and, where applicable, the substitute auditor, named in accordance with the conditions stipulated in Article L. 214-7-2 of the Monetary and Financial Code.

A SICAV cannot set up sub-funds and issue different share classes unless its articles of incorporation explicitly provide for it to do so.

**Article 411-5**
The articles of incorporation, along with the deposit certificate for the initial capital issued by the depositary, shall be filed with the registry of the commercial court with jurisdiction over the registered office of the SICAV.

If the articles of incorporation provide for the SICAV to be an umbrella fund, the depositary also issues a certificate for each sub-fund to the management company. The management company sends the said certificates to the AMF.

An AMF Instruction stipulates the minimum information disclosures required in the articles of incorporation of a SICAV.

**Article 411-5-1**
The articles of incorporation provided for in Article L. 214-4 of the Monetary and Financial Code stipulate the principles for distributing the SICAV’s distributable sums, the procedures for subscriptions and redemptions and, where applicable, the procedures governing the rights attaching to different share classes. The procedures for distributing the SICAV’s distributable sums may be defined in the prospectus.

**Article 411-6**
I. Authorisation of a SICAV, which is provided for under Article L. 214-3 of the Monetary and Financial Code and, where applicable, the authorisation of each sub-fund provided for under the same Article is subject to prior filing of an application with the AMF containing the elements stipulated in an AMF Instruction.

Without prejudice to the provisions of III, the AMF notifies the SICAV whether its authorisation has been granted or refused within one month of the filing of the application.

If the AMF does not respond for one month following the acknowledgement of receipt of the application, authorisation is deemed to be granted.

If the AMF asks for further information that requires the management company to submit a supplementary information sheet, the AMF serves written notice stipulating that it shall receive the items requested within sixty days. If it fails to receive the said items within this period, the authorisation application is deemed to be rejected. The AMF issues a written acknowledgement of receipt...
when it has received all the information requested. The acknowledgement of receipt stipulates a new authorisation period, which
cannot be longer than the one referred to in the previous paragraph.

II. - The period referred to in I is reduced to eight working days from the acknowledgement of receipt of the authorisation
application by the AMF, when the SICAV applying for authorisation is comparable to a UCITS or an AIF already authorised by the
AMF; pursuant to the second paragraph of Article L. 214-7-4 of the Monetary and Financial Code, such is the case when the SICAV
was created by a demerger of a SICAV already authorised by the AMF.

The AMF assesses the comparability of the SICAV applying for authorisation, called the "comparable SICAV" and the UCITS or AIF
previously authorised by the AMF, called the "reference UCITS or AIF", with respect to the following:

1 • The reference UCITS or AIF and the comparable SICAV are managed by the same management company or the same
delegated investment manager, or by investment management companies or delegated investment managers belonging to
the same corporate group, and subject to the AMF’s assessment of the information provided by the management company of
the comparable SICAV, in accordance with the requirements stipulated in an AMF Instruction;

2 • The reference UCITS or AIF has been authorised by the AMF and incorporated less than eighteen months before the date of
receipt by the AMF of the authorisation application for the comparable SICAV. At the reasoned request of the management
company of the comparable SICAV, the AMF may accept a reference UCITS or AIF that has been incorporated for more than
eighteen months at the date of receipt of the authorisation application for the comparable SICAV;

3 • The reference UCITS or AIF has not undergone any changes other than those referred to in an AMF Instruction. At the
reasoned request of the management company of the comparable SICAV, the AMF may allow a UCITS or AIF that has
undergone changes other than those referred to in the instruction to be a reference UCITS or AIF;

4 • Subscribers to the comparable SICAV shall meet the requirements for subscribing and purchasing the reference UCITS or AIF;

5 • The investment strategy, risk profile, operating rules and articles of incorporation of the comparable SICAV shall be similar to
those of the reference UCITS or AIF.

By way of derogation from points 1° to 5° above, when, pursuant to the second paragraph of Article L. 214-7-4 of the Monetary
and Financial Code, the comparable SICAV was created by a demerger of a SICAV already authorised by the AMF, the comparability
of the new SICAV is assessed by the AMF notably on the basis of whether the investment strategy, risk profile, operating rules and
articles of association of the comparable SICAV are similar to those of the reference UCITS.

Whenever one of the incorporating documents of the comparable SICAV is different from that of the reference UCITS or AIF, or
when the SICAV was created by a demerger of a SICAV already authorised by the AMF, pursuant to the second paragraph of
Article L. 214-7-4 of the Monetary and Financial Code, it shall be clearly identified in the authorisation application of the
comparable SICAV, in accordance with the procedures stipulated in an AMF Instruction.

Whenever the AMF asks for further information that requires the submission of a supplementary information sheet, the AMF shall
notify the applicant, stipulating that the requested elements must be received within sixty days. If these elements are not received
within this period, the authorisation application is deemed to be rejected. Upon receipt of all requested information, the AMF shall
issue a written acknowledgement of receipt. The acknowledgement of receipt stipulates a new deadline for authorisation of eight
working days or less.

Whenever the comparable SICAV or the reference UCITS or AIF do not comply with the requirements referred to in this Article, the
AMF shall notify the applicant, stipulating that the supplementary information required to compile an authorisation application
under the procedures described in I must be received within sixty days. If all the supplementary information is not received within
this period, the authorisation application is deemed to be rejected. Upon receipt of all the supplementary information, the AMF shall
issue a written acknowledgement of receipt and examine the authorisation application for the SICAV under the conditions
and procedures referred to in I. The acknowledgement of receipt stipulates a new deadline for authorisation of one month or less.
III. - Whenever the SICAV has not appointed a management company, it shall be informed whether the authorisation has been granted or refused within three months after submitting the full application. The AMF may extend this deadline by up to three months where it considers it necessary due to special circumstances, after the SICAV has been notified.

Article 411-7
In order to grant the authorisation for the SICAV provided for in Article L. 214-3 of the Monetary and Financial Code, the AMF examines the articles of incorporation of the SICAV, the investment strategy used to attain the investment objective of the UCITS, its charge structure and any share classes, as presented in the founding documents.

The AMF also examines the choice of depositary and the application of the management company to manage the SICAV.

If the management company is established in another European Union Member State or in another State party to the European Economic Area agreement, the AMF will rule on the application of the management company to manage the SICAV’s portfolio in accordance with Article L. 214-7-1 of the Monetary and Financial Code.

The AMF ensures that there is no legal impediment that prevents the SICAV covered by this chapter from marketing its shares in France, such as a provision in its articles of incorporation.

Article 411-8
The management company or the SICAV, where applicable, shall send the AMF the deposit certificate for the initial capital of SICAV immediately after the funds are deposited and within one hundred eighty business days at the latest after the SICAV is authorised.

For SICAVs that are umbrella funds, this certificate shall be sent to the AMF within:

1. One hundred eighty business days of the date of authorisation of the SICAV for at least one of the sub-funds; and

2. Three hundred sixty business days of the date of notification of the authorisation for the other sub-funds if they exist.

The deposit certificate shall name the sub-fund(s) that it covers.

If the AMF does not receive the certificate within these time periods, it declares the authorisation null and void under the conditions set out in an AMF Instruction.

Where warranted by special circumstances, the SICAV may make a reasoned request for an extension of the deadline for depositing the funds, which shall reach the AMF before the date on which the authorisation is to be declared null and void, and mention the requested deadline. The AMF will notify the SICAV or the management company of its decision within eight worked days of receiving the request.

Article 411-9
The marketing of shares in a SICAV and, where applicable, one or more sub-funds, cannot start until the AMF has served notice of its authorisation. This notification is sent to the management company or the SICAV itself, where applicable, under the conditions set out in an AMF Instruction.

Sub-section 2 - Common funds (FCPs)

Article 411-10
I. - Authorisation of an FCP, which is provided for under Article L. 214-3 of the Monetary and Financial Code and, where applicable, the authorisation of each sub-fund provided for under the same Article is subject to prior filing of an application with the AMF containing the elements stipulated in an AMF Instruction.

The investment company will be notified whether authorisation for the FCP has been granted or refused within one month of
If the AMF does not respond for one month following acknowledgement of receipt of the application, authorisation is deemed to be granted.

If the AMF asks for further information that requires the management company to submit a supplementary information sheet, the AMF serves written notice stipulating that the elements requested must arrive within sixty days. If it fails to receive the said elements within this period, the authorisation application is deemed to be rejected. The AMF issues a written acknowledgement of receipt when it has received all of the information requested. The acknowledgement of receipt stipulates a new authorisation period, which cannot be longer than those stipulated in the second and third paragraphs.

II. - The period referred to in I is reduced to eight working days from the acknowledgement of receipt of the authorisation application by the AMF, when the FCP applying for authorisation is comparable to a UCITS or an AIF already authorised by the AMF; this is notably the case when, pursuant to the second paragraph of Article L. 214-8-7 of the Monetary and Financial Code the FCP was created by a demerger of a FCP already authorised by the AMF.

The AMF assesses the comparability of the FCP applying for authorisation, called the "comparable FCP", and the UCITS or AIF previously authorised by the AMF, called the "reference UCITS or AIF", with respect to the following:

1. The reference UCITS or AIF and the comparable FCP are managed by the same management company or the same delegated investment manager, or by investment management companies or delegated investment managers belonging to the same corporate group, and subject to the AMF's assessment of the information supplied by the management company of the comparable FCP in accordance with the requirements stipulated in an AMF Instruction;

2. The reference UCITS or AIF has been authorised by the AMF and incorporated less than eighteen months before the date of receipt by the AMF of the authorisation application for the comparable FCP. At the reasoned request of the management company of the comparable FCP, the AMF may accept a reference UCITS or AIF that has been incorporated for more than eighteen months at the date of receipt of the authorisation application for the UCITS;

3. The reference UCITS or AIF has not undergone any changes other than those referred to in an AMF Instruction. At the reasoned request of the management company of the comparable FCP, the AMF may allow a UCITS or AIF that has undergone changes other than those referred to in the instruction to be a reference UCITS or AIF;

4. Subscribers to the comparable FCP shall meet the requirements for subscribing or purchasing the reference UCITS or AIF;

5. The investment strategy, risk profile, operating rules and fund rules of the comparable FCP shall be similar to those of the reference UCITS or AIF.

By way of derogation from points 1° to 5° above, when, pursuant to the second paragraph of Article L. 214-8-7 of the Monetary and Financial Code, the comparable FCP was created by a demerger of a FCP already authorised by the AMF, the comparability of new FCP is assessed by the AMF notably on the basis of whether the investment strategy, risk profile, operating rules and fund rules of the comparable FCP are similar to those of the reference UCITS.

Whenever one of the incorporating documents of the comparable FCP is different from that of the reference UCITS or AIF or when, pursuant to the second paragraph of Article L. 214-8-7 of the Monetary and Financial Code, the FCP was created by a demerger of a FCP already authorised by the AMF, it shall be clearly identified in the authorisation application of the comparable FCP, in accordance with the procedures stipulated in an AMF Instruction.

Whenever the AMF asks for further information that requires submission of a supplementary information sheet, the AMF shall notify the applicant, stipulating that the requested elements must be received within sixty days. If these elements are not received within this period, the authorisation application is deemed to be rejected. Upon receipt of all requested information, the AMF shall issue a written acknowledgement of receipt. The acknowledgement of receipt stipulates a new deadline for authorisation of eight working days from the receipt of all the requested information.

Source: AMF website / Book 4 into force since 30/07/2023 with notes / This translation is for information purposes only
Whenever the comparable FCP or the reference UCITS or AIF do not comply with the requirements referred to in this Article, the AMF shall notify the applicant, stipulating that the supplementary information required to compile an authorisation application under the procedures described in I must be received within sixty days. If all the supplementary information is not received within this period, the authorisation application is deemed to be rejected. Upon receipt of all supplementary information, the AMF shall issue a written acknowledgement of receipt and examine the authorisation application for the FCP under the conditions and procedures referred to in I. The acknowledgement of receipt stipulates a new deadline for authorisation of one month or less.

Article 411-11
In order to grant the authorisation for the FCP provided for in Article L. 214-3 of the Monetary and Financial Code, the AMF examines the fund rules of the FCP, the investment strategy used to attain the investment objective of the CIS, its charge structure and any unit classes.

The AMF also examines the choice of depositary and the application of the management company to manage the FCP.

If the management company is established in another European Union Member State or another State party to the European Economic Area, the AMF will rule on the application of the management company to manage the FCP's portfolio in accordance with Article L. 214-8-1 of the Monetary and Financial Code.

The AMF ensures that there is no legal impediment that prevents the FCP covered by this chapter from marketing its shares in France, such as a provision in its fund rules.

The AMF also ensures that a depositary institution has been designated for the CIS' assets.

Article 411-12
The management company shall send the AMF the deposit certificate for the funds of the FCP immediately after the deposit of the funds and within one hundred eighty business days of the date of the authorisation for the FCP.

For FCPs that are umbrella funds, this certificate shall be sent to the AMF within:

1 • One hundred eighty business days of the date of authorisation of the FCP for at least one of the sub-funds; and

2 • Three hundred sixty business days of the date of notification of the authorisation for the other sub-funds if they exist.

The deposit certificate shall name the sub-fund(s) that it covers.

If the AMF does not receive the certificate within these time periods, it will declare the authorisation null and void under the conditions set out in an AMF Instruction.

Where warranted by special circumstances, the management company may make a reasoned request an extension of the deadline for depositing the funds, which must reach the AMF before the date on which the authorisation is to be declared null and void, and mention the requested deadline. The AMF will notify the management company of its decision within eight worked days of receiving the request.

Article 411-13
The fund rules provided for in Article L. 214-8-1 of the Monetary and Financial Code set the term of the FCP and the minimum amount of its initial assets, which cannot be less than the amount stipulated in Article D.214-6 of the Monetary and Financial Code.

The fund rules also stipulate the procedures for distributing the distributable sums of the FCP, the subscription and redemption
procedures and, where applicable, the procedures governing the rights attaching to the different unit classes. The procedures for distributing the FCP's distributable sums may be defined in the prospectus.

The FCP cannot set up sub-funds unless its fund rules specifically provide for it to do so. An AMF Instruction shall define the contents of the sections in the FCP's fund rules.

**Article 411-14**
The marketing of FCP units and, where applicable, sub-fund units, cannot start until the AMF has served notice of its authorisation. The notice will be sent to the management company of the FCP under the conditions set out in an AMF Instruction.

Subscriptions may start once this notice has been received.

The founders shall undertake to complete, where applicable, subscriptions before the end of the period stipulated in the abovementioned Instruction for reaching the minimum amount stipulated in the FCP fund rules. The time period starts upon notification of the FCP's authorisation.

As soon as the amount referred to in the previous paragraph has been reached, the management company will determine the first net asset value. The corresponding deposit certificate issued by the depositary shall be sent to the AMF immediately.

If the FCP is an umbrella fund, the depositary shall issue a deposit certificate for each sub-fund.

Sub-section 3 - Modifications

**Article 411-15**
Two types of modifications can occur in the life of CIS:

1. Modifications that require authorisation, which are called "transfers";

2. Modifications that do not require authorisation, which are called "changes".

The procedures for notifying holders and the conditions under which holders can redeem their units or shares are set out in an AMF Instruction.

**Paragraph 1 - Transfers**

**Article 411-16**
An AMF Instruction defines the conditions under which the AMF authorises transfers affecting a CIS. The authorisation period is eight worked days.

Except in the event of changes mentioned in Articles 411-53, 411-98, 411-100 and 411-104:

1. The period between the date the unit holders are informed and the effective date for the change in the CIS shall be between at least three and ninety days in accordance with the conditions set by an AMF instruction.

2. The period between the date the unit holders are informed and the end of the period to sell without charge shall be between at least three and ninety days in accordance with the conditions set by an AMF instruction.

**Article 411-17**
If a CIS or a sub-fund, where applicable, is liquidated, the statutory auditor produces a report on the valuation of the assets and on the liquidation terms, as well as transactions that have taken place since the end of the previous accounting year. This report is made available to the holders. It is sent to the AMF.
Paragraph 2 - Changes

Article 411-18
CISs that undergo changes shall report them in accordance with the procedures set out in an AMF Instruction.

Sub-section 4 - Constituting and transferring new sub-funds

Article 411-19
The prior authorisation of the AMF is required for constituting and transferring sub-funds as stipulated in Article L. 214-3 of the Monetary and Financial Code, in accordance with a procedure set out in an AMF Instruction.

Section 2 - General rules (Articles 411-20 à 411-22)

Sub-section 1 - Subscription and redemption rules

Article 411-20
In accordance with the provisions of Articles L. 214-7 and L. 214-8 of the Monetary and Financial Code, FCP units or SICAV shares are issued at the request of holders and at the net asset value, plus or minus charges and fees, as the case may be.

However, the UCITS may, in accordance with its rules or articles of incorporation, partially or totally cease, on a provisional or permanent basis, issuing shares or units pursuant to the third paragraph of Article L. 214-7-4 and the third paragraph of Article L. 214-8-7 of the Monetary and Financial Code, in objective circumstances entailing the closure of subscriptions, such as reaching a maximum number of shares or units to be issued, a maximum asset threshold, or the end of a given subscription period.

Shares and units are redeemed on the basis of their net asset values, under the conditions set out in Articles 411-123 to 411-125.

If redemptions are temporarily suspended under the terms of the first paragraph of Article L. 214-7-4 or the first paragraph of Article L.L. 214-8-7 of the Monetary and Financial Code, the UCITS or, where applicable, the investment management company:

1. Shall immediately disclose the reasons and the procedures for the suspension of redemptions to the AMF and to all of the authorities of the European Union Member States and all the States party to the European Economic Area agreement where the units or shares are marketed;

2. Remains obliged to establish and publish the net asset value as soon as it is able to calculate it accurately.

Redemptions may be made in cash or in kind. If the redemption in kind corresponds to a representative pro rata share of the assets in the portfolio, then the written agreement signed by the outgoing holder must be obtained by the UCITS or the management company. Where the redemption in kind does not correspond to a representative pro rata share of the assets in the portfolio, all the unitholders must indicate in writing their agreement authorising the outgoing holder to redeem its shares or units against certain particular assets, as explicitly defined in the agreement.

By derogation from the above, where the UCITS is governed by Article 411-134, redemptions on the primary market may be carried out in kind under the conditions set out in the UCIT’s prospectus.

Article 411-20-1
In accordance with the final paragraph of Article L. 214-7-4 and the final paragraph of Article L. 214-8-7 of the Monetary and Financial Code, the UCITS may provide for the temporary gating of redemptions of units or shares in the cases it is necessary owing to exceptional circumstances and in order to protect the interests of the units or shares holders, or those of the public. Such conditions may be met in particular where, irrespective of the normal carrying out of the management strategy, the level of redemption orders is such that considering the liquidity conditions of the assets of the SICAV, of the fund, or of one of its sub-funds, these orders cannot be executed on terms that protect the interests of holders and ensure their equitable treatment, or where redemption orders are made under circumstances that may undermine market integrity.
The investment management company shall inform the AMF, unitholders and the general public of the introduction of a cap on redemptions of units or shares in the fund rules or articles of association. For UCITS other than money market funds governed by Regulation (EU) 2017/1131 of 14 June 2017 or the UCITS mentioned in Article 411-134, the investment management company shall inform the AMF, the unitholders and the public if this mechanism has not been introduced and declare the reasons for this to the AMF.

In these cases, redemptions may be gated in the same proportion for all concerned holders, who must be specifically informed of the fact. The part of orders that is unexecuted and that is resubmitted does not have any priority, on the next centralisation dates, over new redemption orders submitted for execution on those dates.

The management company shall notify the AMF of its decision to apply a redemption gate. The management company shall also notify the public, by any means under the conditions set forth in the prospectus and at a minimum, on the asset management company’s website.

The rules of the common fund (FCP) or the articles of association of the SICAV shall precisely define the conditions under which a redemption gate may be decided and, in particular:

1. Set the threshold above which the management company may decide to apply a redemption gate to redemption orders received in respect of a single centralisation date;

   This threshold shall be justified based on the frequency of the net asset value calculation, on the management strategy and on the liquidity of the assets held by the UCITS portfolio; the threshold is equal to the ratio between:

   — the difference registered, on the same centralisation date, between the number of redemption requests for units or shares of the UCITS and the number of subscription requests for units or shares of the UCITS; and

   — the net asset of the UCITS or the total number of units or shares of the UCITS or sub-fund in question.

   This threshold is determined on the basis of the most recent published net asset value or of the most recent indicative net asset value calculated by the management company, or of the number of units or shares outstanding on the valuation date;

2. State the procedures according to which the UCITS may either decide to cancel the unexecuted part of redemption orders or to carry them forward until the next centralisation date. However, in the cases where the UCITS calculates its net asset value more than once a week, the unexecuted part of redemption orders is automatically carried forward to the next centralisation date;

3. Specify whether, and under what terms, the holder may oppose to the carrying forward of the unexecuted part of his redemption order;

4. Limit the gating of redemption requests to a maximum number of net asset values calculations for a given period; this maximum number must be explained with regard to the frequency of net asset value calculation, the management strategy and the liquidity of the assets in the UCITS portfolio.

**Article 411-20-2**

In application of the final paragraph of Article L. 214-7 and the final paragraph of Article L. 214-8 of the Monetary and Financial Code, the UCITS prospectus may provide, between the date when the subscription or redemption order is centralised and the date when the custody account-keeper settles or delivers the UCITS shares or units, for a period of no more than ten business days, including at most five business days’ notice, between the centralising date and the order execution date, and at most five business days between the order execution date and the delivery or settlement date, where the net asset value is established daily.

**Article 411-20-3**
Pursuant to the last paragraph of Articles L. 214-7 and L. 214-8 of the Monetary and Financial Code, the UCITS prospectus may include mechanisms to offset or reduce the costs of portfolio reorganisation incurred by all unitholders in connection with subscriptions and redemptions.

The investment management company shall inform the AMF, unitholders and the public of the introduction of such mechanisms in the UCITS prospectus. For UCITS other than money market funds governed by Regulation (EU) 2017/1131 of 14 June 2017 or the UCITS mentioned in Article 411-134, if no mechanism is introduced the investment management company shall declare the reasons for this to the AMF.

The investment management company shall define precisely the conditions for applying these mechanisms, and in particular:

1. The method for identifying, calculating and allocating portfolio rearrangement costs among unitholders;

   The investment management company shall establish this method in writing and reviews it regularly.

2. Where applicable, the thresholds above which its application shall be triggered;

3. The measures for detecting and managing any conflicts of interest that may arise as a result of their implementation.

Sub-section 2 - Minimum asset amount

**Article 411-21**

When the assets of a SICAV or an FCP fall below 300,000 euros, redemption of the SICAV shares or FCP units is suspended.

If the assets remain under the amounts stipulated in the first paragraph for thirty days, the CIS in question is wound up or subject to one of the transactions provided for in Article 411-15.

If the CIS is an umbrella fund, the provisions of this Article apply to each sub-fund.

The provisions of this Chapter do not apply to the collective investment schemes mentioned in Article R. 214-28 of the Monetary and Financial Code.

Sub-section 3 - Classes of FCP units and SICAV shares

**Article 411-22**

The prospectus cited in Article 411-113 may provide for different unit or share classes within the same CIS or within the same sub-fund. These classes may:

1. Be subject to different rules for distributing income;

2. Be denominated in different currencies;

3. Be subject to different management charges;

4. Be charged different subscription and redemption fees;

5. Have different par values;

6. Come with automatic partial or full currency risk hedging, as defined in the prospectus. This hedging is achieved using derivatives that reduce the impact of hedging transactions on the other unit classes of the UCITS to a minimum;
Subscriptions of a given unit or share class may be reserved for a category of investors defined in the prospectus using objective criteria, such as a subscription amount, a minimum holding period or any other commitment given by the holder.

Section 3 - Operating rules (Articles 411-23 à 411-71)

Sub-section 1 - Contributions and redemptions in kind

**Article 411-23**
Contributions in kind may include only the assets stipulated in Article L. 214-20 of the Monetary and Financial Code. Contributions and redemptions in kind are valued under the conditions stipulated in Articles 411-24 to 411-33.

Sub-section 2 - Accounting and financial provisions

**Paragraph 1 - Valuation**

**Article 411-24**
The management company establishes, implements and enforces policies and procedures to compute the net asset value accurately on the basis of its accounting records and to ensure proper execution of subscription and redemption orders at that net asset value.

**Article 411-25**
The financial instruments, derivatives, securities and deposits listed as the assets of a CIS or held by the CIS are valued every day that the net asset value is determined, under the conditions set out in the prospectus.

**Article 411-27**
The management company shall value the financial instruments, derivatives, securities and deposits for which no prices have been observed or quoted on the day the net asset value is determined.

**Article 411-28**
Each category of financial instruments, derivatives, securities and deposits listed as the assets of a given CIS shall be subject to the same valuation rules.

**Article 411-29**
The net asset value per unit or share is obtained by dividing the net assets of the collective investment scheme by the number of units or shares.

The management company makes the net asset value available and communicates it to any person who requests it.

The net asset value shall be sent to the AMF on the same day as it is determined in accordance with the procedures set out in an AMF Instruction.

If a CIS issues different unit or share classes, the net asset value of each unit or share class are obtained by dividing the portion of net assets corresponding to the unit or share class in question by the number of units of shares in that class. The procedures for calculating the net asset values for CIS unit or share classes shall be explained in the prospectus.

**Article 411-30**
If CIS unit or share classes are denominated in different currencies, only one currency of account shall be used to recognise the assets of the CIS or the sub-fund.

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Articles 411-24 to 411-33 apply to each sub-fund of a CIS that is an umbrella fund.

Even if separate accounts are kept, each category of financial instruments, derivatives, securities and deposits listed as the assets of sub-funds of the same class in the same CIS is subject to the same valuation rules.

**Article 411-32**
The beneficiary's claim on the CIS mentioned in Article R. 214-19, II, 2 of the Monetary and Financial Code shall be calculated using the following procedures:

1 • The claim is calculated on the basis of all of the financial liabilities of the CIS resulting from transactions in financial instruments and derivatives mentioned in Article L. 211-36, 1 to 3 of the Monetary and Financial Code, before considering the goods and rights that make up the security interest;

2 • The management company obtains disclosure of the amount of the claim calculated by the beneficiary of the security interest;

3 • The management company establishes an internal procedure for daily monitoring of the value of the claim reported by the beneficiary of the security interest in accordance with 2;

4 • The internal procedure referred to in 3 includes an arrangement for reducing any differentials in value found. The procedure establishes the thresholds that trigger the arrangement depending on the nature of the claim and it defines the decisions to be made to reduce the valuation differential found.

**Article 411-33**
The procedures for valuing the goods and rights that make up the security interest granted by the CIS referred to in the sixth paragraph of Article R. 214-19, II of the Monetary and Financial Code, are as follows:

1 • The goods and rights that make up the security interest are valued in compliance with the valuation rules used by the CIS to value its assets and off-balance sheet items;

2 • The management company obtains disclosure of the value of the goods and rights that make up the security interest as calculated by the beneficiary of the security interest;

3 • The management company establishes an internal procedure for daily monitoring of the value of the goods and rights that make up the security interest, as reported by the beneficiary of the security interest in accordance with 2;

4 • The internal procedure referred to in 3 includes an arrangement for reducing any differentials in value found. The procedure establishes the thresholds that trigger the arrangement and it defines the decisions to be made to reduce the valuation differential found.

**Paragraph 2 - Annual financial statements**

**Article 411-34**
The accounts of the CIS shall be kept in such a way that all of its assets and liabilities can be identified directly at any time.

**Article 411-35**
At the end of each accounting year, the board of directors or the executive board of the SICAV or the management company of the FCP compiles an inventory of the various assets and liabilities of the CIS. The depositary sends the certificate provided for in Article 323-10 to the management company.

The board of directors or the executive board of the SICAV or the management company of the FCP draws up the annual financial statements of the CIS. Where applicable, it submits the amount and the date of the proposed distribution to the General Meeting and makes the payments of distributable income provided for in Article L. 214-7-2 of the Monetary and Financial Code.
If the CIS is an umbrella fund, condensed financial statements shall be produced for each sub-fund.

These documents report on the situation on the last day of the CIS accounting year. The statements shall be sent to any holder asking for them.

**Article 411-36**
The annual financial statements of the CIS shall comply with the chart of accounts in force. They shall be certified by the statutory auditor.

**Article 411-37**
The annual financial statements of the CIS, along with the report by the board of directors or the executive board of the SICAV or the management company of the FCP shall be made available to the statutory auditor within 45 days of the end of the accounting year.

Within two months of receiving the report by the board of directors or the executive board of the SICAV or the management company of the FCP, the statutory auditor submits its report to the registered office of the SICAV or of the management company, along with the special report provided for under Article L. 225-40, paragraph 3 of the Commercial Code, where applicable.

**Article 411-38**
An AMF Instruction determines the contents of the report by the management company on the management of the FCP or of the report by the board of directors or the executive board of the SICAV.

**Article 411-39**
The annual financial statements, the list of assets at the end of the accounting year, the reports by the statutory auditors of the CIS and the report by the board of directors or the executive board of the SICAV, shall be made available for holders at the registered office of the SICAV or the management company of the FCP. They shall be sent to any holders who request them within eight business days of receiving the request.

Subject to the holder's consent, the documents may be sent electronically.

**Paragraph 3 - Advances, contributions and redemptions in kind**

**Article 411-40**
The board of directors or the executive board of the SICAV or the management company of the FCP may decide to distribute one or more advances on the basis of the statements certified by the statutory auditor.

The statutory auditor assesses both the valuation of contributions in kind and their remuneration. The auditor shall also assess the valuation of redemptions in kind. The auditor's report shall be filed within fifteen days after the contribution or redemption.

If the contributions or redemptions in kind involve one or more sub-funds in a UCITS, the statutory auditor shall produce a report for each sub-fund concerned.

Where the UCITS is governed by Article 411-134, contributions or redemptions in kind on the primary market shall not be subject to the provisions provided for in the second and third paragraphs of this article.

**Paragraph 4 - Charges paid by the cis**

**Article 411-41**
If the compensation of the depositary's delegates, the management company and the companies related to it as defined in Article R. 214-43 of the Monetary and Financial Code that perform tasks on behalf of the CIS or act as counterparties in transactions by the CIS is charged directly to the assets of the CIS, such charges shall be within the limit of the maximum charges of the CIS, as defined in the prospectus, except for the proportion charged by the CIS in which the investment is made.
Article 411-43
The statutory auditor's fees are set by mutual agreement between the auditor and the management company in consideration of the programme of audit tasks deemed to be necessary.

Sub-section 3 - Mergers

Article 411-44
I. - This sub-section applies to mergers of French UCITS covered by this chapter and foreign UCITS or mergers of two French UCITS covered by this chapter where at least one of them has been subject to the notification provided for in Article 411-136.

This sub-section applies to the sub-funds of such UCITS.

A merger of a French UCITS covered by this chapter that does not meet the requirements provided for in the first paragraph is subject to the procedure described in Chapter II, Section 1, sub-section 7, paragraph 1 of Title II of this Book.

II. - Mergers may take one of the two following forms:

1. Either a merger-takeover in which one or more UCITS or UCITS sub-funds, called "merging UCITS", transfer all of their assets after or at the time of their winding up to another existing UCITS or a sub-fund of that UCITS, called the "receiving UCITS", in exchange for the attribution of units or shares in the receiving UCITS to their holders and, possibly, a cash payment of up to 10% of the net asset value of such units or shares.

The consequences of this transaction are as follows:

a. The assets and liabilities of the merging UCITS are transferred to the receiving UCITS or, where applicable, to the depositary of the foreign receiving UCITS;

b. The holders of the merging UCITS become holders of the receiving UCITS and, where applicable, they are entitled to a cash payment of up to 10% of the net asset value of their units or shares in the merging UCITS;

c. The merging UCITS ceases to exist on the date the merger takes effect.

2. Or a merger where a new UCITS, called the "receiving UCITS", is set up by two or more UCITS or UCITS sub-funds, called "merging UCITS", which then transfer all of their assets after or at the time of their winding up in exchange for the attribution of units or shares in the receiving UCITS to their holders and, possibly, a cash payment of up to 10% of the net asset value of such units or shares.

The consequences of this transaction are as follows:

a. The assets and liabilities of the merging UCITS are transferred to the newly set up receiving UCITS or, where applicable, to the depositary of the foreign receiving UCITS;

b. The holders of the merging UCITS become holders of the newly set up receiving UCITS and, where applicable, they are entitled to a cash payment of up to 10% of the net asset value of their units or shares in the merging UCITS;

c. The merging UCITS cease to exist on the date the merger takes effect.

Article 411-45
If the CIS is managed by an management company, legal costs, as well as the costs of advisory and administrative services related to preparing and implementing the merger are not charged to the merging CIS, or the receiving CIS, or to their holders.

**Article 411-46**
A French UCITS subject to the merger procedure provided for in this sub-section shall apply the internal procedures described by Chapter II, Section 1, sub-section 7, paragraph 1 of Title II of this Book.

The merging UCITS and the receiving UCITS draft a "joint merger proposal" containing the information stipulated by an AMF Instruction, as well as supplementary information that they may add.

**Article 411-47**
The depositaries of the merging CIS and the receiving CIS issue a "compliance statement" after verifying the compliance of the following information in the "joint merger proposal" with the legal and regulatory requirements in force and with the provisions of the fund rules or articles of incorporation of their respective CIS:

a) Identification of the form of the merger and the CIS concerned;

b) Planned date for the merger to take effect;

c) Rules applying to the asset transfer and to the exchange of units or shares.

**Article 411-48**
If the merging CIS is French, the reports on the execution terms of the merger are prepared by the statutory auditors of the merging CIS and the receiving CIS. However, one of the statutory auditors may produce a single report on behalf of the CIS concerned.

The report(s) shall validate the following:

a) The criteria used to value the assets and, where applicable, the liabilities on the day when the exchange ratio referred to in Article 411-60 is calculated;

b) Where applicable, the cash payment per unit or share;

c) The method used to calculate the exchange ratio, and the actual exchange ratio set on the day the ratio referred to in Article 411-60 is calculated.

Copies of the statutory auditors' reports shall be made available on request and free of charge to the holders of the CIS concerned.

The reports shall also be made available to the AMF and, where applicable, the competent authorities supervising the foreign CIS.

**Article 411-49**
If the merging UCITS is French, it shall submit the following to the AMF:

1. The joint merger proposal, duly approved by the merging UCITS and the receiving UCITS;

2. The updated version of the prospectus and the key investor information document of the receiving UCITS, if it is established in another European Union Member State or in another State party to the European Economic Area agreement;

3. The compliance statements from the depositaries of the merging UCITS and the receiving UCITS referred to in Article 411-47;
This information shall be provided in French and, if the receiving UCITS is established in another European Union Member State or in another State party to the European Economic Area agreement, in one of the official languages of that State or in a language accepted by the competent authorities of that State.

**Article 411-50**

If the receiving UCITS is established in another European Union Member State or in another State party to the European Economic Area agreement and the AMF has received all of the information referred to in Article 411-49, the AMF immediately transfers copies of this information to the competent authorities of the home State of the receiving UCITS. The AMF and the competent authorities of the home State of the receiving UCITS each examine the potential impact of the proposed merger on the holders of the merging UCITS and the receiving UCITS to determine whether appropriate information shall be provided to the holders.

If the AMF deems it necessary, it may issue a written demand for clarification of the information aimed at the holders of the merging UCITS.

If the competent authorities of the home State of the receiving UCITS deem it necessary, they may issue a written demand, within fifteen working days of the day of receipt of the copies of all the information referred to in Article 411-49, requiring the receiving UCITS to amend the information to be provided to its holders.

In this case the competent authorities of the home State of the receiving UCITS notify the AMF of their dissatisfaction with the information.

They shall notify the AMF within twenty working days of the day of receipt of the notification, if they deem the amended information aimed at the holders of the receiving UCITS to be satisfactory.

**Article 411-51**

If the merging UCITS is French, the AMF authorises the proposed merger, if the following conditions are met:

1. The proposed merger complies with the requirements of the provisions of this sub-section;

2. Notification regarding the receiving UCITS has been received under the terms of Article L. 214-2-2 of the Monetary and Financial Code for marketing of its units or shares in France and in all of the European Member States and all the States party to the European Economic Area agreement where the merging UCITS is marketed;

3. The AMF and, if the receiving UCITS is established in another European Union Member State or in another State party to the European Economic Area agreement, the competent authorities of the home State of the receiving UCITS deem that the information to be provided to the holders is satisfactory, or they do not give any sign of their dissatisfaction under the terms of the fourth paragraph of Article 411-50.

**Article 411-52**

If the AMF deems that the application is incomplete, it will ask the merging UCITS for supplementary information within ten working day of the day of receipt of the information referred to in Article 411-49.

The AMF will notify the merging UCITS of its decision whether to authorise the merger within twenty working days of the day of receipt of all the information referred to in Article 411-49.

If the receiving UCITS is established in another European Union Member State or in another State party to the European Economic Area agreement, the AMF shall notify the competent authorities of the home State of the receiving UCITS of its decision.

**Article 411-53**

If the AMF authorises the merger, the merging CIS and the receiving CIS shall provide their respective holders with a document.
containing helpful and accurate information about the proposed merger, referred to in an AMF Instruction.

The purpose of this document is to enable unit holders to make an informed judgment about the impact of the merger on their investment and to exercise the rights attributed to them by Article 411-56.

The information contained in this document shall be written in a concise manner and in non-technical language that enables holders to make an informed judgment of the impact of the proposed merger on their investment.

If the merger is a cross-border merger, the merging UICITS and the receiving CIS respectively shall explain in plain language any terms or procedures relating to the other CIS which differ from those commonly used in its country.

The information provided to holders of the merging CIS shall meet the needs of investors who have no prior knowledge of the features of the receiving CIS or of the manner of its operation. It shall draw their attention to the key investor information of the receiving CIS and emphasise the desirability of reading it.

The information to be provided to the unit holders of the receiving CIS shall focus on the operation of the merger and its potential impact on the receiving CIS.

This document shall be sent at least thirty days before the cutoff date for requesting repurchase, redemption or conversion of units or shares free of charge, in accordance with Article 411-56.

Once the AMF has approved the merger, any French CIS involved in the merger shall make public the date the merger shall take effect at least thirty days prior to it actually taking effect in accordance with the provisions of Article R. 214-4 of the Monetary and Financial Code for SICAVs using a durable medium in the sense of Article 314-5 and accessible to the public for common funds.

**Article 411-54**

If the merging UCITS or the receiving UCITS has been the subject of a notification for the marketing of its units or shares in another European Union Member State or in another State party to the European Economic Area agreement, the information referred to in Article 411-53 shall be provided in the official language or one of the official languages of the home State of the UCITS concerned, or in a language accepted by the competent authorities. The UCITS required to provide the information is responsible for its translation, which shall be faithful to the original information.

**Article 411-55**

The merging CIS and the receiving CIS shall provide their holders with the document referred to in Article 411-53 on paper or in another durable medium within the meaning of Article 314-5.

If the information is provided using a durable medium other than paper, the following conditions shall be fulfilled:

1. The provision of information is appropriate to the context in which the business between the unit holder and the merging CIS or the receiving CIS is, or is to be, carried on;
2. The unit holder to whom the information is to be provided, when offered the choice between information on paper or in another durable medium, shall specifically choose that other medium.

Provision of information by means of electronic communications is treated as appropriate to the context in which the business between the merging CIS or the receiving CIS and the unit holder is, or is to be, carried on if it is demonstrated that the unit holder has regular access to the Internet. The provision by the unit holder of an e-mail address for the purpose of carrying on that business such dealings is deemed to meet this requirement.

**Article 411-56**

The unit holders of the merging CIS and the receiving CIS shall obtain, without any charge other than those retained by the CIS to meet disinvestment costs, the repurchase or redemption of their units or, where possible, to convert them into units in another...
CIS with similar investment policies and managed by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding

This right can be exercised as of the date on which unit holders of the merging CIS and the receiving CIS are notified of the proposed merger under the terms of Article 411-53 and expires five working days before the day on which the exchange ratio referred to in Article 411-60 is calculated.

Article 411-57
An updated version of the key investor information document, incorporating the changes relating to the planned merger, shall be sent to holders of the merging CIS and the receiving CIS immediately.

Article 411-58
Between the date on which the document referred to in Article 411-53 is provided to the holders and the entry into effect of the merger, the said document and the updated key investor information document of the receiving CIS shall be provided to any person buying or subscribing units or shares in the merging CIS or the receiving CIS or any person who requests the fund rules, articles of incorporation, prospectus or key investor information document of one of the CIS concerned.

Article 411-59
If the receiving CIS is French, the entry into effect of the merger shall be disclosed in a durable medium within the meaning of Article 314-5 that is accessible to the public and sent to the unit holders of the CIS concerned.

The merging CIS and the receiving CIS shall notify the AMF and, where applicable, any foreign competent authority supervising them of the entry into effect of the merger.

Article 411-60
If the receiving CIS is French:

1 • The merger takes effect at least thirty days after the date of publication of the proposal;

2 • The exchange ratio of units or shares in the merging CIS for units or shares in the receiving CIS is calculated on the day the merger takes effect;

3 • The net asset value used for cash payments is the same as that used for the merger.

Article 411-61
If the receiving CIS is French, it shall confirm to its depositary that the transfer of the assets of the merging CIS and, where applicable, the transfer of the liabilities of the merging CIS have been executed. This confirmation shall be made in a durable medium within the meaning of Article 314-5 on the same day the transfers take place.

Article 411-62
If the receiving CIS is French, it will have six months from the day the merger take effect to comply with Articles R. 214-21 to R. 214-25 of the Monetary and Financial Code.

Article 411-63
Creditors of a French CIS involved in a merger governed by this sub-section and holding a claim that predates the notice given on the date of the execution of the merger in accordance with Article 411-53 may oppose the merger within thirty days of the publication of such notice.

Sub-section 4 - Fund administration

Article 411-64
Fund administration covers the following tasks:
I. - The key tasks of centralising subscription and redemption orders for CIS units or shares, under the provisions of Article L. 214-13 of the Monetary and Financial Code, are as follows:

1. Providing centralised reception and registration of subscription and redemption orders;

2. Supervising compliance with the cutoff for centralising subscription and redemption orders referred to in the prospectus;

3. Reporting the outcome of centralised reception of subscription and redemption orders for the CIS as an amount and, where applicable, as the aggregate number of units or shares subscribed or redeemed;

4. Valuing the orders after receiving information about the net asset value per unit or share from the CIS; To enable the order centraliser to perform its tasks promptly, the CIS shall send it the information about the net asset value per unit or share as soon as it is available;

5. Reporting the information that the institution managing the unit or share registry needs to create or cancel units or shares;

6. Reporting information about the outcome of the order processing to the entity that sent the order to the order centraliser of the CIS.

