

June 2025

SPOT INSPECTIONS

Summary of SPOT inspections on employee
qualifications and knowledge levels

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1. BACKGROUND

In accordance with the applicable regulations, asset management companies (AMCs) must ensure that the persons acting on their behalf have certain minimum qualifications and a sufficient level of knowledge. They must equip themselves with the resources and organisational structure needed to ensure compliance with their professional obligations in order to comply with the principles of protecting their clients' interests and market integrity.

The two main obligations in this area concern, on the one hand, verifying the minimum knowledge of the persons acting on behalf of the AMC and, on the other hand, assessing the knowledge and skills of the persons who provide investment advice, or information about financial instruments, investment services or related services on their behalf to their clients.

These two concepts relate to two distinct obligations. The first obligation is for AMCs to ensure that natural persons acting on their behalf possess a common minimum knowledge base in order to perform certain key functions that are listed below. The second obligation requires that the natural persons in question have the appropriate qualifications and experience to comply with the legal requirements and ethical standards in force, and to understand and apply the AMC's internal procedures¹.

More specifically, with regard to the first obligation, **since 2010**, the regulations have required that AMCs (see AMF Position DOC-2009-29²) ensure that their employees discharging "*key functions*", in particular portfolio managers, sales personnel³ and chief compliance and internal control officers (RCCIs), can demonstrate a **minimum level of knowledge** (persons who were already in one of the "*key functions*" on 1 July 2010 are not subject to the examination, as they fall under the "grandfather clause", provided that do not change employer outside their group).

This verification can be carried out:

- either by internal examinations organised by the AMC ("internal verification");
- or by an external body certified by the Autorité des Marchés Financiers (AMF) on the advice of the Financial Skills Certification Board (HCCP).

It is important that AMCs ensure that the quality and requirements of the internal verification are equivalent to those of the AMF examination. Consequently, as announced in its supervisory priorities for 2024⁴, the AMF has conducted a SPOT (Supervision of Operational and Thematic Practices) inspection campaign on the qualifications and knowledge of employees at AMCs that have opted to "*bring their training and examination procedures in-house. The inspections will be based on the procedural framework of these procedures, the operational procedures for new employees, the content of the training provided and the internal controls in place*".

This campaign forms part of the AMF's efforts to clarify, in its regulation, the system applicable to those AMCs that have opted for internal verification. Following on from this SPOT campaign, the AMF has therefore decided, after consulting the HCCP and professional associations, to supplement the aforementioned AMF Position DOC-2009-29 with clarifications setting out the requirements for the system itself and for the internal examination procedures implemented as part of the system. When the updated position comes into application on 1 January 2026, certain good practices will comply with the new AMF doctrine.

With regard to the second obligation, this SPOT inspection campaign provided an opportunity to examine the system for assessing employees' knowledge as defined in the ESMA guidelines (ESMA/2015/1886) and AMF

¹ The knowledge and skills expected of persons providing investment advice to clients being higher than those expected of persons only providing clients with information about financial instruments, investment services or related services.

² AMF position DOC-2009-29: Questions and answers on the system for verifying the minimum level of knowledge of market participants.

³ Article 314-9 of the AMF General Regulation defines sales personnel as: "*any natural person responsible for providing investment advices or informations on financial instruments, investment or ancillary services, to the clients of the investment services provider on whose behalf he is acting*".

⁴ <https://www.amf-france.org/sites/institutionnel/files/private/2024-01/pa2024-priorites-de-supervision-va.pdf>

recommendation DOC-2018-01.⁵ The aim of this regulation is to promote "greater convergence in the knowledge and competence of staff providing investment advice or information about financial instruments, structured deposits, investment services or ancillary services to clients, and competent authorities to assess the adequacy of the compliance with such requirements". Therefore, this regime is aimed at employees whose role requires them to be in direct contact with clients, which justifies an annual assessment of their knowledge.

Finally, the campaign also served as an opportunity to analyse the anti-money laundering and combating the financing of terrorism (AML/CFT) training mechanisms required of AMCs by the regulations, and the sustainable finance training put in place by the AMCs in relation to their business.