II. - The order registration contains the following information:

1. The CIS concerned;

2. The person who gave or sent the order;

3. The person who received the order;

4. The time and date of the order;

5. Payment terms and media;

6. The type of order;

7. The order execution date;

8. The number of units or shares subscribed or redeemed;

9. The subscription or redemption price per unit or share;

10. The total value of the units or shares subscribed or redeemed;

11. The gross value of the order, including subscription charges or the net amount of the order after deducting the redemption charges.

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Article 411-66
The entity responsible for centralising orders is referred to as the "order centraliser" in the prospectus of the CIS. Where applicable, any entity responsible for centralising orders in accordance with the provisions of Article 411-67 shall be named in the prospectus.

Article 411-67
I. - The order centraliser may delegate the performance of centralising tasks to:

1. One of the persons referred to in Article L. 214-13 of the Monetary and Financial Code, or to any other investment service provider located in a State party to the Agreement on the European Economic Area;

2. An intermediary authorised within the European Economic Area to perform centralising tasks within the meaning of Article 411-65.

II. - An agreement is entered into by the order centraliser and the entity to which the performance of centralising tasks is delegated. This agreement shall contain the following clauses:

1. The key centralising tasks, as referred to in Article 411-65, that are delegated to the entity, including the procedures for registering subscription and redemption orders;

2. The nature of the information necessary for the entity to perform the tasks delegated to it, along with the procedures for the order centraliser to transmit such information to the entity, especially information about the net asset value of the CIS;

3. The procedures for handling an event affecting the subscription and redemption process for CIS units or shares;

4. A clause allowing the AMF effective access to the data about centralising subscription and redemption orders for units or shares in the CIS and to the business premises of the entity.

The procedures for terminating the agreement at the initiative of either party shall ensure the continuity and the quality of the service provided.

The order centraliser shall give the CIS and, where applicable, the management company that represents it to the depositary prior notice of any change in the entity to which the centralising tasks have been delegated.

The order centraliser is responsible for the performance of the centralising tasks that it delegates.

For CIS that were created before Articles 411-64 to 411-71 came into force, the entity mentioned in the prospectus as responsible for centralising orders is presumed to be acting on a delegation from the CIS.

Article 411-68
A subscription or redemption order for CIS units or shares sent to an order centraliser or to any other entity to which centralising tasks have been delegated becomes irrevocable as of the order centralisation cutoff specified in the prospectus of the CIS.

A subscription and redemption order for CIS units or shares requires the investor and the entity that sent the order to the order centraliser, or to any other entity to which the performance of centralising tasks has been delegated, to pay for or deliver said units or shares.

Article 411-69
The term: "direct order" denotes a subscription and redemption order for CIS units or shares sent directly to the order centraliser and accepted by the latter subject to the provisions of an agreement between the order centraliser and the CIS or, where applicable, the management company representing the CIS, that sets out the requirements for accepting and settling direct
orders.

The CIS or the management company that represents it shall implement an appropriate arrangement for managing the risks involved in accepting and settling such orders.

**Article 411-70**
The unit or share registry management tasks are as follows:

1. Produce documented and traceable records of the number of securities corresponding to the creation or cancellation of units or shares resulting from the centralisation of subscription and redemption orders, and determine the resulting number of securities making up the capital of the CIS; the unit or share registry manager ensures that a corresponding entry has been posted to the cash account of the CIS.

2. Identify the owners of registered units or shares and recording the number of units or shares owned by each owner. If the CIS is not admitted to the transactions of the central depositary, the entity responsible for managing the unit or share registry also records the number of bearer units or shares held by custodians that are directly identified in the unit or share registry, where applicable;

3. Organise simultaneous payments and deliveries of securities resulting from the creation or cancellation of units or shares; the registry manager also organises deliveries and, where applicable, payments resulting from any other transfers of units or shares. If a securities settlement system is used, the unit or share registry manager ensures that it has appropriate procedures in place;

4. Ensure that the total number of units or shares issued on a given date corresponds to the number of circulating units or shares on the same date, including registered units or shares and, where applicable, bearer units or shares.

5. Organise coupon and dividend payments and organise the processing of corporate actions affecting the CIS units or shares.

6. Ensure the transmission of the specific information mentioned in II (3°) of Article 322-12, depending on the case, either directly to the bearers, or directly to their intermediary custody account-keepers, by the central depository or by any other means.

**Article 411-71**
Unit or share registry management is part of the administrative management of the CIS. The CIS or, where applicable, the management company that represents it may delegate the performance of the unit or share registry management tasks described in Article 411-70 to an investment services provider in accordance with the conditions set out in Article 321-97, 1 to 3 and 5 to 9.

Section 4 - Calculating global exposure (Articles 411-71-1 à 411-84)

Paragraph 1 - Measuring the global exposure of CIS to financial derivative instruments

**Article 411-71-1**
In accordance with the provisions of Article R. 214-15-2 of the Monetary and Financial Code, eligible securities and money market instruments hosting a financial derivative instrument are treated as financial derivative instruments within the meaning of this paragraph.

Sub-paragraph 1 - General provisions

**Article 411-72**
I. - The management company shall calculate the global exposure of CIS under its management at least once daily. If necessary, and depending on the investment strategy of the scheme, the management company may calculate the global exposure of a CIS several times daily.

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The limits placed on global exposure shall be complied with on an ongoing basis.

II. - The global exposure of CIS shall be one of the following values:

1. Total exposure and leverage obtained by the managed CIS via financial derivative instruments. This total shall not exceed the scheme’s net assets;

2. The market risk of the CIS portfolio, as defined in Article 321-76.

Article 411-73

I. - To calculate the global exposure of the CIS under its management, the management company shall use either the commitment approach or the Value at Risk (VaR) approach specified in an AMF instruction.

Within the meaning of this paragraph, "value at risk" shall mean the estimated maximum potential loss at a given confidence interval and over a given period.

II. - The CIS management company shall ensure that the method that it uses to measure global exposure is appropriate, given the risk profile arising from the CIS investment strategy, the types and complexity of financial derivative instruments entered into, and the share of the CIS portfolio made up of financial derivative instruments.

III. - The management company shall use the VaR approach if the managed CIS presents one of the following characteristics:

a) The CIS implements complex investment strategies that comprise a significant proportion of its investment policy;

b) The CIS has significant exposure to non-standard financial derivative instruments;

c) If the market risk, as defined in Article 321-76, borne by the CIS is not adequately captured by the commitment approach.

The VaR approach is supplemented by a stress-testing programme. An AMF instruction shall provide definitions for standard and non-standard financial derivative instruments.

IV. - A feeder CIS shall calculate its global exposure to financial derivative instruments by adding its own direct exposure to financial derivative instruments entered into in accordance with Article L. 214-22 of the Monetary and Financial Code to:

a) either the real exposure of the master CIS to financial derivative instruments, proportionate to the feeder's investment in the master CIS;

b) or the maximum potential global exposure of the master CIS to financial derivative instruments provided for under the master CIS rules or instruments of incorporation, proportionate to the feeder's investment in the master CIS.

Sub-paragraph 2 - Commitment approach

Article 411-74

I. - Where the management company uses the commitment approach to calculate global exposure, it shall use the same method for all positions in financial derivative instruments, whether they are employed as part of the CIS’s general investment policy, for the purposes of risk mitigation or for the purposes of efficient portfolio management, as provided for in Article R. 214-18 of the Monetary and Financial Code.

II. - Where a CIS uses, in accordance with Article L. 214-21 of the Monetary and Financial Code, techniques and instruments intended to increase its leverage or exposure to market risk, including repurchase agreements and securities-lending transactions, the management company shall take these transactions into account when calculating global exposure.

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III. If the global exposure of a CIS is determined using the commitment approach, each financial derivative position shall be converted to the market value of an equivalent position in the underlying asset of that derivative.

An AMF instruction shall specify the steps for measuring global exposure using the commitment approach as well as the conversion formulae.

**Article 411-75**

I. The management company may take account of netting and hedging arrangements, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

II. 1° A netting arrangement comprises a combination of positions in financial derivative instruments or securities relating to the same underlying asset, regardless of the contracts' due dates, where the positions are solely intended to eliminate the risks linked to positions taken through other financial derivative instruments or securities.

2° A hedging arrangement is a combination of positions in financial derivative instruments and/or securities that:

a) do not necessarily refer to the same underlying asset;

b) are entered into solely to offset risks linked to positions taken via other financial derivative instruments or securities.

3° A CIS that has primarily entered into interest rate derivatives may use specific duration netting rules, whose procedures are specified in an AMF instruction, to take account of correlations between instruments with different maturities on the yield curve. Specific duration netting rules may not be used if they lead the CIS risk profile to be incorrectly assessed.

A CIS that uses specific duration netting rules for its interest rate derivatives may still take hedging arrangements into consideration. However, only interest rate derivatives that are not included in hedging arrangements may apply the specific netting rules.

**Article 411-76**

I. If the use of financial derivative instruments does not generate additional exposure for the CIS and if the following criteria are met, it is not necessary to include the underlying exposure in the commitment calculation:

1 • It is designed to exchange the performance of all or part of the scheme’s assets for the performance of other reference financial instruments;

2 • It totally eliminates the market risk of the assets being exchanged. The performance of the CIS no longer depends on the performance of the assets being exchanged;

3 • It does not include an additional optional component, leverage, or any additional risk as compared with a direct investment in the reference assets.

II. A financial derivative instrument is not included in the calculation of global exposure using the commitment approach if it meets the following criteria:

a) The combination of the derivative and a cash amount invested in assets earning the risk-free rate may be used to obtain exposure equivalent to that obtained through a direct investment in the underlying;

b) It does not generate additional exposure or leverage and does not add any market risk as defined in Article 321-76.

III. If the commitment approach is used, it is not necessary when calculating global exposure to include temporary cash borrowing arrangements entered into on behalf of the CIS in accordance with Article R. 214-29 of the Monetary and Financial Code.

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Article 411-77
I. - The global exposure of a CIS calculated using the VaR approach covers all positions in the portfolio.

The maximum VaR of a CIS is established by the management company based on its identified risk profile.

II. - The VaR of a CIS is determined over a period of 20 business days at a 99% confidence interval. The effective observation period of risk factors should be at least 250 business days but VaR shall be calculated over a shorter observation period if price volatility increases significantly. The data set used in the calculation should be updated at least quarterly, or more often if market prices are subject to material changes.

An AMF instruction will specify the conditions for exemptions to II. VaR shall be calculated at least daily.

An AMF instruction will specify the steps for calculating global exposure using the VaR approach.

Article 411-78
I. - When measuring global exposure using the VaR approach, the management company is responsible for selecting the most appropriate method - relative or absolute VaR - given the risk profile of the CIS and the investment strategy.

The management company shall be able to demonstrate that the VaR method used is appropriate. The choice of method and the underlying assumptions are documented.

The global exposure of a CIS calculated using the relative VaR method is equal to the VaR of the CIS portfolio divided by the VaR of a reference portfolio, defined in an AMF instruction, minus one, multiplied by the scheme's net assets.

II. - The absolute VaR method should limit maximum VaR to 20% of the market value of the scheme's net assets. An AMF instruction shall stipulate the conditions for applying the provisions of this article.

Article 411-79
The management company shall establish:

1. A programme for back-testing the model's calculations using historical data to check the precision and performance of the VaR model;

2. A rigorous and comprehensive stress-testing programme adjusted to the risk profile of the CIS that can be used to simulate the behaviour of the CIS under stress.

3. Where required by the risk profile and investment strategy, risk management tools and methods suited to the scheme’s risk profile and investment strategy may be used to supplement the programmes referred to in 1° and 2°.

Sub-paragraph 4 - Global exposure of structured funds

Article 411-80
The global exposure of a structured fund may be measured using the commitment approach or the VaR approach.

If the structured fund meets all the following criteria, it may apply specific rules, set out in an AMF instruction, when measuring global exposure using the commitment approach:

1. The remuneration offered to investors is based on a calculation formula whose possible predefined payoffs may be divided into a finite number of scenarios that depend on the value of the underlying assets. Each scenario offers investors a different payoff;
2. The investor may be exposed only to one payoff scenario at a time during the life of the CIS;

3. It is appropriate to use the commitment approach to measure the global exposure for each individual scenario, taking into account the provisions of Article 411-73;

4. The final maturity of the CIS does not exceed nine years, starting from the end of the marketing period;

5. The CIS does not accept new subscriptions from the public following the initial marketing period;

6. The maximum loss that the CIS may bear when switching from one scenario to another shall not exceed 100% of the net asset value at the end of the marketing period;

7. The impact of each underlying asset on the investor payoff profile, at a given date, owing to a switch in scenario, shall comply with the diversification rules referred to in Article R. 214-21 of the Monetary and Financial Code, based on the net asset value at the end of the marketing period.

Sub-paragraph 5 - Entry into force

Article 411-81
By way of derogation to the provisions of Article 411-72, if they meet the criteria of 1° of I of Article R. 214-28 of the Monetary and Financial Code as well as the criteria of 1° to 3° of I of Article 411-80, structured funds already in existence at the date on which Decree 2011-922 of 1 August 2011 enters into force may calculate their global exposure as the value of the maximum loss on the date that trades in derivatives were entered into, provided that the fund formula does not change.

Paragraph 2 - Counterparty risk and issuer concentration

Article 411-82
1. The management company shall ensure that the counterparty risk of the UCITS as defined in Article 321-76 arising from an over-the-counter financial derivative instrument (OTC derivative) is subject to the limits set out in Article R. 214-21 of the Monetary and Financial Code.

2. When calculating the exposure of the UCITS to a counterparty in accordance with the limits set out in I of Article R. 214-21 of the Monetary and Financial Code, the management company will use the positive mark-to-market value of the OTC derivative with that counterparty.

The management company may net the derivative positions of a UCITS with the same counterparty, provided it has the means, as provided for under Article L. 211-36-1 of the Monetary and Financial Code or equivalent foreign provisions, to enforce netting agreements with the counterparty on behalf of the UCITS. Netting is only permissible with respect to OTC derivatives with the same counterparty, and not with respect to other exposures the UCITS may have with that same counterparty;

3. The management company may reduce the exposure of a UCITS to a counterparty in an OTC derivative transaction by receiving collateral for the benefit of the UCITS. This collateral shall be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation;

4. The management company will take account of collateral when calculating exposure to counterparty risk as referred to in I of Article R. 214-21 of the Monetary and Financial Code, if it provides collateral to an OTC counterparty on behalf of the UCITS. Collateral may be taken into account on a net basis only if the management company has the legal and regulatory means to enforce netting agreements with the counterparty on behalf of the UCITS;

5. The management company shall use as its basis the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach, to ensure compliance with the concentration limits by category of issuer mentioned in Articles R. 214-21, R. 214-24 and R. 214-25 of the Monetary and Financial Code;
Article 411-83

I. - A UCITS comprising different categories of shares or units in accordance with the provisions of the second paragraph of Article L. 214-4 of the Monetary and Financial Code shall assess the counterparty risk limit defined in the final paragraph of I of Article R. 214-21 of the same code with regard to the share in the net assets corresponding to each of these categories of shares or units integrating automatic risk hedging.

II. - To calculate the counterparty risk referred to in I of Article R. 214-21 of the Monetary and Financial Code, the UCITS will take account of collateral, and subsequent variations in that collateral, granted to an investment services provider for derivatives concluded on a market referred to in Points 1°, 2° or 3° of I of Article R. 214-11 of the same code or traded over the counter, where such collateral is not protected by customer asset protection rules or other similar rules to protect the UCITS against the risk of failure of the investment services provider.

III. - To calculate the limits referred to in III of Article R. 214-21 of the Monetary and Financial Code, the UCITS shall take into account the net risk to which it is exposed via the transactions referred to in Article R. 214-18 of the Monetary and Financial Code with a single counterparty. The net risk is equal to the amount that may be recovered by the UCITS less any collateral posted in favour of the UCITS.

The risk arising from reuse of collateral posted in favour of the UCITS shall also be taken into account when calculating the issuer ratio.

IV. - To calculate the limits referred to in Article R. 214-21 of the Monetary and Financial Code, the UCITS shall determine whether the counterparty to which it is exposed is an investment services provider, a clearing house or another entity in the context of an OTC derivative.

V. - The limits set in Articles R. 214-21, R. 214-24 and R. 214-25 of the Monetary and Financial Code take into account exposure linked to the underlying assets of derivatives, including embedded derivatives, relating to eligible securities, money market instruments or shares or units in UCITS or French or foreign collective investment schemes or foreign investment funds.

VI. - Where the UCITS calculates concentration limits by category of issuer, the underlying assets of derivatives, including in the case of embedded derivatives, shall be taken into account to determine exposure to a given issuer resulting from these positions.

Exposure arising from a position shall be taken into account when calculating concentration limits by category of issuer.

This exposure shall be measured using the commitment approach, where appropriate.

The estimated maximum potential loss arising from default of the issuer shall be taken into account if this gives a more conservative result.

The provisions of this article shall apply to all UCITS, whether or not they use the VaR approach to calculate global exposure.

The provisions of II to VI do not apply to index-based derivatives linked to an index meeting the criteria of Article R. 214-16 of the Monetary and Financial Code.

Paragraph 3 - Procedure for valuing OTC derivatives

Article 411-84

I. - The management company shall ensure that exposures are measured at market values that are not based merely on market quotations prepared by the counterparties to over-the-counter (OTC) transactions in derivatives contracts and that comply with
the criteria set out in 3° of Article R. 214-15 of the Monetary and Financial Code.

II. - For the purposes of applying I, the management company shall establish, implement and maintain operational methods and procedures to ensure adequate, transparent and fair valuation of CIS exposure to OTC derivatives.

The management company shall ensure that the fair value measurement of OTC derivatives is appropriate, precise and independent.

The valuation methods and procedures shall be appropriate and commensurate with the nature and complexity of the OTC derivatives in question.

The management company shall comply with the requirements set out in the final paragraph of Article 321-97 and 9° of Article 321-101 if the methods and procedures used to value OTC derivatives require the involvement of third parties.

III. - For the purposes of applying I and II, specific tasks and responsibilities are entrusted to the risk management function.

IV. - The valuation methods and procedures mentioned in II shall be described in a document provided for this purpose.

Section 5 - Master and feeder funds (Articles 411-85 à 411-104)

Article 411-85
A master CIS in which at least two feeder CIS are invested may be authorised as compliant even if it does not have the sole aim of promoting the sale of its units or shares to the public and of collecting funds from other investors.

Article 411-85-1
By way of derogation to Articles 411-6, 411-10 and 411-16, the feeder CIS is informed within fifteen business days following submission of the request whether or not authorisation has been granted. Silence on the part of the AMF for a period of fifteen business days from the day the AMF acknowledges receipt of the request shall be deemed authorisation of the request.

Paragraph 1 - Information-sharing agreement between master and feeder CIS or internal conduct of business rules

Article 411-86
The feeder CIS or the management company representing it shall sign an information-sharing agreement with the master CIS or the management company representing it. Under the agreement, the master CIS shall provide the feeder CIS with all the documents and information required for the feeder to comply with its regulatory obligations.

An AMF instruction will specify the content of this agreement.

Article 411-87
Where the master UCITS and the feeder UCITS are authorised by the AMF, the agreement between the two UCITS is governed by French law and subject to the jurisdiction of the French courts.

Where the master UCITS or the feeder UCITS is established in another Member State of the European Union or in another State party to the European Economic Area agreement, the agreement shall provide that the applicable law shall be either the law of the country where the master UCITS is established or the law of country where the feeder UCITS is established and that both parties agree to the exclusive jurisdiction of the courts of the country whose law they have stipulated to be applicable to the agreement.

Where the master UCITS and the feeder UCITS are managed by the same management company, the agreement may be replaced by internal conduct of business rules that ensure compliance with the requirements of this section.

The internal conduct of business rules of the management company shall include appropriate measures to mitigate conflicts of interest that may arise between the feeder UCITS and the master UCITS, or between the feeder UCITS and other holders of the master UCITS, to the extent that these are not sufficiently addressed by the measures applied by the management company to
prevent conflicts of interest from harming the interests of its customers, pursuant to 3° of Article L. 533-10 of the Monetary and Financial Code.

An AMF instruction will specify the content of these rules.

**Article 411-88**
The master CIS and the feeder CIS shall take appropriate measures to coordinate the timing of calculating and publishing net asset values, to prevent market timing.

**Paragraph 2 - Agreement between depositaries**

**Article 411-89**
Prior to authorisation of the feeder CIS and the feeder’s investment in the units or shares of the master CIS, the depositaries of the master and feeder CIS shall enter into an information-sharing agreement in order to ensure the fulfilment of the duties of both depositaries.

This agreement shall allow the depositaries of the master and feeder CIS to receive all the documents and information needed to fulfil their duties.

An AMF instruction will specify the content of this agreement.

**Article 411-90**
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**Article 411-91**
Where the master UCITS or the feeder UCITS is established in another Member State of the European Union or in another State party to the European Economic Area agreement, the information-sharing agreement signed by the depositaries shall include the same provisions on applicable law and court jurisdiction as the information-sharing agreement between the master UCITS and the feeder UCITS.

Where the exchange of documents and information between the master UCITS and the feeder UCITS is provided for under the internal conduct of business rules of the management company, the agreement between the depositaries of the master UCITS and the feeder UCITS provides that the law applying to the information-sharing agreement between both depositaries shall be either that of the Member State in which the feeder UCITS is established or, where different, that of the Member State in which the master UCITS is established, and that both depositaries agree to the exclusive jurisdiction of the courts of the Member State whose law is applicable to the information-sharing agreement.

The irregularities referred to in II of Article L. 214-22-2 of the Monetary and Financial Code that the depositary of the master UCITS detects in the course of carrying out its function and that may have a negative impact on the feeder UCITS shall include, but are not limited to:

a) Errors in the net asset value calculation of the master UCITS;

b) Errors in transactions for or settlement of the purchase, subscription or request to repurchase or redeem units in the master UCITS undertaken by the feeder UCITS;

c) Errors in the payment or capitalisation of income arising from the master UCITS, or in the calculation of any related withholding tax;

d) Breaches of the investment objectives, policy or strategy of the master UCITS, as described in its fund rules or instruments of incorporation, prospectus or key investor information document;
e) Breaches of investment and borrowing limits set out in national law or in the fund rules, instruments of incorporation, prospectus or key investor information document.

Paragraph 3 - Agreement between auditors of master and feeder CIS

**Article 411-92**

Prior to the authorisation of the feeder UCITS, the auditors of the master and feeder UCITS shall enter into an information-sharing agreement to ensure that they receive all the documents and information needed to fulfil their duties.

An AMF instruction will specify the content of this agreement.

In its audit report, the auditor of the feeder UCITS takes account of the audit report of the master UCITS.

Where the feeder UCITS and the master UCITS have different accounting years, the auditor of the master UCITS produces an ad hoc report on the closing date of the feeder UCITS.

The auditor of the feeder UCITS shall report on any irregularities revealed in the audit report of the master UCITS and on their impact on the feeder UCITS.

Where the master UCITS or the feeder UCITS is established in another Member State of the European Union or in another State party to the European Economic Area agreement, the information-sharing agreement between the auditors of the master UCITS and the feeder UCITS shall contain the same stipulations on applicable law and court jurisdiction as in the agreement between the master UCITS and the feeder UCITS.

Where the exchange of documents and information between the master UCITS and the feeder UCITS is provided for under the internal conduct of business rules of the management company, the agreement between the auditors of the master UCITS and the feeder UCITS provides that the law applying to the information-sharing agreement between both auditors shall be either that of the State in which the feeder UCITS is established or, where different, that of the State in which the master UCITS is established, and that both auditors agree to the exclusive jurisdiction of the courts of the State whose law is applicable to the information-sharing agreement.

Paragraph 4 - Expenses

**Article 411-93**

Where, in connection with an investment in the units of the master CIS, a distribution fee, commission or other monetary benefit is received by the feeder CIS, its management company, or any person acting on behalf of either the feeder CIS or the management company of the feeder CIS, the fee, commission or other monetary benefit shall be paid into the assets of the feeder CIS.

**Article 411-94**

The master CIS shall not charge subscription or redemption fees for the purchase by the feeder CIS of its units or the disposal thereof.

Paragraph 5 - Disclosures

**Article 411-96**

The master UCITS shall ensure the timely availability of all information that is required in accordance with applicable laws and regulations, the fund rules or the instruments of incorporation to the feeder UCITS or, where applicable, its management company, and to the AMF, or, if the feeder UCITS is established in another Member State of the European Union or in another State party to the European Economic Area agreement, the authorities of that country, the depositary and the auditor of the feeder UCITS.

**Article 411-97**
I. - The prospectus of the feeder CIS shall contain the following information:

1. A declaration that the feeder CIS is a feeder of a particular master CIS and as such permanently invests 85% or more of its assets in units of that master CIS;

2. The investment objective and policy, including the risk profile and whether the performance of the feeder and the master CIS are identical, or to what extent and for which reasons they differ. The prospectus also contains a description of assets other than units or shares of the master CIS in which the feeder CIS may invest up to 15% of its assets pursuant to Article L. 214-22 of the Monetary and Financial Code.

3. A brief description of the master CIS, its organisation, its investment objective and policy, including the risk profile, and an indication of how the prospectus of the master CIS may be obtained;

4. A summary of the agreement entered into between the feeder CIS and the master CIS or of the internal conduct of business rules pursuant to Article L. 214-22-1 of the Monetary and Financial Code;

5. How holders may obtain further information on the master CIS and the abovementioned agreement entered into between the feeder CIS and the master CIS;

6. A description of all remuneration or reimbursement of costs payable by the feeder CIS by virtue of its investment in units or shares of the master CIS, as well as of the aggregate charges of the feeder CIS and the master CIS;

7. A description of the tax implications of the investment into the master CIS for the feeder CIS.

II. - The annual report of the feeder CIS shall include the information specified in an AMF instruction and a statement on the aggregate charges of the feeder CIS and the master CIS.

The annual and the half-yearly reports of the feeder CIS shall indicate how the annual and the half-yearly reports of the master CIS can be obtained.

III. - In addition to the requirements laid down in Articles 411-112, 411-120 and 411-122, the feeder CIS authorised by the AMF shall send the prospectus, the key investor information document and any amendment thereto, as well as the annual and half-yearly reports of the master CIS, to the AMF.

IV. - The feeder CIS shall disclose in its advertising communications that it permanently invests 85% or more of its assets in units of the master CIS.

V. - A paper copy of the prospectus and the annual and half-yearly reports of the master CIS shall be delivered by the feeder CIS to investors on request and free of charge.

Paragraph 6 - Conversion of existing CIS into feeder CIS and change of master CIS

Article 411-98

I. - A UCITS that becomes a feeder for a master UCITS, or a feeder UCITS that changes master UCITS, shall provide the following information to holders:

1. A statement that the AMF or, where applicable, the competent authorities of the home State of the feeder UCITS, has approved the investment of the feeder UCITS in units of such master UCITS;

2. The key investor information document referred to in Article 411-106 concerning the feeder UCITS and the master UCITS;
III. - The feeder UCITS shall not invest into the units of the given master UCITS in excess of the limit of 20% of its assets set under Article R. 214-24 of the Monetary and Financial Code before the period of 30 days referred to in the last paragraph of I has elapsed.

Paragraph 7 - Master CIS mergers and demergers

Article 411-99
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Article 411-100
The merger or demerger of a master CIS will take effect only if the fund has provided all holders and the competent authorities of the home Member States of its feeder CIS with the disclosures referred to in Article 411-53, no later than 60 days prior to the proposed effective date.

Article 411-101
A feeder CIS whose master CIS is to be merged, taken over or demerged shall be liquidated unless the AMF gives its authorisation for:

1 • The feeder CIS to continue to be a feeder CIS of the master CIS or of another CIS that results from the merger or demerger of the master CIS;

2 • The feeder CIS to change master CIS and invest at least 85% of its assets in the units or shares of another CIS that is not the result of the merger or demerger;

3 • The feeder CIS to amend its rules or instruments of incorporation to convert itself into a non-feeder CIS.

The feeder CIS shall file an application for authorisation with the AMF no later than one month after the date on which it was informed about the proposed merger or demerger.

The feeder CIS is informed within a period of fifteen business days following submission of the request whether or not authorisation has been granted for the operation mentioned in 1°, 2° or 3°. Silence on the part of the AMF for a period of fifteen business days from the day the AMF acknowledges receipt of the request shall be deemed authorisation of the request.

An AMF instruction will specify the content of authorisation applications as well as the authorisation procedure.

Article 411-102
Where the feeder CIS changes master CIS or is converted into a non-feeder CIS, it may repurchase or redeem all units in the master CIS before the merger or division of the master CIS becomes effective.

Source : AMF website / Book 4 into force since 30/07/2023 with notes / This translation is for information purposes only
Article 411-103
Where the feeder CIS changes master CIS following the liquidation, merger or division of the master CIS, the feeder CIS shall not impair the right of holders to exit free of charge by temporarily suspending repurchases and redemptions, except in exceptional circumstances where suspension is required to protect holders’ interests.

Article 411-104
Liquidation of a master UCITS shall lead to liquidation of the feeder UCITS, unless the AMF authorises:

a) At least 85% of the assets of the feeder UCITS to be invested in the units or shares of another master UCITS; or

b) The rules or instruments of incorporation of the feeder UCITS to be amended to allow the fund to be converted into a non-feeder UCITS.

The liquidation of a master UCITS shall take place no sooner than three months after the master UCITS has informed all of its holders and the AMF, or, if the feeder UCITS is established in another Member State of the European Union or in another State party to the European Economic Area agreement, the competent authorities of that State, of the binding decision to liquidate.

The feeder UCITS is informed within a period of fifteen business days following submission of the request whether or not authorisation has been granted for the operation mentioned in a) or b). Silence on the part of the AMF for a period of fifteen business days from the day the AMF acknowledges receipt of the request shall be deemed authorisation of the request.

An AMF instruction will specify the content of authorisation applications as well as the authorisation procedure.

Section 6 - Investor information (Articles 411-104-1 à 411-125)

Article 411-104-1
The management company is solely responsible for the content of documents sent to the AMF for web-posting.

Sub-section 1 - Language of investor information documents

Article 411-105
I. - Pursuant to Article L. 214-23-1 of the Monetary and Financial Code, the rules or instruments of incorporation as well as documents intended to provide information to holders of a UCITS shall be written in French.

II. - Notwithstanding part I, these documents may be drafted in a language customary in the sphere of finance other than French,
subject to compliance with the rules applicable to marketing in France mentioned in part III of Article 411-129.

Sub-section 2 - Key investor information document

Article 411-106
I. The CIS will draw up a short document containing key information for investors, known as a key investor information document (KIID).

This document is prepared following the procedures provided by Articles 411-107 and 411-108 and by European Regulation 583/2010 of 1 July 2010.

II. The key information document drafted, published, provided to investors, revised and translated following the procedures provided for by Regulation (EU) No 1286/2014 of 26 November 2014 shall, in relation to the investors for whom it is intended, take the place of a key investor information document within the meaning of I.

For the purposes of Article 321-118 and this Title, with the exception of Articles 411-107 and 411-108 and Articles 411-128 to 411-128-2, any reference to the key investor information document shall be construed as a reference to the key investor information document mentioned in this paragraph.

Article 411-107
The key investor information document drawn up pursuant to Point I of Article 411-106, the content of which is pre-contractual, shall meet the following requirements:

1. The words "informations clés pour l'investisseur" shall be clearly stated in French.

2. It shall contain accurate, clear, non-misleading information that is consistent with the relevant parts of the UCITS prospectus.

3. It shall contain appropriate information about the essential characteristics of the UCITS that is to be provided to investors so that they are reasonably able to understand the nature and the risks of the UCITS that is being offered to them and, consequently, to take investment decisions on an informed basis.

4. It shall contain information about the following essential characteristics of the UCITS and of the competent authority of the UCITS:
   a. Identification information;
   b. A brief description of the fund's investment objectives and policy;
   c. A review of past performance and, where applicable, performance scenarios;
   d. Costs and associated charges;
   e. The risk/reward profile of the investment, including appropriate guidance and warnings about the risks associated with investments in the UCITS.

These essential elements shall be comprehensible to the investor without any reference to other documents. This information shall be kept up to date.

5. The key investor information document shall clearly specify where and how to obtain additional information about the proposed investment, including where and how the prospectus and the annual and half-yearly reports may be obtained on request and free of charge at any time, and the language in which such information is available to investors. It shall also
Article 411-108
The key investor information document drawn up pursuant to Point I of Article 411-106, shall contain a clear warning stating that the CIS or its management company will not incur civil liability unless the statements contained in the document are misleading, inaccurate or inconsistent with the relevant parts of the CIS prospectus.

Article 411-109
[Empty]

Article 411-110
[Empty]

Article 411-111
[Empty]

Article 411-112
The CIS shall include its key investor information document in the application for authorisation that it sends to the AMF.

Sub-section 3 - Prospectus

Article 411-113
The CIS prospectus shall include the information necessary for investors to be able to make an informed judgement of the investment proposed to them, and, in particular, of the risks attached thereto.

The prospectus shall include:

1 • Either the details of the up-to-date remuneration policy, including, but not limited to:

   a • A description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits;

   b • The composition of the remuneration committee, where such a committee exists.

The statement shall include a reference to that website and indicate that a paper copy will be made available free of charge upon request.

6 • The key investor information document shall be written in a concise manner and in non-technical language.

7 • It shall be drawn up in a common format, allowing comparison with other UCITS.

8 • It shall be presented in a manner that is likely to be understood by retail customers.

9 • The key investor information document is to be used without alterations or supplements, except translation, in all Member States of the European Union or all the States party to the European Economic Area agreement where the UCITS is notified to market its units or shares in accordance with Article 411-137.

Article 411-108
The key investor information document drawn up pursuant to Point I of Article 411-106, shall contain a clear warning stating that the CIS or its management company will not incur civil liability unless the statements contained in the document are misleading, inaccurate or inconsistent with the relevant parts of the CIS prospectus.

Article 411-109
[Empty]

Article 411-110
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Article 411-111
[Empty]

Article 411-112
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Sub-section 3 - Prospectus

Article 411-113
The CIS prospectus shall include the information necessary for investors to be able to make an informed judgement of the investment proposed to them, and, in particular, of the risks attached thereto.

The prospectus shall include:

1 • Either the details of the up-to-date remuneration policy, including, but not limited to:

   a • A description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits;
The statement shall include a reference to that website and indicate that a paper copy will be made available free of charge upon request.

It shall include, independent of the instruments invested in, a clear and easily understandable explanation of the fund’s risk profile.

The rules or instruments of incorporation of the CIS form an integral part of the prospectus and shall be annexed thereto. The rules or instruments of incorporation are not, however, required to be annexed to the prospectus provided that the investor is informed that, on request, he or she will be sent those documents or be apprised of the place where he or she may consult them.

The essential elements of the prospectus shall be kept up to date. An AMF instruction will specify the content of the prospectus.

**Article 411-114**
The prospectus shall describe all expenses borne by holders or by the UCITS, including all taxes, with information:

1 • About the fees paid by holders:
   a • The maximum percentage of the subscription or redemption fee that is not kept by the collective investment scheme;
   b • The percentage of the fee that is kept by the collective investment scheme and the conditions under which this percentage may be reduced.

2 • About the fees paid by the UCITS, the maximum percentage of the operating and management fees. Information about this percentage shall be supplemented, as appropriate, with the following details:
   a • The rules on calculating transaction fees;
   b • The rules for calculating the proportion of income from temporary purchases and sales of securities that is not paid to the UCITS;
   c • The maximum fees and commissions that may be paid by French or foreign collective investments or third country investment funds to be kept by the UCITS;
   d • The rules for calculating variable management fees.

The prospectus format and the procedures for calculating the fees referred to in this article are specified in an AMF instruction.

**Article 411-115**
The prospectus shall define the valuation rules for each category of financial instruments, deposits, securities and contracts. Between one calculation of the net asset value and the next, a CIS may determine and publish an indicative net asset value.
called "estimated value". The prospectus shall stipulate the conditions for publishing this value and warn investors that the value may not be used as a basis for subscriptions or redemptions.

Any publication of an estimated value shall include this warning.

**Article 411-116**
The prospectus shall indicate in which categories of assets a CIS is authorised to invest.

It will also mention if transactions in financial derivative instruments are authorised, in which case it shall include a prominent statement indicating whether those operations may be carried out for the purpose of hedging or with the aim of meeting investment goals, and the possible outcome of the use of financial derivative instruments on the risk profile.

**Article 411-117**
I. Where the UCITS invests principally in any category of assets defined in Article L. 214-20 of the Monetary and Financial Code other than eligible securities or money market instruments, or where a UCITS replicates a stock or debt securities index in accordance with Article R. 214-16 of the Monetary and Financial Code, its prospectus shall include a prominent statement drawing attention to the investment policy.

II. A UCITS that invests a substantial proportion of its assets in other collective investments shall disclose in its prospectus the maximum level of the management fees that may be charged both to the UCITS itself and to the other collective investment schemes in which it intends to invest.

III. The UCITS referred to in Article R. 214-23 of the Monetary and Financial Code shall include a prominent statement in its prospectus drawing attention to its authorisation and indicating the European Union Member States, States party to the European Economic Area agreement, local authorities, or public international bodies in the securities of which it intends to invest or has invested more than 35 % of its assets.

**Article 411-118**
Where the net asset value of a CIS is likely to have a high volatility due to its portfolio composition or the portfolio management techniques that may be used, its prospectus shall include a prominent statement drawing attention to that characteristic.

**Article 411-119**
Upon the request of an investor that has already received the prospectus the CIS shall also provide supplementary information relating to the quantitative limits that apply in the risk management of the CIS, to the methods chosen to this end and to the recent evolution of the main risks and yields of the instrument categories.

**Article 411-120**
The UCITS will send to the AMF its prospectus and any amendments thereto, following the procedures established by an AMF instruction.

Where the UCITS is managed by a management company established in another Member State of the European Union or in another State party to the European Economic Area agreement, it shall provide its prospectus on request to the competent authorities of the home State of the management company.

Sub-section 4 - Annual and half-yearly reports

**Article 411-121**
The annual and half-yearly reports of the CIS shall contain the elements detailed in an AMF instruction. If the OPCI has subfunds, a half-yearly report shall also be produced for each subfund.

**Article 411-122**
The UCITS will send to the AMF its annual and half-yearly reports, following the procedures established by an AMF instruction.
If the UCITS is managed by a management company established in another Member State of the European Union or in another State party to the European Economic Area agreement, it shall provide its annual and half-yearly reports on request to the competent authorities of the home State of the management company.

Sub-section 5 - Net asset value

Article 411-123
CIS are required to determine their net asset value in accordance with the provisions of Articles 411-24 to 411-33. This net asset value shall be determined and published with a frequency that is suited to the nature of the financial instruments, contracts, securities and deposits held by the CIS.

CIS are required to publish the net asset value of their shares or units in an appropriate manner at least twice a month. However, the net asset value of shares or units may be published on a monthly basis, provided this does not impinge on the interests of shareholders or unitholders and subject to prior authorisation from the AMF.

The prospectus specifies the frequency with which the net asset value is compiled and published, as well as the reference calendar chosen.

Once the net asset value has been published, subscriptions and redemptions of CIS units or shares shall be carried out on the basis of this value, under the conditions set out in the prospectus.

The foregoing paragraph shall not apply where the UCITS or, where applicable, the investment management company publishes a net asset value under the conditions set out in the fourth to sixth paragraphs of Article 411-20.

This article applies to each subfund.

Article 411-124
CIS whose units or shares are admitted to trading on a regulated market operating on a regular basis shall compile and publish their net asset value each day the market on which they are listed is open for trading.

This article applies to each subfund.

Article 411-125
CIS with assets of more than EUR 80 million shall have the composition of their assets certified quarterly by the scheme's auditor.

Section 7 - marketing of CIS in France (Articles 411-126 à 411-135)

Sub-section 1 - General rules

Article 411-126
The AMF is entitled to exercise the prerogatives referred to in Article 314-6 with regard to any person distributing UCITS.

Advertisements from the CIS aimed at investors shall be clearly identified as such. They shall be accurate, clear and not misleading. More specifically, if an advertisement containing an invitation to buy units or shares in a CIS includes specific information about the CIS, it cannot contain information that contradicts the information provided in the prospectus and the key investor information document, or that understates the importance of such information.

Such advertisements shall state whether a prospectus exists and a key investor information document is available.

They shall stipulate where and in which languages holders and potential investors can obtain this information and these documents, or how they can gain access to them.
Article 411-127

I. - Where a UCITS invests principally in any category of assets defined in Article L. 214-20 of the Monetary and Financial Code other than eligible securities or money market instruments, or where a UCITS replicates a stock or debt securities index in accordance with Article R. 214-22 of the Monetary and Financial Code, its advertising communications shall include a prominent statement drawing attention to the investment policy.

II. - Where the net asset value of a UCITS is likely to have a high volatility due to its portfolio composition or the portfolio management techniques that may be used, its advertising communications shall include a prominent statement drawing attention to that characteristic.

III. - The UCITS referred to in Article R. 214-23 of the Monetary and Financial Code shall include a prominent statement in their advertising communications drawing attention to their authorisation and indicating the Member States, States party to the European Economic Area agreement, local authorities, or public international bodies in the securities of which they intend to invest or have invested more than 35 % of their assets.

Article 411-128

The key investor information document (KIID) drawn up pursuant to Point I of Article 411-106, is to be provided to investors free of charge and in a timely manner before they subscribe units or shares in the CIS.

Article 411-128-1

The UCITS may provide the key investor information document drawn up pursuant to Point I of Article 411-106, in a durable medium, within the meaning of Article 314-5, or by means of its website or the website of its management company.

A hard copy version shall be delivered to investors on request and free of charge.

An up-to-date version of this document will be made available on the website of the UCITS or management company.

Article 411-128-2

The UCITS will deliver the key investor information document drawn up pursuant to Point I of Article 411-106, on request to persons that market its shares or units or that provide advice concerning the UCITS or products that are exposed to the UCITS.

These persons shall comply with the obligation referred to in Article 411-128.

Article 411-128-3

The prospectus shall be provided to investors on request and free of charge in a durable medium, within the meaning of Article 314-5 or by means of a website.

The most recently published annual and half-yearly reports of the CIS shall be delivered to investors on request and free of charge and made available in the manner specified in the prospectus and the key investor information document.

A paper copy of the documents referred to in this article will be delivered to the investors on request and free of charge.

Article 411-129

I. - Without prejudice to the legal and regulatory provisions applicable to the provision of the service of investment advice, a management company that markets the units or shares of CIS under its management shall comply with the rules of conduct applicable to the service of order execution for third parties while a company that markets the units or shares of CIS managed by other entities shall comply with the rules of conduct applicable to the service of order reception and transmission for third parties.

An AMF instruction shall stipulate the conditions for applying the provisions of this article.

II. - Any person marketing FCP units or SICAV shares or subfund units or shares shall ensure that the investor meets the subscription requirements referred to in Article 411-22.
Where the asset management company or the SICAV has entered into a contract to distribute the units or shares of the CIS, the contract shall specify how the investor may obtain access to information documents for the CIS.

III. - The marketing of UCITS shares or units in France is subject to a requirement that rules or instruments of incorporation and documents intended to provide information holders be provided in French.

Notwithstanding the previous paragraph, these documents may be drafted in a language customary in the sphere of finance other than French, if the marketing is directed at professional clients and after the person marketing the UCITS shares or units has ensured:

1 • With professional client, that he has consented to receive the documents in that language;

2 • With non-professional client, that he understands that language.

**Article 411-129-1**

Rebates of management fees received for investments made on behalf of a UCITS in units or shares of a French or foreign collective investment or a third country investment fund shall be paid into the UCITS:

1 • Either through a direct payment to the UCITS;

2 • Or by means of a deduction from the management fee charged by the management company.

**Article 411-130**

I. Rebates of management fees or subscription or redemption commissions that arise on investments made by the management company in shares or units of a French or foreign collective investment or a non-EU investment fund on behalf of a UCITS marketed in the territory of the French Republic, are prohibited, with the exception of the following:

1 • Fees and commissions referred to in the eighth paragraph of Article 321-119;

2 • Rebates that exclusively benefit the UCITS;

3 • Rebates paid by the management company of a master UCITS in order to remunerate a third party in charge of marketing the feeder UCITS of this master UCITS;

4 • Rebates remunerating a third party in charge of marketing of a collective investment governed by French law or foreign law or a third country investment fund where this third party acts independently of the management company investing in these UCITS or investment funds.

II. - The receipt by the management company of the following rebates in particular is prohibited:

1 • Subscription or redemption fees resulting from investment by the portfolio in a UCITS managed in a collective investment governed by French law or foreign law or a third country investment fund;

2 • Management fees arising from investment by the portfolio in a UCITS managed in a collective investment governed by French law or foreign law or a third country investment fund.

**Article 411-131**

Soliciting members of the public on behalf of foreign UCITS that have been the subject of a notification in accordance with the provisions of Article L. 214-2-2 of the Monetary and Financial Code shall be subject to the same provisions as those applicable to other UCITS governed by this section.
Article 411-132
The provisions of Articles 411-126, and 411-129 to 411-130 shall apply to the marketing of UCITS referred to in Article 411-135.

Prior to any marketing in France, the UCITS mentioned in the first sub-paragraph or their investment management company shall notify the AMF of the key information document drawn up in accordance with the procedures provided for by Regulation (EU) 1286/2014 of 26 November 2014.

Sub-section 2 - Special rules applicable to the admission to trading on a regulated market or a multilateral trading facility

Article 411-133
I. - UCITS whose units or shares are admitted to trading on a regulated market or a multilateral trading facility under the conditions set out in Article D. 214-22-1 of the Monetary and Financial Code will make available to the public the specific information related to the admission to trading, in accordance with the conditions set out in an AMF instruction.

This information is made public before the units or shares of the UCITS are effectively admitted to trading on a regulated market or a multilateral trading facility.

A copy of the prospectus shall be sent free of charge to any person who requests it and an electronic version of the prospectus is published on the website of the management company and shall be sent to the AMF for posting on its website.

II. - The provisions of this article apply to the marketing of units or shares of UCITS referred to in Article 411-135, where they are admitted to trading on a regulated market or on a multilateral trading facility under the conditions set out in Article D. 214-22-1 of the Monetary and Financial Code.

III. - Any person marketing units or shares of UCITS whose units or shares are admitted to trading on a regulated market or on a multilateral trading facility under the conditions set out in Article D. 214-22-1 of the Monetary and Financial Code shall ensure that investors have the information provided for in this sub-section.

Article 411-134
I. - The units or shares of a UCITS whose management objective is based on an index, pursuant to II of Article D. 214-22-1 of the Monetary and Financial Code, may be admitted to trading on a regulated market. These are:

1 • The units or shares of index-based UCITS governed by Article R. 214-22 of the Monetary and Financial Code;

2 • The units or shares of a UCITS whose management objective is to replicate the result obtained by applying a mathematical formula called an "algorithm" to an index complying with the conditions set out in I of Article R. 214-22 of the Monetary and Financial Code;

3 • The units or shares of UCITS mentioned in 1° or 2° that are subject to a notification in accordance with the provisions of Article L. 214-2-2 of the Monetary and Financial Code.

The algorithm includes one or more parameters that may vary over time and that are called "variables".

The algorithm, the index and conditions for adjusting the variables shall be described in the prospectus and set in a way that is compatible with the proper information of the public.

II. - Where the units or shares of UCITS are admitted to trading on a regulated market under the conditions provided for in I, the management company shall disclose to the public:

1 • The results of the algorithm in accordance with the timetable described in the prospectus;
2 • Any adjustment of the variables of the algorithm. This disclosure shall take place no later than seven business days before the implementation of the adjustment;

3 • By way of derogation to 2°, where one or more variables are adjusted automatically by application of objective criteria and according to a timetable described in the prospectus, the public shall be informed no later than seven business days following the implementation of the adjustments.

The asset management company will ensure the effective and complete disclosure of the information referred to in points 1°, 2° and 3°.

It will also post the information on its website.

III. - The provisions of this article apply to the marketing of units or shares of UCITS referred to in Article 411-135, where they are admitted to trading on a regulated market under the conditions provided for in II of Article D. 214-22-1 of the Monetary and Financial Code.

Sub-section 3 - Centralising correspondent

Article 411-135
A foreign UCITS that has been the subject of a notification in accordance with the provisions of Article L. 214-2-2 of the Monetary and Financial Code may, in identical conditions to those set out in paragraph II of Article 411-137-1, name a third party established in France as “correspondent” to perform the tasks stipulated by said Article.

This correspondent may also be tasked with payment of the fixed annual fee, in accordance with Article L. 621-5-3 of the Monetary and Financial Code.

Section 8 - Passport (Articles 411-136 à 411-138-1)

Règlement (UE) n° 584/2010 de la Commission du 1er juillet 2010 mettant en œuvre la directive 2009/65/CE du Parlement européen et du Conseil en ce qui concerne la forme et le contenu de la lettre de notification normalisée et de l’attestation OPCVM, l’utilisation des communications électroniques entre autorités compétentes aux fins de la notification, ainsi que les procédures relatives aux vérifications sur place et aux enquêtes et à l’échange d’informations entre autorités compétentes.

Article 411-136
In preparing for carrying out marketing in other Member States of the European Union or in other States party to the European Economic Area agreement, a French UCITS eligible for the mutual authorisation recognition procedure provided for under the provisions of Directive 2009/65/EC of 13 July 2009 shall first submit a notification letter to the AMF.

The procedures for submitting this letter, its content and documents relating to the UCITS that shall be appended are specified in an AMF instruction.

The UCITS or its management company shall ensure that an electronic copy of each document appended to the notification letter is available on the website of the management company or another website indicated by the UCITS or its management company in the notification letter or in its updates. Any document made available on a website shall be provided in a commonly used electronic format.

The UCITS or its management company will ensure that the UCITS host State can access the website.
The AMF will verify that the application for marketing authorisation submitted by the UCITS, comprising the notification letter and the UCITS information documents, is complete.

The AMF will then transmit the application to the competent authorities of the Member State(s) in which the UCITS proposes to market its units or shares, no later than ten working days of the date of receipt of the aforementioned application.

The AMF will enclose with the documentation an attestation that the UCITS fulfils the conditions imposed by Directive 2009/65/EC of 13 July 2009.

Upon the transmission of the application, the AMF will immediately notify the UCITS about the transmission.

The management company may market the units or shares of the UCITS in the host State as from the date of that notification. The notification letter shall be provided to the AMF in French and in the language required by the regulations of the host State.

The attestation of compliance shall be provided in French or in a language other than French customary in the sphere of finance, and in the official language of the State where the UCITS will be marketed, if required under the regulations of that State.

Article 411-137-1
I. - An UCITS that intends to market its units or shares in another State shall provide investors who are located in the territory of that State with facilities to perform the following tasks:

a) Processing subscription, repurchase and redemption orders and making other payments to the unitholders, in accordance with the conditions set out in the documents referred to in Article L. 214-23-1 of the Monetary and Financial Code;

b) Informing investors how the orders referred to in a) can be placed and of the procedures for payment of the revenues resulting from repurchases and redemptions;

c) Facilitating information processing and access to the procedures and methods of processing complaints for investors' exercise of the rights relating to their investment in the UCITS in the State in which the UCITS is marketed;

d) Making the information and information documents mentioned in Article 411-138 available to investors under the conditions set out by said Article, so that they may examine it and make copies;

e) Providing investors, on a durable medium within the meaning of Article 314-5, with information relating to the tasks that these facilities make it possible to perform; and

f) Serving as a contact point for communicating with the competent authorities.

II. - The UCITS shall ensure that facilities to perform the tasks referred to in I, including electronically, are provided:

a) In the official language, or one of the official languages, of the State in which the UCITS is marketed or in a language accepted by the competent authorities of that State;

b) By itself or by a third party subject to the regulations and supervision governing the tasks to be performed, or by both at once.

For the purpose of b), when the tasks are to be carried out by a third party, the appointment of this third party shall be covered by a written contract specifying the tasks that are not to be carried out by the UCITS, among those referred to in I, and stipulating that the third party will receive all useful information and documents from the UCITS.

Article 411-138
I. Where a UCITS markets its units or shares in another State, it shall provide to investors in the territory of such State all information and documents which it is required pursuant to Article L. 214-23-1 of the Monetary and Financial Code to provide to French investors.

Such information and documents shall be provided to investors in compliance with the following provisions:

a) Without prejudice to the provisions of Section 5 of this chapter, such information or documents shall be provided to investors in the way prescribed by the laws, regulations or administrative provisions of the UCITS host State;

b) The key investor information document shall be translated into the official language, or one of the official languages, of the UCITS host State or into a language approved by the competent authorities of that State;

c) Other information or documents may be translated, at the choice of the UCITS, into the official language, or one of the official languages, of the UCITS host State, into a language approved by the competent authorities of that State or into a language customary in the sphere of international finance; and

d) Translations of information or documents under points (b) and (c) shall be produced under the responsibility of the UCITS and shall faithfully reflect the content of the original information.

II. The requirements set out in I shall also be applicable to any changes to the information and documents referred therein.

III. The frequency of the publication of the issue, sale, repurchase or redemption price of units or shares of the UCITS shall comply with Article 411-123.

**Article 411-138-1**

I. In application of IV of Article L. 214-2-1 of the Monetary and Financial Code, the UCITS may withdraw the notification dossier filed with the AMF for the marketing of its units or shares in another State, including, where applicable, classes of units or shares. This withdrawal is subject to compliance with the following conditions:

a) A general repurchase or redemption offer shall be made, without fees or deductions, for all the units or shares of the UCITS held by investors in the host State; this offer shall be available to the public during at least thirty business days and shall be sent individually, directly or via financial intermediaries, to all the investors in said State whose identity is known;

b) The intention of terminating the planned procedure for marketing these units or shares in said State shall be published on a medium available to the public, including by electronic means, which is customary for the marketing of UCITS and suitable for a typical UCITS investor;

c) All contractual terms with financial intermediaries or delegatees shall be modified or terminated, effective from the date of withdrawal of the notification, in order to prevent any new or additional activity, direct or indirect, for an offer or placement of the units or shares identified in the notification mentioned in II.

The information mentioned in a) and b) describes clearly the consequences for investors if they do not accept the offer for repurchase or redemption of their units or shares.

The information mentioned in a) and b) shall be provided in the official language, or one of the official languages, of the State with regard to which the UCITS has performed notification in accordance with Article L. 214-2-1 of the Monetary and Financial Code or in a language accepted by the competent authorities of said State.

From the date mentioned in c), the UCITS shall cease any new or additional activity, direct or indirect, for an offering or placement of its units or shares for which notification has been withdrawn in said State.
II. The UCITS shall submit to the AMF a notification containing the information mentioned in a), b) and c) of I.

III. The AMF checks that the notification that the UCITS has submitted to it in accordance with II is complete. Within no more than 15 business days following receipt of the complete notification, the AMF forwards this notification to the competent authorities of the State identified in the notification mentioned in II, and to the European Securities and Markets Authority.

After having forwarded the notification in accordance with the above paragraph, the AMF immediately informs the UCITS of this.

IV. The UCITS shall provide investors who retain an investment in the UCITS, as well as the AMF, with the information mentioned in Article L. 214-23-1 of the Monetary and Financial Code and in Article 411-138. For this purpose, the use of any electronic communication system or other remote communication system shall be authorised on condition that the information and the communication systems are available to investors in the official language, or one of the official languages, of the State in which those investors are located, or in a language accepted by the competent authorities of that State.

V. The AMF forwards to the competent authorities of the State identified in the notification mentioned in II the information relating to any change in the documents mentioned in Article 411-136.

Section 9 - Reporting to the AMF (Articles 411-139 à 411-140)

Sub-section 1 - UCITS managed by a European investment management company

Article 411-139
When a UCITS is managed by an investment management company established in a European Union Member State or a State party to the Agreement on the European Economic Area other than France, the investment management company shall send the AMF the information comprised in the report provided for in Article 321-75-1 according to the same procedures, with the exception of compensation paid by the investment management company to clients who are not shareholders or unitholders of the UCITS.

Sub-section 2 - Transfer agent

Article 411-140
Pursuant to Article L. 621-8-4 of the Monetary and Financial Code, the UCITS or, where applicable, the custodian, portfolio management company or investment service provider authorised to provide one of the services mentioned in Article L. 321-1 to which the UCITS entrusts, pursuant to Article L. 214-13 of the Monetary and Financial Code, the responsibility for centralising subscription and redemption orders for its units or shares, shall, at the AMF’s request, provide the AMF with daily information on subscription and redemption requests for units or shares of the UCITS that were centralised before 4 p.m. on the same day. Subscription and redemption requests that are centralised after this time shall be submitted to the AMF on the next business day.

Title II - AIFS (Articles 421-A à 425-26)


Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents
Chapter I - General provisions (Articles 421-A à 421-38)

Article 421-A
I. - This Chapter covers the provisions arising from Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011, pursuant to Chapter IV, Section 2, sub-section 1 of Title I of Book II of the Monetary and Financial Code, and Articles 421-25 and 421-26 on marketing shares or units of AIFs in France and Articles 421-28 and 421-29 on the net asset value of AIFs.

II. - The provisions of this Chapter apply to all French or foreign AIFs managed or marketed in France. However, only Articles 421-24, 421-25, 421-26, 421-28, 421-29 and II of Article 421-38 apply to the French AIFs or "other AIFs" mentioned in the last paragraph of II and in points 2° and 3° and the last paragraph of III of Article L. 214-24 of the Monetary and Financial Code, where the asset management company or the legal entity managing the AIFs has chosen not to submit them to the rules of Directive 2011/61/EU. Where these AIFs are real-estate collective investment undertakings, professional real-estate collective investment undertakings, real-estate investment companies or forestry investment companies, an external valuer is appointed under the conditions set out in Article L. 214-24-16 of the Monetary and Financial Code and in Article 421-31. Third country AIFs managed by a management company are not subject to Articles 421-36 and 421-37. Third country AIFs managed by an AIF manager and marketed solely to non-professional clients are not subject to Articles 421-28 through 421-37.

III. - For the purposes of applying this Chapter:

1 • The term "asset management company" refers to the French asset management company;

2 • The term "management company" refers to the management company established in another EU Member State;

3 • The term "AIF manager" (alternative investment fund manager) refers to the manager established in a third country for which the Member State of reference is France.

IV. For the purposes of applying the present title, references to Member States of the European Union and to the European Union must be understood to include States parties to the Agreement on the European Economic Area.

Section 1 - Procedure for marketing and pre-marketing of AIFs (Articles 421-1 à 421-27-3)

Sub-section 1 - Marketing procedure in France

Paragraph 1 - Procedure for marketing AIFs with a passport to professional investors in France

Sub-paragraph 1 - Procedure for marketing EU AIFs managed by an asset management company

Article 421-1
The notification mentioned in I of Article L. 214-24-1 of the Monetary and Financial Code, sent by an asset management company prior to marketing units or shares of an EU AIF in France, includes the following for every AIF that the company intends to market:

a) A notification letter, including a programme of activity identifying the AIFs that the asset management company intends to market and information on where the AIFs are established;

b) The AIF rules or articles of association;
c) Identification of the depositary of the AIF;

d) A description of, or any information on, the AIF available to investors;

e) Information on where the master AIF is established if the AIF is a feeder AIF;

f) Any additional information referred to in the second and third paragraphs of Article L. 214-24-19 of the Monetary and Financial Code, for each AIF that the asset management company intends to market;

g) Where relevant, information on the arrangements established to prevent units or shares of the AIF from being marketed to retail investors, including in the case where the asset management company independent entities to provide investment services in respect of the AIF.

Article 421-2
Within 20 working days following receipt of a complete notification file pursuant to I of Article L. 214-24-1 of the Monetary and Financial Code, the AMF shall inform the asset management company whether it may start marketing the AIF identified in the notification. The AMF shall oppose the marketing of the AIF only if the asset management company’s management of the AIF does not or will not comply with the legislative and regulatory provisions applicable to asset management companies or with Books II and V of the Monetary and Financial Code. In the case of a positive decision, the asset management company may start marketing the AIF in France from the date of the AMF notification to that effect.

Where the competent authorities of the AIF and the asset management company are different, the AMF shall also inform the competent authorities of the AIF that the asset management company may start marketing units or shares of the AIF in France.

Article 421-3
In the event of a material change to any of the particulars communicated in accordance with I of Article L. 214-24-1 of the Monetary and Financial Code, the asset management company shall give written notice of that change to the AMF at least one month before implementing the change, as regards any changes planned by the asset management company, or immediately after an unplanned change.

If, pursuant to a planned change, the asset management company’s management of the AIF would no longer comply with the provisions applicable to asset management companies, the AMF shall inform the asset management company without undue delay that it is not to implement the change.

If a planned change is implemented notwithstanding the first and second paragraphs, or if an unplanned change has taken place pursuant to which the asset management company’s management of the AIF no longer complies with the provisions applicable to asset management companies, the AMF shall take all due measures in accordance with its powers provided for in Books V and VI, including, if necessary, the express prohibition to market the AIF.

Article 421-3-1
I. - In application of the second paragraph of I of Article L. 214-24-1 of the Monetary and Financial Code, any asset management company may withdraw the notification submitted to the AMF for the marketing in France of units or shares of some or all of the AIFs mentioned in this notification. This withdrawal is subject to compliance with the following conditions:

1 • Except in the case of closed-ended AIFs and long-term European investment funds governed by Regulation (EU) 2015/760 of 29 April 2015, a general repurchase or redemption offer shall be made, without fees or deductions, for all the units or shares of the AIFs identified in the notification mentioned in II which are held by investors in France; this offer shall be available to the public during at least thirty business days and shall be sent individually, directly or via financial intermediaries, to all the investors in France whose identity is known;

2 • The intention of terminating the planned procedure for marketing the units or shares of some or all of the AIFs in France shall be published on a medium available to the public, including by electronic means, which is customary for the marketing of AIFs

Source : AMF website / Book 4 into force since 30/07/2023 with notes / This translation is for information purposes only
From the date mentioned in 3°, the asset management company shall cease any new or additional activity, direct or indirect, for an offering or placement in France of units or shares of the AIF mentioned in the notification.

II. - The asset management company shall submit to the AMF a notification containing the information mentioned in 1°, 2° and 3° of I.

III. - When it has received all the information requested, the AMF issues an electronic acknowledgement of receipt within fifteen business days.

During a period of thirty-six months from the date mentioned in 3° of I, the asset management company shall not undertake in France any pre-marketing activity, within the meaning of Article L. 214-24-2-1 of the Monetary and Financial Code, concerning units or shares of the AIFs mentioned in the notification, or concerning similar investment strategies or similar investment ideas.

IV. - The asset management company shall provide investors who retain an investment in the AIF, as well as the AMF, with the information required by Article L. 214-24-19 of the Monetary and Financial Code. For this purpose, the use of any electronic communication system or other remote communication system is authorised.

Sub-paragraph 2 - Procedure for marketing third country AIFs managed by an asset management company

Article 421-4
The date of entry into force of the provisions of this subparagraph is set in accordance with the provisions of the European Commission’s delegated act provided for in Article 67(6) of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011.

Article 421-5
The notification mentioned in I of Article L. 214-24-1 of the Monetary and Financial Code, sent by an asset management company prior to marketing units or shares of a third country AIF in France, includes the following:

a) A notification letter comprising a programme of activity identifying the AIFs that the asset management company intends to market and information about where the AIFs are established;

b) The AIF rules or articles of association;

c) Identification of the depositary of the AIF;

d) A description of, or any information on, the AIF available to investors;

e) Information on where the master AIF is established if the AIF is a feeder AIF;

f) Any additional information referred to in the second and third paragraphs of Article L. 214-24-19 of the Monetary and Financial Code, for each AIF that the asset management company intends to market;

g) Where relevant, information on the arrangements established to prevent units or shares of the AIF from being marketed to retail investors, including in the case where the asset management company relies independent entities to provide investment services in respect of the AIF.

Source: AMF website / Book 4 into force since 30/07/2023 with notes / This translation is for information purposes only
Article 421-6
Within 20 working days following receipt of a complete notification file pursuant to Article L. 214-24-1 of the Monetary and Financial Code, AMF shall inform the asset management company whether it may start marketing in France the AIF identified in the notification. The AMF shall oppose the marketing of the AIF only if the asset management company's management of the AIF does not or will not comply with the provisions applicable to asset management companies. In the case of a positive decision, the asset management company may start marketing the AIF in France from the date of the notification by the AMF to that effect.

The AMF shall also inform the European Securities and Markets Authority that the asset management company may start marketing units or shares in the AIF in France.

Article 421-6-1
In the event of a material change to any of the particulars communicated in accordance with I of Article L. 214-24-1 of the Monetary and Financial Code, the asset management company shall give written notice of that change to the AMF at least one month before implementing the change, as regards any changes planned by the asset management company, or immediately after an unplanned change.

If, pursuant to a planned change, the asset management company's management of the AIF would no longer comply with the provisions applicable to asset management companies, the AMF shall inform the asset management company without undue delay that it is not to implement the change.

If a planned change is implemented notwithstanding the first and second paragraphs, or if an unplanned change has taken place pursuant to which the asset management company’s management of the AIF no longer complies with the provisions applicable to asset management companies, the AMF shall take all due measures in accordance with its powers provided for in Books V and VI, including, if necessary, the express prohibition to market the AIF.

Sub-paragraph 3 - Procedure for marketing EU AIFs managed by an AIF manager established in a third country

Article 421-7
The date of entry into force of the provisions of this subparagraph is set in accordance with the provisions of the European Commission's delegated act provided for in Article 67(6) of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011.

Article 421-8
The notification mentioned in I of Article L. 214-24-1 of the Monetary and Financial Code, sent by an AIF manager established in a third country for which the Member State of reference is France, prior to marketing units or shares of an EU AIF in France, includes the following:

a) A notification letter comprising a programme of activity identifying the AIFs that the manager intends to market and information about where the AIFs are established;

b) The AIF rules or articles of association;

c) Identification of the depositary of the AIF;

d) A description of, or any information on, the AIF available to investors;

e) Information on where the master AIF is established if the AIF is a feeder AIF;

f) Any additional information referred to in the second and third paragraphs of Article L. 214-24-19 of the Monetary and Financial Code, for each AIF that the manager intends to market;

g) Where relevant, information on the arrangements established to prevent units or shares of the AIF from being marketed to
Article 421-9
Within 20 working days following receipt of the complete notification file pursuant to Article L. 214-24-1 of the Monetary and Financial Code, AMF shall inform the AIF manager whether it may start marketing in France the AIF identified in the notification. The AMF shall oppose the marketing of the AIF only if the AIF manager’s management of the AIF does not or will not comply with the legislative and regulatory provisions applicable to asset management companies. In the case of a positive decision, the asset management company may start marketing the AIF in France from the date of the notification by the AMF to that effect.

The AMF shall also inform the European Securities and Markets Authority and the competent authorities of the AIF that the AIF manager may start marketing units or shares in the AIF in France.

Sub-paragraph 4 - Procedure for marketing third country AIFs managed by an AIF manager established in a third country

Article 421-10
The date of entry into force of the provisions of this subparagraph is set in accordance with the provisions of the European Commission’s delegated act provided for in Article 67(6) of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011.

Article 421-11
The notification mentioned in I of Article L. 214-24-1 of the Monetary and Financial Code, sent by an AIF manager established in a third country for which the Member State of reference is France, prior to marketing units or shares of a third country AIF in France, includes the following:

a) A notification letter comprising a programme of activity identifying the AIFs that the manager intends to market and information about where the AIFs are established;

b) The AIF rules or articles of association;

c) Identification of the depositary of the AIF;

d) A description of, or any information on, the AIF available to investors;

e) Information on where the master AIF is established if the AIF is a feeder AIF;

f) Any additional information referred to in the second and third paragraphs of Article L. 214-24-19 of the Monetary and Financial Code, for each AIF that the manager intends to market;

g) Where relevant, information on the arrangements established to prevent units or shares of the AIF from being marketed to retail investors, including in the case where the manager relies independent entities to provide investment services.

Article 421-12
Within 20 working days following receipt of a complete notification file pursuant to Article L. 214-24-1 of the Monetary and Financial Code, AMF shall inform the AIF manager whether it may start marketing in France the AIF identified in the notification. The AMF shall oppose the marketing of the AIF only if the AIF manager’s management of the AIF does not or will not comply with the legislative and regulatory provisions applicable to asset management companies. In the case of a positive decision, the asset management company may start marketing the AIF in France from the date of the notification by the AMF to that effect.

Article 421-12-1
In the event of a material change to any of the particulars communicated in accordance with I of Article L. 214-24-1, the AIF manager shall give written notice of that change to the AMF at least one month before implementing the change, or immediately
Paragraph 2 - Procedure for marketing aifs in france to retail investors

Article 421-13

I.- In application of III of Article L. 214-24-1 of the Monetary and Financial Code, any asset management company, management company established in the European Union or AIF manager established in a third country must submit an application for authorisation in accordance with the conditions set forth in an AMF Instruction, prior to marketing units or shares of an AIF under its management and established in an EU Member State or a third country to retail investors in France.

II. - If the AIF is established in an EU Member State other than France or in a third country, the AMF shall only issue the marketing authorisation mentioned in I of this Article on condition that:

1 • An information exchange and mutual assistance system in the field of asset management on behalf of third parties has been set up between the AMF and the supervisory authority of the AIF; and

2 • The AIF meets the conditions laid down in a mutual recognition agreement on AIFs that may be marketed to retail investors, signed between the AMF and the supervisory authority of the AIF.

Prior to any marketing, the AIF's key information document, drawn up in accordance with the procedures provided for by Regulation (EU) 1286/2014 of 26 November 2014, is notified to the AMF.

III. - If the management company is established in an EU Member State other than France or if the AIF manager is established in a third country, the AMF shall only issue the marketing authorisation mentioned in I of this Article on condition that:

1 • An information exchange and mutual assistance system in the field of asset management on behalf of third parties has been set up between the AMF and the supervisory authority of the management company or AIF manager; and

2 • The management company or the AIF manager meets the conditions laid down in a mutual recognition agreement establishing the specific requirements applicable to the authorisation of management companies or AIF managers of AIFs that may be marketed to retail investors, signed between the AMF and the supervisory authority of the management company or AIF manager.

IV. - Without prejudice to Article 26 of Regulation (EU) 2015/760 of 29 April 2015 on long-term European investment funds, any asset management company, authorised management company established in the European Union or AIF manager established in a third country that intends to market units or shares of an AIF to retail clients in France in accordance with III of Article L. 214-24-1 of the Monetary and Financial Code shall provide those investors with facilities to perform the following tasks:

1 • Processing investors' subscription, payment, repurchase and redemption orders concerning units or shares of the AIF, in accordance with the conditions set out in the AIF's documents;

2 • Informing investors how the orders referred to in 1° can be placed and of the procedures for payment of the revenues resulting from repurchases and redemptions;

Source : AMF website / Book 4 into force since 30/07/2023 with notes / This translation is for information purposes only
Facilitating the processing of information relating to the exercise of investors' rights arising from their investment in the AIF;

Providing investors, for examination and for obtaining copies, with the information and documents mentioned in Article L. 214-24-19 of the Monetary and Financial Code and in Articles 421-33 and 421-34;

Providing investors, on a durable medium within the meaning of Article 314-5, with information relating to the tasks that these facilities make it possible to perform; and

For any authorised management company established in the European Union and any AIF manager established in a third country, acting as a contact point with the AMF.

V. The asset management company, management company or AIF manager shall ensure that facilities to perform the tasks referred to in IV, including electronically, are provided:

In the French language or, by way of derogation, in a language customary in the sphere of finance other than French, subject to compliance with the conditions stipulated by III of Article 421-26;

By itself or by a third party subject to the regulations and supervision governing the tasks to be performed, or by both at once.

For the purpose of 2°, when the tasks are to be carried out by a third party, the appointment of this third party shall be covered by a written contract specifying the tasks that are not to be carried out by the asset management company, management company or AIF manager, among those referred to in IV, and stipulating that the third party will receive all useful information and documents from the asset management company, the management company or the AIF manager.

Paragraph 3 - Procedure for marketing in France of EU or third country AIFs by an asset management company, a management company or a third country AIF manager without a passport

Article 421-13-1
For an asset management company or a management company to market units or shares of third country AIFs in France without a passport, or for a third party AIF manager to market units or shares of EU or third country AIFs in France without a passport, the asset management company, management company or AIF manager shall send the AMF an application for prior authorisation, in accordance with the conditions set forth in an AMF instruction.

This instruction shall specify the procedure and the information to be sent once marketing authorisation has been given.

Sub-section 2 - Procedure for marketing AIFs in an EU Member State other than France

Paragraph 1 - Procedure for an asset management company to market EU AIFs to professional investors with a passport

Article 421-14
The notification mentioned in I of Article L. 214-24-2 of the Monetary and Financial Code, sent by an asset management company prior to marketing units or shares of an EU AIF in an EU Member State other than France, includes the following for every AIF concerned:

a) A notification letter comprising a programme of activity identifying the AIFs that the asset management company intends to market and information about where the AIFs are established;

b) The AIF rules or articles of association;

c) Identification of the depositary of the AIF;

d) A description of, or any information on, the AIF available to investors;
Article 421-14-1

I. - In application of VI of Article L. 214-24-2 of the Monetary and Financial Code, any asset management company may withdraw the notification dossier sent to the AMF for marketing in another EU Member State the units or shares of some or all of the AIFs marketed in that State. This withdrawal is subject to compliance with the following conditions:

1 • Except in the case of closed-ended AIFs and long-term European investment funds governed by Regulation (EU) 2015/760 of 29 April 2015, a general repurchase or redemption offer shall be made, without fees or deductions, for all the units or shares of the AIFs identified in the notification mentioned in II which are held by investors in the host Member State; this offer shall be available to the public during at least thirty business days and shall be sent individually, directly or via financial intermediaries, to all the investors in the host Member State whose identity is known;

2 • The intention of terminating the planned procedure for marketing the units or shares of some or all of the AIFs in the host Member State shall be published on a medium available to the public, including by electronic means, which is customary for the marketing of AIFs and suitable for a typical AIF investor;

3 • All contractual terms with financial intermediaries or delegatees shall be modified or terminated, effective from the date of withdrawal of the notification, in order to prevent any new or additional activity, direct or indirect, for an offer or placement of the units or shares of the AIFs identified in the notification mentioned in II.

From the date mentioned in 3°, the asset management company shall cease any new or additional activity, direct or indirect, for an offering or placement of units or shares of the AIF that it manages in the EU Member State with regard to which it has performed notification in accordance with II.

II. - The asset management company shall submit to the AMF a notification containing the information mentioned in 1°, 2° and 3° of I.

III. - The AMF checks that the notification that the asset management company has submitted to it in accordance with II is complete. Within no more than 15 business days following receipt of the complete notification, the AMF forwards this notification to the competent authorities of the EU Member State identified in the notification mentioned in II, and to the European Securities and Markets Authority.

After having forwarded the notification in accordance with the above paragraph, the AMF immediately informs the asset management company of this.
During a period of thirty-six months from the date mentioned in 3° of I, the asset management company shall not undertake in the EU Member State identified in the notification mentioned in II any pre-marketing activity, within the meaning of Article L. 214-24-2-1 of the Monetary and Financial Code, concerning units or shares of the AIFs mentioned in the notification, or concerning similar investment strategies or similar investment ideas.

IV. - The asset management company shall provide investors who retain an investment in the AIF, as well as the AMF, with the information mentioned in Article L. 214-24-19 of the Monetary and Financial Code. For this purpose, the use of any electronic communication system or other remote communication system is authorised.

V. - The AMF forwards to the competent authorities of the EU Member State identified in the notification mentioned in II the information relating to any change in the documents and information mentioned in points b to f of Article 421-14.

Paragraph 2 - Procedure for an asset management company to market third country AIFs to professional investors with a passport

**Article 421-15**

The date of entry into force of the provisions of this paragraph is set in accordance with the provisions of the European Commission's delegated act provided for in Article 67(6) of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011.

**Article 421-16**

The notification mentioned in I of Article L. 214-24-2 of the Monetary and Financial Code, sent by an asset management company prior to marketing units or share of third country AIFs in an EU Member State other than France, includes the following for every AIF concerned:

a) A notification letter comprising a programme of activity identifying the AIFs that the asset management company intends to market and information about where the AIFs are established;

b) The AIF rules or articles of association;

c) Identification of the depositary of the AIF;

d) A description of, or any information on, the AIF available to investors;

e) Information on where the master AIF is established if the AIF is a feeder AIF;

f) Any additional information referred to in the second and third paragraphs of Article L. 214-24-19 of the Monetary and Financial Code, for each AIF that the asset management company intends to market;

g) The indication of the Member State in which the asset management company intends to market the units or shares of the AIF to professional investors;

h) Information about arrangements for marketing AIFs and, where relevant, information on the arrangements established to prevent units or shares of the AIF from being marketed to retail investors, including in the case where the management company relies on independent entities to provide investment services in respect of the AIF.

**Article 421-17**

The arrangements referred to in point h) of Article 421-16 shall be subject to the laws and supervision of the host Member States of the asset management company.

Paragraph 3 - Procedure for marketing AIFs established in an EU member state, managed by an AIF manager established in a third country for which the member state of reference is France
Article 421-18
The date of entry into force of the provisions of this paragraph regarding AIFs or AIF managers established in a third country is set in accordance with the provisions of the European Commission's delegated act provided for in Article 67(6) of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011.

Article 421-19
The notification mentioned in I of Article L. 214-24-2 of the Monetary and Financial Code, sent by an AIF manager established in a third country for which the Member State of reference is France, prior to marketing units or shares of EU AIFs in an EU Member State, includes the following for every AIF concerned:

a) A notification letter comprising a programme of activity identifying the AIFs that the AIF manager intends to market and information about where the AIFs are established;

b) The AIF rules or articles of association;

c) Identification of the depositary of the AIF;

d) A description of, or any information on, the AIF available to investors;

e) Information on where the master AIF is established if the AIF is a feeder AIF;

f) Any additional information referred to in the second and third paragraphs of Article L. 214-24-19 of the Monetary and Financial Code, for each AIF that the AIF manager intends to market;

g) The indication of the Member State in which the AIF manager intends to market the units or shares of the AIF to professional investors;

h) Information about arrangements for marketing AIFs and, where relevant, information on the arrangements established to prevent units or shares of the AIF from being marketed to retail investors, including in the case where the AIF manager relies on independent entities to provide investment services in respect of the AIF.

Article 421-20
The arrangements referred to in point h) of Article 421-19 shall be subject to the laws and supervision of the host Member States of the AIF manager.

Paragraph 4 - Procedure for marketing third country AIFs in an EU member state other than France by a third country AIF manager for which the member state of reference is France

Article 421-21
The date of entry into force of the provisions of this paragraph regarding AIFs or AIF managers established in a third country is set in accordance with the provisions of the European Commission's delegated act provided for in Article 67(6) of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011.

Article 421-22
The notification mentioned in I of Article L. 214-24-2 of the Monetary and Financial Code includes:

a) A notification letter comprising a programme of activity identifying the AIFs that the AIF manager intends to market and information about where the AIFs are established;

b) The AIF rules or articles of association;

c) Identification of the depositary of the AIF;
d) A description of, or any information on, the AIF available to investors;

e) Information on where the master AIF is established if the AIF is a feeder AIF;

f) Any additional information referred to in the second and third paragraphs of Article L. 214-24-19 of the Monetary and Financial Code, for each AIF that the AIF manager intends to market;

g) The indication of the Member State in which the AIF manager intends to market the units or shares of the AIF to professional investors;

h) Information about arrangements for marketing AIFs and, where relevant, information on the arrangements established to prevent units or shares of the AIF from being marketed to retail investors, including in the case where the AIF manager relies on independent entities to provide investment services in respect of the AIF.

**Article 421-23**
The arrangements referred to in point h) of Article 421-22 shall be subject to the laws and supervision of the host Member States of the AIF manager.

**Sub-section 3 - Marketing rules**

**Paragraph 1 - General provisions**

**Article 421-24**
French and foreign AIFs authorised for marketing in France, or their asset management companies, management company or AIF manager, are subject to the provisions of this sub-section.

**Article 421-25**
The AMF is entitled to exercise the prerogatives referred to in Article 314-6 with regard to any person distributing AIFs.

Advertisements from the AIF aimed at investors shall be clearly identified as such. They shall be accurate, clear and not misleading. More specifically, if an advertisement containing an invitation to buy units or shares in an AIF includes specific information about the AIF, it cannot contain information that contradicts the information provided in the investor disclosure documents or that understates the importance of such information.

Such advertisements shall state whether investor disclosure documents exist and are available.

They shall stipulate where and in which languages the holders of units or shares of the AIF and potential investors can obtain this information and these documents, or how they can gain access to them.

**Article 421-26**
I. - Without prejudice to the legal and regulatory provisions applicable to the provision of the service of investment advice, an asset management company, management company or AIF manager that markets the units or shares of AIFs under its management shall comply with the conduct of business rules applicable to the service of order execution for third parties provided for in Chapter IV of Title I of Book III, while an asset management company, management company or AIF manager that markets the units or shares of AIFs managed by other entities shall comply with the conduct of business rules applicable to the service of order reception and transmission for third parties provided for in Chapter IV of Title I of Book III.

An AMF Instruction shall stipulate the conditions for applying the provisions of this Article.

II. - Any person marketing units or shares of AIFs or units or shares of sub-funds shall ensure that the investor meets the
subscription requirements for that AIF.

Where the AIF or its asset management company, management company or AIF manager has entered into a contract to distribute the units or shares of the AIF, the contract shall specify how investors may obtain access to investor disclosure documents.

III. - The marketing of AIF shares or units in France is subject to a requirement that rules or instruments of incorporation and documents intended to provide information holders be provided in French.

Notwithstanding the previous paragraph, these documents may be drafted in a language customary in the sphere of finance other than French, if the marketing is directed at professional clients and after the person marketing the UCITS shares or units has ensured:

1 • With professional clients, that he has consented to receive the documents in that language;

2 • With non-professional clients, that he understands that language.

Article 421-27
An AIF being subject to authorisation as set out in Articles 421-13 and 421-13-1, its asset management company, its management company or its AIF manager may, under the conditions set out in V of Article 421-13, name a third party established in France as “correspondent” to perform the tasks stipulated by IV of said Article.

This correspondent may also be tasked with payment of the fixed annual fee, in accordance with Article L. 621-5-3 of the Monetary and Financial Code.

Paragraph 2 - Special provisions applicable to the admission to trading on a regulated market or a multilateral trading facility

Article 421-27-1
I. - AIFs whose units or shares are admitted to trading on a regulated market or a multilateral trading facility under the conditions set out in Article D. 214-32-31 of the Monetary and Financial Code will also make available to the public the specific information related to the admission to trading, in accordance with the conditions set out in an AMF instruction.

This information is made public before the units or shares of the AIF are effectively admitted to trading on a regulated market or a multilateral trading facility.

A copy of the prospectus shall be sent free of charge to any person who requests it and an electronic version of the prospectus is published on the website of the AIF portfolio management company and shall be sent to the AMF for posting on its website.

II. - The provisions of this article apply to the marketing of units or shares of retail investment funds governed by Articles 422-2 et seq., private equity funds governed by Articles 422-120-1 et seq., funds of alternative funds governed by Articles 422-250 et seq., professional investment funds governed by Articles 423-1 et seq., professional specialised investment funds governed by Articles 423-16 et seq., professional private equity funds governed by Articles 423-37 et seq. and foreign AIFs marketed under the conditions provided for in Article L. 214-24-1 of the Monetary and Financial Code, where these units or shares are admitted to trading on a regulated market or on a multilateral trading facility under the conditions set out in Article D. 214-32-31 of the Monetary and Financial Code.

III. - Any person marketing the units or shares of AIFs whose units or shares are admitted to trading on a regulated market or on a multilateral trading facility under the conditions set out in Article D. 214-32-31 of the Monetary and Financial Code shall ensure that investors have the information provided for in this paragraph.

Article 421-27-2
I. - The units or shares of an AIF whose management objective is based on an index, pursuant to II of Article D. 214-32-31 of the Monetary and Financial Code, may be admitted to trading on a regulated market. These are:
The algorithm includes one or more parameters that may vary over time and that are called "variables".

The algorithm, the index and conditions for adjusting the variables shall be described in the prospectus and set in a way that is compatible with the proper information of the public.

II. - Where the units or shares of AIFs are admitted to trading on a regulated market under the conditions provided for in I, the management company shall disclose to the public:

1. The results of the algorithm in accordance with the timetable described in the prospectus;
2. Any adjustment of the variables of the algorithm. This disclosure shall take place no later than seven business days before the implementation of the adjustment;
3. By way of derogation to 2°, where one or more variables are adjusted automatically by application of objective criteria and according to a timetable described in the prospectus, the public shall be informed no later than seven business days following the implementation of the adjustments.

The management company will ensure the effective and complete disclosure of the information referred to in points 1°, 2° and 3°.

It will also post the information on its website.

III. - The provisions of this article apply to the marketing of units or shares of retail investment funds governed by Articles 422-2 et seq. and to the units or shares of foreign AIFs marketed under the conditions provided for in Article L. 214-24-1 of the Monetary and Financial Code, where these units or shares are admitted to trading on a regulated market under the conditions provided for in II of Article D. 214-32-31 of the Monetary and Financial Code.