This document does not represent an opinion or recommendation. The practices identified as ‘good’ or ‘poor’ highlight the approaches observed during the inspections and analyses carried out, which are likely to encourage or discourage compliance with the rules applicable to employee training. The regulatory reminders provided in the boxes in section 3 correspond to regulatory breaches identified during the inspections of the institutions on the panel.

2. SCOPE

2.1. PRESENTATION OF THE SAMPLE OF AMCS INSPECTED

Three of the five AMCs on the panel had brought knowledge verification in-house and two were not subject to employee knowledge assessment⁶. The panel of AMCs inspected is set out in the table below.

	AMC 1	AMC 2	AMC 3	AMC 4	AMC 5
Assets under collective management	over €10bn	over €500m	between €1bn and €5bn	over €150bn	between €1bn and €5bn
Assets under mandates	between €1bn and €5bn	-	Between €5bn and €10bn	-	-
Collective investments managed	AIFs and discretionary management	UCITSs	AIFs and discretionary management	AIFs	AIFs and UCITSs
AMC that is part of a banking group	yes	no	yes	yes	no
Knowledge verification system	internal	external	internal	internal	external
AMC subject to employee knowledge assessment	yes	no	yes	no	no
Clients	professional and retail	professional	professional (DM) and mixed (collective investment management)	professional	professional (no restriction in the authorisation)
Workforce (including managers)	175 employees, including 5 portfolio managers	9 employees, including 4 portfolio managers	181 employees, including 149 portfolio managers	28 employees, including 4 portfolio managers	36 employees, including 9 portfolio managers

2.2. TOPICS AND METHODOLOGY APPLIED

The work encompassed:

⁵ AMF Position-Recommendation DOC-2018-01: Assessment of knowledge and competence.

⁶ This obligation applies to AMCs when they provide an investment service (within the meaning of Article L. 321-1 of the Monetary and Financial Code, MFC), a related service, or when they provide information about financial instruments (Article L. 533-12-6 of the MFC by reference from Article L. 532-9 VII).

- verifying employees' knowledge;
- assessing employees' knowledge and competence;
- AML/CFT training;
- sustainable finance training;
- the system for monitoring risks and for internal control.

The inspection team analysed the AMCs' sets of procedures, the operational process implemented vis-à-vis employees, the content of the training provided, and the interaction between the human resources and compliance functions on these topics. The inspection period was from 1 January 2021 to 20 February 2025.

2.3. APPLICABLE REGULATIONS

The analyses carried out were based on the following texts:

- the Monetary and Financial Code ("**MFC**");
- the AMF General Regulation ("**AMF GR**");
- Delegated Regulation (EU) No. 231/2013 of 19 December 2012 ("**AIFM DR**");
- Delegated Regulation (EU) No. 2017/565 of 25 April 2016 ("**MiFID II DR**");
- AMF Position DOC-2009-29 "Questions and answers on the system for verifying the minimum level of knowledge of market participants";
- AMF Position-Recommendation DOC-2018-01 "Assessment of knowledge and competence".

The table below lists the entire set of regulations on which the AMF based its work. The references to laws in the grey boxes at the end of each sub-section of section 3 below correspond to the laws used to qualify the findings in the individual inspection reports sent to the five AMCs on the panel.