Sub-section 4 - Procedure for pre-marketing in France and in the other EU Member States

Article 421-27-3
The letter mentioned in II of Article D. 214-32-4-1-1 of the Monetary and Financial Code shall be sent by the asset management company to the AMF electronically. It shall specify the EU Member States in which the pre-marketing activities take place or have taken place, and the periods during which they take place or have taken place. It shall also contain a brief description of those activities, including information on the investment strategies presented and, where applicable, a list of the AIFs and AIF sub-funds which undergo or have undergone pre-marketing.

Section 2 - Valuation (Articles 421-28 à 421-32)

Article 421-28
The net asset value is obtained by dividing the net assets of the AIF by the number of shares or units.

The assets in the AIF portfolio are valued every day that the net asset value is determined, under the conditions set out in the AIF rules or articles of association.
Article 421-29
The asset management company, management company or AIF manager makes the net asset value available and communicates it to any person who requests it.

If an AIF is governed by French law, its net asset value is sent to the AMF on the day it is determined, in accordance with the procedures set out in an AMF Instruction.

Article 421-30
The valuation procedures used shall ensure that the AIF’s assets are valued and that the net asset value per unit or share is calculated at least once a year.

If the AIF is open-ended, such valuations and calculations shall also be carried out at a frequency which is appropriate both to the assets held by the AIF and to the issuance and redemption frequency.

If the AIF closed-ended, such valuations and calculations shall also be carried out in case of an increase or decrease of the capital by the relevant AIF.

Investors in the AIF shall be informed of the valuations and calculations as set out in the relevant AIF rules or articles of association.

Article 421-31
In application of Article L. 214-24-16 of the Monetary and Financial Code, where an external valuer performs the valuation function:

1 • The appointment of the external valuer shall comply with the rules on delegation provided for in I, II and VII of Article 318-58;

2 • The asset management company, management company or AIF manager shall comply with Article 73 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012;

3 • The external valuer, who may be a member of one or more professional bodies, shall at all times abide by a charter that includes:

a • A description of the valuation tools and methods used for each category of assets in which the valuer is competent;

b • A principle of independence that the valuer must comply with, and specifically a procedure for detecting and managing conflicts of interest and, where appropriate, informing the asset management company, management company or AIF manager thereof;

c • An information policy and procedure by means of which the external valuer informs the asset management company, management company or AIF manager without delay of any changes in the valuer’s situation as declared at the time of appointment.

Article 421-32
The AIF or AIF portfolio management company, management company or AIF manager shall comply with Articles 67 to 74 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012.

Section 3 - Information (Articles 421-33 à 421-38)

Sub-section 1 - Disclosure to investors

Article 421-33
The annual report of the AIF shall include the information specified in an AMF Instruction.

**Article 421-34**

I.- The information referred to in an AMF Instruction is made available to investors before they subscribe units or shares in an AIF.

Any material changes to the information in this document are also made available to investors.

II. - The AIF or its asset management company, management company or AIF manager shall inform investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability in accordance with II and III of Article L. 214-24-10 of the Monetary and Financial Code. The AIF or its asset management company, management company or AIF manager shall also inform investors without delay of any changes with respect to depositary liability.

III. - Where the AIF is required to publish a prospectus in accordance with Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, only such information referred to in I and II which is in addition to that contained in the prospectus need be disclosed separately or as additional information in the prospectus.

IV. - EU AIFs and AIFs marketed in the EU, or their asset management company, management company or AIF manager, shall periodically disclose to investors:

1. The percentage of the AIF's assets subject to special arrangements arising from their illiquid nature;

2. Any new arrangements for managing the liquidity of the AIF;

3. The current risk profile of the AIF and the risk management systems employed by the AIF or its asset management company, management company or AIF manager to manage those risks.

V. - EU AIFs and AIFs marketed in the EU, employing leverage, or their asset management company, management company or AIF manager, shall, for each such AIF, disclose on a regular basis:

1. Any changes to the maximum level of leverage which the asset management company, management company or AIF manager may employ on behalf of the AIF as well as any right of reuse of the AIF's assets given as collateral and any guarantee under the leveraging arrangements;

2. The total amount of leverage employed by that AIF.

**Article 421-35**
The AIF or AIF portfolio management company, management company or AIF manager shall comply with Articles 103 to 109 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012.

Sub-section 2 - Reporting to the AMF

**Article 421-36**

I. - Any AIF managed or marketed in the European Union, or its asset management company, management company or AIF manager, shall provide the AMF with the following:

1. The percentage of the AIF’s assets which are subject to special arrangements arising from their illiquid nature;

2. Any new arrangements for managing the liquidity of the AIF;

3. The current risk profile of the AIF and the risk management systems employed to manage the market risk, liquidity risk, counterparty risk and other risks including operational risk;
II. - At the AMF's request:

1. An AIF managed or marketed in the European Union, or its asset management company, management company or AIF manager, shall provide it with an annual report for each financial year, in accordance with Article L. 214-24-19 of the Monetary and Financial Code;

2. The asset management company, management company or AIF manager shall provide it with a detailed list of all AIFs which it manages, for the end of each quarter.

Article 421-37
The AIF or AIF portfolio management company, management company or AIF manager shall comply with Articles 110 to 111 and Annex IV of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012.

Article 421-38
I. When the AIF is managed by an investment management company established in a European Union Member State or a State party to the Agreement on the European Economic Area other than France, or by a manager established in a third country, the investment management company or this manager shall send the AMF the information comprised in the report provided for in Article 318-37-1 according to the same procedures, with the exception of compensation paid by the investment management company or the manager to clients who are not shareholders or unitholders of the AIF.

II. - Pursuant to Article L. 621-8-4 of the Monetary and Financial Code, the AIF or, where applicable, the custodian, asset management company, manager or investment service provider authorised to provide one of the services mentioned in Article L. 321-1 to which the AIF entrusts, pursuant to Article L. 214-24-46 of the Monetary and Financial Code, the responsibility for centralising subscription and redemption orders for its units or shares, shall, at the AMF's request, provide the AMF with daily information on subscription and redemption requests for units or shares of the UCITS that were centralised before 4 p.m. on the same day. Subscription and redemption requests that are centralised after this time shall be submitted to the AMF on the next business day.

III. Pursuant to Article L. 621-8-4 of the Monetary and Financial Code, when an AIF grants loans to companies under the conditions set out in Regulation (EU) 2015/760 of 29 April 2015 on European long-term investment funds and is managed by an investment management company established in a Member State of the European Union or party to the Agreement on the European Economic Area other than France, that investment management company shall provide the AMF at least quarterly, in a format that it defines, with information on unmatured loans granted.

Chapter II - Funds open to retail investors (Articles 422-1 à 422-253)

Article 422-1
[Empty]

Section 1 - Retail investment funds (Articles 422-2 à 422-120)

Article 422-2
For the purposes of applying this Section:

1. The term "AIF" designates either an open-ended investment company (société d'investissement à capital variable - SICAV) or a common fund (fonds commun de placement - FCP);
Article 422-3
The provisions of Chapter I of this Title apply to retail investment funds except where provided otherwise.

Sub-section 1 - Authorisation

Paragraph 1 - SICAVS

Article 422-4
The articles of association of a SICAV are signed by the first shareholders in person or by a specially empowered agent. The said articles stipulate the names of the first shareholders and the amounts paid in by each of them, and, where applicable, the names of the first directors or the names of the members of the executive board and the supervisory board, as well as the names of the first statutory auditor and, where applicable, the alternate auditor, named in accordance with the conditions stipulated in Article L. 214-24-31 of the Monetary and Financial Code.

A SICAV cannot set up sub-funds and issue different share classes unless its articles of association explicitly provide for it to do so.

Article 422-5
The articles of association, along with the deposit certificate for the initial capital issued by the depositary, shall be filed with the registry of the commercial court with jurisdiction over the registered office of the SICAV.

If the articles of association provide for the SICAV to be an umbrella fund, the depositary also issues a certificate for each sub-fund to the asset management company. The asset management company sends the said certificates to the AMF.

An AMF Instruction stipulates the minimum information disclosures required in the articles of association of a SICAV.

Article 422-6
The articles of association provided for in Article L. 214-24-25 of the Monetary and Financial Code stipulate the principles for distributing the SICAV's distributable sums, the procedures for subscriptions and redemptions and, where applicable, the procedures governing the rights attaching to different share classes. The procedures for distributing the SICAV's distributable sums may be defined in the prospectus.

Article 422-7
I. - Authorisation of a SICAV, as provided for under Article L. 214-24-24 of the Monetary and Financial Code and, where applicable, the authorisation of each sub-fund provided for under the same Article, is subject to prior filing of an application with the AMF containing the elements stipulated in an AMF Instruction.

The AMF notifies the SICAV whether its authorisation has been granted or refused, within one month of the filing of the application.

If the AMF does not respond for one month following the acknowledgement of receipt of the application, authorisation is deemed to be granted.
If the AMF asks for further information that requires the asset management company to submit a supplementary information sheet, the AMF serves written notice stipulating that it shall receive the items requested within sixty days. If it fails to receive the said items within this period, the authorisation application is deemed to be rejected. The AMF issues a written acknowledgement of receipt when it has received all the information requested. The acknowledgement of receipt stipulates a new deadline for authorisation, which cannot be longer than the one referred to in the previous paragraph.

II. - The period referred to in I is reduced to eight working days from the acknowledgement of receipt of the authorisation application by the AMF, when the SICAV applying for authorisation is comparable to a UCITS or an retail investment fund already authorised by the AMF; this is notably the case when, pursuant to the second paragraph of Article L. 214-12-33 of the Monetary and Financial Code, the SICAV was created by a demerger of a SICAV already authorised by the AMF.

The AMF assesses the comparability of the SICAV applying for authorisation, called the "comparable SICAV", and the UCITS or retail investment fund previously authorised by the AMF, called the "reference UCITS or retail investment fund", with respect to the following:

1 • The reference UCITS or retail investment fund and the comparable SICAV are managed by the same asset management company or the same delegated investment manager, or by investment management companies or delegated investment managers belonging to the same corporate group, and subject to the AMF's assessment of the information provided by the management company of the comparable SICAV, in accordance with the requirements stipulated in an AMF Instruction;

2 • The reference UCITS or retail investment fund has been authorised by the AMF and incorporated less than eighteen months before the date of receipt by the AMF of the authorisation application for the comparable SICAV. At the reasoned request of the management company of the comparable SICAV, the AMF may accept an authorized reference UCITS or retail investment fund that has been incorporated for more than eighteen months at the date of receipt of the authorisation application for the comparable SICAV;

3 • The reference UCITS or retail investment fund has not undergone any changes other than those referred to in an AMF Instruction.

At the reasoned request of the management company of the comparable SICAV, the AMF may allow a UCITS or retail investment fund that has undergone changes other than those referred to in the Instruction to be a reference UCITS or retail investment fund;

4 • Subscribers to the comparable SICAV shall meet the subscription and purchasing requirements of the reference UCITS or retail investment fund;

5 • The investment strategy, risk profile, operating rules and articles of association of the comparable SICAV shall be similar to those of the reference UCITS or retail investment fund.

By way of derogation from points 1° to 5° above, when, pursuant to the second paragraph of Article L. 214-24-33 of the Monetary and Financial Code, the comparable SICAV was created by a demerger of a SICAV already authorised by the AMF, the comparability of the new SICAV is assessed by the AMF notably on the basis of whether the investment strategy, risk profile, operating rules and articles of association of the comparable SICAV are similar to those of the reference AIF.

If one of the incorporating documents of the comparable SICAV is different from that of the reference UCITS or the reference retail investment fund, or if, pursuant to the second paragraph of Article L. 214-24-33 of the Monetary and Financial Code the SICAV was created by a demerger of a SICAV already authorised by the AMF, it shall be clearly identified in the authorisation application of the comparable SICAV, in accordance with the procedures stipulated in an AMF Instruction.

Whenever the AMF asks for further information that requires the submission of a supplementary information sheet, the AMF shall notify the applicant, stipulating that the requested elements must be received within sixty days. If these elements are not received within this period, the authorisation application is deemed to be rejected. Upon receipt of all requested information, the AMF shall
issue a written acknowledgement of receipt. The acknowledgement of receipt stipulates a new deadline for authorisation of eight working days or less.

Whenever the comparable SICAV or the reference UCITS or retail investment fund do not comply with the requirements referred to in this Article, the AMF shall notify the applicant, stipulating that the supplementary information required to compile an authorisation application under the procedures described in I must be received within sixty days. If all the supplementary information is not received within this period, the authorisation application is deemed to be rejected. Upon receipt of all the supplementary information, the AMF shall issue a written acknowledgement of receipt and examine the authorisation application for the SICAV under the conditions and procedures referred to in I. The acknowledgement of receipt stipulates a new deadline for authorisation of one month or less.

Article 422-8
In order to grant the authorisation for the SICAV provided for in Article L. 214-24-24 of the Monetary and Financial Code, the AMF examines the articles of association of the SICAV, the investment strategy used to attain the investment objective of the retail investment fund, its fee structure and any share classes, as presented in the articles of association.

The AMF also examines the choice of depositary and the application of the asset management company to manage the SICAV.

Article 422-9
The asset management company or the SICAV, where applicable, shall send the AMF the deposit certificate for the initial capital of the SICAV immediately after the funds have been deposited and within one hundred and eighty working days from the date of authorisation of the SICAV.

For umbrella SICAVs, this certificate shall be sent to the AMF within:

1. One hundred and eighty working days from the date of authorisation of the SICAV for at least one of the sub-funds; and

2. Three hundred and sixty working days from the date of notification of the authorisation for the other sub-funds, if any. The deposit certificate shall name the sub-fund(s) that it covers.

If the AMF does not receive the certificate within these time periods, it declares the authorisation null and void under the conditions set out in an AMF Instruction.

Where warranted by special circumstances, the SICAV may make a reasoned request for an extension of the deadline for depositing the funds, which shall reach the AMF before the date on which the authorisation is to be declared null and void and mention the requested deadline. The AMF will notify the SICAV of its decision within eight working days of receiving the request.

Article 422-10
The notification of authorisation of the SICAV is sent to the asset management company or, where applicable, to the SICAV itself under the conditions set out in an AMF Instruction.

Paragraph 2 - Common funds (FCPS)

Article 422-11
I. - Authorisation of an FCP, which is provided for under Article L. 214-24-24 of the Monetary and Financial Code and, where applicable, the authorisation of each sub-fund provided for under the same Article, is subject to prior filing of an application with the AMF containing the elements stipulated in an AMF Instruction.

The AMF notifies the asset management company whether authorisation of the FCP has been granted or refused, within one month of the filing of the application.

If the AMF does not respond for one month following the acknowledgement of receipt of the application, authorisation is deemed
If the AMF asks for further information that requires the asset management company to submit a supplementary information sheet, the AMF serves written notice stipulating that it shall receive the items requested within sixty days. If it fails to receive the said items within this period, the authorisation application is deemed to be rejected. The AMF issues a written acknowledgement of receipt when it has received all the information requested. The acknowledgement of receipt stipulates a new deadline for authorisation, which cannot be longer than the one referred to in the second and third paragraphs.

II. - The period referred to in I is reduced to eight working days from the acknowledgement of receipt of the authorisation application by the AMF, when the FCP applying for authorisation is comparable to a UCITS or an retail investment fund already authorised by the AMF; this is notably the case when, pursuant to the second paragraph of Article L. 214-24-41 of the Monetary and Financial Code, the FCP was created by a demerger of a FCP already authorised by the AMF.

The AMF assesses the comparability of the FCP applying for authorisation, called the "comparable FCP", and the UCITS or retail investment fund previously authorised by the AMF, called the "reference UCITS or retail investment fund", with respect to the following:

1 • The reference UCITS or retail investment fund and the comparable FCP are managed by the same asset management company or the same delegated investment manager, or by investment management companies or delegated investment managers belonging to the same corporate group and, subject to the AMF’s assessment, of the information provided by the asset management company of the comparable FCP, in accordance with the requirements stipulated in an AMF Instruction;

2 • The reference UCITS or retail investment fund has been authorised by the AMF and incorporated less than eighteen months before the date of receipt by the AMF of the authorisation application for the comparable FCP. At the reasoned request of the asset management company of the comparable FCP, the AMF may accept an authorised reference UCITS or retail investment fund that has been incorporated for more than eighteen months at the date of receipt of the authorisation application for the comparable FCP;

3 • The reference UCITS or retail investment fund has not undergone any changes other than those referred to in an AMF Instruction.

At the reasoned request of the management company of the comparable FCP, the AMF may allow a UCITS or retail investment fund that has undergone changes other than those referred to in the Instruction to be a reference UCITS or retail investment fund;

4 • Subscribers to the comparable FCP shall meet the subscription and purchasing requirements of the reference UCITS or retail investment fund;

5 • The investment strategy, risk profile, operating rules and fund rules of the comparable FCP shall be similar to those of the reference UCITS or retail investment fund.

By way of derogation from points 1° to 5° above, when, pursuant to the second paragraph of Article L. 214-24-41 of the Monetary and Financial Code, the comparable FCP was created by a demerger of a FCP already authorised by the AMF, the comparability of the new FCP is assessed by the AMF notably on the basis of whether the investment strategy, risk profile, operating rules and fund rules of the comparable FCP are similar to those of the reference AIF.

Whenever one of the incorporating documents of the comparable FCP is different from that of the reference UCITS or retail investment fund or when, pursuant to the second paragraph of Article L. 214-24-41 of the Monetary and Financial Code, the FCP was created by a demerger of a FCP already authorised by the AMF, it shall be clearly identified in the authorisation application of the comparable FCP, in accordance with the procedures stipulated in an AMF Instruction.

Whenever the AMF asks for further information that requires submission of a supplementary information sheet, the AMF shall
notify the applicant, stipulating that the requested elements must be received within sixty days. If these elements are not received within this period, the authorisation application is deemed to be rejected. Upon receipt of all the requested information, the AMF shall issue a written acknowledgement of receipt. The acknowledgement of receipt stipulates a new deadline for authorisation of eight working days or less.

Whenever the comparable FCP or the reference UCITS or retail investment fund do not comply with the requirements referred to in this Article, the AMF shall notify the applicant, stipulating that the supplementary information required to compile an authorisation application under the procedures described in I must be received within sixty days. If all the supplementary information is not received within this period, the authorisation application is deemed to be rejected. Upon receipt of all the supplementary information, the AMF shall issue a written acknowledgement of receipt and examine the authorisation application for the FCP under the conditions and procedures referred to in I. The acknowledgement of receipt stipulates a new deadline for authorisation of one month or less.

Article 422-12
In order to grant the authorisation for the FCP provided for in Article L. 214-24-24 of the Monetary and Financial Code, the AMF examines the fund rules of the FCP, the investment strategy used to attain the investment objective of the retail investment fund, its fee structure and any share classes.

The AMF also examines the choice of depositary and the application of the asset management company to manage the FCP.

Article 422-13
The asset management company shall send the AMF the deposit certificate for the funds of the FCP immediately after the deposit of the funds and within one hundred and eighty working days from the date of authorisation of the FCP.

For umbrella FCPs, this certificate shall be sent to the AMF within:

1. One hundred and eighty working days from the date of authorisation of the FCP for at least one of the sub-funds; and

2. Three hundred and sixty working days from the date of notification of the authorisation for the other sub-funds, if any.

The deposit certificate shall name the sub-fund(s) that it covers.

If the AMF does not receive the certificate within these time periods, it declares the authorisation null and void under the conditions set out in an AMF Instruction.

Where warranted by special circumstances, the asset management company may make a reasoned request for an extension of the deadline for depositing the funds, which shall reach the AMF before the date on which the authorisation is to be declared null and void and mention the requested deadline. The AMF will notify the asset management company of its decision within eight working days of receiving the request.

Article 422-14
The fund rules provided for in Article L. 214-24-35 of the Monetary and Financial Code set the term of the FCP and the minimum amount of its initial assets, which cannot be less than the amount stipulated in Article D. 214-32-13 of the Monetary and Financial Code.

The fund rules stipulate the principles for distributing the distributable sums of the FCP, the subscription and redemption procedures and, where applicable, the procedures governing the rights attaching to the different unit classes. The procedures for distributing the FCP’s distributable sums may be defined in the prospectus.

The FCP cannot set up sub-funds unless its fund rules specifically provide for it to do so. An AMF Instruction shall define the contents of the sections in the FCP’s fund rules.
Article 422-15

Without prejudice to Article L. 214-24-1 of the Monetary and Financial Code, the marketing of FCP units and, where applicable, sub-fund units, cannot start until the AMF has served notice of its authorisation. The notice will be sent to the asset management company of the FCP under the conditions set out in an AMF Instruction.

Subscriptions may start once this notice has been received.

The founders shall undertake to complete subscriptions, where applicable, before the end of the period stipulated in the abovementioned Instruction for reaching the minimum amount provided for in the FCP fund rules. This period starts upon notification of the FCP's authorisation.

As soon as the amount referred to in the previous paragraph has been reached, the asset management company will determine the first net asset value. The corresponding deposit certificate issued by the depositary shall be sent to the AMF immediately.

If the FCP is an umbrella fund, the depositary shall issue a deposit certificate for each sub-fund.

Paragraph 3 - Modifications

Article 422-16

Two types of modifications can occur in the life of a retail investment fund:

1. Changes subject to pre-approval;

2. Changes subject to ex-post notification.

The procedures for notifying holders and the conditions under which holders can redeem their units or shares are set out in an AMF Instruction.

Sub-paragraph 1 - Changes subject to pre-approval

Article 422-17

An AMF Instruction defines the conditions under which the AMF authorises changes subject to pre-approval affecting a retail investment fund. The authorisation period is eight working days.

Except in the event of the changes mentioned in Articles 411-53, 411-98, 411-100 and 411-104:

1. The period between the date the holders are informed and the effective date for the change to the retail investment fund shall be between three and ninety days at least, in accordance with the conditions set by an AMF Instruction.

2. The period between the date the holders are informed and the end of the period for selling without charge shall be between three and ninety days at least, in accordance with the conditions set by an AMF Instruction.

Article 422-18

If a retail investment fund or, where applicable, a sub-fund is liquidated, the statutory auditor produces a report on the valuation of the assets and on the liquidation terms, as well as on the transactions that have taken place since the end of the previous accounting year. This report is made available to the investors. It is sent to the AMF.

Sub-paragraph 2 - Changes subject to ex-post notification

Article 422-19

Retail investment funds that undergo changes subject to ex-post notification shall report them in accordance with the procedures set out in an AMF Instruction.
Article 422-20
The prior authorisation of the AMF is required for constituting sub-funds and making changes subject to pre-approval, as stipulated in Article L. 214-24-24 of the Monetary and Financial Code, in accordance with a procedure set out in an AMF Instruction.

Sub-section 2 - General rules

Paragraph 1 - Subscription and redemption rules

Article 422-21
In accordance with Articles L. 214-24-29 and L. 214-24-34 of the Monetary and Financial Code, FCP units or SICAV shares are issued at the request of the holders and at the net asset value plus or minus charges and fees, as appropriate.

However, the retail investment fund may, in accordance with its rules or articles of incorporation, partially or totally cease, on a provisional or permanent basis, issuing shares or units pursuant to the third paragraph of Article L. 214-24-33 and the third paragraph of Article L. 214-24-41 of the Monetary and Financial Code, in objective circumstances entailing the closure of subscriptions, such as reaching a maximum number of shares or units to be issued, a maximum asset threshold, or the end of a given subscription period.

Shares and units are redeemed on the basis of their net asset values, under the conditions set out in Articles 422-81 to 422-83.

If redemptions are temporarily suspended under the terms of the first paragraph of Article L. 214-24-33 or the first paragraph of Article L. 214-24-41 of the Monetary and Financial Code, the retail investment fund or, where applicable, the portfolio asset management company:

1 • Shall immediately disclose the reasons and the procedures for the suspension of redemptions to the AMF and to all of the authorities of the European Union Member States where the units or shares are marketed:

2 • Remains obliged to establish and publish the net asset value as soon as it is able to calculate it accurately.

Redemptions may be made in cash or in kind. If the redemption in kind corresponds to a representative pro rata share of the assets in the portfolio, then the written agreement signed by the outgoing holder must be obtained by the retail investment fund or the management company. Where the redemption in kind does not correspond to a representative pro rata share of the assets in the portfolio, all the unitholders must indicate in writing their agreement authorising the outgoing holder to redeem its shares or units against certain particular assets, as explicitly defined in the agreement.

By derogation from the above, where the retail investment fund is governed by Article 421-27-2, redemptions on the primary market may be carried out in kind under the conditions set out in the fund’s prospectus.

Article 422-21-1
In accordance with the final paragraph of Article L. 214-24-33 and the final paragraph of Article L. 214-24-41 of the Monetary and Financial Code, a retail investment fund (FIVG) may temporarily gate the redemption of units or shares in the case it is necessary owing to exceptional circumstances and in order to protect the interests of units or shares holders or those of the public. Such conditions may be met in particular where irrespective of the normal carrying out of the management strategy, the level of redemption orders is such that, given the liquidity conditions of the assets of the SICAV, of the fund, or of one of its sub-funds, these orders cannot be executed on terms that protect the interests of holders and ensure their equitable treatment, or where redemption orders are made under circumstances that may undermine market integrity.

The investment management company shall inform the AMF, unitholders and the general public of the introduction of a cap on redemptions of units or shares in the fund rules or articles of association. For UCITS other than money market funds governed by Regulation (EU) 2017/1131 of 14 June 2017 or the UCITS mentioned in Article 411-134, the investment management company...
shall inform the AMF, the unitholders and the public if this mechanism has not been introduced and declare the reasons for this to the AMF.

In these cases, redemptions may be gated in the same proportion for all concerned holders, who must be specifically informed of the fact. The part of orders that is unexecuted and that is resubmitted does not have any priority, on the next centralisation dates, over new redemption orders submitted on those dates.

The management company shall notify the AMF of its decision to apply a redemption gate. The management company shall also notify the public, by any means under the conditions set in the prospectus and, at a minimum, on the asset management company’s website.

The rules of the common fund (FCP) or the articles of association of the SICAV shall precisely define the conditions under which a redemption gate may be applied, and in particular:

1. Set the threshold above which the management company may decide to apply a redemption gate to redemption orders received in respect of a single centralisation date;

This threshold shall be justified based on the frequency of net asset value calculation, on the management strategy and on the liquidity of the assets in the UCITS portfolio; the threshold is equal to the ratio between:

- the difference registered on the same centralisation date between the number of redemption requests for units or shares of the UCITS and the number of subscription requests for units or shares of the UCITS; and
- the net assets of the UCITS or the total number of units or shares of the UCITS, or of the sub-fund in question.

This threshold is determined on the basis of the most recent published net asset value or of the most recent indicative net asset value calculated by the management company, or of the number of units or shares outstanding on the valuation date;

2. State the procedures according to which the UCITS may either decide to cancel the unexecuted part of redemption orders or to carry them forward until the next centralisation date. However, in the cases where the UCITS calculates its net asset value more than once a week, the unexecuted part of redemption orders is automatically carried forward to the next centralisation date;

3. Specify whether, and under what terms, the holder may oppose to the carrying forward of the unexecuted part of a redemption order;

4. Limit the gating of redemption requests to a maximum number of net asset values calculations for a given period; this maximum number must be explained with regard to the frequency of net asset value calculation, the management strategy and the liquidity of the assets in the UCITS portfolio.

**Article 422-21-2**
In application of the final paragraph of Article L. <214-24 and the final paragraph of Article L. 214-24-34 of the Monetary and Financial Code, the retail investment fund prospectus may provide, between the date when the subscription or redemption order is centralised and the date when the custody account-keeper settles or delivers the retail investment fund shares or units, for a period of no more than ten business days, including at most five business days’ notice, between the centralising date and the order execution date, and at most five business days between the order

**Article 422-21-3**
Pursuant to the last paragraph of Articles L. 214-24-29 and L. 214-24-34 of the Monetary and Financial Code, the prospectus of the retail investment fund may include mechanisms to offset or reduce the costs of portfolio reorganisation incurred by all unitholders in connection with subscriptions and redemptions.
The investment management company shall inform the AMF, unitholders and the public of the introduction of such mechanisms in the retail investment fund’s prospectus.

For retail investment funds other than those mentioned in Article L. 214-26-1 of the Monetary and Financial Code, money market funds governed by Regulation (EU) 2017/1131 of 14 June 2017 or the AIFs mentioned in Article 421-27-2, if no mechanism is introduced, the investment management company shall declare the reasons for this to the AMF.

The investment management company shall define precisely the conditions for applying these mechanisms, and in particular:

1. The method for identifying, calculating and allocating portfolio rearrangement costs among unitholders;

   The investment management company shall establish this method in writing and reviews it regularly.

2. Where applicable, the thresholds above which its application shall be triggered;

3. The measures for detecting and managing any conflicts of interest that may arise as a result of their implementation.

Paragraph 2 - Minimum asset amount

**Article 422-22**

When the assets of a SICAV or an FCP fall below 300,000 euros, redemption of the SICAV shares or FCP units is suspended.

If the assets remain below the amount stipulated in the first paragraph for thirty days, the retail investment fund is liquidated or subject to one of the operations provided for in Article 422-16.

If the retail investment fund is an umbrella fund, the provisions of this Article apply to each sub-fund.

The provisions of this Article do not apply to the retail investment funds mentioned in Article R. 214-32-39 of the Monetary and Financial Code.

Paragraph 3 - Classes of FCP units and SICAV shares

**Article 422-23**

The prospectus mentioned in Article 422-71 may provide for different unit or share classes within the same retail investment fund or within the same sub-fund. These classes may:

1. Be subject to different rules for distributing income;

2. Be denominated in different currencies;

3. Be subject to different management charges;

4. Be charged different subscription and redemption fees;

5. Have different par values;

6. Come with automatic partial or full risk hedging, as defined in the prospectus. Hedging by category of shares or units may apply to only one risk factor in addition, where applicable, to currency risk. This hedging is achieved using derivatives that reduce the impact of hedging transactions on the other unit classes of the retail investment fund to a minimum;

7. Be reserved for one or more marketing networks.
Subscriptions of a given unit or share class may be reserved for a category of investors defined in the prospectus using objective criteria, such as a subscription amount, a minimum holding period or any other commitment given by the holder.

Paragraph 4 - Intervention in commodity markets

Article 422-24
For the purpose of assessing significant correlation as provided for in Article R. 214-32-23 of the Monetary and Financial Code, contracts relative to sub-categories of the same commodity shall be considered as being a single contract for a single commodity when it comes to calculating the diversification limits. Sub-categories of a commodity shall not be considered as being the same commodity if they are not highly correlated.

An AMF Instruction shall set out the procedures for applying this Article.

Sub-section 3 - Operating rules

Paragraph 1 - Contributions and redemptions in kind

Article 422-25
Contributions in kind may include only the assets stipulated in Article L. 214-24-55 of the Monetary and Financial Code. Contributions and redemptions in kind are valued under the conditions stipulated in Articles 422-26 to 422-32.

Paragraph 2 - Accounting and financial provisions

Sub-paragraph 1 - Valuation

Article 422-26
The retail investment fund or its asset management company establishes, implements and enforces policies and procedures to compute the net asset value correctly on the basis of its accounting records and to ensure proper execution of subscription and redemption orders at that net asset value.

Article 422-27
The asset management company shall value assets for which no prices have been observed or quoted on the day the net asset value is determined.

Article 422-28
If a retail investment fund issues different unit or share classes, the net asset value of each unit or share class is obtained by dividing the portion of net assets corresponding to the unit or share class in question by the number of units or shares in that class. The procedures for calculating the net asset values for retail investment fund unit or share classes are explained in the prospectus.

Article 422-29
If retail investment fund units or shares are denominated in different currencies, only one currency of account is used to recognise the assets of the retail investment fund or, where applicable, the sub-fund.

Article 422-30
Articles 422-26 to 422-32 apply to each sub-fund of a retail investment fund that is an umbrella fund.

Even if separate accounts are kept, each category of contracts, securities, financial instruments and deposits listed as the assets of sub-funds of the same class in the same retail investment fund, is subject to the same valuation rules.

Article 422-31
The beneficiary’s claim on the retail investment fund mentioned in point 2° of II of Article R. 214-32-28 of the Monetary and Financial Code shall be calculated using the following procedures:
Article 422-32
The procedures for valuing the goods and rights that make up the guarantee granted by the retail investment fund, mentioned in the sixth paragraph of II of Article R. 214-32-28 of the Monetary and Financial Code, are as follows:

1 • The claim is calculated on the basis of all the financial liabilities of the retail investment fund resulting from transactions in financial instruments and contracts mentioned in points 1° to 3° of Article L. 211-36 of the Monetary and Financial Code, before considering the goods and rights that make up the guarantee;

2 • The asset management company obtains disclosure of the value of the claim calculated by the beneficiary of the guarantee;

3 • The asset management company establishes an internal procedure for daily monitoring of the value of the claim disclosed by the beneficiary of the guarantee in application of point 2°;

4 • The internal procedure referred to in point 3° includes an arrangement for reducing any differentials in value found. The procedure establishes the thresholds that trigger the arrangement depending on the nature of the claim and defines the decisions to be made to reduce the valuation differential found.

Article 422-33
The accounts of the retail investment fund shall be kept in such a way that all of its assets and liabilities can be identified directly at any time.

Article 422-34
At the end of each accounting year, the board of directors or the executive board of the SICAV or the asset management company of the FCP compiles an inventory of the various assets and liabilities of the retail investment fund. The depositary sends the certificate provided for in Article 323-10 to the asset management company.

The board of directors or the executive board of the SICAV or the asset management company of the FCP draws up the annual financial statements of the retail investment fund. Where applicable, it submits the amount and date of the proposed distribution to the General Meeting and makes the payments of distributable income provided for in Article L. 214-24-31 of the Monetary and Financial Code.

If the retail investment fund is an umbrella fund, condensed financial statements shall be produced for each sub-fund.

These documents report on the situation on the last day of the retail investment fund accounting year. The statements shall be sent to any holder asking for them.

Article 422-35
The annual financial statements of the retail investment fund are certified by the statutory auditor.

**Article 422-36**
The annual financial statements of the retail investment fund, along with the report by the board of directors or executive board of the SICAV or the asset management company of the FCP, shall be made available to the statutory auditor within sixty days of the end of the accounting year.

Within two months of receiving the report by the board of directors or the executive board of the SICAV or the asset management company of the FCP, the statutory auditor submits its report to the registered office of the SICAV or of the asset management company, along with the special report provided for in paragraph 3 of Article L. 225-40 of the Commercial Code, where applicable.

**Article 422-37**
An AMF Instruction determines the contents of the report by the asset management company on the management of the FCP or of the report by the board of directors or the executive board of the SICAV.

**Article 422-38**
The annual financial statements, the list of assets at the end of the accounting year, the reports by the statutory auditor of a retail investment fund, and the report by the board of directors or the executive board of the SICAV, shall be made available for holders at the registered office of the SICAV or of the asset management company of the FCP. They shall be sent to any holders who request them within eight working days of receiving the request.

Subject to the holder's consent, the documents may be sent electronically.

Sub-paragraph 3 - Advances, contributions and redemptions in kind

**Article 422-39**
The board of directors or the executive board of the SICAV or the management company of the FCP may decide to distribute one or more advances on the basis of the statements certified by the statutory auditor.

The statutory auditor assesses both the valuation of contributions in kind and their remuneration. The auditor shall also assess the valuation of redemptions in kind. The auditor’s report shall be filed within fifteen days after the contribution or redemption.

If the contributions or redemptions in kind involve one or more sub-funds in a retail investment fund, the statutory auditor shall produce a report for each sub-fund concerned.

Where the retail investment fund is governed by Article 421-27-2, contributions or redemptions in kind on the primary market shall not be subject to the provisions provided for in the second and third paragraphs of this article.

Sub-paragraph 4 - Charges paid by the retail investment fund

**Article 422-40**
If the compensation of the depository’s delegates, the asset management company and the companies affiliated to it as defined in Article R. 214-43 of the Monetary and Financial Code that perform tasks on behalf of a retail investment fund or act as counterparties in transactions by the fund, is charged direct to the fund’s assets, such charges shall be within the limit of the maximum charges of the fund, as defined in the prospectus, except for the proportion charged by the fund in which the investment is being made.

**Article 422-41**
The statutory auditor's fees are set by mutual agreement between the auditor and the asset management company, on the basis of the programme of audit tasks deemed to be necessary.

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Article 422-42
Fund administration covers the following tasks:

1 • Centralising subscription and redemption orders for units or shares of retail investment funds;

2 • Managing the retail investment fund unit or share registry.

Article 422-43
I. - The key tasks of centralising subscription and redemption orders for units or shares of retail investment funds, under the provisions of article L. 214-24-46 of the Monetary and Financial Code, are as follows:

1 • Providing centralised reception and registration of subscription and redemption orders;

2 • Supervising compliance with the cutoff for centralising subscription and redemption orders referred to in the prospectus;

3 • Reporting the outcome of centralised reception of subscription and redemption orders for the retail investment fund as an amount and, where applicable, as the aggregate number of units or shares subscribed or redeemed;

4 • Valuing the orders after receiving information about the net asset value per unit or share from the retail investment fund. To enable the transfer agent to perform its tasks promptly, the retail investment fund shall send it the information about the net asset value per unit or share as soon as available;

5 • Reporting the information that the institution managing the unit or share registry needs to create or cancel units or shares;

6 • Reporting information about the outcome of the order processing to the entity that sent the order to the transfer agent and to the retail investment fund.

II. - The order registration contains the following information:

1 • The retail investment fund concerned;

2 • The person who gave or sent the order;

3 • The person who received the order;

4 • The date and time of the order;

5 • Payment terms and media;

6 • The type of order;

7 • The order execution date;

8 • The number of units subscribed or redeemed;

9 • The subscription or redemption price per unit;

0 • The total value of the units subscribed or redeemed;

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Article 422-44
The entity responsible for centralising orders is referred to as the "transfer agent" in the prospectus of the retail investment fund. Where applicable, any entity responsible for centralising orders in accordance with the provisions of Article 422-45 shall be named in the prospectus.

Article 422-45
I. - The transfer agent may delegate the performance of centralising tasks to:

1 • One of the persons referred to in article L. 214-24-46 of the Monetary and Financial Code, or to an investment services provider located in a State party to the European Economic Area agreement;

2 • An intermediary authorised within the European Economic Area to perform centralising tasks within the meaning of Article 422-43.

II. - An agreement is entered into by the transfer agent and the entity to which the performance of centralising tasks is delegated. This agreement shall contain the following clauses:

1 • The key centralising tasks, as referred to in Article 422-43, that are delegated to the entity, including the procedures for registering subscription and redemption orders;

2 • The nature of the information necessary for the entity to perform the tasks delegated to it, along with the procedures for the transfer agent to transmit such information to the entity, especially information about the net asset value of the retail investment fund;

3 • The procedures for handling an event affecting the subscription and redemption process for units or shares of the retail investment fund;

4 • A clause allowing the AMF effective access to the data about centralising subscription and redemption orders for units or shares in the retail investment fund and to the business premises of the entity.

The procedures for terminating the agreement at the initiative of either party shall ensure the continuity and the quality of service provided.

The transfer agent shall give the retail investment fund and, where applicable, the asset management company that represents it, and the depositary, prior notice of any change in the entity to which the centralising tasks have been delegated.

The transfer agent remains responsible for the performance of the centralising tasks that it delegates.

For retail investment funds created before 21 October 2011, the entity mentioned in the prospectus as responsible for centralising orders is presumed to be acting on a delegation from the fund.

Article 422-46
A subscription or redemption order for retail investment fund units or shares sent to a transfer agent or any other entity to which centralising tasks have been delegated becomes irrevocable as of the order centralisation cutoff specified in the fund prospectus.

An irrevocable subscription or redemption order for retail investment fund units or shares requires the investor and the entity that sent the order to the transfer agent, or to any entity to which the performance of centralising tasks has been delegated, to pay for or deliver said units or shares.
The term "direct order" denotes a subscription and redemption order for retail investment fund units or shares sent directly to the transfer agent and accepted by the latter subject to the provisions of an agreement between the transfer agent and the retail investment fund or, where applicable, the asset management company representing it, that sets out the requirements for accepting and settling direct orders.

The retail investment fund or the asset management company that represents it shall implement an appropriate arrangement for managing the risks involved in accepting and settling such orders.

Article 422-48

The unit or share registry management tasks are as follows:

1. Producing documented and traceable records of the number of securities corresponding to the creation or cancellation of units or shares resulting from the centralisation of subscription and redemption orders, and determining the resulting number of securities making up the capital of the retail investment fund; the unit or share registry manager ensures that a corresponding entry has been posted to the cash account of the retail investment fund;

2. Identifying the owners of registered units or shares and recording the number of units or shares owned by each owner. If the retail investment fund is not admitted to the central depositary, the entity responsible for managing the unit or share registry also records the number of bearer units or shares held by the custodians directly identified in the unit or share registry, where applicable;

3. Organising simultaneous payments and deliveries of securities resulting from the creation or cancellation of units or shares; the registry manager also organises deliveries and, where applicable, payments resulting from any other transfers of units or shares. If a securities settlement and delivery system is used, the unit or share registry manager ensures that it has appropriate procedures in place;

4. Ensuring that the total number of units or shares issued on a given date corresponds to the number of circulating units or shares on the same date, including registered units or shares and, where applicable, bearer units or shares.

5. Organising coupon and dividend payments and organising the processing of transactions affecting the retail investment fund units or shares.

Article 422-49

Unit or share registry management is part of the administrative management of the retail investment fund.

The retail investment fund or, where applicable, the asset management company that represents it, may delegate the performance of the unit or share registry management tasks described in Article 422-48 to an investment services provider in accordance with the conditions set out in points 1° to 3° and 5° to 9° of Article 321-97 or, where applicable, Article 318-58.

Sub-section 4 - Calculation of aggregate risk

Paragraph 1 - Measurement of aggregate risk for retail investment funds in relation to financial contracts

Article 422-50

Pursuant to Article R. 214-32-24-1 of the Monetary and Financial Code, for the purposes of this paragraph eligible financial securities and money market instruments including a financial contract are equivalent to financial contracts.

Sub-paragraph 1 - General provisions

Article 422-51

I. The asset management company shall calculate at least once a day the aggregate risk of retail investment funds that it manages. If necessary, and depending on the retail investment fund investment strategy, the asset management company may
calculate the aggregate risk of retail investment funds several times a day.

The established aggregate risk limits shall be observed at all times.

II. - The aggregate risk of retail investment funds shall correspond to either of the following values:

1 • Total exposure and leverage of the retail investment fund through financial contracts; this may not exceed the net assets of the retail investment fund;

2 • Market risk for the retail investment fund portfolio.

Article 422-52
I. - In order to calculate the aggregate risk of retail investment funds under its management, the asset management company shall use the commitment approach or the value at risk approach set by an AMF instruction.

For the purposes of this paragraph, the term: "value at risk" denotes the measure of maximum potential loss on the basis of a given level of confidence and for a given period.

II. - Any company managing portfolios of retail investment funds shall ensure that the approaches it uses to measure aggregate risk are appropriate in the light of the corresponding risk profile for the investment strategy of the retail investment fund, the type and degree of complexity of the financial contracts concluded, and the share of the retail investment fund portfolio consisting of financial contracts.

III. - The asset management company shall use the value at risk approach if the retail investment fund that it manages has any of the following characteristics:

a) The retail investment fund uses complex investment strategies that account for a substantial proportion of its investment policy;

b) The exposure of the retail investment fund to non-standard financial contracts is substantial;

c) If the market risks run by the retail investment fund are not adequately taken into account by the commitment approach.

The value at risk approach shall be supplemented by a stress test system. An AMF instruction shall define the concepts of standard and non-standard financial contracts.

IV. - Aggregate risk for a feeder retail investment fund in relation to financial contracts shall be calculated by combining the fund's own direct risk with respect to financial contracts concluded pursuant to Article L. 214-24-57 of the Monetary and Financial Code with the following:

a) Either the actual risk for the master UCITS or AIF in relation to financial contracts, proportionate to the investments by the feeder retail investment fund in the master UCITS or AIF;

b) Or the potential maximum aggregate risk of the master UCITS or AIF with regard to financial contracts specified in the regulations or articles of association of the master UCITS or AIF, proportionate to the investments by the feeder retail investment fund in the master UCITS or AIF.

Sub-paragraph 2 - Commitment approach

Article 422-53
I. - If the asset management company uses the commitment approach to calculate aggregate risk, it shall also use this approach for all positions on financial contracts, irrespective of whether they are used as part of general policy for the retail investment fund,
for the purposes of risk reduction or for the purposes of efficient portfolio management, as specified in Article R. 214-32-27 of the Monetary and Financial Code.

II. - If a retail investment fund, in accordance with Article L. 214-24-56 of the Monetary and Financial Code, uses techniques and instruments designed to increase its leverage or exposure to market risk, including repurchase agreements or securities lending or borrowing transactions, the asset management company shall take these transactions into account when calculating aggregate risk.

III. - Calculation of aggregate risk for a retail investment fund using the commitment approach requires the position of each financial contract to be converted into the market value of an equivalent position for the underlying asset for the contract in question.

The stages of calculation of aggregate risk using the commitment approach and the conversion formulas shall be specified in an AMF instruction.

**Article 422-54**

I. - The asset management company may take into account netting and hedging arrangements provided that these arrangements do not ignore obvious and material risks and that they result in a clear reduction in risk.

II. - 1° Netting arrangement consist of a combination of positions on financial contracts or securities for the same underlying asset irrespective of their maturity dates, whose sole purpose is to eliminate the risks relating to certain positions taken through other financial contracts or securities.

2° Hedging arrangements consist of a combination of positions on financial contracts and/or financial securities for which:

a) The underlying assets are not necessarily identical

b) The positions are concluded with the sole purpose of offsetting the risks relating to positions taken through other financial contracts or securities.

3° Any retail investment fund which has principally concluded financial contracts relating to interest rates may use specific duration netting rules, for which the relevant procedures are specified in an AMF instruction, in order to take into account correlations between instruments with differing maturities along the interest rate curve. Specific duration netting rules may not be used if they lead to an incorrect valuation of the risk profile of the retail investment fund.

A retail investment fund which uses specific duration netting rules for its financial contracts relating to interest rates may take hedging arrangements into consideration. However, only financial contracts relating to interest rates that have not been taken into account in any hedging arrangement may use these specific netting rules.

**Article 422-55**

I. - If the use of financial contracts does not create any additional exposure for the retail investment fund, it is not necessary to include the underlying exposure in the commitment calculation if it fulfils the following criteria:

1 • Its purpose is to swap the performance of all or part of the retail investment fund asset with the performance of other reference financial instruments;

2 • It completely eliminates market risk for the swapped assets. Performance of the retail investment fund no longer depends on the performance of the assets that are the subject of the swap;

3 • It does not include any additional optional component, any leverage or any other additional risk relating to any direct investment in the reference assets.
II. - A financial contract shall not be not taken into account in calculation of aggregate risk using the commitment approach if it fulfils the following criteria:

a) Combination of the financial contract and a cash sum invested in assets yielding the risk-free rate of interest offers equivalent exposure to that obtained by a direct investment in the underlying asset;

b) It does not generate any additional exposure or leverage, and does not add any market risk.

III. - If the commitment approach is used, the calculation of aggregate risk need not include any temporary cash borrowing agreements concluded on behalf of the retail investment fund pursuant to Article R. 214-32-40 of the Monetary and Financial Code.

Sub-paragraph 3 - Value at risk approach

**Article 422-56**

I. - The aggregate risk of a retail investment fund calculated according to the value at risk approach shall cover all positions in the portfolio.

The maximum value at risk of a retail investment fund shall be set by the asset management company on the basis of how its risk profile is defined.

II. - The value at risk of a retail investment fund shall cover a period of twenty working days with a confidence threshold of 99 per cent. The effective observation period for risk factors shall be no less than two hundred and fifty working days. In the event of any significant increase in price volatility, the value at risk shall be calculated for a shorter observation period. The data sample used for the calculation shall be updated at least quarterly, or more frequently if market prices are subject to material changes.

The conditions in which this section II may be waived shall be specified in an AMF instruction. The value at risk approach shall be performed at least daily.

The calculation stages for aggregate risk using the value at risk approach shall be specified in an AMF instruction.

**Article 422-57**

I. - In order to calculate aggregate risk using the value at risk approach, the asset management company shall be responsible for choosing the most appropriate approach (either relative value at risk or absolute value at risk) on the basis of the risk profile of the retail investment fund and the investment strategy.

The asset management company shall be able to demonstrate that the value at risk approach used is appropriate. The choice of approach used and the underlying scenarios shall be specified in documentation.

The aggregate risk of a retail investment fund according to the relative value at risk approach shall be equal to the ratio of the value at risk of the retail investment fund portfolio and the value at risk of a reference portfolio whose defining criteria shall be specified in an AMF instruction, minus one, multiplied by the net assets of the retail investment fund.

II. - The absolute value at risk approach for a retail investment fund shall restrict the maximum value at risk it may attain to 20 per cent of the market value of its net assets.

The terms of application of this article shall be detailed in an AMF instruction.

**Article 422-58**

The asset management company shall install:

1. An ex-post control mechanism for calculations using the model on previous data, in order to monitor the accuracy and
Sub-paragraph 4 - Aggregate risk for a formula-based retail investment fund

**Article 422-59**
Aggregate risk for a formula-based retail investment fund shall be measured using either the commitment approach or the value at risk approach.

The formula-based retail investment fund may apply specific rules, defined in an AMF instruction, for calculating aggregate risk using the commitment approach, if it fulfills all the following conditions:

1. Returns for investors rely on a calculation formula for which the predefined possible results may be divided into a finite number of scenarios that depend on the value of the underlying assets.

   Each scenario provides a different result for investors.

2. Investors shall be exposed to only one result at a time at any point in the lifespan of the retail investment fund;

3. Use of the commitment approach to measure aggregate risk for each individual scenario is appropriate, pursuant to Article 422-52;

4. The final maturity of the retail investment fund is no more than nine years after the end of the marketing period;

5. The retail investment fund does not accept new public subscriptions after the initial marketing period;

6. The maximum loss that may be sustained by the retail investment fund transitioning from one scenario to another does not exceed 100 per cent of the net asset value at the end of the marketing period;

7. The impact of each underlying asset on the remuneration profile to be provided to investors on any given date following transition from one scenario to another observes the diversification rules specified in Article R. 214-32-29 of the Monetary and Financial Code on the basis of the net asset value at the end of the marketing period.

Sub-paragraph 5 - Effective date

**Article 422-60**
In waiver of Article 422-51, if they satisfy the criteria specified in point I° of I of Article R. 214-32-39 of the Monetary and Financial Code and the criteria in points 1° to 3° of I of Article 422-59, formula-based retail investment funds in existence on the date on which Decree 2011-922 of 1 August 2011 came into force may calculate their aggregate risk as being defined by the maximum loss value on the date the financial contracts were concluded, subject to their formula remaining unchanged.

Paragraph 2 - Counterparty risk and issuer concentration

**Article 422-61**

1. The asset management company shall ensure that the counterparty risk for the retail investment fund arising from over-the-counter financial contracts is subject to the limits specified in Article R. 214-32-29 of the Monetary and Financial Code.
For the purposes calculating the exposure of the retail investment fund to a counterparty within the limits specified in I of Article R. 214-32-29 of the Monetary and Financial Code, the asset management company shall use the positive value of the market price valuation of the over-the-counter financial contract concluded with this counterparty.

The asset management company may base itself on the net position of a retail investment fund's financial contracts with regard to a given counterparty if it has the rights specified in Article L. 211-36-1 of the Monetary and Financial Code or equivalent foreign provisions for the purposes of ensuring, on behalf of the retail investment fund, that the netting agreements concluded with this counterparty are observed. The net position may be used only for over-the-counter financial contracts to which the retail investment fund is exposed for a given counterparty, and not for other exposures of the retail investment fund with regard to this counterparty;

The asset management company may reduce the exposure of a retail investment fund to the counterparty for a transaction relating to an over-the-counter financial contract by receiving collateral to the benefit of the retail investment fund. This collateral must be liquid enough to be realised quickly at a price close to its estimated price prior to realisation;

The asset management company shall take the collateral into account when calculating exposure to the counterparty risk as specified in I of Article R. 214-32-29 of the Monetary and Financial Code provided that, on behalf of the retail investment fund, it supplies collateral to the counterparty for transactions relating to an over-the-counter financial contract. The collateral may be taken into account on a net basis only if the asset management company has the legal and regulatory means to ensure that the netting agreements with this counterparty are observed on behalf of the retail investment fund;

For exposure arising from transactions involving over-the-counter financial contracts specified in 3° of III of Article R. 214-32-29 of the Monetary and Financial Code, the asset management company shall include in the calculation any counterparty risk exposure in such contracts.

Article 422-62
Assets received as collateral by the retail investment fund for the purposes of reducing its counterparty risk arising from a financial contract or the temporary acquisition or transfer of financial instruments pursuant to Article 422-61 shall comply with the following principles at all times:

Any asset received as collateral shall be suitably liquid and capable of being sold quickly at a price that is consistent with respect to the price at which it was valued prior to the sale. Assets received as collateral should normally be traded on highly liquid markets and have a transparent price;

Assets received must be capable of being valued at least once a day.

Any inability to value assets received as collateral independently would clearly imperil the retail investment fund, particularly if any such valuation is based on a model and these assets are relatively illiquid.

Where appropriate, the retail investment fund shall apply an appropriate discount to the market value of assets received as collateral.

Furthermore, if any such assets exhibit a significant risk of volatility, the retail investment fund shall apply particularly prudent discounts;

The credit standing of the issuer shall be a significant criterion in assessing the eligibility of assets received as collateral. Appropriate discounts shall be applied to the market value of assets received as collateral if the issuer does not have a high credit rating;
Any high correlation between the counterparty and the assets received as collateral to reduce the exposure of the retail investment fund to this counterparty must be avoided;

Any high concentration of assets received as collateral from a single issuer, a single sector or a single country entails a clear risk for the retail investment fund;

The asset management company shall have appropriate technical and human resources, particularly as regards operational systems and legal expertise, in order to manage collateral effectively;

Financial collateral involving transfer of title shall be held by the depositary of the retail investment fund. For other types of financial collateral contracts, financial collateral may be held by a third-party depositary if it is subject to prudential supervision and has no link with the financial collateral provider;

It must be possible for collateral to be realised at any time by the retail investment fund, without the need to inform the counterparty or obtain its approval.

Article 422-63

I. - In order to calculate the counterparty risk specified in I of Article R. 214-32-29 of the Monetary and Financial Code, the retail investment fund shall take into account any collateral granted to an investment services provider and its subsequent variations, relative to financial contracts, concluded on a market specified in 1°, 2° or 3° of I of Article R. 214-32-18 of the Monetary and Financial Code or traded over the counter, that is not protected by client asset protection rules or other similar rules, allowing the retail investment fund to be protected against the risks of bankruptcy of the investment services provider.

II. - In order to calculate the limits specified in III of Article R. 214-32-29 of the Monetary and Financial Code, the retail investment fund shall take into account the net risk to which it is exposed with regard to the transactions specified in Article R. 214-32-27 of the Monetary and Financial Code for any given counterparty. The net risk shall be equal to the amount that may be recovered by the retail investment fund, less (where applicable) any collateral benefiting the retail investment fund.

The risk created by the reuse of collateral benefiting the retail investment fund shall also be taken into account when calculating the issuer ratio.

III. - In order to calculate the limits specified in Article R. 214-32-29 of the Monetary and Financial Code, the retail investment fund shall determine if the counterparty for which it has exposure is an investment services provider, a clearing house or another entity relating to an over-the-counter financial contract.

IV. - The limits specified in Articles R. 214-32-29, R. 214-32-33 and R. 214-32-34 of the Monetary and Financial code shall take into account exposure relating to assets underlying the financial contracts, including incorporated financial contracts, relating to eligible financial securities or money market instruments.

V. - If the retail investment fund calculates concentration limits for each type of entity, the underlyings for financial contracts, including incorporated financial contracts, must be taken into account when determining the exposure to a given issuer arising from these positions.

Exposure relating to a position shall be taken into account when calculating the concentration limits for each type of issuer. Where appropriate, it shall be calculated using the commitment approach.

The measurement of maximum potential loss in the event of default by the issuer shall be taken into account if it gives a more conservative result.

This article shall apply to all retail investment funds, irrespective of whether they use the value at risk (VAR) approach when calculating aggregate risk.
This article does not apply to financial contracts based on an index that fulfils the criteria of Article R. 214-32-25 of the Monetary and Financial Code.

Paragraph 3 - Procedure for valuation of over-the-counter financial contracts

Article 422-64
I. - The asset management company shall ensure that exposures are the subject of market value valuations that do not rely solely on market ratings carried out by counterparties to the transactions involving over-the-counter financial contracts and that observe the criteria set forth in Article R. 214-32-22 (3) of the Monetary and Financial Code.

II. - For the application of I above, the asset management company shall establish, implement and maintain operational methods and procedures that ensure sufficient, transparent and fair valuation of the retail investment fund's exposure to over-the-counter financial contracts.

The asset management company shall ensure that valuation of the fair value of over-the-counter financial contracts is appropriate, accurate and independent.

The valuation methods and procedures shall be appropriate and proportionate to the nature and complexity of the over-the-counter financial contracts in question.

If the valuation methods and procedures for over-the-counter financial contracts involve business conducted by third parties, the asset management company shall observe the requirements set forth in Article 45 and Article 75 (f) of Commission Delegated Regulation (EU) 231/2013 of 19 December 2012.

Sub-section 5 - Investor information

Commission Regulation (EU) No 583/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards key investor information and conditions to be met when providing key investor information or the prospectus in a durable medium other than paper or by means of a website

Article 422-65
The asset management company shall retain sole liability for the content of documents supplied to AMF to be placed online on its website.

Paragraph 1 - Language used in information documents

Article 422-66
I. - In application of Article L. 214-25 of the Monetary and Financial Code, regulations, articles of association, and documents intended to inform shareholders in retail investment funds shall be written in French.

II. - In derogation to I above, these documents may be drafted in any language customary in the sphere of finance other than French, subject to compliance with the rules applicable to marketing in France mentioned in part III of Article 421-26.

Paragraph 2 - Key investor information document

Article 422-67
I. The retail investment fund shall draw up a brief document containing key information for investors known as the "key investor information document" (KIID).
This document shall be drafted pursuant to the procedures set forth by Articles 422-68 and 422-69 and in Commission Regulation (EU) 583/2010 of 1 July 2010.

II.- The key information document drafted, published, provided to investors, revised and translated in accordance with the procedures provided for by Regulation (EU) No 1286/2014 of 26 November 2014 shall, in relation to the investors for whom it is intended, take the place of a key investor information document within the meaning of I.

For the purposes of Articles 319-13 and 321-118 as well as this section, with the exception of Articles 422-68 and 422-69 of Articles 422-86 to 422-88 and Article 422-96, any reference to the key investor information document shall be construed as a reference to the key investor information document mentioned in this paragraph.

Article 422-68
The key investor information document drawn up pursuant to Point I of Article 422-67, whose content is pre-contractual, shall fulfil the following conditions:

1. It shall feature the words "informations clés pour l'investisseur" ['key investor information'], clearly marked in French.

2. It shall contain information which is correct, clear, not misleading and consistent with the corresponding sections of the retail investment fund prospectus.

3. It shall contain the appropriate information about the essential characteristics of the retail investment fund in question that must be supplied to investors, such that the latter can be reasonably expected to understand the nature and risks of the retail investment fund being offered to them, and consequently, take investment-related decisions in full awareness of the facts.

4. It shall contain information about the following essential components of the retail investment fund:

   a. Identification of the fund;

   b. A brief description of its investment aims and its investment policy;

   c. A presentation of its past performance or, where applicable, performance scenarios;

   d. All related costs and fees;

   e. The risk profile with regard to return on investment, including appropriate guidelines and warnings as to the risks inherent in investment in the retail investment fund in question.

   These essential components must be understandable for investors without referring to other documentation.

   They must be kept up to date.

5. It shall clearly specify where and how additional information about the proposed investment may be obtained, including where and how the prospectus and annual and half-yearly reports may be obtained, on request, free of charge and at any time, as well as the language in which this information is available to investors.

6. It shall be written concisely and in non-technical language.

7. It shall be produced in a standard format, allowing comparisons to be made with other AIFs with key investor information documents or with UCITS.
The key investor information document drawn up pursuant to Point I of Article 422-67 shall contain a clear warning specifying that the retail investment fund and/or its asset management company may be held liable only for any declarations in the document found to be misleading, inaccurate or inconsistent with the corresponding sections of the fund prospectus.

The retail investment fund shall include its key investor information document in the retail investment fund approval submission supplied to AMF.

The retail investment fund prospectus shall contain all information necessary for investors to be able to assess the investment offered to them in full awareness of the facts, particularly the risks involved in this investment.

It shall include a clear, easily understandable description of the retail investment fund's risk profile, independently of the assets in which it is invested. The regulations or articles of association of the retail investment fund shall form an integral part of the prospectus, to which they shall be appended. It is however permissible for regulations or articles of association not to be appended to the prospectus, provided that investors are informed that on request, these documents may be sent to them and/or they are informed as to where they may be consulted.

The essential elements of the prospectus shall be kept up to date.

The contents of the prospectus shall be defined in an AMF instruction.

The prospectus shall describe all fees to be borne by shareholders or by the retail investment fund, including all taxes, specifying the following:

1 • For fees of which the cost is borne by shareholders:
   
   a • The maximum rate of that part of the subscription or redemption fee that does not revert to the retail investment fund;

   b • The rate of that part of the fee that reverts to the retail investment fund and the conditions in which this rate may be reduced.

2 • For costs borne by the retail investment fund, the maximum rates for operating costs and management. Where applicable, in addition to the rate itself, the following additional information shall be specified:

   a • The rules governing calculation of turnover commissions;

   b • The rules governing calculation of the share of income from temporary acquisition or transfer of securities that is not assigned to the retail investment fund;

   c • The maximum costs and fee charges that may be borne for collective investments governed by French or foreign law or third country investment funds acquired by the retail investment fund;

   d • The rules governing calculation of variable management fees.

Source : AMF website / Book 4 into force since 30/07/2023 with notes / This translation is for information purposes only
Presentation of the prospectus and the calculation methods for the costs specified in this article shall be detailed in an AMF instruction.

Article 422-73
The prospectus shall define the valuation rules for each class of asset.

Between two net asset value calculations, a retail investment fund may establish and publish an indicative net asset value known as the "estimated value". The prospectus shall specify the conditions in which this is published and advise investors that it cannot be used as a basis for subscription or redemption transactions.

The same warning shall accompany any communication of an estimated value.

Article 422-74
The prospectus shall specify the asset classes in which the retail investment fund is accredited to invest.

It shall also specify whether transactions involving financial contracts are authorised, in which case it shall clearly specify whether these transactions may be carried out for the purposes of hedging or for the purposes of realising investment goals, as well as the possible effects of the use of financial contracts on the risk profile.

Article 422-75
I. - If the retail investment fund invests principally in one of the asset classes defined in Article L. 214-24-55 of the Monetary and Financial Code other than eligible financial securities or money market instruments or if the fund tracks a stock index or debt security index pursuant to Article R. 214-32-25 of the Monetary and Financial Code, its prospectus shall feature a clearly visible statement drawing attention to its investment policy.

II. - If the retail investment fund invests a significant part of its assets in collective investments, its prospectus shall specify the maximum level of management fee that may be invoiced, both to the retail investment fund itself and to the collective investments in which it intends to invest.

III. - The retail investment fund specified in Article R. 214-32-32 of the Monetary and Financial Code shall specify in its prospectus, in a clearly visible fashion, a declaration drawing readers' attention to the authorisation from which it benefits and specifying any Member States of the European Union, local government bodies or international public organisations in whose assets it intends to invest or has invested over 35 per cent of its assets.

Article 422-76
If the net asset value of the retail investment fund is liable to experience high volatility due to the composition of its portfolio or the portfolio management techniques that may be used, the prospectus shall include a clearly visible statement drawing readers' attention to this characteristic.

Article 422-77
If an investor who has received the retail investment fund prospectus so requests, the fund shall supply them with additional information on the quantitative limits that apply to the fund risk management, the methods chosen for this purpose and on recent changes in the principal risks and yields of instrument classes.

Article 422-78
The retail investment fund shall forward its prospectus, and any changes made thereto, to AMF, pursuant to procedures set forth in an AMF instruction.

Paragraph 4 - Half-yearly reports

Article 422-79
Half-yearly reports for retail investment funds shall contain the elements specified in an AMF instruction.
If the retail investment fund includes sub-funds, a half-yearly report shall also be drafted for each sub-fund.

**Article 422-80**
The retail investment fund shall supply its half-yearly reports to AMF pursuant to procedures set forth in an AMF instruction.

**Paragraph 5 - Net asset value**

**Article 422-81**
Retail investment funds shall be required to establish their net asset value pursuant to Articles 422-26 to 422-32. This net asset value shall be established and published with a frequency appropriate to the nature of the financial instruments, contracts, securities and deposits held by the retail investment fund.

Retail investment funds shall, as appropriate, publish the net asset value of the shares or units they issue at least twice a month. The frequency of publication of the net asset value of shares or units issued may however be monthly, provided that this is not prejudicial to the interests of shareholders and is subject to prior approval by AMF.

The prospectus shall specify the frequency with which the net asset value is determined and published, and the reference calendar adopted.

Once a net asset value has been published, it must be possible to purchase and redeem retail investment fund shares or units on the basis of this value, pursuant to the terms and conditions set forth in the prospectus.

The foregoing paragraph shall not apply where the retail investment fund or, where applicable, the portfolio asset management company publishes a net asset value under the conditions set out in the fourth to sixth paragraphs of Article 422-21.

This article shall apply for each sub-fund.

**Article 422-82**
Retail investment funds whose shares or units have been admitted for trading on a regulated market that operates regularly shall determine and publish their net asset value on each trading day of the market to which they have been admitted.

This article shall apply for each sub-fund.

**Article 422-83**
Retail investment funds whose assets exceed 80 million euros shall be required to have the composition of these assets certified by the statutory auditors on a quarterly basis.

Sub-section 6 - Marketing of retail investment funds in France

**Article 422-84**
Without prejudice to Article L. 214-24-1 of the Monetary and Financial Code, marketing of shares or units in a retail investment fund and, where applicable, in one or more sub-funds, may occur only after having received a marketing authorisation from AMF.

**Article 422-85**
I. - If the retail investment fund invests mainly in one of the asset classes defined in Article L. 214-24-55 of the Monetary and Financial Code other than eligible financial securities and money market instruments or if the retail investment fund tracks a share index or debt security index pursuant to Article R. 214-32-30 of the Monetary and Financial Code, any communication of a promotional nature shall include a clearly visible statement drawing readers' attention to its investment policy.

II. - If the net asset value of the retail investment fund is liable to experience high volatility due to the composition of its portfolio or the portfolio management techniques that may be used, any communication that is promotional in nature shall include a clearly visible statement drawing readers' attention to this characteristic.
III. - Any retail investment fund specified in Article R. 214-32-32 of the Monetary and Financial Code shall include in any communication of a promotional nature, in a clearly visible fashion, a declaration drawing readers' attention to the authorisation from which it benefits and specifying any Member States of the European Union, local government bodies or international public organisations in whose securities it intends to invest or has invested over 35 per cent of its assets.

Article 422-86
The key investor information document drawn up pursuant to Point I of Article 422-67 shall be supplied free of charge and in due time to investors, prior to any issue of shares or units in the retail investment fund.

Article 422-87
The retail investment fund may supply the key investor information document drawn up pursuant to Point I of Article 422-67 on durable media as defined in Article 314-5 or on its website or on that of its asset management company.

A hardcopy version shall be supplied free of charge to any investor who so requests.

An updated version of this document shall be published on the retail investment fund website or on that of its asset management company.

Article 422-88
The retail investment fund shall supply the key investor information document drawn up pursuant to Point I of Article 422-67 to all persons marketing its shares or units or providing advice regarding this fund or products with exposure on said fund, at such persons' request.

These persons shall abide by the obligation specified in Article 422-86.

Article 422-89
The prospectus shall be supplied free of charge to any investor who so requests, on durable media as defined in Article 314-5 or by means of a website.

The most recent annual and half-yearly reports of the retail investment fund shall be supplied free of charge to any investor who so requests, pursuant to the procedures specified in the prospectus and key investor information document.

A hardcopy version of the documents specified in this article shall be supplied free of charge to any investor who so requests.

Article 422-90
Any management fee reversals payable in respect of investments made on behalf of the retail investment fund in shares or units of collective investments governed by French or foreign law or third country investment funds shall be assigned to the fund:

1 • Either by direct payment into the retail investment fund;

2 • Or by being deducted from the management fee charge levied by the asset management company.

Article 422-91
I. - Reversals to the asset management company or any other person or fund of management charges or subscription or redemption fees for investments made by said asset management company on behalf of a retail investment fund marketed within the territory of the French Republic, in shares or units of collective investments governed by French or foreign law or third country investment funds are prohibited, with the exception of the following:

1 • Fees and charges specified in clause 8 of Article 321-119 or 319-14;

2 • Reversals that benefit solely the retail investment fund;

Source : AMF website / Book 4 into force since 30/07/2023 with notes / This translation is for information purposes only
II. In particular, payment to the benefit of the asset management company of reversals is prohibited for the following:

1. Subscription or redemption fees resulting from investment by the portfolio in a retail investment fund managed in a collective investment governed by French law or foreign law or a third country investment fund;

2. Management fees arising from investment by the portfolio in a retail investment fund managed in a collective investment governed by French law or foreign law or a third country investment fund.

Sub-section 7 - Miscellaneous provisions

**Article 422-94**

I. Article 422-83 does not apply to retail investment funds for which the subscription or acquisition of shares or units is restricted in application of Article L. 214-26-1 of the Monetary and Financial Code.

II. In waiver of Article 422-22, redemption of shares in any retail investment fund for which the subscription or acquisition of shares or units is restricted in application of Article L. 214-26-1 of the Monetary and Financial Code shall be suspended if the value of its assets falls below 160,000 euros.

III. In a waiver of sub-section 5 of this section, retail investment funds for which the subscription or acquisition of shares or units is restricted in application of Article L. 214-26-1 of the Monetary and Financial Code need draft no more than a prospectus whose content is specified in an instruction, subject to having obtained the unanimous agreement of their direct or indirect holders. In accordance with the Regulation (EU) n° 1286/2014 of the European Parliament and of the Council of 26 November 2014, this waiver is applicable as long as the shares or units of retail investment funds are not subscribed or acquired by non-professional clients.

IV. In waiver of section I of Articles 422-7 and 422-11, the time periods shall be reduced to eight working days for retail investment funds for which the subscription or acquisition of shares or units is restricted in application of Article L. 214-26-1 of the Monetary and Financial Code.

For application of Articles 422-86 to 422-89 inclusive, the reference to the key investor information document shall be replaced by a reference to the prospectus.

**Article 422-95**

Investment funds as defined by Article R. 214-32-19 of the Monetary and Financial Code shall fulfil the following criteria at all times:

1. Fundholders shall hold enforceable real rights to their assets;

2. Responsibility for preserving the funds' assets shall be entrusted to one or more companies that are distinct from the asset management company, regulated for this purpose and identifiable by the retail investment fund asset management company;

3. They shall circulate regular, adequate information; specifically, the shares or units shall be the subject of appropriate valuation performed at least monthly, and their accounts shall be legally obliged to be audited or legally certified at least annually;

4. They shall not be domiciled in non-cooperative countries or jurisdictions as identified by FATF.
Paragraph 1 - Mergers and demergers

Article 422-97
An open-ended investment company (SICAV) or mutual fund (FCP) may merge with any other open-ended investment company or mutual fund.

An open-ended investment company may merge with any other company. Any retail investment fund may be the subject of a demerger.

The rules in this article shall apply, where applicable, to contributions consisting of sub-funds and to transactions relating to multiple sub-funds within a single AIF.

Article 422-98
No planned merger, merger-demergery, demerger or absorption relating to any UCITS or retail investment fund or one or more sub-funds within a UCITS or retail investment fund may result in a UCITS becoming an AIF. The project shall be determined by the executive board or board of directors of the open-ended investment company or by the mutual fund's asset management company. It shall be subject to prior approval by AMF and the conditions set forth in section 1 of this chapter. Notwithstanding the above, in waiver of Articles 422-7 and 422-11, the retail investment fund concerned by the transaction or its asset management company shall be informed, within twenty working days following submission of the request, of whether approval for the transaction has been granted or refused. In the absence of an response from AMF within twenty working days after acknowledgement of receipt by AMF of any such request, approval shall be deemed to have been granted.

As applicable, the merger or demerger project shall specify the name, registered office and trade and companies register number of the open-ended investment companies in question, the name of the mutual fund(s) and the name, registered head office and trade and companies register number of the asset management company or companies.

It shall also specify the grounds, aims and terms of the transaction. It shall specify the date on which the extraordinary general meetings of the open-ended investment companies in question shall be called to rule on share and/or unit exchange ratio.

Article 422-99
If the retail investment fund is managed by an asset management company, the legal costs for the consultancy and administrative services relating to preparation and completion of the merger shall not be invoiced to the absorbed fund, the absorbing fund or their holders.

Article 422-100
In waiver of Article 422-98, any demerger resolved pursuant to the second clause of Article L. 214-24-33 or the second clause of Article L. 214-24-41 of the Monetary and Financial Code shall not be subject to prior approval by AMF; however it must be declared to the latter without delay.

This declaration shall include the following information:

1. The report issued to holders specified in Articles D. 214-32-12 and D. 214-32-15 of the Monetary and Financial Code;

2. The list of assets transferred to the new fund and the list of illiquid assets kept by the reference fund.

Article 422-101
I.-For transactions concerning open-ended investment funds, the project shall be lodged with the clerk of the commercial tribunal with jurisdiction for the head office of the open-ended investment funds in question. The statutory auditors shall draw up a
supplementary report on the terms of completion of the transaction no later than eight days after this date, unless the holders have exercised their right to apply Article L. 236-10 (II) of the Commercial Code.

The executive board or board of directors of each of the open-ended investment funds in question shall supply the project to the statutory auditors of each open-ended investment fund no later than forty-five days prior to the open-ended investment funds' extraordinary general meetings at which a vote on the transaction is to be held. The transaction shall be carried out by the executive boards or boards of directors of the open-ended investment funds in question, or their agents acting under the control of the statutory auditors of the open-ended investment funds in question. The statutory auditors' reports on the terms of completion of the transaction shall be made available to shareholders no later than fifteen days before the date set for the extraordinary general meetings.

Any creditors of the open-ended investment funds participating in the merger whose debt dates from before the announcement of the planned merger may oppose the latter within thirty days of publication of the announcement in the Official Bulletin of Civil and Commercial Announcements (Bulletin officiel des annonces civiles et commerciales). The statutory auditors shall draft a supplementary report on the final terms of the transaction no later than eight days following its completion.

II. - For transactions relating to mutual funds, the project shall be lodged with the clerk of the commercial tribunal with jurisdiction for the head office of the mutual funds in question.

The executive board or board of directors of each of the mutual funds in question shall supply the project to the statutory auditors of each mutual investment fund no later than forty-five days prior to the open-ended mutual funds' extraordinary general meetings at which a vote on the transaction is to be held. The transaction shall be carried out by the mutual funds' asset management companies, under the control of the statutory auditors of the mutual funds in question.

Any creditors of the mutual funds participating in the merger whose debt dates from before the announcement of the planned merger may oppose the latter no later than fifteen days prior to the planned transaction date. The statutory auditors shall draft a supplementary report on the final terms of the transaction no later than eight days following its completion.

Article 422-102
Article 422-101 shall not apply to demergers of mutual funds decided pursuant to clause 2 of Article L. 214-24-41 of the Monetary and Financial Code.

Article 422-103
The obligation to redeem or issue shares or units may cease following a resolution, by the executive committee or board of directors of an open-ended investment fund or a mutual fund's asset management company, no more than fifteen days prior to the planned transaction date. The articles of association of open-ended investment funds created by the transactions specified in Article 422-16 shall be signed by their legal representatives. Mutual funds' regulations shall be drafted by their asset management company.

Holders may redeem their shares or units free of charge in accordance with the terms set forth in Article 411-56.

Article 422-104
Any shareholders who, due to exchange ratio, are not entitled to a whole number of shares or units, shall be entitled to redemption of the fractional share or to make a cash payment of the supplement required for a whole share or unit to be assigned to them. No subscription or redemption fees may be added or deducted relating to any such redemptions or payments.

Paragraph 2 - Master and feeder retail investment funds

Article 422-105
Feeder retail investment funds may have a master UCITS or AIF specified in II of Article L. 214-24-57 of the Monetary and Financial Code.

If the master UCITS or AIF is an AIF under foreign law, approval of the feeder retail investment fund may be granted only if the
master UCITS or AIF is subject to the control of a foreign authority with which AMF has concluded an appropriate information exchange and assistance agreement for supervision of these master and feeder UCITS and AIFs, pursuant to the terms set forth in Articles L. 632-1 and L. 632-7 of the Monetary and Financial Code.

Approval of the feeder retail investment fund shall require marketing authorisation for France of the master UCITS or AIF. Article 411-85-1 shall apply to feeder retail investment funds governed by this paragraph.

Sub-paragraph 1 - Information exchange agreements between master and feeder retail investment funds and internal rules of conduct

Article 422-106
Feeder retail investment funds or the asset management company representing them shall conclude an information exchange agreement with the master UCITS or AIF or the asset management company representing the latter, pursuant to which the master UCITS or AIF shall supply the feeder retail investment fund with all necessary documentation and information to ensure the latter is in a position to observe its regulatory obligations.

The contents of this agreement shall be specified in an AMF instruction.

Article 422-107
If the master UCITS or AIF and the feeder retail investment fund are managed by the same asset management company, the agreement may be replaced by internal rules of conduct that ensure the requirements set forth in this article are observed. The internal rules of conduct of the asset management company shall specify appropriate measures to minimise any conflicts of interest between the feeder retail investment fund and the master UCITS or AIF, or between the feeder retail investment fund and other master UCITS or AIF holders, if this risk is not sufficiently covered by the measures taken by the asset management company to prevent conflicts of interest adversely affecting the interests of its clients, pursuant to Article L. 533-10 (3) of the Monetary and Financial Code.

The contents of these rules of conduct shall be specified by an AMF instruction.

Article 422-108
The master UCITS or AIF and the feeder retail investment fund shall take all appropriate measures to coordinate the schedule for calculation and publication of their net realizable value, in order to prevent any share switching between book value and market value.

Sub-paragraph 2 - Agreement between depositaries

Article 422-109
Prior to approval of the feeder retail investment fund and investment by the latter in shares or units of the master UCITS or AIF, the UCITS or AIF depositaries shall conclude an information exchange agreement in order to ensure proper fulfilment of the obligations of both depositaries.

This agreement shall enable the depositaries of these UCITS or AIFs to receive all the information and documentation required for the performance of their duties.

The contents of this agreement shall be specified in an AMF instruction.

Article 422-110
If the master UCITS or AIF or the feeder retail investment fund is established in a foreign State, the information exchange agreement concluded between the depositaries shall include the same stipulations as the exchange agreement between the master UCITS or AIF and the feeder retail investment fund in terms of the law applicable to the contract and attribution of jurisdiction.
The irregularities specified in II of Article L. 214-24-59 of the Monetary and Financial Code which master UCITS or AIF depositaries may detect in the performance of their duties and which may have a negative impact on the feeder retail investment fund include but are not limited to the following:

a) Errors in the calculation of the net realizable value of the master UCITS or AIF;

b) Errors during the course of transactions performed by the feeder retail investment fund with a view to purchase, subscription or requesting redemption or repayment of master UCITS or AIF units, or on settlement of these transactions;

c) Errors on payment or capitalisation of income from the master UCITS or AIF, or during calculation of related deductions at source;

d) Shortcomings observed with regard to the purpose, policy or investment strategy of the master UCITS or AIF as described in the latter's regulations or articles of association, prospectus or, where applicable, its key investor information document;

e) Breaches of the investment and borrowing limits established by regulations or fund regulations or open-ended investment fund articles of association, their prospectus or, where applicable, their key investor information document.

Sub-paragraph 3 - Agreement between the master and feeder retail investment funds' statutory auditors

Article 422-111
Prior to approval of a feeder retail investment fund, the statutory auditors of the master and feeder UCITS or AIFs shall conclude an information exchange agreement in order to enable the master and feeder UCITS or AIF statutory auditors to receive all necessary documentation and information for the performance of their duties.

The contents of this agreement shall be specified in an AMF instruction.

In their audit report, the feeder retail investment fund's statutory auditors shall take account of the master UCITS or AIF audit report.

If the feeder retail investment fund and the master UCITS or AIF have different financial periods, the statutory auditors of the master UCITS or AIF shall draw up an ad hoc report as of the feeder retail investment fund's closing date.

In particular, the statutory auditors of the feeder retail investment fund shall draft a report on any irregularity noted in the master UCITS or AIF audit report and its impact on the feeder retail investment fund.

If the master UCITS or AIF is established in a foreign State, the information exchange agreement concluded between the statutory auditors of the master UCITS or AIF and the feeder retail investment fund shall include the same stipulations as the exchange agreement between the master and feeder collective investment funds in terms of applicable law and attribution of jurisdiction and, where applicable, the agreement between the depositaries.

Sub-paragraph 4 - Costs

Article 422-112
If a distribution fee, charge or other monetary advantage relating to an investment in master UCITS or AIF units is paid to the feeder retail investment fund, its asset management company or any person acting on behalf of the former or its asset management company, this fee, charge or other monetary advantage shall be paid into the assets of the feeder retail investment fund.

Article 422-113
The master UCITS or AIF shall not invoice any subscription or redemption fee for the acquisition or redemption of its units by the feeder retail investment fund.
Article 422-114
The master UCITS or AIF shall ensure that all information required by virtue of law and applicable regulations, its regulations or its articles of association shall be made available in due time to the feeder retail investment fund or, where applicable, its asset management company, as well as to AMF, the depositary and the statutory auditors for the feeder retail investment fund.

Article 422-115
I. - The prospectus for the feeder retail investment fund shall specify the following:

a) That this fund feeds a given master UCITS or AIF and that its assets are wholly and permanently invested in the shares or units of a single, so-called “master” UCITS or AIF and, secondarily, in deposits limited strictly to the amounts required for managing retail investment fund flows. Where applicable, the prospectus should also specify that the feeder retail investment fund may conclude the financial contracts specified in Article L. 214-24-55 of the Monetary and Financial Code;

b) The feeder retail investment fund’s investment purpose and policy, its risk profile and information as to whether the performance of the feeder retail investment fund and the master UCITS and AIF is identical, or the extent to which this performance differs and why. The prospectus shall also contain a description of any assets other than master UCITS or AIF shares or units in which the feeder retail investment fund assets may be invested;

c) A brief description of the master UCITS or AIF, its structure and its investment purpose and policy, including its risk profile and an indication of how the master UCITS or AIF prospectus may be obtained;

d) A summary of the agreement between the feeder retail investment fund and the master UCITS or AIF, or the internal rules of conduct established pursuant to Article L. 214-24-58 of the Monetary and Financial Code;

e) An explanation of how shareholders may obtain additional information about the master UCITS or AIF and about the aforementioned agreement concluded between the feeder retail investment fund and the master UCITS or AIF;

f) A description of the remuneration and cost refunds owed by the feeder retail investment fund relating to its investment in the master UCITS or AIF shares or units, and a description of all costs for the feeder retail investment fund and the master UCITS or AIF;

g) A description of the tax consequences for the feeder retail investment fund of investing in the master UCITS or AIF shares or units;

II. - The annual report of the feeder retail investment fund shall specify the information set forth in an AMF instruction and the total costs for the feeder retail investment fund and the master UCITS or AIF.

The annual and half-yearly reports of the feeder retail investment fund shall specify how the annual and half-yearly reports of the master UCITS or AIF may be obtained.

In addition to the obligations specified in Articles 422-70, 422-78 and 422-80, any feeder retail investment fund approved by AMF shall send the latter its prospectus, key investor information document and, where applicable, any amendments thereto and the annual and half-yearly reports for the master UCITS or AIF.

In all related communications documents, feeder retail investment funds shall specify whether the whole of their assets are permanently invested in a single so-called “master” UCITS or AIF and, secondarily, in deposits limited strictly to the amounts required for managing retail investment fund flows, and where applicable, that it is entitled to conclude financial contracts.

The feeder retail investment fund shall supply a hardcopy version of the prospectus and annual and half-yearly reports of the master UCITS or AIF to investors on request, free of charge.

Source : AMF website / Book 4 into force since 30/07/2023 with notes / This translation is for information purposes only
Article 422-116
I. Any retail investment fund which becomes a feeder for a master UCITS or AIF, or any feeder retail investment fund which changes master UCITS or AIF, shall supply the following information to its holders:

1. A declaration specifying that AMF has approved its investment in the said master AIF’s shares or units;

2. The prospectus or, where applicable, the key investor information document specified in Article 422-67 for the feeder retail investment fund and the master UCITS or AIF;

3. The date on which the feeder retail investment fund is to begin investing in the master UCITS or AIF or, if its assets are already invested, the date on which over 20 per cent of its assets will be invested in this UCITS or AIF’s shares or units.