Subject	AIF management	UCITS management	Mandate management Investment advice
KNOWLEDGE VERIFICATION	<i>AMF Position DOC-2009-29 - Questions and answers on the system for verifying the minimum level of knowledge of market participants.</i>		
Remit of the AMC	319-3 of the AMF GR	321-100 of the AMF GR	L. 533-22-2-1 of the MFC
Appropriate and sufficient human resources	21 of the AIFM DR 22 of the AIFM DR 318-1 of the AMF GR 319-3 of the AMF GR	321-23 I V and IX of the AMF GR	21 (1.d) of the MiFID II DR L. 533-22-2-1 of the MFC L. 533-27 of the MFC
Staff with the necessary skills, knowledge and expertise	22 (1.c) of the AIFM DR 21 I of the AIFM DR	21 (1) (d) of the MiFID II DR 321-23 of the AMF GR 321-100 of the AMF GR	L. 533-12-6 of the MFC
Verification of employee knowledge	318-1 of the AMF GR 318-7 of the AMF GR 318-8 of the AMF GR	321-37 and 321-38 of the AMF GR	312-3 of the AMF GR 312-4 of the AMF GR
Methods for verifying employee knowledge	318-9 of the AMF GR	321-39 of the AMF GR	312-5 of the AMF GR 314-9 of the AMF GR
Supervision of employees before knowledge verification	318-7 of the AMF GR	321-37 of the AMF GR	314-9 of the AMF GR
KNOWLEDGE ASSESSMENT	<i>AMF Position-recommendation DOC-2018-01 - Assessment of knowledge and competence ESMA/2015/1886 Guidelines for the assessment of knowledge and competence</i>		
System for assessing knowledge and competence	-	-	L. 533-12-6 of the MFC
Implementation of the system	-	-	314-10 of the AMF GR
AML/CFT TRAINING			
Obligation to train staff	L. 561-34 of the MFC 320-20 of the AMF GR	L. 561-34 of the MFC 321-147 of the AMF GR	L. 561-34 and L.561-32 of the MFC 315-8 of the AMF GR
Implementation of the training obligation	320-23 of the AMF GR	321-150 of the AMF GR	-
SUSTAINABLE FINANCE TRAINING	<i>AMF Position-Recommendation DOC-2012-19 pg. 34</i>		

Transparency of policies relating to sustainability risks: information about sustainable finance training	3 of Regulation (EU) No. 2019/2088 L. 533-22-1 II of the MFC D. 533-16-1 III 2 a and b of the MFC	3 of Regulation (EU) No. 2019/2088 L. 533-22-1 II of the MFC D. 533-16-1 III 2 a and b of the MFC	-
Sustainable finance training	318-7 I of the AMF GR	321-23 of the AMF GR	-
SYSTEM FOR MONITORING RISKS AND FOR INTERNAL CONTROL	<i>AMF Position-recommendation DOC-2018-01 - Assessment of knowledge and competence</i>		
General requirements	57 (1) (a) (b) and (c), and 61 (2) (a) of the AIFM DR R. 561-38-3 of the MFC 320-14 of the AMF GR	321-30 and 321-31 of the AMF GR 321-143 of the AMF GR R. 561-38-3 of the MFC	21 (1) (a) (b) (c) and (d), and (2) of the MiFID II DR R. 561-38-3 of the MFC
Set of procedures	61 (1) of the AIFM DR	321-23 of the AMF GR	22 (1) of the MiFID II DR
Permanent control	57 (1) (c) of the AIFM DR	321-77 of the AMF GR	22 (1) of the MiFID II DR
Periodic control	62 of the AIFM DR	321-83 of the AMF GR	24 of the MiFID II DR
Feedback to senior management	60 (4) of the AIFM DR	321-36 of the AMF GR 321-23 of the AMF GR	22 (2) (c) of the MiFID II DR

3. FINDINGS AND ANALYSIS

3.1. VERIFICATION OF EMPLOYEES' KNOWLEDGE

As the AMF's Impact 2027 strategic plan points out, "*financial education also involves improving the training of professionals*". On 1 July 2010, the AMF required professionals, including AMCs, to ensure the competence level of their employees holding "*key functions*" by verifying their minimum knowledge. To this end, AMCs must equip themselves with a system for verifying the knowledge of their employees. This system may be internal (AMCs 1, 3 and 4) or be based on an external verification of knowledge, known as the "*AMF examination*" (AMCs 2 and 5). The AMF examination consists of 120 multiple-choice questions and may be run by one of the bodies certified by the AMF⁷. A score of 80% is required for the financial literacy questions (A questions) and for the questions on the knowledge that is essential to the exercise of the profession (C questions), namely legal and ethical knowledge. The examination taken externally remains valid for life, regardless of the employer, unlike the internal examination, which is only valid within the entity in which the employee took the said examination and within the entity's group.

People who already held one of the "*key functions*" on 1st July 2010 are not affected by the examination, as they fall under a "grandfather clause". However, if these people move to a firm outside their employer's group, even to perform the same function, they must take an AMF examination or be assessed internally by the new employer.