II. Retail investment funds, funds of alternative funds, professional investment funds, company mutual funds and employee shareholder open-ended investment funds shall supply their holders with a declaration specifying that they are entitled, pursuant to the terms set forth in I (4) of Article 411-98, to request redemption or repayment of their shares or units, with no other costs apart from those charged by the retail investment fund to cover disinvestment costs: this entitlement shall be valid as soon as the feeder retail investment fund has supplied the information specified in this article.

Sub-paragraph 7 - Master retail investment fund mergers and demergers

Article 422-117
If a master UCITS or AIF is affected by merger, merger-dememerger, demerger or absorption transactions, any changes this implies for the feeder retail investment fund shall be subject to approval by AMF pursuant to the terms specified in Article 411-101.

Any refusal of approval for the change affecting the feeder retail investment fund(s) shall entail dissolution of the latter, unless they invest their assets in another master UCITS or AIF no later than the day on which the transactions specified above are finally completed.

Feeder retail investment fundholders shall benefit from the same information and no-charge exit opportunities as those set forth in Article 411-100.

Article 422-118
If the feeder retail investment fund changes master UCITS or AIF or converts to a non-feeder UCITS or AIF, it may redeem or refund all the master UCITS or AIF shares or units before the merger or splitting of the latter occurs.

Article 422-119
If a retail investment fund, fund of alternative funds, professional investment fund, company mutual fund or employee shareholder open-ended investment fund is a feeder fund and changes master UCITS or AIF subsequent to the liquidation, merger or splitting of its master UCITS or AIF, this must not adversely affect holders’ rights to a no-charge exit by temporarily suspending redemption or repayment, unless exceptional circumstances require a suspension of this nature in order to protect holders’ interests.

Article 422-120
Liquidation of a master UCITS or AIF shall entail that of the feeder retail investment fund unless, prior to closing of liquidation, the latter has invested in another master UCITS or AIF or becomes a non-feeder UCITS or AIF.

Any such transaction shall be subject to the prior approval of AMF pursuant to the terms set forth in Article 411-104.

Feeder retail investment fundholders shall benefit from the same information and the same protection as that specified for retail investment fundholders in the event of liquidation and, more generally, that offered to master UCITS or AIF holders.
The procedures to be followed in the event of liquidation of a master UCITS or AIF shall be specified in an AMF instruction.

Section 2 - Private equity funds (Articles 422-120-1 à 422-120-15)

Article 422-120-1
Chapter I of this Title and Section 1 of this Chapter, with the exception of Articles 422-17, 422-21-2, 422-83 and the first to third and seventh to eighth paragraphs of Article 422-21, apply to retail private equity investment funds (FCPR) governed by Article L. 214-28 of the Monetary and Financial Code, including retail venture capital investment funds (FCPI) governed by article L. 214-30 of the same code and retail local investment funds governed by article L. 214-31 of the same code.

These funds are also subject to the following provisions.

Sub-section 1 - Establishment and approval

Article 422-120-2
The approval period shall be reduced to eight working days for the so-called "dedicated" retail private equity investment funds listed in Article L. 214-26-1 of the Monetary and Financial Code and, where applicable, their sub-funds.

Article 422-120-3
Retail private equity investment fund regulations may include unit classes with different entitlements to the retail private equity investment fund’s net assets or income.

Article 422-120-4
The retail private equity investment fund regulations shall specify the rights for different unit classes, the management strategy, the rules observed by the asset management company in the event of the retail private equity investment fund retaining the option to act in the acquisition or transfer of securities involving portfolios managed or advised by this asset management company or any related companies.

An AMF instruction shall specify the contents of the retail private equity investment fund’s regulations’ rubrics and the key investor information document.

Article 422-120-5
Shareholders in a feeder retail private equity investment fund whose entire assets are permanently invested in a retail private equity investment fund shall be expressly informed of the particular rules applicable to this type of feeder fund.

Procedures for this information shall be specified in an AMF instruction.

Sub-section 2 - Operating rules

Article 422-120-6
The conditions in which AMF shall issue approvals for transfers with an impact on retail private equity investment funds shall be defined in an AMF instruction. The approval period shall be eight working days for a transfer, twenty working days for a merger or demerger and fifteen working days for transfer to a feeder AIF.

Article 422-120-7
Retail private equity investment funds may make or receive contributions in kind other than those specified in Article 422-25.

If the contribution transaction is between a retail private equity investment fund and a company with links to the fund’s asset management company or between multiple retail private equity investment funds managed by the same asset management company, these contributions may not concern capital or debt securities that have been held for over twelve months. All such contributions shall be valued pursuant to the terms set forth in the asset management fund's regulations and in line with the code of ethics for asset management companies involved in private equity investment.
Retail private equity investment funds, retail venture funds and retail local investment funds may merge only with other retail private equity investment funds, retail venture funds and retail local investment funds respectively.

In the event of a merger, merger-demergery, demerger or absorption affecting one or more retail private equity investment funds or one or more retail private equity investment fund sub-funds, holders of retail private equity investment fund units may redeem their units pursuant to the terms set forth in an AMF instruction. This option shall not apply to holders of retail private equity investment fund units during the period specified in Article L. 214-28 VII of the Monetary and Financial Code.

If a retail private equity investment fund issues different units, the net asset value of each type of unit, issued at the time of the first total or partial payment of their subscription price or at the time of subsequent payments, shall be obtained by dividing the proportional share of the net assets corresponding to the type of unit concerned by the number of units with identical characteristics. The calculation procedures shall be detailed in the retail private equity investment fund prospectus and regulations.

The net total of fees charged by the asset management company for services and consultancy to companies in which a retail private equity investment fund holds securities shall result in a decrease, in proportion to the stake held, of the fee to which this asset management company is entitled for managing this fund.

Retail private equity investment fund prospectuses shall consist of the retail private equity investment fund regulations: the content of the latter, specifically as regards information about charges, shall be determined by an AMF instruction.

If the retail private equity investment fund regulations allow for allocation of units known as "capital gains units" pursuant to the terms set forth in section II clauses 4 and 5 of Article R. 214-44 of the Monetary and Financial Code, the regulations shall present the characteristics of these units, the risk taken by their holders and the nature of these holders if the latter are not restricted to the asset management company, its officers and its employees.

Retail private equity investment fund regulations may specify that the retail private equity investment fund shall publish its net asset value no more than twice a year.

If the retail private equity investment fund regulations allow holders the option of requesting advance redemption of their units in the event of any transfer, no such redemption shall entail any costs for the holders.

Where the conditions are fulfilled for the redemption of units of the retail private equity investment fund, such redemption shall be in cash.

However, upon dissolution of the retail private equity investment fund, units may be redeemed in securities of companies in
which the retail private equity investment fund holds a stake, provided that the regulations of the fund so provide or, where applicable, by a separate deed at the request of the unitholders concerned.

The redemptions are executed and settled by the depositary institution on the terms set by the regulations of the retail private equity investment fund, which regulations also set forth the timeframe which may not exceed a total of one year as of the redemption request being filed.

Where the management company of a retail private equity investment fund, or its unit holders or executive managers or the natural persons or legal entities responsible for managing said fund hold units conferring any particular rights upon them pursuant to the provisions of paragraph VIII of Article L. 214-28 of the Monetary and Financial Code, they may only obtain redemption of these units upon liquidation of the retail private equity investment fund or once the other units issued have been redeemed or amortized up to the amount to which the other units have been paid up. The fraction attributed to the management company referred to in paragraph XI of Article L. 214-28 above may not exceed 20% of the liquidation surpluses.

Section 3 - Real estate collective investment undertakings (Articles 422-121 à 422-188)

**Article 422-121**
Except where otherwise specified, chapter I of this part shall apply to real estate collective investment undertakings (organismes de placement collectif immobilier, OPCI).

**Article 422-121-1**
Real estate collective investment undertakings governed by book II, chapter IV, section 2, sub-section 2, paragraph 3 of the Monetary and Financial Code shall be subject to the provisions of this section, as shall their asset management companies and external valuers.

**Article 422-122**
The term “real estate collective investment undertaking” (organisme de placement collectif immobilier, OPCI) shall refer either to open-ended real estate investment companies (société de placement à prépondérance immobilière à capital variable, SPPICAV) or real estate investment funds (fonds de placement immobilier, FPI).

The term “holder” shall designate unit holders in a real estate investment fund or shareholders in an open-ended real estate investment company.

**Article 422-123**

**Article 422-124**
The fund regulations specified in Article L. 214-73 of the Monetary and Financial Code shall state the duration of the real estate investment fund.

**Article 422-125**
Approval of a real estate collective investment undertaking, specified in Article L. 214-35 of the Monetary and Financial Code and, where applicable, the approval of each sub-fund, specified in Article L. 214-85 of the same Code, shall be subject to the procedure specified in Article 422-7 (I) for an open-ended real estate investment company and the procedure specified in Article 422-11 (I) for a real estate investment fund.

**Article 422-126**
Without prejudice to Article L. 214-24-1 of the Monetary and Financial Code, marketing of real estate collective investment undertaking shares or units and, where applicable, their sub-funds, shall take place only after notification of AMF approval. This notification shall be subject to the conditions set forth in Article 422-10 for an open-ended real estate investment company and clause 1 of Article 422-15 for a real estate investment fund.
Article 422-127
Within a single real estate collective investment undertaking or a single sub-fund, the prospectus may specify different share or unit classes subject to the terms specified in Article 422-23 with the exception of (1).

Article 422-128
Real estate collective investment undertaking shares or units may be issued at any time at the request of holders on the basis of their net asset value established after the subscription application centralisation deadline, plus:

1. The variable component of the subscription fee specified in Article 422-129;

2. Where applicable, the subscription fee.

Real estate collective investment undertaking shares or units may be redeemed at any time at the request of holders on the basis of their net asset value established after the subscription application centralisation deadline, less redemption fees where applicable.

Article 422-129
Without prejudice to Articles 321-116 and 321-118 or 319-12 and 319-13, the subscription fee shall include a variable component forfeit to the real estate collective investment undertaking, the purpose of which is to cover fees and taxes for acquisition or transfer of assets specified in I (1)-(3) inclusive of Article L. 214-36 of the Monetary and Financial Code.

The procedures for calculating this variable component shall be distinctly detailed in the real estate collective investment undertaking prospectus.

Article 422-129-1
Pursuant to Article L. 214-48 of the Monetary and Financial Code, and notwithstanding Article 422-129, the real estate collective investment undertaking prospectus may include mechanisms to offset or reduce the costs of portfolio reorganisation incurred by all unitholders in connection with subscriptions and redemptions.

The portfolio asset management company shall inform the AMF, unitholders and the public of the introduction of such mechanisms in the prospectus of the real estate collective investment undertaking.

It shall define precisely the conditions for applying these mechanisms, and in particular:

1. The method for identifying, calculating and allocating portfolio rearrangement costs among unitholders;

   The portfolio asset management company shall establish this method in writing and shall review it regularly.

2. Where applicable, the thresholds above which its application shall be triggered;

3. The measures for detecting and managing any conflicts of interest that may arise as a result of their implementation.

Article 422-130
The real estate collective investment undertaking's prospectus and key investor information document shall specify:

1. The deadline date and time for centralising subscription and redemption orders for real estate collective investment undertaking shares and units;

2. The date on which the net asset value is established;

3. The date on which the net asset value will be calculated and published.
The real estate collective investment undertaking prospectus and key investor information document shall also specify the maximum period between the subscription or redemption order centralisation date and the date of delivery or settlement of the shares or units by the depositary. This period shall not exceed six months.

Article 422-131
The prospectus shall define the objective circumstances entailing temporary closure of subscriptions, e.g. when a maximum number of shares or units has been issued or a maximum asset threshold reached.

Article 422-132
If the prospectus states that the real estate collective investment undertaking is restricted to a maximum of twenty holders or an investor class whose characteristics are defined precisely in its prospectus, the real estate collective investment undertaking may cease issuing shares or units.

Article 422-133
In the event of exercise of the option of suspending redemptions set forth in Articles L. 214-67-1 and L. 214-77 of the Monetary and Financial Code, the asset management company shall inform AMF and real estate collective investment undertaking holders of the reasons and procedures for the redemption suspension no later than its time of implementation.

Article 422-134
The redemption of holder units specified in Article L. 214-45 of the Monetary and Financial Code may be suspended if the real estate collective investment undertaking articles of association or regulations provide for this and the redemption request exceeds 2 per cent of the number of real estate collective investment undertaking shares or units. In this case, the real estate collective investment undertaking prospectus shall specify:

1 • The objective conditions constituting grounds for not executing the holder’s redemption requests;

2 • The possibility of asset management companies staggering performance of the redemption request and all related conditions.

3 • How the holder is to be informed.

Article 422-134-1
I. Pursuant to Articles L. 214-61-1, L. 214-67-1 or L. 214-77 of the Monetary and Financial Code, redemption requests may be gated if the articles of association or the rules of the real estate collective investment undertaking so provides.

The portfolio asset management company shall inform the AMF, unitholders and the general public of the introduction of a redemption gate mechanism in the rules or articles of association of the real estate collective investment fund.

In the case only of redemption caps, as provided for in Articles L. 214-67-1 or L. 214-77 of the Monetary and Financial Code, the investment management company shall inform the AMF, the unitholders and the general public if this mechanism has not been introduced and shall declare the reasons for this to the AMF.

The articles of association or rules and the prospectus of the real estate collective investment undertaking shall provide:

1 • The conditions under which the real estate collective investment undertaking may make use of this option;

2 • The procedures for implementing this option;

3 • The procedures for informing unitholders of a decision to apply a redemption gate.

II. The third paragraph of I does not apply to real estate collective investment undertakings governed by II of Article L. 214-35 of the Monetary and Financial Code.
Article 422-135
When subscribing, holders shall immediately inform the asset management company if they exceed the threshold of 10 per cent of the real estate collective investment undertaking’s shares or units.

This threshold shall be assessed on the basis of the number of units issued by the real estate collective investment undertaking.

The number of units shall be published by the asset management company on its website on publication of each net asset value.

Article 422-136
If, for a period of twenty-four consecutive months, the asset remains lower than the amount specified in Article D. 214-118 of the Monetary and Financial Code, the real estate collective investment undertaking shall be liquidated, or alternatively one of the transactions specified in Articles L. 214-66 and L. 214-76 of said Code shall be performed.

If the real estate collective investment undertaking includes sub-funds, the provisions of this article shall be applicable to each sub-fund.

Article 422-137
Contributions in kind shall be permitted only for the assets specified in Article L. 214-36 (I) of the Monetary and Financial Code, with the exception of assets specified in I (9) of said article.

The holder information specified in Articles L. 214-66 and L. 214-76 of the Monetary and Financial Code shall be clear and accurate. It shall be the subject of effective circulation to holders pursuant to the terms specified in an AMF instruction.

Article 422-138
There are two possible types of change during the lifetime of a real estate collective investment undertaking:

1. Changes subject to pre-approval (mutations); this refers to transformations and merger, demerger, dissolution and liquidation transactions;

2. Changes subject to ex-post notification.

The procedures for informing holders and the circumstances in which they may obtain redemption of their shares or units shall be defined in an AMF instruction.

Article 422-139
The conditions in which AMF shall issue approves changes subject to pre-approval having an impact on real estate collective investment undertakings shall be defined in an AMF instruction. Approval shall be granted within eight working days, except for merger and demerger transactions, for which approval must be granted within twenty working days.

Article 422-140
Any merger, demerger or absorption project for one or more real estate collective investment undertakings or one or more sub-funds thereof shall be determined by the executive board or board of directors of the open-ended real estate investment company or by the real estate investment fund’s asset management company or, if the open-ended real estate investment company is a simplified joint stock company (société par actions simplifiée), by the officers of this company. It shall be subject to prior approval by AMF pursuant to the terms set forth in Articles 422-123 to 422-125.

As applicable, the merger or demerger project shall specify the name, registered office and trade and companies register number of the open-ended real estate investment companies in question, the name of the real estate investment fund(s) and the name, registered office and trade and companies register number of the asset management company or companies.

It shall also specify the grounds, purpose and terms of the transaction, as well as the value of the real estate assets specified in point 1° to 3° of I of Article L. 214-36 of the Monetary and Financial Code. It shall specify the date on which the extraordinary
Article 422-141
The merger, demerger or absorption project shall be lodged with the clerk of the commercial tribunal with jurisdiction for the head office of the companies in question.

The executive board or board of directors of each of the companies in question shall supply the project to the statutory auditors of each company or open-ended real estate investment company concerned no later than forty-five days prior to the open-ended real estate investment companies' extraordinary general meetings at which a vote on the transaction is to be held, or the date set by the executive board or the board of directors of the asset management company for the real estate investment funds in question. The transaction shall be carried out by the executive boards or boards of directors of the open-ended real estate investment companies in question, or the real estate investment funds' management companies, under the control of the statutory auditors of the open-ended real estate investment companies in question. The statutory auditors' reports specified in Article R. 214-126 of the Monetary and Financial Code shall be made available to holders no later than eight days before the date set by the extraordinary general meetings or, in the case of real estate investment funds, by the asset management company or companies.

Article 422-142
The obligation to issue shares or units at any time may be suspended following a resolution, by the executive committee or board of directors of an open-ended real estate investment company or a real estate investment fund's asset management company, no more than fifteen days prior to the planned date of completion of any of the transactions specified in Article L. 214-66 or L. 214-76 of the Monetary and Financial Code. The articles of association of the open-ended real estate investment company created as a result of these transactions shall be signed by their legal representatives.

Real estate investment funds' regulations shall be drafted by their asset management company.

Holders shall have a period of six months during which they may obtain no-charge redemption of their shares or units.

Any holders who, due to exchange ratios, are not entitled to a whole number of shares or units, shall be entitled to redemption of the fractional share or to make a cash payment of the supplement required for a whole share or unit to be assigned to them. No subscription or redemption fees relating to any such repayments or payments may be added or deducted.

Article 422-143
In the event of liquidation of a real estate collective investment undertakings or, where applicable, a sub-fund, the statutory auditor shall draw up a report of the asset valuation, the terms of liquidation and any transactions since the closure of the previous financial period. This report shall be made available to holders and supplied to AMF.

Article 422-144
If the real estate collective investment undertaking includes sub-funds, the real estate investment fund regulations or open-ended real estate investment company articles of association shall specify the terms and procedures for assigning assets in the event of liquidation of sub-funds.

Article 422-145
Conditions for liquidation and the procedures for allocation of the assets shall be determined by the real estate investment fund regulations or the open-ended real estate investment company's articles of association.

In particular, the real estate investment fund regulations or the open-ended real estate investment companies' articles of association may allow for redemption to take place in kind if the liquidation is concluded by redemption of shares or units.

If the obligation relating to the total net assets specified in Article L. 214-47 of the Monetary and Financial Code is no longer fulfilled, repayment of holders shall take place within the following periods, starting from the date of the transfer signalling...
Liquidation:

1 • Five days for a real estate investment fund and two months for an open-ended real estate investment company if they do not hold any of the real estate assets specified in I (1)-(3) inclusive of Article L. 214-36 of the Monetary and Financial Code;

2 • Twelve months in all other cases.

Article 422-146
Real estate collective investment undertakings affected by changes shall declare this to AMF pursuant to the procedure set forth in an AMF instruction.

Article 422-147
Members of the supervisory board shall be elected by the real estate investment fund unit holders and from among their number.

For the purposes of this election, the asset management company shall carry out a request for candidates that it shall publish on its website and in the periodic disclosure document.

Real estate investment fund unit holders shall reply to this request for candidates on the asset management company’s website within three months of its publication.

Candidatures shall include elements offering proof of the independence of the candidate with regard to the asset management company and any related companies as understood in Article R. 214-43 of the Monetary and Financial Code.

No legal or natural person may hold more than five directorships at any one time in the capacity of member of the supervisory board of a real estate investment fund.

The real estate investment fund regulations may further restrict the number of such directorships.

Holding such directorship shall be incompatible with holding any other function liable to create a conflict of interest. The real estate investment fund regulations may specify an age limit for members of the supervisory board.

Article 422-148
Unit holders shall directly elect the members of the supervisory board pursuant to the procedures set forth by the fund regulations.

Elections of the members of the supervisory board shall take place at least every three years. Shareholders may vote by post.

Article 422-149
If the real estate investment fund regulations specify that holders shall be invited to attend a meeting for the purposes of electing the members of the supervisory board, holders shall be invited to attend by the asset management company no later than fifteen working days prior to the date of this meeting, by letter or, subject to agreement by the holder, by e-mail.

The notice to attend shall specify the procedures for postal votes.

Article 422-150
Voting rights of each holder shall be proportional to the number of units they hold in the real estate investment fund.

Article 422-151
If the number of candidates does not exceed the number of positions to be filled, the candidates shall automatically be appointed as members of the supervisory board.
Article 422-152
The term of office for members of the supervisory board shall be three years, renewable twice.

In the event of the decease or resignation of a member of the supervisory board resulting in there being fewer members than the number specified in the fund regulations, the supervisory board shall carry out a temporary appointment to replace the vacant directorship until the relevant directorship expires.

This appointment shall take place within three months from the date on which the position becomes vacant.

Appointees shall be those candidates who have obtained the largest number of votes at the previous election excluding those already appointed to be members of the supervisory board.

The fund regulations may specify the partial renewal of the members of the supervisory board at the time of each election specified in Article 422-147.

Article 422-153
At the first meeting following the election or appointment of new members, the supervisory board shall elect its chairman, by simple majority vote.

Article 422-154
The fund regulations shall determine the rules relating to convening meetings of the supervisory board, how it passes resolutions, and the circumstances in which a member of this board may be represented by another member at a board meeting.

Each member shall hold one vote. In the event of a tie, the chairman shall have the casting vote.

Article 422-155
The supervisory board shall meet at least twice per financial period, convened by its chairman or following any request with supporting grounds by at least one third of its members.

The first meeting of the supervisory board following the establishment of the real estate collective investment undertakings shall be held no later than twelve months after approval of the real estate collective investment undertaking.

The supervisory board’s resolutions shall be valid only if at least one half of its members are present.

The chairman shall establish the agenda of the session; this may be supplemented at the request of any member, no later than the day prior to the meeting.

Supervisory board members' attendance shall be noted in a dedicated register. Resolutions passed by the supervisory board shall be recorded in minutes.

Article 422-156
The prospectus shall establish the maximum amount of monies assigned each year for all expenditure relating to the workings of the supervisory board.

These expenses shall be borne by the real estate collective investment undertaking up to this amount, on the basis of proofs supplied by the chairman of the supervisory board to the asset management company.

The fund regulations shall establish the list of these expenses; in particular, these may include:

1. Where applicable, details of any compensation received by its members;
Article 422-157
The supervisory board may ask the asset management company to provide training lasting no more than two working days for
board members appointed within the previous year.

Article 422-158
The asset management company shall make available all premises required for supervisory board meetings to be held, as well as
the staff and technical resources to provide secretarial services for the board.

Article 422-159
When drafting its reports, the supervisory board may request any relevant additional information from the asset management
company; the latter shall be required to respond in writing within eight working days.

Article 422-160
Supervisory board reports shall be ratified by a simple majority vote of its members.

Article 422-161
Supervisory board reports shall be made available to holders pursuant to the terms set forth in the fund regulations.

If a holder asks to receive a hardcopy version of the report, the expenses relating to its dispatch by post may be charged to the
former.

Article 422-162
Assets other than those specified in I (1)-(3) inclusive of Article L. 214-36 of the Monetary and Financial Code shall be valued
pursuant to Articles 422-26 to 422-27.

Article 422-163
The asset management company shall value the assets specified in I (1)-(3) of Article L. 214-36 of the Monetary and Financial Code
on each day on which the net asset value is determined.

This valuation shall be on a market value basis.

The asset management company shall implement controllable, formal procedures that supply proof of how the value established
has been arrived at.

Article 422-164
The asset management company shall, for the assets specified in I (1) of Article L. 214-36 of the Monetary and Financial Code,
establish a schedule of works to be performed within five years. This plan shall be implemented with a frequency appropriate to
the characteristics of these assets and shall be made available to AMF.

If the asset management company does not observe the schedule of works, it shall supply the reasons for not doing so in the
report specified in clause 3 of Article L. 214-50 of the Monetary and Financial Code.

Article 422-165
I. - The value of the real estate assets specified in I (1) of Article L. 214-36 of the Monetary and Financial Code and the buildings or
real estate rights held directly and/or indirectly by the companies specified in I (2) and (3) of the same article that fulfil the
conditions laid down in Article R. 214-83 of the Monetary and Financial Code shall be determined in the following manner:

1 • At least four times a year and at three-monthly intervals, each asset shall be valued by two external valuers appointed by the
asset management company, which shall establish their remit. One of the valuers shall determine the value of the asset; the
other shall perform a critical analysis of this value.
Once a year, each asset shall be the subject of an annual real estate appraisal by an external valuation expert.

The real estate expert analysis for any given asset shall be performed in each successive financial period by each external valuation expert on an alternating basis.

The asset management company shall establish, and communicate to the statutory auditor, a schedule setting forth the application procedures for this clause.

II. For determination of the value of the buildings and real estate properties held directly by the companies specified in I (2) and (3) of Article L. 214-36 of the Monetary and Financial Code which do not fulfil the conditions set forth in (2) and (3) of Article R. 214-83 of this Code, the external valuers shall perform a critical analysis of the valuation methods used by the asset management company to determine the value of the assets and the extent to which they are appropriate. This critical analysis shall take place at least four times a year, at three-monthly intervals.

Article 422-166
For each real estate asset specified in I (1) of Article L. 214-36 of the Monetary and Financial Code and each building or real estate right held directly or indirectly by the companies specified in I (2) and (3) of the same article, the external valuers shall draft a document specifying the following:

1. For all assets fulfilling the conditions laid down in Article R. 214-83 of the Monetary and Financial Code, the method used and the value adopted by the external valuation expert to determine the value of the asset, as well as the procedure and controls implemented by the external valuation expert carrying out the critical appraisal of this value. The external valuers who perform the critical value appraisal shall supply this document to the asset management company, the depositary and, at the end of each calendar half-year and on closing of the accounts, to the statutory auditors.

2. For all assets that do not fulfil the conditions laid down in Article R. 214-83 of said Code, the procedure and controls performed by the external valuers.

The external valuers shall forward this document to the asset management company, the depositary, and at the end of each calendar half-year and closing of the accounts, to the statutory auditor.

Article 422-167
Each external valuation expert shall implement a procedure that allows any difficulties encountered in performance of their duties to be reported. The depositary, asset management company, statutory auditor and AMF shall immediately be made aware of any such difficulties.

Article 422-168
At the end of the financial period, the external valuers shall jointly draft the summary report specified in Article L. 214-55 of the Monetary and Financial Code. This report shall give an account of all their interventions during the financial period and the implementation of the procedure specified in Article 422-165.

Article 422-169
The real estate collective investment undertaking’s annual report shall contain the elements specified in an AMF instruction.

Article 422-170
If shares or units in a real estate collective investment undertaking are denominated in different currencies, the assets of the real estate collective investment undertaking or, where applicable, any sub-fund, shall be booked in one currency only.

Article 422-171
The annual accounts of the real estate collective investment undertaking shall be presented pursuant to the accounting plan in force.
Article 422-172
The annual accounts, inventory of assets, reports of real estate collective investment undertaking’s statutory auditors, the report of the executive board or board of directors of open-ended real estate investment companies, or the report of the supervisory board of real estate investment funds shall be made available to holders at the registered office of the asset management company. They shall be sent to any holder whose so requests within eight working days following receipt of any such request. Subject to the consent of the holder, they may be dispatched in electronic format.

Article 422-173
The executive board, or board of directors of open-ended real estate investment companies, or the asset management company of a real estate investment fund or, if the open-ended real estate investment company is a simplified joint stock company, the officers of this company, shall determine the amount and date of the distributions specified in Articles L. 214-69 and L. 214-81 of the Monetary and Financial Code.

The executive board or board of directors of open-ended real estate investment companies, or the asset management company of a real estate investment fund or, if the open-ended real estate investment company is a simplified joint stock company, the officers of this company, may resolve to implement interim distributions on the basis of a balance sheet and income statement.

Article 422-174
If a real estate collective investment undertaking reserved for no more than twenty subscribers or a class of subscribers specified in Article 422-132 exercises the waiver option specified in Article R. 214-120 of the Monetary and Financial Code, the period during which redemption of shares or units of schemes specified in (2) of this article shall not exceed sixty days.

Article 422-175
The investment limits established in Articles R. 214-96 and R. 214-97 of the Monetary and Financial Code shall not apply if the real estate collective investment undertaking invests in UCITS invested solely in the instruments specified in (1)-(3) inclusive of Article R. 214-93 of said Code.

Article 422-176
The calculation of beneficiary debt claims for real estate collective investment undertakings specified in Article R. 214-10 of the Monetary and Financial Code shall be performed pursuant to the procedures set forth in Article 422-31.

The valuation of the goods or rights making up the collateral granted by the real estate collective investment undertakings specified in Article R. 214-109 of the Monetary and Financial Code shall be performed pursuant to the procedures set forth in Article 422-32.

The commitment calculation specified in Article R. 214-112 of the Monetary and Financial Code shall be performed pursuant to the procedures specified in Articles 422-51 to 422-64 inclusive.

Article 422-177
I. - A key information document shall be drafted for all real estate collective investment undertakings pursuant to Articles 422-67 to 422-70 inclusive.

Real estate collective investment undertakings established prior to 3 October 2011 shall establish a key investor information document to replace the simplified prospectus, no later than 1 July 2013.

Details of the information to be specified in the key investor information document shall be set forth in an AMF instruction.

II. - In a waiver of the provisions of I, real estate collective investment undertakings which restrict subscription or acquisition of their shares or units pursuant to II of Article L. 214-35 of the Monetary and Financial Code need draft no more than a prospectus whose content is specified in an AMF instruction, subject to having obtained the unanimous agreement of their direct or indirect holders. In accordance with the Regulation (EU) n° 1286/2014 of the European Parliament and of the Council of 26 November 2014, this waiver is applicable as long as the shares or units of real estate collective investment undertakings are not subscribed or
acquired by non-professional clients.

In such cases, for application of Articles 422-86 to 422-89, the reference to the key investor information document shall be replaced by a reference to the prospectus.

**Article 422-178**
A prospectus compliant with Articles 422-71, 422-73, 422-74, 422-76 and 422-77 and subject to approval by AMF shall be drafted for all real estate collective investment undertakings.

In particular, this prospectus shall describe the real estate collective investment undertaking investment policy and its management goals. Details of the information to be specified in the prospectus shall be set forth in an AMF instruction.

**Article 422-179**
The prospectus shall describe all the fees to be borne by real estate collective investment undertaking holders or by the real estate collective investment undertaking, including all taxes, and specify the following:

1 • For fees of which the cost is borne by holders:
   a • The maximum rate of that part of the subscription and redemption fee that does not revert to the real estate collective investment undertaking
   b • The rate of that part of the fee that reverts to the real estate collective investment undertaking and the conditions in which this rate may be reduced;

2 • For costs borne by the real estate collective investment undertaking:
   a • The various components of the charges and fees relating to the management of the assets specified in I (1)-(3) of Article L. 214-36 of the Monetary and Financial Code
   b • The details set forth in Article 422-72 (2) relating to management of assets other than those specified in a above.

**Article 422-180**
If the real estate collective investment undertaking includes sub-funds, the prospectus shall describe the characteristics of the real estate collective investment undertaking and those of each of its sub-funds.

**Article 422-181**
The asset management company shall retain sole liability for the content of documents supplied to AMF to be placed online on the latter’s website.

**Article 422-182**
The prospectus, net asset value, most recent annual report and the most recent periodic disclosure document shall be published on the asset management company’s website.

If any person asks to receive these documents in hardcopy format, they shall be sent within one week of receipt of this request; costs relating to the dispatch by post may be charged to the requesting party.

**Article 422-183**
I. - Articles 422-86 to 422-91 shall apply to distribution of real estate collective investment undertaking shares or units.

II. - Any person marketing real estate collective investment undertaking shares or units shall ensure that subscribers fulfil the subscription conditions specified in Article 422-132.
If the asset management company has concluded a contract to distribute real estate collective investment undertaking shares or units, this contract shall specify the conditions in which subscribers have access to the prospectus and key investor information document, real estate investment fund regulations or open-ended real estate investment company articles of association, and the real estate collective investment undertaking’s most recent annual report and periodic statement.

**Article 422-184**
Real estate collective investment undertakings shall draft the periodic disclosure document specified in Article L. 214-53 of the Monetary and Financial Code, known as the "half-yearly report", at the end of the first half-yearly period.

The contents of this half-yearly report shall be specified in an AMF instruction.

If the real estate collective investment undertaking includes sub-funds, half-yearly reports shall also be drafted for each sub-fund.

The half-yearly report shall be published no later than eight weeks following the end of the first half-yearly period.

**Article 422-185**
For the transactions listed in an AMF instruction, the asset management company shall publish details of any such transactions performed that involve real estate collective investment undertaking securities during the course of the previous twelve months.

**Article 422-186**
Real estate collective investment undertakings are required to establish their net asset value. This net asset value shall be established and published with a frequency appropriate to the real estate collective investment undertaking management policy, the type of assets held and the nature of its subscribers. Real estate collective investment undertakings shall establish and publish their net asset value at least every six months and at most twice a month.

If the prospectus specifies that there must be three months or more between two net asset valuations, the real estate collective investment undertaking shall publish the estimated value specified in Article 422-73 at least every three months.

The prospectus shall specify the frequency with which the net asset value is established and published, the valuation method and the reference calendar chosen.

Once a net asset value has been published, it shall be possible to issue and redeem real estate collective investment undertaking shares or units on the basis of this value, pursuant to the terms and conditions set forth in the prospectus.

The foregoing paragraph does not preclude the real estate collective investment undertaking or, where applicable, the portfolio asset management company, from suspending redemptions pursuant to Article 422-133.

This article shall apply for each sub-fund.

**Article 422-187**
The net asset value shall be supplied to AMF on the day it is determined, pursuant to procedures set forth by an AMF instruction.

If the real estate collective investment undertaking issues different classes of share or unit, the net asset value of the units in each class shall be obtained by dividing the proportional share of the net asset corresponding to the unit class concerned by the number of units in this class.

The procedures for calculating the net asset value of the real estate collective investment undertaking unit classes shall be detailed in the prospectus.

Any changes shall be subject to approval by AMF.
Article 422-188
The net asset value shall be obtained by dividing the net assets of the real estate collective investment undertaking by the number of shares or units issued.

Section 4 - Real estate investment companies and forestry investment companies (Articles 422-189 à 422-249-5)

Paragraph 1 - General regime

Article 422-189
Except where otherwise specified, chapter I of this part shall apply to real estate investment companies (sociétés civiles de placement immobilier, SCPI), forestry investment companies (sociétés d'épargne forestière, SEF) and forestry groupings (groupements forestiers, GFI).

Sub-paragraph 1 - Constitution

Article 422-189-1
The initial capital of a SCPI or a GFI shall be fully subscribed and paid up by the founding members, with no "public offering". The shares shall be non-transferable for a period of three years from the date of issue of the AMF approval.

Article 422-190
The guarantee specified in Article L. 214-86 of the Monetary and Financial Code shall be supplied by a banking establishment.

It may take the form of joint and personal surety on the part of the SCPI or SEF or GFI, waiving the benefit of discussion or division.

The text of the bank guarantee issued shall be submitted to AMF when approval is requested. This guarantee shall be specified in the offering document.

Article 422-191
If, on expiry of the statutory one-year period for SCPIs and the two-year period for SEFs and GFIs, the conditions set out in first paragraph of Article L. 214-116 of the Monetary and Financial Code for SCPIs, by Article L. 214-123 of the same Code for SEFs and by point 1° of Article L. 331-4-1 (II) of the Forestry Code for GFIs are not met, the management company shall inform the AMF and the bank as soon as possible and at the latest within fifteen days, providing the latter with the list of subscribers, the sums to be repaid and the date on which the extraordinary general meeting due to decide the winding up of the company is to be held.

The meeting shall be convened within a period of two months from expiry of the statutory one-year period for SCPIs or two years for SEFs and GFIs.

Refunds to shareholders shall be paid within no more than six months from the date on which the extraordinary general meeting specified above is held.

The bank guarantee may not specify an expiry date that falls prior to the expiry of this six-month period.

Sub-paragraph 2 - Public offering

Article 422-192
I. – SCPI, SEF or GFI may not make any offer to the public unless it has:

1 • Drafted an offering document authorised by the AMF;

2 • Issued a subscription form.

II. - Furthermore, the initial offer to the public shall be subject to the following:
III. - The provisions of this article do not apply when the SCPI, SEF or GFI makes an offer of its shares to the public, as mentioned in point 1° of Article L. 411-2 of the Monetary and Financial Code.

Article 422-193
An offering document shall be drafted prior to the initial offer to the public, except if it is an offer referred to in point 1° of Article L. 411-2 of the Monetary and Financial Code.

The offering document shall be updated:

1 • If the gap between the share subscription price for the SCPI, SEF or GFI and the replacement value for a share notified to the AMF exceeds 10 per cent;

2 • If substantial changes within the SCPI, SEF or GFI or the management company require it.

Article 422-194
Any request for approval shall be preceded by authorisation on the part of the extraordinary general meeting, resolved on the basis of a report drafted by the management company in the following cases:

1 • If there is an issue of new shares after a period of more than three years without any increase in capital. In this case, the management company report shall be approved by the statutory auditors;

2 • If there is a change to the initial investment policy.

Article 422-195
If the AMF observes that the offering document no longer corresponds to the actual circumstances of the SCPI), SEF or GFI, and if the formal notice to rectify the situation remains unsuccessful, the approval for the offering document shall be withdrawn.

The management company of the SCPI, SEF or GFI shall be notified of the substantiated decision to withdraw the approval; it shall in turn inform the supervisory board.

This measure shall prohibit any offer to the public to acquire or subscribe to shares in the SCPI, SEF or GFI on the terms set out in this sub-paragraph.

This measure shall not entail a prohibition on proceeding with the offer to the public referred to in point 1° of Article L. 411-2 of the Monetary and Financial Code.

Article 422-196
In order to make an offer of shares to the public, the SCPI, SEF or GFI may use any form of announcement, provided that the following is specified:

1 • The company name of the SCPI, SEF or GFI;
The provisions of this article do not apply to offers to the public referred to in point 1° of Article L. 411-2 of the Monetary and Financial Code.

**Article 422-197**
In the event of new shares being issued, each investor shall, prior to subscription, receive a complete dossier on a durable medium as defined in Article 314-5, comprising the following:

1. The company's articles of association;

2. The currently valid offering document authorised by the AMF, updated if applicable, written in easily readable type;

3. The subscription form including the indications set forth in the instruction established pursuant to this paragraph;

   The latest annual report and the latest six-monthly newsletter shall be provided on a durable medium as defined in Article 314-5 or made available on a website to subscribers prior to subscription.

   A hardcopy version of the documents specified in this article shall be supplied free of charge to any subscriber who requests it.

Any share subscription shall be recorded on a subscription form, dated and signed by the subscriber or their agent, including the number of shares subscribed written out in words. They shall be given a copy of this form.

**Sub-paragraph 3 - Operations**

**Article 422-198**
The rate, assessment base and any other components of remuneration of the management company may be specified in the SCPI, SEF or GFI articles of association. If not, the precise terms of remuneration shall be established by a special agreement concluded between the SCPI, SEF or GFI and ratified by their ordinary general meetings.

Subscribers shall be made aware of the terms of remuneration of the management company in an offering document approved by AMF.

All fees or remuneration received by the management company shall be defined in the offering document.

**Article 422-199**
The supervisory board shall issue an opinion on the motions submitted by the management company to shareholders.

It shall refrain from any management action; in the event of default on the part of the management company, it shall convene a general meeting forthwith with a view to replacing the management company.

**Article 422-200**
On the occasion of the general meeting called upon to ratify the accounts of the company's third full financial period, the supervisory board shall be wholly renewed in order to ensure the broadest possible representation of shareholders with no links to the founders.

The maximum duration of the mandate of representatives on the supervisory board shall be three years.
Article 422-201
The management company shall observe the strictest neutrality in the conduct of procedures to appoint members of the supervisory board.

Prior to the meeting which is to designate new members of the supervisory board being convened, the management company shall carry out a request for candidatures with a view to ensuring the broadest possible representation of non-founder shareholders.

For the vote to appoint members of the supervisory board, only votes expressed by shareholders who are present and postal votes shall be taken into account.

The list of candidates shall be presented in a motion. Candidates shall be elected on the basis of those who receive the greatest number of votes, up to the number of positions to be filled.

Article 422-202
The ordinary general meeting that is called upon to ratify the annual accounts shall be convened at least once a year within six months following closure of the financial period, subject to this deadline being extended following a court ruling.

Article 422-203
In the event of withdrawal agreement of the SCPI, SEF or GFI's management company, the general meeting of each of the SCPI, SEF or GFIs in question shall convened within two months in order to choose a management company which agrees to provide management for these SCPI, SEF or GFIs.

Article 422-204
For the purposes of this section:

1. The term "order" used in Article L. 214-93 of the Monetary and Financial Code means any sale or purchase order for SCPI, SEF or GFI shares sent to the management company or an intermediary.

2. The term "intermediary" means any person other than the management company who, due to their professional business, is authorised to receive a sale or purchase order relating to SCPI, SEF or GFI shares.

3. The term "person" means any natural or legal person.

Article 422-205
Orders shall be recorded in a register held at the company's head office pursuant to the terms set forth in an AMF instruction, failing which they shall be null and void.

An order to sell shall be valid for a period of twelve months. Any shareholder having made or passed on an order shall be informed of the expiry date of the order beforehand. The validity period for the order may be extended for a maximum of twelve months if expressly requested by the shareholder.

Recording of orders in the register specified in the first paragraph for a variable-capital real SCPI, a variable-capital SEF or a variable-capital GFI shall constitute an appropriate measure as defined in Article L. 214-93 (II) of the Monetary and Financial Code. Application of this measure shall entail suspension of redemption requests.

Article 422-206
The management company or intermediary shall be required to forward the five highest purchase prices and the five lowest purchase prices recorded in the register to any person who so requests, as well as the quantities requested and offered at these prices.
On receipt by the management company or intermediary, orders shall be recorded, such that the stages of processing of each order and its various executions may be reconstituted.

**Article 422-207**

Prior to forwarding orders to the management company, the intermediary shall check that they have all the characteristics specified in an AMF instruction.

The intermediary shall pass on orders to the management company without summing orders of the same nature or with the same limits, and without offsetting sale and purchase orders.

**Article 422-208**

For the purposes of hedging, the management company may:

1. Either subordinate recording of purchase orders to payment of funds pursuant to the terms set forth in an AMF instruction;

2. Or establish a deadline by which funds must be received, on expiry of which orders recorded in the register shall be cancelled if the funds have not been paid. In this case, funds must be received no later than the day before the execution price is determined.

**Article 422-209**

The management company shall timestamp the orders it receives having ensured that they fulfil the registration conditions.

It shall record them on the register specified in Article 422-205 in chronological order.

**Article 422-210**

Prior to determination of the execution price, the management company shall ensure that there is no barrier to execution of the sale orders.

In particular, it shall ensure that the assignor has sufficient powers to assign the shares it holds and a sufficient number of shares to honour its sale order if it is executed.

**Article 422-211**

If due grounds are supplied in a resolution the management company may, on its own liability, suspend the recording of orders on the register after having informed AMF.

If the reason for suspension is the occurrence of a major event which, if it was publicly known, would be liable to have a significant impact on the execution price of shares or the circumstances and rights of shareholders, the management company shall cancel orders in the register and inform its clients or intermediaries on an individual basis.

The management company shall use any and all appropriate means to ensure that this decision and the reasons for it are circulated publicly, effectively and in full.

**Article 422-212**

The only grounds for change to the frequency established in Article 422-229 for SCPI and 423-243 for SEF and GFI shall be market constraints.

The management company shall make clients, intermediaries and the general public aware of this change no later than six days prior to its effective date.

Procedures for circulating this information to the public shall be specified in the offering document.
Article 422-213
The execution price shall be the price at which the greatest quantity of shares may be traded.

If, at the same time, multiple prices may be determined on the basis of this initial criterion, the execution price shall be the price at which the number of non-traded shares is the lowest.

In the event of neither of these two criteria allowing a single price to be determined, the execution price shall be that closest to the most recent execution price determined.

The execution price, and the quantities of shares traded, shall be made public by any appropriate means on the day on which the price is determined.

In the event of it not being possible to determine an execution price, the management company shall, in the same conditions as those set forth in the previous clause, publish the highest purchase price and the lowest sale price, each accompanied by the quantities of shares offered.

Article 422-214
Orders shall be executed immediately on determination of the execution price and at this price alone.

Execution shall concern: as a priority, purchase orders recorded with the highest price and sale orders recorded with the lowest price. Orders with equal prices shall be executed in their chronological order of record in the register.

The management company shall record all transactions completed in this manner in the shareholder register without delay.

Article 422-215
The management company shall make the information regarding the price and quantities shown in the order register available to the public. It shall implement any and all means necessary to minimise the following periods:

1 • The time between receipt of orders and them being recorded in the register

2 • The time taken to inform clients and/or intermediaries.

It shall supply proof of orders being executed and them being passed on to clients and intermediaries.

Article 422-216
Intermediaries shall implement any and all means necessary to minimise the following periods:

1 • The time between orders being received and passed on

2 • The time taken to inform their clients.

They shall supply proof of receipt of orders and of them being passed on to clients and the management company.

Article 422-217
Supporting proofs for the various stages specified in Articles 422-215 and 422-216 shall be kept for a period of five years.

Sub-paragraph 5 - Withdrawals

Article 422-218
In SCPI, SEF or GFI that have opted for variable capital, the management company shall be made aware of redemption requests by registered letter with return receipt requested or by any other means specified in the instrument of incorporation and the offering
On receipt, these shall be recorded in the redemption request register and fulfilled in the chronological order in which they are recorded.

**Article 422-219**

In the event of a fall in the redemption price, the management company shall, by registered letter with return receipt requested, inform shareholders who have requested redemptions no later than the day before the effective date.

This information may be provided by electronic registered mail meeting the conditions stipulated in Article L. 100 of the Post and Electronic Communications Code ("electronic registered mail") under the following conditions:

- the shareholder to whom the information is provided was given the choice between receiving the information by registered letter with acknowledgment of receipt or by electronic registered mail; and

- he or she formally opted for the latter method of receiving the information.

In the absence of any response by shareholders within a period of fifteen days from the date when the registered letter with return receipt requested is received or when he electronic registered mail mentioned in this article was received, the redemption request shall be deemed to be maintained at the new price.

This information shall be included in the notification letter or electronic mail.

**Article 422-220**

New shares resulting in an increase in capital may not be issued if, in the register specified in Article 422-218, there are outstanding redemption requests at a price which is less than or equal to the subscription price.

**Article 422-221**

*Removed by the decree of 12 February 2019*

**Article 422-222**

*Removed by the decree of 12 February 2019*

**Paragraph 2 - Special provisions for real estate investment companies**

**Sub-paragraph 1 - Public offering**

**Article 422-223**

Any request for approval shall be preceded by ratification by the extraordinary general meeting, resolved on the basis of a report drafted by the management company in the following cases:

1. If there is an issue of new shares after a period of more than five years without any increase in capital. In this case, the management company report must be approved by the statutory auditors;

2. If there is a change to the initial investment policy.

**Sub-paragraph 2 - Operations**

**Article 422-224**

The SCPI’s management company shall be compensated by means of the following fees:
The creation of any fee mentioned in this article or any other fee shall be approved by the general meeting of shareholders.

**Article 422-225**
The real estate investment company's management company may not take out loans, take on debt or carry out fixed-term purchases on behalf of the real estate investment company, or may do so only up to a set maximum amount.

The shareholders' general meeting shall establish this amount such that it is compatible with the repayment capabilities of the real estate investment company on the basis of its ordinary income for borrowings and debts, and on the basis of its commitment capabilities for fixed-term purchases.

In the event of the sale of one or more items of the rental real estate assets of the company and if the monies are not reinvested, the general meeting shall have sole powers to decide on allocation of the revenue from this sale to:

1. Total or partial distribution with, where applicable, depreciation of the nominal share value;

2. Allocation to the redemption fund specified in Articles 422-231 to 422-233 inclusive.

Sub-paragraph 3 - Information issued SCPI

**Article 422-226**
I. The future shareholder shall be provided, prior to subscription, with the offering document approved by the AMF, the subscription form and the articles of association on a durable medium as defined in Article 314-5.

The annual report, the six-monthly newsletters and the circulars shall be provided to the shareholders and future shareholders on a durable medium as defined in Article 314-5 or made available to them on a website.

A hardcopy version of the documents specified in this section I article shall be supplied free of charge to any investor who so requests.

II. - The management company shall provide the AMF with all the documents intended for the partners immediately.

It shall provide the AMF, under the conditions defined by the latter, with the following:

1. Half-yearly statistics in the month following the end of that half-year;
The management report submitted to the general meeting shall give account of the following:

1. The management policy implemented, any particular difficulties encountered and the outlook for the company;

2. Changes in capital and the price of the share;

3. Changes in and valuation of the real estate assets:
   
   a. Acquisitions (both completed and projected), transfers and, where applicable, maintenance or repair works prior to re-letting;
   
   b. Presentation of valuation works completed by the real estate expert;
   
   c. An indication that for property acquisitions carried out during the financial period for which the seller has, whether directly or indirectly, a common interest with the management company or shareholders in the real estate investment company, a prior real estate expert assessment has been conducted;

4. Changes in the share market during the course of the financial period;

5. Changes in rental income and/or the share of rental income in total income and charges;

6. The condition of the rental assets at the end of the financial period, building by building: the precise location of each property, its nature, surface area, date of acquisition and completion; where applicable, the purchase price, excluding duties and taxes; the total of all such duties and taxes;

7. Occupancy of each property: in particular, the occupancy rate in terms of invoiced rents compared to total rent invoice potential, expressed as an annual mean, any significant vacancies observed during the financial period and the shortfall for the real estate investment company.

Article 422-228
Within forty-five days of the end of each half-year, a newsletter relating the main events that occurred in the life of the company during the half-year concerned shall be provided to the shareholders on a durable medium as defined in Article 314-5 or made available on a website.

Sub-paragraph 4 - Disposals

Article 422-229
The management company shall occasionally, at regular intervals and at a specific time, establish an execution price on the basis...
of orders recorded in the register.

It shall establish the frequency with which execution prices are determined; however, this shall not be more than three months or less than one working day. This frequency shall be specified in the offer document.

Sub-paragraph 5 - Withdrawals

Article 422-230
Management companies for companies specified in Article 422-218 shall determine a redemption price.

No redemption offset by a subscription may be completed at a price in excess of the subscription price, less the subscription fee.

If the redemption is not offset, redemption may not be made at a price in excess of the market value or less than 10 per cent less than the latter, except where permitted by AMF.

Sub-paragraph 6 - Repayment fund

Article 422-231
Any creation and endowment of a share redemption fund intended to contribute to fluidity of the share market shall be resolved by the real estate investment company shareholders’ general meeting.

The monies assigned to this fund shall be taken from income from transfer of rental assets or profits allocated at the time of ratification of the annual accounts.

Cash and cash equivalents assigned to the redemption fund shall be assigned solely to repayment of the shareholders.

Article 422-232
Any redemption fund created in this manner shall be a specific account dedicated to a single use and kept distinct in the accounts.

Article 422-233
Any recovery of monies available in the redemption fund shall be authorised by shareholders’ general meeting resolution, following a report by the management company offering due grounds.

AMF shall be informed of this beforehand.

Sub-paragraph 7 - Real estate appraisal

Article 422-234
The market value and the recovery value of the real estate investment company shall be determined by the management company at the closing of each financial period on the basis of a valuation of the properties, carried out by an independent external valuation expert or several experts acting jointly. Each property shall be the subject of at least one expert appraisal every five years.

This expert appraisal shall be updated each year by the external valuation expert.

The mission of the valuation expert shall cover all the real estate investment company’s rental assets.

Any newly appointed external valuation expert may update appraisals carried out less than five years previously.

The expert property appraisal shall be conducted pursuant to methods appropriate for real estate investment companies.

Article 422-235
The candidature of the external valuation expert appointed in accordance with Article R. 214-157-1 of the Monetary and Financial Code shall be presented by the management company to the AMF.

The AMF may request additional information.

Unless the AMF asks for further information, the candidate shall be deemed to be accepted by the AMF two months after the filing of a full application.

Candidatures for renewal of the external valuation expert shall be submitted to AMF no later than three months prior to the closure of a financial period.

If, during the mandate of the external valuation expert, AMF is of the opinion that the conditions required for them to be accepted are no longer fulfilled, it shall inform the management company of this; the latter shall submit the candidature of a new expert and put forward this candidate for appointment at the general meeting.

Article 422-236

An agreement shall be concluded between the external valuation expert and the real estate investment company. This agreement shall define the mission of the external valuation expert and set their terms of compensation.

The external valuation expert shall make an undertaking to AMF as to the terms of performance of their mission and the nature of their services in a letter, as shown in a template in an AMF instruction.

Paragraph 3 - Provisions specific to forestry investment companies

Sub-paragraph 1 - Operations

Article 422-238

The management company's compensation shall consist of three types of fees:

1. A subscription fee calculated on the basis of monies received at the time of capital increases;
2. A redemption sale fee or fee charged in the event of a free transfer, calculated on the basis of the amount of the transaction;
3. A management fee, which shall be capped by applying a maximum rate to the market value of the assets under management.

Different rates may be applied according to the category of assets concerned: directly held woodlands and forests, indirectly held woodlands and forests, cash and cash equivalents.

The articles of association of the forestry investment company and the prospectus shall give a precise description of the calculation base and rates used for the fees paid to the management company under the conditions set out in Article 422-198, the maximum management fee rate, the rate structure by asset category and a detailed description of the calculation procedures, rates and calculation bases for the sums actually charged by the management company according to the type of services provided with regard to directly held woodlands and forests.

The calculation bases used may be the market value of the assets under management, the cost of work carried out, net of tax, the charges, net of tax, invoiced for services performed during the financial year, the land area of properties covered by a basic management plan during the financial year and the amount of the ordinary management transactions provided for by Article 544 of the Monetary and Financial Code.

Any fees in excess of the maximum set out in the articles of association and the prospectus shall be submitted for the partners' approval at the general meeting of the forestry investment company.

Source: AMF website / Book 4 into force since 30/07/2023 with notes / This translation is for information purposes only
The creation of any fee mentioned in this article or any other fee shall be approved by the general meeting of shareholders.

Article 422-239
The management company, acting in the name of the forestry investment company, may not contract loans, take on debts or make acquisitions against future payment, unless within the limit of a maximum amount.

The general meeting of the partners shall set this limit so that it is consistent with the forestry investment company's ability to pay on the basis of its ordinary revenues for loans and debts, and with its ability to borrow for acquisitions against future payment.

In the event of the sale of one or more of the company's forest properties without reinvestment of the proceeds, the general meeting shall have the sole authority to decide on the use of the proceeds from the sale for full or partial distribution with, as appropriate, redemption of the par value of the shares.

Sub-paragraph 2 - Information issued by SEF

Article 422-240
I. The future shareholder shall be provided, prior to subscription, with the offering document approved by the AMF, the subscription form and the articles of association on a durable medium as defined in Article 314-5.

The annual report, the six-monthly newsletter and the circulars shall be provided to the shareholders and future shareholders on a durable medium as defined in Article 314-5 or made available to them on a website.

A hardcopy version of the documents specified in this section I article shall be supplied free of charge to any investor who so requests it.

II. - The management company shall provide the AMF with all the documents intended for the partners immediately.

The management company provide the AMF, under the conditions set out in an instruction, with:

1 • Half-yearly statistics in the month following the end of that half-year;

2 • Before 15 May of each year, the market value and replacement value of the forestry investment company, which must be submitted for the partners' approval;

3 • Any changes in these values over the year after their approval by the supervisory board, along with proof of the change in value.

Article 422-241
The management report submitted to the general meeting shall give an account of:

1 • The management policy implemented, specific problems encountered and the outlook for the company;

2 • Changes in capital and share prices;

3 • Changes and valuation of forest properties:
   a • Acquisitions (made and planned), transfers, trades, with information about the financial terms;
   b • As appropriate, the guidelines used for basic management plans or amendments drawn up during the financial year or planned for the next financial year;

Source : AMF website / Book 4 into force since 30/07/2023 with notes / This translation is for information purposes only
Within the four months following the annual general meeting, a newsletter relating the main events that occurred in the life of the company during the half-year concerned shall be provided to the shareholders on a durable medium as defined in Article 314-5 or made available on a website.

Sub-paragraph 3 - Disposals

The management company shall, at regular intervals and at a set time, fix the execution price periodically by matching the orders recorded in the register.
It shall set the frequency with which execution prices are established, which must be at least once every six months and no more than once every business day. The prospectus shall mention this frequency.

Sub-paragraph 4 - Cash and cash equivalents

Article 422-244
The articles of association and the prospectus shall specify the proportion of assets invested in cash and cash equivalents and the limits on changes in this proportion.

Sub-paragraph 5 - Withdrawals

Article 422-245
The management company of a company referred to in Article 422-218 shall determine the redemption price.

If the redemption is matched with a subscription, the redemption price cannot be higher than the subscription price less the subscription fee.

If the redemption is not matched, the share redemption terms shall be set out in the articles of association and the prospectus. As appropriate, they must also mention the proportion of cash that cannot be used to redeem shares and the consequences of this limit.

Sub-paragraph 6 - Forestry appraisal

Article 422-246
The market value and the replacement value of the forestry investment company shall be established by the management company at the end of each financial year on the basis of:

1 • A valuation of the market value of woodlands, forests, vacant land to be planted, and the accessories and outbuildings listed in Article R. 214-162 of the Monetary and Financial Code, the assets of forestry groups and companies where the sole business is ownership of woodlands and forests and in which the forestry investment company holds at least 50 per cent of the equity interest. This valuation shall be made by one or more independent forest appraisers on the list of forest appraisers provided for in Article R. 171-9 of the Rural Code;

2 • The market value of equity interests held or acquired in forestry groups and companies where the sole business is ownership of woodlands and forests and in which the forestry investment company holds at least 50 per cent of the equity interest. This market value shall be provided in the form of a certificate or a written valuation by the manager of each forestry group or company where the sole business is ownership of woodlands and forests. The management company shall then ensure that the proposed market value of the shares held or acquired is representative of the market for shares during the financial year or valued according to the rules that govern the valuation of forestry assets;

3 • The net value of other assets reported under the supervision of the statutory auditor.

Each forestry property must be appraised prior to acquisition and at least once every 15 years.

The appraisal shall be updated every three years by the forestry appraiser(s), unless exceptional events, works or harvesting require a new update sooner. An event shall be deemed to be exceptional if it affects more than 20 per cent of the land area of a forestry property or involves an amount greater than 20 per cent of the valuation.

A second appraisal shall be made after the tenth anniversary of the forestry investment company covering at least 20 per cent of the forest properties of the company each year, so that all the forest properties have been appraised by the end of the fourteenth year.

The brief of the independent forest appraiser(s) shall cover all the forest properties of the forestry investment company, except...
A newly appointed forest appraiser shall have the right to update appraisals conducted in the last fifteen years. The appraisals must be made in compliance with the appropriate forest appraisal methods and recommendations, and in compliance with professional practices.

**Article 422-247**
The appraiser appointed in application of Article R. 214-170 of the Monetary and Financial Code shall be registered on the list of forest appraisers in accordance with Article R. 171-9 of the Rural Code.

The management company shall also present the candidature of the appraiser(s) to the AMF.

The AMF may request additional information.

Unless the AMF asks for further information, the candidate shall be deemed to be accepted by the AMF two months after the filing of a full application.

Applications for renewal of appraisers must be presented to the AMF at least three months before the end of the financial year.

If the AMF deems that, during the forest appraiser’s term, the eligibility requirements are no longer met, it shall so notify the management company, which shall then put forward a new candidate and propose the candidature to the general meeting.

Similarly, if the forest appraiser is no longer on the list of forest appraisers provided for by Article R. 171-9 of the Rural Code, the management company shall so notify the AMF and put forward a new candidate and propose the candidature to the general meeting.

**Article 422-248**
An agreement must be concluded between the appraiser and the forestry investment company. This agreement shall define the appraiser’s tasks and set the terms for the appraiser’s compensation.

The appraiser shall make an undertaking to the AMF about the conditions for performing those tasks and the nature of the services in a letter based on a form set out in an AMF instruction.

Sub-paragraph 7 - Mergers between a SEF and forestry groupings subject to basic management plans

**Article 422-249**
The merger of one or more forestry investment companies with one or more forestry groupings operating under authorised basic management plans shall be submitted to the AMF.

These arrangements differ according to whether the merger involves, or not, at least one forestry investment company that makes or has made an offer to the public other than of the kind referred to in point 1° of Article L. 411-2 of the Monetary and Financial Code.

**Paragraph 4 - Provisions specific to forestry investment groupings (GFI)**

**Article 422-249-1**
Articles 422-239, 422-240, 422-242 to 422-245, 422-247 and 422-248 shall apply to GFIs.

**Article 422-249-2**
The management company's compensation shall consist of five types of fees:
The articles of association of the GFI and the prospectus shall give a precise description of the calculation base and rates used for the fees paid to the management company under the conditions set out in Article 422-198, the maximum management fee rate, the rate structure by asset category and a detailed description of the calculation procedures, rates and calculation bases for the sums actually charged by the management company according to the type of services provided with regard to woodlands and forests held.

The calculation bases used may be the market value of the assets under management, the cost of work carried out, net of tax, the charges, net of tax, invoiced for services performed during the financial year, the land area of properties covered by a basic management plan during the financial year and the amount of the ordinary management transactions provided for by Article R. 214-164 of the Monetary and Financial Code.

Any fees in excess of the maximum set out in the articles of association and the prospectus shall be submitted for the partners' approval at the general meeting of the GFI.

The creation of any fee mentioned in this article or any other fee shall be approved by the general meeting of shareholders.

**Article 422-249-3**
The management report submitted to the general meeting shall give an account of:

1. The management policy followed, and particular problems encountered and the prospects of the GFI;

2. The evolution of capital and the share price;

3. The evolution and valuation of forestry assets:
   a) Acquisitions (made and planned), sales, trades, with information about the financial terms;
   b) As appropriate, the guidelines used for basic management plans or amendments drawn up during the financial year or planned for the next financial year;
   c) Works and harvesting carried out and planned under the basic management plans;
   d) As appropriate, planned works and harvesting not covered by the basic management plan for a forest asset involving an amount, net of tax, that is 10% greater than the most recent market value of that asset;
   e) As appropriate, ordinary management operations aimed at improving property access or structures, consolidation of fragmented properties, general interest operations and any other operation provided for by Article R. R. 214-164 of the Monetary and Financial Code;
f) As appropriate, presentation of valuation works completed by the forest appraiser;

4  • Evolution on the market for shares over the year;

5  • Evolution of the revenue (from rentals, sales of wood, subsidies and other sources) and the proportions of these revenues in aggregate revenue;

6  • Evolution in each type of cost incurred by the GFI and, more specifically, fees. All the amounts comprising the management fee should be explained in detail and matched to the asset under management. The basis for calculating them must also be explained and duly commented upon;

7  • A summary statement of forestry assets at the end of the financial year, with an asset-by-asset presentation of:

   a) Information on the forestry assets held by each business unit as defined in Article R. 214-176-7 of the Monetary and Financial Code, as well as subscription of insurance coverage of the fire risk;

   b) A summary of the appraisals and updates of appraisals carried out with information about which proportion of the forestry assets have been subject to appraisals or updates of appraisals during the year;

8  • Cash and cash equivalents and their use:

   a) Cash proportion of the GFI’s assets and any changes;

   b) Breakdown by investment type and changes.

**Article 422-249-4**

The market value and the replacement value of the GFI shall be established by the management company at the end of each financial year on the basis of:

1  • A valuation of the market value of the wood, forests, vacant land to be planted, and the accessories and outbuildings listed in Article R. 214-176-1 of the Monetary and Financial Code.

   This valuation shall be made by one or more independent forest appraisers on the list of forest appraisers provided for in Article R. 171-9 of the Rural Code;

2  • 2° The net value of other assets reported under the supervision of the statutory auditor.

Each forestry property must be appraised prior to acquisition and at least once every 15 years.

This appraisal shall be updated every three years by the forestry appraiser(s), unless exceptional events, works or harvesting require a new update sooner. An event shall be deemed to be exceptional if it affects more than 20% of the land area of a forestry property or involves an amount greater than 20% of the valuation.

A second appraisal shall be made after the tenth anniversary of the GFI covering at least 20% of the forest properties of the company each year, so that all the forest properties have been appraised by the end of the fourteenth year.

The brief of the independent forest appraiser(s) shall cover all the forest properties of the GFI.

A newly appointed forest appraiser shall have the right to update appraisals conducted in the last fifteen years.
The appraisals must be made in compliance with the appropriate forest appraisal methods and recommendations, and in compliance with professional practices.

Article 422-249-5
AGFI may merge with one or more SEF or one or more other GFIs or one or more GFIs that have not made an offer to the public or one or more forestry investment groupings managing assets whose forests are subject to approved basic management plans. However, such a merger may not lead to a GFI being taken over by a forestry investment grouping that has not made an offer to the public or by a forestry investment grouping managing assets whose forests are subject to approved basic management plans.

The merger shall be submitted to the AMF.

For the purposes of this article, those GFIs that have only made offers to the public referred to in point 1° of Article L. 411-2 of the Monetary and Financial Code shall not be considered as making an offer to the public.

Section 5 - Funds of alternative funds (Articles 422-250 à 422-253)

Article 422-250
Unless otherwise indicated, Chapter 1 of this title and Section 1 of this chapter apply to funds of alternative funds covered by Article L. 214-139 of the Monetary and Financial Code, with the exception of Articles 422-21-1, 422-21-2, 422-83 and the second and third paragraphs of Article 422-81.

The time periods referred to in Articles 422-7 and 422-11 shall be reduced to eight business days for the reserved funds of alternative funds referred to in Article L. 214-26-1 of the Monetary and Financial Code and, as appropriate, their sub-funds.

These AIFs are also subject to the following provisions.

Article 422-251
Between the date at which the subscription or redemption order is centralised and the date at which the fund of alternative fund's custody account-keeper settles or delivers the units or shares, the prospectus of the fund of alternative funds may provide for a period that shall not exceed:

1. Fifteen days where the net asset value is established daily;

2. Sixty days where the net asset value is not established daily.

The prospectus shall indicate the date of centralisation of the subscription and redemption order for the fund of alternative funds' units or shares, the date of establishment of the net asset value and the latest date by which the net asset value will be calculated and published.

The net asset value shall be calculated and published on the same date.

Article 422-252
The prospectus of the fund of alternative funds shall stipulate that the net value shall be published at least once a month.

Article 422-253
The rules or the articles of association of the fund of alternative funds may provide for the application of a gate mechanism for the redemption of units or shares:

1. Provisionally, when exceptional circumstances so require and when this is in the interest of the unitholders or the public, pursuant to the last paragraph of Articles L. 214-24-33 and L. 214-24-41 and Article L. 214-139 of the Monetary and Financial Code;
The investment management company shall inform the AMF, unitholders and the public of the introduction of this gate mechanism in the rules or articles of association of the fund of alternative funds.

For funds of alternative funds other than those mentioned in Article L. 214-26-1 of the Monetary and Financial Code or money market funds governed by Regulation (EU) 2017/1131 of 14 June 2017, the investment management company shall inform the AMF, the unitholders and the public if this mechanism has not been introduced and declare the reasons for this to the AMF.

Where this mechanism has been introduced in the rules or articles of association, the investment management company shall inform the unitholders concerned individually of its decision to apply a redemption gate. It shall also inform the AMF if this gate is introduced pursuant to paragraph 1. It shall also notify the public, by any means under the conditions set out in the prospectus and, at least, on its website.

Chapter III - Funds open to professional investors (Articles 423-1 à 423-56)

Section 1 - Authorised funds (Articles 423-1 à 423-15)

Sub-section 1 - Professional investment funds

**Article 423-1**

Unless otherwise indicated, Chapter 1 and Section 1 of Chapter II of this Title apply to professional investment funds covered by Article L. 214-143 of the Monetary and Financial Code, with the exception of Articles 422-21-1, 422-21-2, 422-83 and the second and third paragraphs of Article 422-81. For the purposes of its application to professional investment funds, Point 6° of Article 422-23 shall be replaced by the following Point 6°:

6° Apply different management strategies, as defined in the prospectus.

The time periods referred to in Articles 422-7 and 422-11 shall be reduced to eight business days for reserved professional investment funds referred to in Article L. 214-26-1 of the Monetary and Financial Code and, as appropriate, their sub-funds.

These funds are also subject to the following provisions.

Paragraph 1 - Subscription, purchase and redemption rules

**Article 423-2**

Subscriptions and purchases of units or shares in professional investment funds are reserved for:

1. Investors referred to in the first paragraph of Article L. 214-144 of the Monetary and Financial Code;

2. Investors whose initial subscription is EUR 100,000 or more;

3. All other investors, as soon as subscription and purchase is performed in their name and on their behalf by an investment service provider acting as part of an asset management investment service according to the conditions set in I of Article L. 533-13 of the Monetary and Financial Code and Article 314-11.

**Article 423-3**

If a non-resident of France subscribes or purchases units or shares in professional investment funds marketed in other countries, the investors for whom subscriptions and purchases of these funds are reserved and the conditions under which they may waive their rights to advice shall be governed by the law of the country in which the marketing takes place.
Article 423-4
Any direct or indirect solicitations for subscriptions and purchases of units of shares in a professional investment fund shall come with a warning that subscriptions and purchases of units or shares in this fund, made directly or through an intermediary, are reserved for the investors referred to in Article 423-2. This warning shall also state that the fund may adopt special investment rules.

Article 423-5
Investors shall give written acknowledgement, when making the first subscription or purchase, that they have been warned that the subscription or purchase of units of shares in the fund, made directly or through an intermediary, is reserved for the investors referred to Article 423-2.

Article 423-6
The depositary, or the person named by regulation or in the articles of association of the fund shall ensure that the subscribers or purchasers meet the eligibility criteria and that they have received the information required under the provisions of Articles 423-4 and 422-86. They shall also ensure that the written acknowledgement referred to in Article 423-5 exists.

Article 423-7
Between the date at which the subscription or redemption order is centralised and the date at which the fund's custody account-keeper settles or delivers the units or shares, the prospectus of the fund may provide for a period that shall not exceed:

1. Fifteen days where the net asset value is established daily;

2. Sixty days where the net asset value is not established daily.

The prospectus shall indicate the date of centralisation of the subscription and redemption order for the fund units or shares, the date of establishment of the net asset value and the latest date by which the net asset value will be calculated and published.

The net asset value shall be calculated and published on the same date.

Article 423-8
The management fee for professional investment funds may include a variable component that is paid as soon as the first euro of positive performance is posted. The procedures for calculating and paying this fee shall be explained in the prospectus.

Article 423-9
Professional investment funds may prepare only a prospectus whose content is specified by an AMF instruction.

For the purposes of applying Articles 422-86 to 422-89, the reference to the key investor information document shall be replaced in such case by a reference to the prospectus.

In accordance with Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014, this waiver is applicable as long as the shares or units of professional investment funds are not subscribed or acquired by retail clients.

Article 423-9-1
The rules or the articles of association of the professional investment fund may provide for the application of a gate mechanism for the redemption of units or shares:

1. Provisionally, when exceptional circumstances so require and when this is in the interest of the unitholders or the public, pursuant to the last paragraph of Articles L. 214-24-33 and L. 214-24-41 and Article L. 214-143 of the Monetary and Financial Code;

2. In other circumstances, under the conditions set out in Articles L. 214-146 and D. 214-188 of the Monetary and Financial Code.
The investment management company shall inform the AMF, unitholders and the public of the introduction of this gate mechanism in the rules or articles of association of the professional investment fund.

For professional investment funds other than those mentioned in Article L. 214-26-1 of the Monetary and Financial Code or money market funds governed by Regulation (EU) 2017/1131 of 14 June 2017, the investment management company shall inform the AMF, the unitholders and the public if this mechanism has not been introduced and state the reasons for this to the AMF.

Where this mechanism has been introduced in the rules or articles of association, the investment management company shall inform the unitholders concerned individually of its decision to apply a redemption gate. It shall also inform the AMF if this gate is introduced pursuant to paragraph 1. The investment management company shall also notify the public, by any means under the conditions set out in the prospectus and, at least, on its website.

Paragraph 2 - Net asset value

Article 423-10
The professional investment fund prospectus shall stipulate that the net value shall be published at least once a month.

Paragraph 3 - Calculating aggregate risk

Article 423-11
I. - By way of derogation to III of Article 422-55, where a professional investment fund that uses the option provided for in III of Article R. 214-193 of the Monetary and Financial Code and employs the commitment approach, it shall take account of these temporary cash borrowing arrangements when calculating aggregate risk.

II. - By way of derogation to II of Article 422-57, where a professional investment fund uses the option provided for in III of Article R. 214-193 of the Monetary and Financial Code, the maximum value at risk that it may attain may not exceed 30 per cent of the market value of its net assets.

Sub-section 2 - Professional real estate collective investment undertakings

Article 423-12
Except where otherwise stipulated, professional real estate collective investment undertakings shall apply Chapter I and Section 3 of Chapter II of this Title and Articles 423-4 to 423-6 and Article 423-8. For the purposes of its application to professional real estate collective investment undertakings, Point 6° of Article 422-23 shall be replaced by the following Point 6°:

6° Apply different management strategies, as defined in the prospectus.

They are also subject to the following provisions.

Article 423-13
I.- At least two times per year and at an interval of six months, each asset is valued by an external valuation expert.

II.- Once a year, each asset is subject to an expert real estate appraisal.

The management company shall prepare and transmit to the statutory auditor a plan specifying the conditions for applying this article.

III. - To determine the value of the property and rights in rem held indirectly by the companies referred to in 2° and 3° of I of Article L. 214-36 of the Monetary and Financial Code that do not meet the requirements set out in 2° and 3° of Article R. 214-83 of the same code, the expert external appraisers shall conduct a critical examination of the valuation methods used by the management company to determine the value of the assets and the relevance of said value. This critical examination shall take place at least twice a year.
Article 423-14
Subscriptions and purchases of professional real estate collective investment undertakings are reserved for:

1 • Investors referred to in Article L. 214-150 of the Monetary and Financial Code;

2 • Investors whose initial subscription is EUR 100,000 or more;

3 • All other investors, as soon as subscription and purchase is performed in their name and on their behalf by an investment service provider acting as part of an asset management investment service according to the conditions set in I of Article L. 533-13 of the Monetary and Financial Code and Article 314-11.

4 • Retail investors as defined by Regulation (EU) 2015/760 and under the terms of the aforementioned Regulation, provided the fund is authorised as a European long-term investment fund in accordance with the same regulation.

Article 423-15
By way of derogation to Articles 422-34, 422-129, 422-130, 422-177, 422-178 and 422-183, professional real estate collective investment undertakings may not prepare a key investor information document. The reference to the key investor information document shall be in such case replaced by a reference to the prospectus.

In accordance with Regulation (EU) No 1286 of the European Parliament and of the Council of 26 November 2014, this waiver is applicable as long as the shares or units of professional real estate collective investment undertaking are not subscribed or acquired by retail clients.

Section 2 - Declared funds (Articles 423-16 à 423-56)

Sub-section 1 - Professional specialised funds

Article 423-16
Professional specialised funds governed by Articles L. 214-154 to L. 214-158 of the Monetary and Financial Code and, for limited partnerships (sociétés de libre partenariat, hereafter SLP), Articles L. 214-162-1 to L. 214-162-12 ibid shall apply Chapter 1 of this Title.

These funds are also subject to the following provisions, except where otherwise provided for SLPs.

Article 423-17
The obligation to declare under Article L. 214-153 of the Monetary and Financial Code is met by filing a file, with the AMF, that includes information specified in an AMF instruction. This declaration must be made within the month following the preparation of the statement or the certificate of filing of the professional specialised fund or sub-fund mentioned in Articles 422-9 and 422-13.

Confirmation of receipt of the declaration shall be sent within eight business days following receipt.

Paragraph 1 - Formation

Article 423-18
No subscriptions may be accepted until the prospectus for the professional specialised fund has been drawn up. The prospectus shall be provided to subscribers prior to subscription or purchase of units or shares.

Article 423-19
An AMF instruction shall specify the content of a professional specialised fund prospectus. It will include the identity of the asset management company and the depositary and specify the investment rules and operation of the professional specialised fund as well as all the conditions for direct and indirect compensation of the asset management company and the depositary.
The rules or the articles of association of the professional specialised fund are an integral part of the prospectus to which they are attached, with the exception of SLPs, for which the prospectus is composed of their articles of association in accordance with Article L. 214-162-10 of the Monetary and Financial Code.

**Article 423-20**
The prospectus shall explicitly state that the professional specialised fund is not subject to the authorisation of the AMF.

**Article 423-21**
I. Articles 422-4, 422-5, 422-23 and 422-105 to 422-120 shall be applicable. As regards Articles 422-116, 422-117 and 422-120, the provisions relating to the authorisation and approval of the AMF shall not apply and the references to authorisation shall be replaced, where applicable, by a reference to a declaration to the AMF within the month following the final execution of the transaction.

For the purposes of its application to specialised professional funds, Point 6° of Article 422-23 shall be replaced by the following Point 6°:

6° Apply different management strategies, as defined in the prospectus.

II. - Furthermore, for SLPs:

1. When applying Article 422-4, references to « shareholders » shall be replaced by references to « general partners » and references to « first directors and members of the executive board or supervisory board » are replaced by references to the « managers »;

2. When applying Articles 422-4 and 422-5, references to the « SICAV » are replaced by references to the « SLP ».

Paragraph 2 - Operating rules

**Article 423-22**
Promotional communications concerning professional specialised funds or sub-funds shall mention the existence of a prospectus and the place where it is available to investors.

**Article 423-23**
I. - Articles 422-26 to 422-30 and 422-33 to 422-41, 422-71, 422-78, 422-90, 422-91 and II of Article 422-94 shall apply. However, II of Article 422-94 shall not apply to SLPs.

Articles 422-98, 422-100 to 422-104 and 422-120-9 shall apply, with the exception of the AMF authorisation, replaced by a declaration to the AMF in the month following finalisation of the transaction or the event.

The provisions of Article 422-99 apply to the merger of professional specialised funds, unless the fund rules or articles of association provide that the costs generated by the merger transaction may be charged to the professional specialised funds.

Article 422-120-7 shall apply, with the exception of its second sentence.

II. - Furthermore, when applied to the SLPs cited in I:

1. References to the « SICAV » shall be replaced by references to the « SLP »;

2. References to the « board of directors » or the « executive board » of the SICAV shall be replaced by references to the managers of the SLP.
By way of derogation from Articles 422-100 and 422-102 shall not apply to SLPs.

**Article 423-24**
The procedures and frequency of net asset value calculations shall be appropriate to the nature of the financial instruments, contracts, securities and deposits held by the professional specialised fund. However, the prospectus of the professional specialised fund, with the exception of SLPs, shall stipulate that its net value shall be determined and published at least every half-year.

**Article 423-25**
The AMF shall be notified of the conversion, merger, demerger or liquidation of a professional specialised fund within one month of the implementation of the modification in accordance with the procedures defined by an AMF instruction.

The modification shall go into effect no earlier than three business days following the effective disclosure of the information to the holders of the professional specialised fund, unless the holders agree unanimously.

In the event of an amendment to the prospectus, the SICAV, the SLP or the asset management company shall submit an updated prospectus on or before the date that the amendment enters into force, in accordance with the procedures defined by an AMF instruction. The submission of the prospectus shall not exempt the SICAV or the asset management company from entering the necessary changes in the GECO database, as appropriate.

**Article 423-26**
Articles 422-18, 422-22, 422-42 to 422-49, 422-116 and 422-125 shall apply. However, Article 422-22 shall not apply to SLPs.

**Paragraph 3 - Subscriptions, purchases, redemptions and transfers**

**Article 423-27**
FCP units and SICAV shares shall be issued at any time at the request of the unit holders or shareholders on the basis of their net asset value, plus any subscription fees, as appropriate.

However, subscriptions and purchases of units or shares in professional specialised funds shall be reserved for:

1. Investors referred to in Article L. 214-155 of the Monetary and Financial Code;
2. Investors whose initial subscription is EUR 100,000 or more;
3. Investors, natural persons and legal entities, whose initial subscription is EUR 30,000 or more and who meet one of the following three criteria:

   a. They provide technical or financial assistance to unlisted companies covered by the fund's purpose to promote their creation or growth;
   
   b. They provide assistance to the management company of the professional specialised fund in identifying potential investors or contribute to the company's objectives in seeking, selecting, monitoring and disposing of investments;
   
   c. They have acquired knowledge about private equity by being a direct equity investor in unlisted companies or by subscribing to a retail private equity investment fund that is not advertised or promoted, a professional private equity investment fund, a professional specialised fund or an unlisted venture capital firm;

4. All other investors, as soon as subscription and purchase is performed in their name and on their behalf by an investment service provider acting as part of an asset management investment service according to the conditions set in Article L. 533-13 of the Monetary and Financial Code and Article 314-11.
Article 423-27-1
Article 423-27 shall not apply to SLPs.

Subscription and purchase of limited partner shares in SLPs shall be reserved for:

1. Investors referred to in Article L. 214-162-1 of the Monetary and Financial Code;

2. All other investors, provided subscription and purchase is performed in their name and on their behalf by an investment service provider performing portfolio management services according to the conditions set in Article L. 533-13 of the Monetary and Financial Code and in Article 314-11.

3. Retail investors as defined by Regulation (EU) 2015/760 and under the terms of the aforementioned Regulation, provided the fund is authorised as a European long-term investment fund in accordance with the same regulation.

Article 423-28
By way of derogation to Article 423-27, a professional specialised fund created by a demerger of a UCITS or an AIF may be open to any holder of the original UCITS or AIF under the conditions set out in Article D. 214-32-12 or D. 214-32-15 of the Monetary and Financial Code, in their wording set out prior to Decree n° 2020-286 of 21 March 2020, depending on the case.

This article applies to professional specialised funds created in accordance with the second paragraph of Article L. 214-7-4, the second paragraph of Article L. 214-8-7, the second paragraph of Article L. 214-24-33 or the second paragraph of Article L. 214-24-41 of the Monetary and Financial Code, in their wording set out prior to Decree n° 2020-286 of 21 March 2020, depending on the case.

This Article shall not apply to SLPs.

Article 423-29
If a non-resident of France subscribes or purchases units or shares in professional specialised funds marketed in other countries, the investors for whom subscriptions and purchases of these AIF are reserved and the conditions under which they may waive their rights to advice shall be governed by the law of the country in which the marketing takes place.

Article 423-30
Any direct or indirect solicitations for subscriptions and purchases of units or shares in a professional specialised fund shall come with a warning that subscriptions, purchases, disposals or transfers of units or shares in these professional specialised funds, made directly or through an intermediary, are reserved for the investors referred to in Article 423-27. The warning shall also state that the AIF is not authorised by the AMF and that its operating rules are defined in the prospectus.

Article 423-31
A prospectus shall be given to investors before any subscriptions or purchases of units or shares in a contractual fund are made.

Investors shall give written acknowledgement, when making the first subscription or purchase, that they have been warned that the subscription or purchase of units of shares in the professional specialised fund, made directly or through an intermediary, is reserved for the investors referred to Article 423-27.

The prospectus of the professional specialised fund as well as the most recent periodic documents shall be available on a simple written request by the holder within one week of receipt of the request. At the holder's option, these documents shall be able to be sent electronically.

Article 423-31-1
When Articles 423-30 and 423-31 are applied to the limited partner shares of SLPs, the reference to « Article 423-27 » shall be replaced by a reference to « Article 423-27-1 ».

**Article 423-32**
The depositary or the person named by regulation or in the articles of association of the professional specialised fund shall ensure that the subscribers or purchasers meet the eligibility criteria and that they have received the information required under the provisions of Articles 423-30 and 423-31. The depositary or the abovementioned named shall also ensure that the written acknowledgement referred to in Article 423-31 exists.

**Article 423-32-1**  
[Removed by th decree of 27 June 2022]

**Article 423-32-2**

I – The rules or articles of association of the specialised professional fund may provide for the application of a gate mechanism for the redemption of units or shares:

1 • Provisionally, when exceptional circumstances so require and when this is in the interest of the unitholders or the public, pursuant to the last paragraph of Articles L. 214-24-33 and L. 214-24-41 and Article L. 214-152 of the Monetary and Financial Code;

2 • In other circumstances, according to the terms and conditions they define, in accordance with I of Article L. 214-157 of the Monetary and Financial Code.

The investment management company shall inform the AMF and unitholders of the introduction of this gate mechanism in the rules or articles of association of the specialised professional fund.

For specialised professional funds other than those mentioned in Article L. 214-26-1 of the Monetary and Financial Code or money market funds governed by Regulation (EU) 2017/1131 of 14 June 2017, the investment management company shall inform the AMF, the unitholders and the holders if this mechanism has not been introduced and declare the reasons for this to the AMF.