3.1.1. Verification of minimum knowledge

➤ Set of procedures

Three AMCs on the panel (AMCs 1, 2 and 3) have a procedure defining the system for verifying employees' knowledge. These procedures set out the AMC's obligations and mention the regulatory deadline of six months after an employee is recruited for taking the internal or external examination.

These procedures identify the persons affected by knowledge verification, which also includes, for two AMCs (AMCs 1 and 2), interns and work-study trainees. At AMC 1, the set of procedures does not clearly distinguish between those subjects to assessment of their knowledge and competence, and those subjects only to the obligation to verification of minimum knowledge, which are not necessarily the same people.

⁷ AMF Position DOC 2009-29, pg. 3.

At two AMCs (AMCs 1 and 3), which opted for internal knowledge verification, the procedure does not set out how knowledge verification should be implemented, in particular the procedures for a knowledge verification examination.

AMCs 4 and 5 have not drawn up an internal procedure describing the knowledge verification system. AMC 5 does not have any procedures or operating methods for verifying knowledge. As regards AMC 4, it refers to the procedure of its parent group, which does not mention a knowledge verification system. This "group" procedure requires its component entities to specify their provisions in an internal procedure in order to take account of their specific characteristics, which this AMC has not formalised.

➤ Identification of the employees concerned

Under the regulations, a minimum level of knowledge is mandatory in order to carry out eight "key functions", including those of sales personnel, portfolio managers, financial analysts, traders in financial instruments, and chief compliance and internal control officers (RCCIs). The AMCs must therefore ensure that their employees occupying one of these "key functions" have a minimum knowledge base determined by national standards, in the interests of clients.

The five AMCs on the panel correctly identified among their workforce the "key function" employees whose knowledge needed to be verified, including the members of the investment committees authorised to take investment decisions as part of their role⁸. This identification is carried out at the time of recruitment (AMC 5) or as soon as the employee joins the AMC by the compliance function using a monitoring tool (AMCs 1, 2, 3 and 4) (see below).

Some AMCs (1 and 4) consider the verification of knowledge to be a "common knowledge base" that a large number of employees at the institutions need to understand. However, these AMCs do not distinguish in their procedures between employees for whom verification of knowledge is mandatory in accordance with the applicable regulations, and those for whom it is recommended by the AMC. Therefore, they opt for a broader vision of the system in their procedures, by subjecting employees who do not hold a "key function" within the meaning of the regulations (marketing manager, non-financial analyst, all compliance function employees) to the entire knowledge verification system (and in particular the six-month time limit). For this practice to be efficient, it must be effectively implemented by the AMCs. However, the AMCs on the panel whose procedures extended the knowledge test to employees in positions other than "key functions" were not complying with their own procedural arrangements.

The "grandfather" clause, which exempts employees who were performing a "key function" at the AMC on 1 July 2010 from the knowledge verification process, only affected three AMCs on the panel, which belonged to a group (AMCs 1, 3 and 4). This clause applies to fewer and fewer employees, due to the obligation to undergo the knowledge verification procedure when changing to an employer outside the group and due to retirement.

The employees of AMCs 1 and 4 falling under the "grandfather" clause represent less than 15% of the employees subject to knowledge verification (4% and 14%), and 77% for AMC 3.

The inspection team noted that these three AMCs (AMCs 1, 3 and 4) do not have a specific process applicable to the internal transfer of employees falling under the "grandfather" clause and that the employment contracts of

⁸ Article 312-4 of the AMF GR: "1. An asset manager is any person authorised to take investment decisions in connection with an individual investment mandate [...]".

Article 318-8 of the AMF GR: "An asset manager is any person authorised to take investment decisions within the framework of the management of one or several AIFs."

Article 321-38 of the AMF GR: "An asset manager is any person authorised to take investment decisions in connection with the management of one or more UCITS."

these employees make no reference to their specific status. Only AMC 1 defines the "grandfather" clause in its procedure. These three AMCs say they are vigilant when an employee transfers to another role within their group:

- they implement a non-formalised system whereby the Compliance (AMC 1) or Human Resources (AMC 3) departments identify the employee in order to ascertain whether or not they are subject to the knowledge verification system; or
- AMC 4 ensures that the employee has met the conditions required to perform their duties (qualifications, certifications, etc.).