Where this mechanism has been introduced in the rules and articles of association, the investment management company shall inform the unitholders concerned of its decision to apply a redemption gate. It shall also inform the AMF if this gate is introduced pursuant to paragraph 1.

II. Article 422-21-3 applies.

III. This article shall not apply to limited partnerships (SLPs).

**Article 423-32-3**
The articles of association of the limited partnership (société de libre partenariat or SLP) may provide for mechanisms to offset or reduce the costs of portfolio reorganisation incurred by all unitholders in connection with subscriptions and redemptions.

The portfolio asset management company shall inform the AMF and the holders of the introduction of such mechanisms in the SLP’s articles of association.

For SLPs other than those mentioned in Article L. 214-26-1 of the Monetary and Financial Code or money market funds governed by Regulation (EU) 2017/1131 of 14 June 2017, if no such mechanism has been introduced, the portfolio asset management company shall declare the reasons for this to the AMF.

The portfolio asset management company shall precisely define the conditions for applying these mechanisms, and in particular:
1 • The method for identifying, calculating and allocating portfolio rearrangement costs among unitholders;

   The portfolio asset management company shall establish this method in writing and shall review it regularly.

2 • Where applicable, the thresholds above which its application shall be triggered;

3 • The measures for detecting and managing any conflicts of interest that may arise as a result of their implementation.

Paragraph 4 - Specific provisions applicable to professional specialised funds formed from a demerger in order to house assets
whose disposal would not be in the best interests of holders of shares or units in the split UCITS or AIF

**Article 423-33**
The provisions of this paragraph shall apply to professional specialised funds formed in accordance with the second paragraph of Article L. 214-7-4, the second paragraph of Article L. 214-8-7, the second paragraph of Article L. 214-24-33 or the second paragraph of Article L. 214-24-41 of the Monetary and Financial Code, in their wording set out prior to Law n° 2019-486 of 22 May 2019, depending on the case, in order to receive the assets whose disposal would not be in the best interests of the holders.

Subject to the following provisions, the provisions common to all professional specialised funds referred to in this sub-section shall apply to the professional specialised funds created in accordance with to the second paragraph of Article L. 214-24-33 or the second paragraph of Article L. 214-24-41 of the Monetary and Financial Code, in their wording prior to Law n° 2019-486 of 22 May 2019, in order to receive the assets whose disposal would not be in the best interests of the holders of shares or units in the professional specialised funds.

**Article 423-34**
Article 423-24 does not apply to professional specialised funds governed by this paragraph.

The prospectuses of professional specialised funds governed by this paragraph shall specify the frequency, which shall be at least quarterly, for disseminating the estimated value of the fund’s assets. The procedures and frequency for calculating the estimated asset value shall be appropriate to the type of assets held by the AIF.

**Article 423-35**
Article 422-22 does not apply to professional specialised funds governed by this paragraph.

**Article 423-36**
All holders of a UCITS or an AIF split pursuant to the second paragraph of Article L. 214-24-33 or the second paragraph of Article L. 214-24-41 of the Monetary and Financial Code may hold the shares or units in a professional specialised fund governed by this paragraph that are reserved for them at the time of the demerger.

The holders of shares or units in a professional specialised fund governed by this paragraph may sell such shares and units only to the persons referred to in Article 413-27.

**Article 423-36-1**
The provisions of this paragraph shall not apply to SLPs.

Paragraph 5 - Specific provisions applicable to professional specialised funds that grant loans

**Article 423-36-2**
Pursuant to the first paragraph of Article R. 214-203-2 of the Monetary and Financial Code, the programme of operations of a management company that manages a professional specialised fund may allow the fund to transfer loans granted by it and not yet due or subject to accelerated repayment:

1 • To entities or persons authorised to grant loans directly, after a period of time which is reasonable, having regard to the
Article 423-36-3
Pursuant to Article R. 214-203-3 (II) of the Monetary and Financial Code, management companies managing a professional specialised fund that grants loans shall have a system for analysing and measuring risk comprising:

1. A written procedure for granting loans that sets out policies covering exposure by credit risk class for each fund;

2. A procedure for analysing credit risk that includes the establishment of credit files intended to hold all the qualitative and quantitative information on borrowers;

3. A system for measuring aggregate credit risk that makes it possible to:
   
   a. identify, measure and aggregate the credit risk resulting from lending transactions and to identify interactions between this risk and other risks to which the fund is exposed;
   
   b. identify and control concentration risk and residual risk by means of documented procedures;
   
   c. Verify that loans are adequately diversified having regard to the investment strategy;

4. A proportionate procedure to monitor on ongoing basis the quality evolution of each individual loan on a quarterly basis in order to determine the appropriate valuation of loans, taking account of collateral or guarantees.

Article 423-36-4
Where, pursuant to Article R. 214-203-5 (III) of the Monetary and Financial Code, the rules or articles of incorporation of a professional specialised fund that grants loans set out a policy for the redemption of units or shares, they shall indicate the procedures by which the fund carries forward to the next centralisation date, or cancels, the share of redemption requests exceeding the gating threshold and that could not be executed. If the fund’s NAV is calculated more than once a week, the share of redemption requests exceeding the threshold and that could not be executed shall be automatically carried forward to the next centralisation date, and the related orders shall be irrevocable.

Affected redemption requests shall then be gated in the same proportion for all affected holders. The share of requests that is unexecuted and resubmitted at a later centralisation date shall have no priority over new requests submitted at that later centralisation date.

The management company informs the AMF and holders of the decision to gate redemptions.

Sub-section 2 - Professional private equity investment funds

Article 423-37
Chapter I of this Title and Article 423-17 shall apply to professional private equity investment funds governed by Articles L. 214-15 et. seq. of the Monetary and Financial Code. When applying Article 423-17, the reference to « specialised professional funds » shall be replaced by a reference to « professional private equity investment funds ».

These funds are also subject to the following provisions.
Paragraph 1 - Formation

Sub-paragraph 1 - Declaration and subscriptions

**Article 423-38**
No subscriptions may be accepted until the prospectus for the professional private equity investment fund has been prepared.

The prospectus shall comprise the professional private equity investment fund rules, whose headings shall be stipulated by an AMF instruction.

**Article 423-39**

Article 422-14, the fourth and fifth paragraphs of Article 422-15 and Articles 422-23, 422-71 and 422-78 shall apply, with the exception of AMF authorisation, replaced by a declaration to the AMF in the month following completion of the transaction or event. For the purposes of its application to professional private equity investment funds, Point 6° of Article 422-23 shall be replaced by the following Point 6°:

6° Apply different management strategies, as defined in the prospectus.

The rules of the professional private equity investment fund shall explicitly state that it is not subject to the authorisation of the AMF.

The rules that the asset management company follows in allocating investments between portfolios that it or its affiliates manage or advise do not have to be explained in the fund rules if the rules are given to subscribers. An AMF Instruction shall set the subscriber information requirements.

Sub-paragraph 2 - Master and feeder AIFs

**Article 423-40**

Articles 422-18, 422-105 to 422-118, 422-120 and 422-125 shall apply. For the purpose of applying these provisions, the prospectus shall replace the key investor information document for the professional private equity investment fund which does not prepare one.

By way of derogation to 1° of I of Article 422-116, the declaration made to holders indicates that the investment in the master AIF was reported to the AMF in accordance with Article L. 214-153 of the Monetary and Financial Code.

Paragraph 2 - Operating rules

Sub-paragraph 1 - Minimum asset amount

**Article 423-41**

Article 422-22 shall apply.

Sub-paragraph 2 - Professional private equity investment funds with sub-funds

**Article 423-42**

If the professional private equity investment fund rules stipulate that the fund shall be made up of sub-funds, the formation of new sub-funds shall be declared under the conditions stipulated in Article 423-16. Changes to the sub-funds shall be reported to the AMF in the month following their completion.

Sub-paragraph 3 - Contributions in kind

**Article 423-43**

The provisions of Articles 422-25 and 422-127 shall apply, with the exception of the second sentence of Article 422-127.
Sub-paragraph 4 - Mergers, demergers, takeovers, liquidation, conversions and changes

Article 423-44
The provisions of Articles 422-97 to 422-104, 422-117, 422-128 and 422-129 shall apply, unless authorised by the AMF, replaced by a declaration to the AMF in the month following finalisation of the transaction or the event.

The provisions of Article 422-99 shall apply to the merger of a professional private equity investment fund unless the fund rules provide that the costs generated by the merger transaction may be charged to the fund.

Mergers and demergers shall be reported in the month following their completion. The reporting requirement shall be satisfied by sending the AMF the merger or demerger agreement, along with the statutory auditors’ reports.

Article 423-45
The provisions of Articles 422-18 and 422-120 shall apply.

Liquidations shall be reported in the month following the decision made by the management company of the professional private equity investment fund.

The auditor’s report shall be sent to the AMF.

Article 423-46
A professional private equity investment fund may be converted into a professional specialised fund provided that it complies beforehand with the provisions of the Monetary and Financial Code that apply to the chosen category of professional specialised fund.

Conversion to a professional specialised fund shall not require the authorisation of the AMF. It shall require the explicit consent of each unit holder. The professional private equity investment fund rules shall define the requirements for converting the fund to a professional specialised fund.

Article 423-47
An AMF instruction shall stipulate which changes shall be reported to the AMF in the month following their completion, along with the procedures for informing holders.

Paragraph 3 - Accounting and financial provisions

Article 423-48
The provisions of Articles 422-26 to 422-41, 422-42 to 422-49 and 422-64 and 422-106 shall apply.

Paragraph 4 - Subscriber information, redemption, subscription and transfer conditions

Article 423-49
I. - Subscriptions and purchases of units or shares in professional private equity investment funds are reserved for:

1 • Investors referred to in Article L. 214-160 of the Monetary and Financial Code;

2 • Investors whose initial subscription is EUR 100,000 or more;

3 • Investors, natural persons and legal entities, whose initial subscription is EUR 30,000 or more and who meet one of the following three criteria:

   a • They provide technical or financial assistance to unlisted companies falling within the scope of the fund in view of their creation or development;
II. - Any direct or indirect solicitations for subscriptions and purchases of units or shares in a professional private equity investment fund shall come with a warning that subscriptions, purchases, disposals or transfers of units or shares of this AIF, made directly or through an intermediary, are reserved for qualified investors referred to in Article L. 214-160 of the Monetary and Financial Code and to other investors referred to in I. The warning shall also state that this professional private equity investment fund is not authorised by the AMF and that it may adopt special investment rules.

III. - Before subscriptions or purchases of units in a professional private equity investment fund can take place, the fund rules, whose content is stipulated by an AMF instruction, along with, as appropriate, the information set out in the third paragraph of Article 422-39, shall be given to the subscriber or the purchaser.

Subscribers or purchasers shall give written acknowledgement, when making their subscription or purchase, that they have been warned that subscriptions and purchases of units or shares in the fund, made directly or through an intermediary, are reserved for the investors referred to in Article L. 214-160 of the Monetary and Financial Code and to other investors whose list is defined in I.

IV. - The depositary, or the person named by the rules of the professional private equity investment fund, shall ensure that the subscribers or purchasers meet the eligibility criteria and that they have received the information required under II and III. The depositary or the abovementioned person shall also ensure that the written acknowledgement referred to in the second paragraph of III exists. The depositary or the abovementioned person shall inform the AMF in the event of any breach of these provisions.

V. - This article shall apply to the conversion of an AIF that is not covered by this sub-section into a professional private equity investment fund.

Article 423-50
If a non-resident of France subscribes or purchases units or shares in professional private equity investment funds marketed in other countries, the investors for whom subscriptions and purchases of these AIFs are reserved and the conditions under which they may waive their rights to advice shall be governed by the law of the country in which the marketing takes place.

Article 423-51
The provisions of the first, third, fourth and sixth paragraphs of Article 422-81 shall apply.

The professional private equity fund rules may stipulate that the fund publishes its net asset value only twice a year at least.

Article 423-52
The professional private equity investment fund shall produce documents in compliance with the provisions set out in an instruction and with a frequency of at least once a year to be established by the professional private equity investment fund rules.
The documents shall be provided immediately to any subscriber or holder asking for them.

**Article 423-53**
The documents sent to the AMF under the provisions of Articles 423-16, 423-40, 423-42, 423-43, 423-44 and 423-47 shall be sent for reporting purposes only. Acceptance by the AMF shall not imply any judgment about their content or the transactions they report.

**Article 423-54**
*Removed by the decree of 27 June 2022*

**Article 423-55**
The provisions of Articles 422-21-1 and 422-21-3 shall apply.

**Article 423-55-1**
The first three sub-paragraphs in Article 422-120-15 apply.

Paragraph 5 - Specific provisions applicable to professional private equity investment funds that grant loans

**Article 423-56**
Articles 423-36-2 to 423-36-4 shall apply.

**Chapter IV - Employee savings scheme funds (Articles 424-1 à 424-18)**

**Article 424-1**
The provisions of Chapter I and Section 1 of Chapter II of this title apply to employee investment undertakings governed by Articles L. 214-164 and L. 214-165 of the Monetary and Financial Code and Article L. 3332-16 of the Labour Code, and to SICAVs for employee shareholders governed by Article L. 214-166 of the Monetary and Financial Code, except for paragraphs 2 to 4 of point I and point II of Article 422-7, paragraphs 2 to 4 of point I and point II of Article 422-11.

The provisions of the first paragraph of Article 422-21, the second paragraph of Article 422-21-1, Articles 422-22, 422-42 to 422-47 and 422-83 and the first paragraph of I and the first paragraph of II of Article 422-101 do not apply to asset management funds.

These funds are also subject to the following provisions.

**Section 1 - Authorisation (Article 424-2)**

**Article 424-2**
I. - Authorisation of a SICAV for employee shareholders or an employee investment undertaking is subject to prior filing of an application with the AMF that contains the elements stipulated in an AMF Instruction.

Silence on the part of the AMF for a period of one month from the day the AMF acknowledges receipt of the request shall be deemed authorisation of the request. If the AMF asks for further information that requires the asset management company to submit a supplementary information sheet, the AMF will serve written notice stipulating that the information requested must arrive within sixty days. If it fails to receive the information within this period, the authorisation application is deemed to be rejected. The AMF issues a written acknowledgement of receipt when it has received all of the information requested. The acknowledgement of receipt stipulates a new authorisation waiting time, which cannot be longer than the one stipulated in the second paragraph.

II. - The period referred to in I is reduced to eight working days from the acknowledgement of receipt of the authorisation application by the AMF when the AIF applying for authorisation is comparable to an AIF already authorised by the AMF; this is notably the case when, pursuant to the second paragraph of Article L. 214-24-33 or the second paragraph of Article L. 214-24-41 of the Monetary and Financial Code, the AIF was created by a demerger of an AIF already authorised by the AMF.
The AMF assesses the comparability of the AIF applying for authorisation, called the "comparable AIF", and the AIF previously authorised by the AMF, called the "reference AIF", with respect to the following:

1. The reference AIF and the comparable AIF are managed by the same asset management company or the same delegated investment manager, or by investment management companies or delegated investment managers belonging to the same corporate group, and subject to the AMF’s assessment of the information supplied by the management company of the comparable AIF in accordance with the requirements stipulated in an AMF instruction;

2. The reference AIF has been authorised by the AMF and established less than eighteen months before the date of the AMF’s receipt of the authorisation application for the comparable AIF. At the reasoned request of the management company of the comparable AIF, the AMF may accept a reference AIF that has been authorised and established for more than eighteen months at the date of receipt of the authorisation application for the comparable AIF;

3. The reference AIF has not undergone any changes other than those referred to in an AMF Instruction. At the reasoned request of the management company of the comparable AIF, the AMF may allow an AIF that has undergone changes other than those referred to in the Instruction to be a reference AIF;

4. Subscribers to the comparable AIF shall meet the requirements for subscribing or purchasing the reference AIF.

5. The investment strategy, risk profile, operating rules and fund rules of the comparable AIF shall be similar to those of the reference AIF.

By way of derogation from points 1° to 5° above, when, pursuant to the second paragraph of Article L. 214-24-33 or the second paragraph of Article L. 214-24-41 of the Monetary and Financial Code, the comparable AIF was created by a demerger of an AIF already authorised by the AMF, the comparability of the new AIF is assessed by the AMF notably on the basis of whether the investment strategy, risk profile, operating rules and fund rules of the comparable AIF are similar to those of the reference AIF.

Whenever one of the incorporating documents of the comparable AIF is different from that of the reference AIF, or when, pursuant to the second paragraph of Article L. 214-24-33 or the second paragraph of Article L. 214-24-41 of the Monetary and Financial Code, the AIF was created by a demerger of an AIF already authorised by the AMF it shall be clearly identified in the authorisation application of the comparable AIF, in accordance with the procedures stipulated in an AMF Instruction.

Whenever the AMF asks for further information that requires submission of a supplementary information sheet, the AMF shall notify the applicant, stipulating that the requested elements must be received within sixty days. If these elements are not received within this period, the authorisation application is deemed to be rejected. Upon receipt of all the requested information, the AMF shall issue a written acknowledgement of receipt. The acknowledgement of receipt stipulates a new deadline for authorisation of eight working days or less.

Whenever the comparable AIF or the reference AIF does not comply with the requirements referred to in this Article, the AMF shall notify the applicant, stipulating that the supplementary information required to compile an authorisation application under the procedures described in I must be received within sixty days. If all the supplementary information is not received within this period, the authorisation application is deemed to be rejected. Upon receipt of all the supplementary information has been received, the AMF shall issue a written acknowledgement of receipt and examine the authorisation application for the AIF under the conditions and procedures referred to in I. The acknowledgement of receipt stipulates a new deadline for authorisation of one month or less.

Section 2 - Formation (Article 424-3)

Article 424-3

The period for subscribing shares in a SICAV for employee shareholders or units in an employee investment undertaking shall start within twelve months of the date on which the SICAV or the fund is authorised. Failing this, the authorisation is deemed to be null and void, unless the AMF explicitly grants an exception.
Subscriptions and purchases of shares in a SICAV for employee shareholders or units in an employee investment undertaking shall be restricted to employees of the corporate group as defined in the second paragraph of Article L. 3344-1 of the Labour Code and, where applicable, to the persons stipulated in the second paragraph of Article L. 3332-2 of the Labour Code and for employees taking part in a share buyback as defined in Article L. 3332-16 of the Labour Code, with the exception of FCPE units covered by Article L. 214-164 of the Monetary and Financial Code subscribed under a retirement savings plan as defined in Article L. 224-1 of the same code opened with an insurance company, mutual insurance company or union, provident institution or union.

The minimum capital or the minimum assets required to constitute a SICAV for employee shareholders may be contributed by other investors than the ones cited in the preceding paragraph, provided that these investors undertake to request the redemption of their shares as soon as subscriptions are accepted from the abovementioned employees and, where applicable, from the persons stipulated in the second paragraph of Article L. 3332-2 of the Labour Code.

Section 3 - Operating rules (Articles 424-4 à 424-10)

Article 424-4
An employee investment undertaking or a SICAV for employee shareholders may merge only with another employee investment undertaking or SICAV for employee shareholders.

Article 424-5
I. Any plans for mergers, mergers-demergers, demergers and takeovers involving one or more asset management funds or one or more sub-funds in an AIF shall be decided by the supervisory board of the employee investment undertaking or the board of directors or the executive board of the SICAV for employee shareholders. The plans are subject to the prior authorisation of the AMF. The merger or demerger shall be completed within three months of being authorised. Failing this, the authorisation is deemed to be null and void, unless the AMF explicitly grants an exception.

II. However, pursuant to 422-100 applicable to employee savings scheme funds by reference to Article 424-1, any demerger decided in accordance with the second paragraph of Article L. 214-24-33 or the second paragraph of Article L. 214-24-41 of the Monetary and Financial Code shall not be subject to prior authorisation of the AMF; however the AMF must be notified without delay.

This notification shall include the following information:

1. The report issued to the holders referred to in Articles D. 214-32-12 and D. 214-32-15 of the Monetary and Financial Code;

2. The list of assets transferred to the new fund and the list of illiquid assets kept by the reference fund.

Article 424-6
If holders are not entitled to a whole number of units or shares as a result of the exchange ratio, the units or shares in the employee investment undertaking shall be divided so that the fractional units or shares can be reinvested.

Article 424-7
The net asset value shall be made available to the supervisory board of the employee investment undertaking or the board of directors of the SICAV for employee shareholders on the first working day following its calculation.

Article 424-8
If the mechanism ensuring liquidity of securities that are not traded on a regulated market is provided by an entity other than the ones referred to in the second to last paragraph of Article R. 214-214 of the Monetary and Financial Code, it may be provided by a natural person or legal entity that is separate from the asset management company, from the SICAV for employee shareholders and from the corporation whose securities are held by the employee investment undertaking or the SICAV for employee shareholders, provided that this person or entity undertakes to redeem the number of securities necessary to provide liquidity that is at least equivalent to that of an AIF that holds at least one-third of its assets in liquid securities. This undertaking shall be counter-guaranteed in compliance with the following procedures, which may be combined:
1. A performance guarantee from a credit institution with its registered office in an OECD Member State, an insurance company or an investment company with its registered office in a European Union Member State or a State party to the Agreement on the European Economic Area and that is authorised to provide the service cited in point 1 of Article L. 321-2 of the Monetary and Financial Code and which has capital, as defined in Directive 2000/12/EC of 20 March 2000, of 3.8 million euros or more;

2. A line of credit granted by a credit institution with its registered office in an OECD Member State for the purpose of fulfilling the guarantee defined in this Article;

3. A portfolio of liquid securities, as defined in Article R. 214-214 of the Monetary and Financial Code, pledged to the management company of the employee investment undertaking or the SICAV for employee shareholders.

If the company is open-ended, the mechanism for guaranteeing the liquidity of the securities provided for in the last paragraph of Article R. 214-214 of the Monetary and Financial Code may be provided by the company under the forms defined in points 1°, 2° and 3°.

**Article 424-9**
The price at which the guarantor redeems units or shares is set by the employee investment undertaking rules or the articles of association of the SICAV for employee shareholders.

An AMF instruction stipulates the clauses that shall be included in the liquidity guarantee contract.

**Article 424-10**
The annual reports of the supervisory boards of the employee investment undertakings shall give an account of the performance of the tasks incumbent upon them under Articles L. 214-164 and L. 214-165 of the Monetary and Financial Code.

The annual reports of the boards of directors of SICAVs for employee shareholders shall give an account of the performance of the tasks incumbent upon them under Article L. 214-166 of the Monetary and Financial Code.

**Section 4 - Calculating aggregate risk (Article 424-11)**

**Article 424-11**
By way of derogation to the provisions of II of Article 422-51, the aggregate risk exposure of an employee investment undertaking is the potential losses of the fund as evaluated at any time.

**Section 5 - Information du public (Articles 424-12 à 424-15)**

**Article 424-12**
The fees paid by an employee investment undertaking or a SICAV for employee shareholders, as described in 2° of Article 422-72, are supplemented, where applicable, by a list of fees related to the operations of the employee investment undertaking or the SICAV for employee shareholders that are paid by the company.

**Article 424-13**
The prospectus of the employee investment undertakings or SICAVs for employee shareholders consists of the fund rules or the articles of association. An AMF instruction stipulates the contents of these documents and, in particular, the information about fees.

**Article 424-14**
An AMF instruction stipulates which information documents the employee investment undertaking or SICAV for employee shareholders shall make available to holders relating to the AIF or UCITS in which it has invested more than 50 per cent of its assets.

If such an AIF or UCITS invests in units or shares of other AIFs or CISs, the key investor information document shall stipulate, as
appropriate, whether the employee investment undertaking or the SICAV for employee shareholders has invested more than 50 per cent of its assets in units or shares of a single AIF or UCITS and give the names of such AIFs or CISs.

**Article 424-15**

Employee investment undertakings and SICAVs for employee shareholders shall publish their net asset value at least once a month, with the exception of employee investment undertakings governed by the fifth and sixth paragraphs of Article L. 3332-17 of the Labour Code, which publish their net asset value at least once a year, bearing in mind that it shall not be calculated more than once a quarter, and employee investment undertakings governed by Article L. 3332-16 of the Labour Code, which publish their net asset value at least once a year.

Section 6 - Provisions specific to the employee savings plan investments (FCPE) covered by Article L. 214-165-1 of the Monetary and Financial Code (Articles 424-16 à 424-18)

**Article 424-16**

Except where otherwise specified, Article 424-1 and Sections 1 to 5 of this Chapter apply to the employee savings plan investments (FCPE) mentioned in Article L. 214-165-1 (I) of the Monetary and Financial Code.

**Article 424-17**

Articles 422-105 à 422-120, the second and third paragraphs of Article 424-3, the second paragraph of Article 424-10 and Article 424-15 do not apply to the funds covered by this Section.

For the application of Article 424-8 to funds covered by this Section, the reference to Article R. 214-214 of the Monetary and Financial Code is replaced by a reference to Article R. 214-214-7 of the same Code.

**Article 424-18**

Subject to the provisions of the second paragraph of IV of Article L. 214-165-1 of the Monetary and Financial Code, the funds covered by this Section shall publish their net asset value at least once a month.

Chapter V - Financing vehicles (Articles 425-A à 425-26)

Section 1 - Provisions common to financing vehicles (Articles 425-A à 425-A-1)

**Article 425-A**

Articles 423-36-2 and 423-36-3 apply to financing vehicles in application of Articles R. 214-234 and R. 214-240-1 of the Monetary and Financial Code. Article 423-36-4 applies to specialised financing vehicles in application of Articles R. 214-240-1 and D. 214-240-4 of the Monetary and Financial Code. For the application of these provisions to financing vehicles, the references to "specialised professional funds" are replaced, as appropriate, by references to the "specialised financing vehicle" or the "securitisation vehicle" and the references to "units or shares" are replaced by references to "units, shares or debt securities".

**Article 425-A-1**

When they are entrusted with the recovery of the debts held by the financing vehicles that they manage and they decide to outsource this function, investment management companies must implement appropriate controls enabling them to control the risks of that outsourcing.

Section 2 - Provisions specific to securitisation vehicles (Articles 425-1 à 425-18)

**Article 425-1**

Unless otherwise indicated, Chapter I of this title shall apply to securitisation vehicles.

**Article 425-1-1**

[Removed by decree of 12 February 2019]
Article 425-6
Where the securitisation vehicle is formed as a securitisation common fund, the completion letter drawn up by the statutory auditors pursuant to Article 212-15 is delivered to the management company.

Article 425-7
[Removed by decree of 7 November 2019]

Article 425-8
The rating document referred to in Article L. 214-170 of the Monetary and Financial Code must be provided to the AMF at least five trading days before the desired date of issue of the approval.

Article 425-9
[Removed by decree of 7 November 2019]

Article 425-10
[Removed by decree of 7 November 2019]

Article 425-11
Any investors may obtain, free of charge, the rules (règlement) of the securitisation common fund, and of any sub-fund thereof, or the articles of association of the securitisation company.

Article 425-12
Securitisation vehicles whose financial securities are admitted to trading on a regulated market or an organised multilateral trading facility are subject to the provisions of Articles 223-1 A to 223-10-1.

Article 425-13
Securitisation vehicles whose financial securities are admitted to trading on a regulated market are subject to the provisions of this sub-section.

Article 425-14
At the close of each financial year:

- the securitisation company, or

- the management company, where the securitisation vehicle is formed as a securitisation common fund,

shall draw up the accounting documents of the securitisation vehicle, under the supervision of the depositary.

Article 425-15
No later than four months after the close of the financial year,

— the securitisation company, or

— the management company, where the securitisation vehicle is formed as a securitisation common fund,

shall prepare and publish, under the supervision of the depositary of the securitisation entity and after verification by the statutory auditor, an activity report for the year.

No later than three months after the close of the first half of the financial year:

— the securitisation company, or

— the management company, where the securitisation vehicle is formed as a securitisation common fund,

shall prepare and publish, under the supervision of the depositary of the securitisation entity and after verification by the statutory auditor, an activity report for the half-year.

Where the securitisation vehicle includes sub-funds, these activity reports are prepared for each sub-fund. Annual financial statements including notes are likewise prepared, as appropriate, for each sub-fund.

**Article 425-16**
The activity reports referred to in Article 421-15 are sent free of charge to the holders of the financial securities who request them.

Investors may obtain these activity reports upon publication and free of charge, from:

— the securitisation company, or

— the management company, where the securitisation vehicle is formed as a securitisation common fund,

These documents are distributed by mail or by any other means provided for in the prospectus of the securitisation vehicle. The investor may choose his preferred means of delivery of these documents from among the options offered.

A copy of each of these documents is sent to the AMF.

**Article 425-17**
The securitisation company, or the management company, where the securitisation vehicle is formed as a securitisation common fund, makes periodic disclosures about the securitisation vehicle's assets and liabilities.

**Article 425-18**
The constitution, conversion, merger, demerger or liquidation of a securitisation vehicle covered by this Section shall be declared to the AMF within one month of it taking place.

Section 3 - Provisions specific to specialised finance vehicles (Articles 425-19 à 425-26)

**Article 425-19**
The subscription and purchase of units, shares and debt securities of specialised financing vehicles are reserved for:

1. Investors referred to in Article L. 214-190-1 of the Monetary and Financial Code;
Article 425-20
The specialised financing vehicle prospectus shall include the identity of the asset management company and the depositary and specify the investment and operating rules of the specialised financing vehicle as well as all the conditions for direct and indirect compensation of the asset management company and the depositary. The rules or instruments of incorporation of the specialised financing vehicle form an integral part of the prospectus to which they are annexed.

Article 425-21
The constitution, conversion, merger, demerger or liquidation of a specialised financing vehicle shall be declared to the AMF within one month of it taking place. This declaration must be made within the month following the preparation of the statement or the certificate of filing of the specialised financing vehicles or sub-fund. Confirmation of receipt of the declaration shall be sent within eight business days following receipt.

Article 425-22
In application of the provisions of Articles L. 214-24-14, L. 214-190-1 and D. 214-240-4 of the Monetary and Financial Code, the rules or instruments of incorporation of the specialised financing vehicle may only provide for the possibility of issuing or redeeming units, shares or debt securities giving rise to different entitlements in the capital and interest if the specialised financing vehicle or its management company are able to calculate in an appropriate manner the effects of said entitlements on the value of each category of units, shares or debt securities. The details of the method used must guarantee equal treatment between holders of units, shares and debt securities, in particular, when debt securities entitle holders to ask for their early redemption, by determining a valuation that must be specified in the rules or instrument of incorporation of the specialised financing vehicle.

Article 425-23
The provisions of Articles 423-18, 423-20 to 423-26 and 423-29 to 423-32 applicable to specialised professional funds other than limited partnerships (SLPs) apply to specialised finance vehicles. However, II of Article 422-94 shall not apply to specialised finance vehicles. For the application of these provisions to specialised finance vehicles, the references to "specialised professional funds" are replaced, as appropriate, by references to the "specialised finance vehicle", the references to Article 422-94 are replaced by a reference to Article 425-19 and the references to "units or shares" are replaced by references to "units, shares or debt securities".
Pursuant to paragraph IV of Article L. 214-190-1 and to Article D. 214-240-4 of the Monetary and Financial Code, the rules or articles of association of the specialised financing vehicle may provide that units, shares or debt securities are redeemed at the request of the holders of the units, shares or debt securities and at the net asset value, plus or minus any fees or commissions, as the case may be.

In accordance with its rules or articles of association, the specialised financing vehicle may temporarily or permanently cease to issue units, shares or debt securities, pursuant to the third paragraph of Article L. 214-190-2-1 and the third paragraph of Article L. 214-190-3-1 of the Monetary and Financial Code, in objective situations leading to the closing of subscriptions, such as a maximum number of units, shares or debt securities issued, a maximum amount of assets reached or the expiry of a determined subscription period.

If redemptions are temporarily suspended under the terms of the first paragraph of Article L. 214-190-2-1 or the first paragraph of Article L. 214-190-3-1 of the Monetary and Financial Code, the portfolio asset management company:

1 • Shall immediately disclose the reasons and the procedures for the suspension of redemptions to the AMF and to all of the authorities of the European Union Member States where the units, shares or debt securities are marketed;

2 • Shall remain obliged to establish and publish the net asset value as soon as it is able to calculate this accurately.

Redemptions may be made in cash or in kind. If the redemption in kind corresponds to a representative pro rata share of the assets in the portfolio, the written agreement signed by the outgoing holder of the units, shares or debt securities must be obtained by the asset management company. When the redemption in kind does not correspond to a representative pro rata share of the assets in the portfolio, all the holders of units, shares or debt securities must indicate in writing their agreement authorising the outgoing holder of units, shares or debt securities to redeem its units, shares or debt securities against certain particular assets, as explicitly defined in the agreement.

**Article 425-25**

In accordance with the final paragraph of Article L. 214-190-2-1 and the final paragraph of Article L. 214-190-3-1 of the Monetary and Financial Code, the management company of the specialised financing vehicle may provide for the temporarily gating of the redemption of units, shares or debt securities, when necessary, owing to exceptional circumstances and in order to protect the interests of the holders of units, shares or debt securities or those of the public. Such conditions may be met in particular where, irrespective of the normal carrying out of the management strategy, the level of redemption orders is such that, in view of the liquidity conditions of the assets of the specialised financing vehicle or of one of its sub-funds, these orders cannot be executed on terms that protect the interests of holders of units, shares or debt securities and ensure their equitable treatment, or where redemption orders arise in circumstances that may undermine market integrity.

The investment management company shall inform the AMF, unitholders and the public of the introduction of a redemption gate on units or shares in the rules or articles of association of the specialised finance vehicle. For specialised finance vehicles other than those mentioned in IX of Article L. 214-190-1 of the Monetary and Financial Code or money market funds governed by Regulation (EU) 2017/1131 of 14 June 2017, the investment management company shall inform the AMF, the unitholders and the public if this mechanism has not been introduced and declare the reasons for this to the AMF.

In these cases, redemptions may then be gated in the same proportions for all the relevant holders of units, shares or debt securities, who must be specifically informed. The portion of orders that is not executed and that is resubmitted shall not have any priority, on the next centralisation dates, over new redemption orders submitted for execution on those dates.

The asset management company shall notify the AMF of its decision to apply a redemption gate. It shall also notify the public, by any means under the conditions set forth in the prospectus and, at least, by a notice on its website.

The rules or articles of association of the specialised financing vehicle shall precisely define the conditions under which a redemption gate may be applied, and in particular:
Article 425-26

Pursuant to the third paragraph of I of Article L. 214-190-1 of the Monetary and Financial Code, the prospectus of the specialised finance vehicle may include mechanisms to offset or reduce the costs of portfolio reorganisation incurred by all unitholders, shareholders or holders of debt securities during subscriptions and redemptions.

The investment management company shall inform the AMF, unitholders, shareholders and holders of debt securities and the public of the introduction of such mechanisms in the prospectus of the specialised finance vehicle.

For specialised finance vehicles other than those mentioned in IX of Article L. 214-190-1 of the Monetary and Financial Code or money market funds governed by Regulation (EU) 2017/1131 of 14 June 2017, if no such mechanism has been introduced, the investment management company shall declare the reasons for this to the AMF.

The investment management company shall define precisely the conditions for applying these mechanisms, and in particular:

1. Set the threshold above which the asset management company may decide to apply a redemption gate to redemption orders received in respect of a single centralisation date may be decided;

   This threshold shall be justified based on the frequency of calculation of the net asset value, on the management strategy and on the liquidity of the assets held by the vehicle; it corresponds to the ratio between:

   - the difference registered, on the same centralisation date, between the amount or number of redemption orders for units, shares or debt securities of the vehicle, and the amount or number of subscription orders for units, shares or debt securities of the same vehicle; and

   - the net assets or total number of units, shares or debt securities of the vehicle or sub-fund in question.

   This threshold is determined on the basis of the most recent published net asset value or of the most recent indicative net asset value calculated by the asset management company, or of the number of units, shares or debt securities outstanding on the valuation date;

2. State the procedures according to which the vehicle may decide either to cancel the unexecuted part of redemption orders or to carry them forward until the next centralisation date. However, where the vehicle calculates its net asset value more than once a week, the portion of redemption orders that have not been executed shall automatically be carried forward to the next centralisation date;

3. Specify whether, and under what conditions, the holder of units, shares or debt securities may oppose the postponement of the portion of the redemption order that has not been executed;

4. Limit the gating of redemption requests to a maximum number of net asset value calculations for a given period; this maximum number must be justified with regard to the frequency of net asset value calculation, the management strategy and the liquidity of the assets held by the vehicle.

Article 425-26

Pursuant to the third paragraph of I of Article L. 214-190-1 of the Monetary and Financial Code, the prospectus of the specialised finance vehicle may include mechanisms to offset or reduce the costs of portfolio reorganisation incurred by all unitholders, shareholders or holders of debt securities during subscriptions and redemptions.

The investment management company shall inform the AMF, unitholders, shareholders and holders of debt securities and the public of the introduction of such mechanisms in the prospectus of the specialised finance vehicle.

For specialised finance vehicles other than those mentioned in IX of Article L. 214-190-1 of the Monetary and Financial Code or money market funds governed by Regulation (EU) 2017/1131 of 14 June 2017, if no such mechanism has been introduced, the investment management company shall declare the reasons for this to the AMF.

The investment management company shall define precisely the conditions for applying these mechanisms, and in particular:

1. The method for identifying, calculating and allocating portfolio rearrangement costs among unitholders, shareholders and holders of debt securities;

   The investment management company shall establish this method in writing and shall review it regularly.

2. Where applicable, the thresholds above which its application shall be triggered;

3. The measures for detecting and managing any conflicts of interest that may arise as a result of their implementation.
Title III - Other collective investments (Articles 431-1 à 431-2)

Article 431-1
The provisions of sections 2 and 3 of Chapter 1 and sections 1 and 5 of Chapter II of Title II or, where this other collective investment is open to professional investors, of paragraph 1 of section 1 and paragraph 1 of section 2 of Chapter III of Title II shall apply to the SICAVs referred to at 1° of I of Article L. 214-191 of the Monetary and Financial Code.

Article 431-2
The provisions of sections 2 and 3 of Chapter 1 and section 3 of Chapter II of Title II or, where this other collective investment is open to professional investors, of paragraph 2 of section 1 of Chapter III of Title II shall apply to open-ended real estate investment companies referred to at 2° of I of Article L. 214-191 of the Monetary and Financial Code.

Title IV - Miscellaneous assets (Articles 441-1 à 441-3)

Article 441-1
The person cited in point 1° of paragraph I and in paragraph II of Article L. 551-1 of the Monetary and Financial Code, who takes the initiative for transactions involving intermediation in miscellaneous property, and the persons cited in points 2° and 3° of paragraph I of the same article, shall provide guarantees in terms of organisation, good repute, skills and experience, which are adequate and suited to the nature of the transaction. They must demonstrate that they have taken out a professional liability insurance policy suited to the risks involved in these activities from an insurance company authorised to do business in France.

They must act solely in the interests of their investors and may not perform any business activity that could create conflicts of interest that may be detrimental to the interests of their investors.

Article 441-2
I. – The miscellaneous property intermediaries cited in point 1° of paragraph I and in paragraph II of Article L. 551-1 of the Monetary and Financial Code who take the initiative for transactions shall:

1 • Open a single dedicated account for the transaction with a credit institution authorised to do business in France, into which they shall deposit the sums corresponding to investors' investments and to the payment of income generated by their investments;

2 • Demonstrate that they have taken out an insurance policy from an insurance company authorised to do business in France covering properties transferred in exchange for a life annuity;

3 • Appraise the value of the title to the life annuity, the property or the property title at the time of subscription;

4 • Set up a procedure for determining the type of investor profile suited to the risks inherent in an investment in miscellaneous property;

5 • Demonstrate that they are keeping the records necessary to identify, at any point in time:
   a) The sums that correspond to each investor's subscription and to the payment of income generated by their investments;
   b) The title to a life annuity or property title held by each investor;

6 • Send investors written proof of their title to a life annuity or their property title, as soon as they have acquired them;

7 • Send the documents cited in Article L. 551-3 of the Monetary and Financial Code and proof of compliance with the requirements set forth in Article 441-1, and sign the information document to be reviewed by the AMF.

Source: AMF website / Book 4 into force since 30/07/2023 with notes / This translation is for information purposes only
II. – The intermediary cited in paragraph I shall take the following steps, when appropriate to the nature of the transaction:

1 • demonstrate that it has taken out an insurance policy from an insurance company authorised to do business in France covering the properties to which the titles have been acquired;

2 • Set up a procedure to appraise the properties or property titles that is suited to the nature of the properties or titles in question, in cases where the properties or titles may be repurchased or traded;

3 • Set up a mechanism ensuring the liquidity of the property titles, guaranteed by a credit institution or insurance company authorised to do business in France, in cases where the properties or titles may be repurchased or traded.

III. The intermediary mentioned in I shall establish and maintain operational an effective and transparent procedure for reasonable and prompt handling of complaints received from clients or potential clients.

Clients may file complaints free of charge with the intermediary in miscellaneous assets.

The Intermediary shall respond to the complaint from the client within a maximum of two months from the date on which the complaint was sent, except in duly justified exceptional circumstances.

It shall implement a procedure allowing equal and harmonised handling of complaints from clients.

It shall record each complaint and the measures taken to process it. It shall put in place a system for monitoring complaints allowing it in particular to identify any malfunctions and to implement the appropriate corrective actions.

Information on the complaint handling procedure shall be made available to clients free of charge.

The procedure put in place shall be proportionate to the size and structure of the intermediary in miscellaneous assets.

Article 441-3
The documents cited in Articles L. 551-3 and R. 551-1 of the Monetary and Financial Code shall be complete and comprehensible, and the information they contain must be consistent. They shall include all of the information investors would need to make an investment decision.

The documents to be submitted to the AMF shall notably be accompanied by the following items:

1 • A report written by an independent expert recognised as such in the market in question and with adequate professional credentials to effectively perform its appraisal function. In this report, the expert must:

   a) Attest to the existence of the properties being marketed or the properties in respect of which the titles are offered for sale;

   b) Give an opinion on the liquidity of the property titles;

   c) Give an opinion on the appraisal cited in point 3° of paragraph I of Article 441-2 and the appraisal procedure cited in point 2° of paragraph II of the same article;

2 • Proof of compliance with the requirements set forth in Articles 441-1 and 441-2;

3 • Drafts of all marketing materials, regardless of format, cited in paragraph III of Article L. 551-1 of the Monetary and Financial Code.
A new information document shall be submitted to the AMF whenever there is a material change in the conditions under which the properties are managed or commitments are carried out, pursuant to paragraph 7 of Article L. 551-3 of the Monetary and Financial Code.

Minor changes do not require a new information document, but the AMF shall be given advance notice of them.