3.1.2. System implementation and monitoring

➤ Employment contracts

The regulations do not provide for the insertion of a specific stipulation in employment contracts reminding employees performing a "key function" that if they have not verified their minimum knowledge within six months of being recruited, they will no longer be able to perform their function, in accordance with the applicable regulations. However, such a stipulation enables employees to be informed of this constraint at the time of their recruitment and enables the AMC to contractually define the employee's obligations.

The inspection team found that two AMCs (AMCs 1 and 3) had included this type of clause in the employment contracts of some of their employees performing a "key function", but not in a uniform manner across all employment contracts.

The other three companies on the panel (AMCs 2, 4 and 5) do not include any provision in their employees' employment contracts relating to the verification of minimum knowledge.

➤ Knowledge verification examination

In accordance with the regulations, employees' knowledge can be verified:

- by passing an examination that can only be taken at AMF "certified bodies" on the advice of the HCCP ("AMF examination"); or
- by an internal verification set up by the AMC.

The examination programme must be applied to the same high standards of quality in both instances.

The AMF examination consists of 120 multiple-choice questions (MCQs). The pass mark is set at 80% correct answers for the questions on the knowledge that is deemed essential to the exercise of the profession (primarily legal or ethical knowledge) (A questions) and for the questions about financial literacy (C questions). The success rates for these two categories of question cannot offset one another. These questions are taken at random from a "common examination database"⁹ (administered by the AMF and contributed to by the certified bodies). The aim is to harmonise and pool the questions of the different bodies certified by the AMF. The examination lasts a maximum of two hours.

Two of the AMCs on the panel (AMCs 2 and 5) verify their employees' knowledge using the AMF examination. They implement a clear system for selecting the certified body, by drawing up a grid of criteria covering practical arrangements (assistance/support/availability), content and tools, and financial and regulatory aspects (Qualiopi certification¹⁰/AMF certification), although this system is not formalised in a procedure at AMC 5.

⁹ AMF Instruction DOC-2010-09: "Requirements for certification by the AMF of a training organisation to hold the AMF examination relating to the professional knowledge of market participants".

¹⁰ This label is awarded by the Comité Français d'Accréditation (Cofrac).

The other three AMCs on the panel (AMCs 1, 3 and 4) use an internal knowledge verification system.

To implement this system, these AMCs call on "*certified bodies*" with which they have entered into a partnership, via their parent group. At two of the AMCs (3 and 4), this partnership has taken the form of a service provision agreement. These agreements are signed each time a candidate registers, but they do not define the knowledge verification system put in place by the AMC or the procedures for sitting the internal examination (number of questions, length of examination and pass mark).

The "*certified bodies*" use the questions and answers in the "*common examination database*" to organise the internal verification of knowledge at these three AMCs. This database of questions is available on the service provider's Internet platform and is not freely accessible by employees. AMC 1 differentiates between the questions used for training and those used for the examinations.

At these three AMCs, the internal knowledge verification examination consists of 120 questions, just like the "*AMF examination*", i.e. 33 questions relating to essential knowledge and skills (A questions) and 87 questions relating to financial literacy (C questions). These are multiple-choice single-answer (not multiple-answer) questions, for which there are three answers to choose from, but only one correct one. This examination lasts a maximum of two hours and is supervised by someone from Human Resources or Compliance. It takes place at the AMC's offices (AMCs 1 and 4) or at the service provider's premises for employees in Paris and in training rooms for employees in the provinces (AMC 3), which means that the AMC has flexibility in organising the examinations.

The internal verification pass marks used by these three AMCs are lower than those for the AMF examination

	AMC 1	AMC 3	AMC 4
Partnership	yes, with a certified body	yes, with a certified body	yes, with a certified body
Agreement signed with the service provider	no	yes	yes
Number of questions	120	120	120
Pass mark	75% for the A questions and 85% for the C questions	70%	75%

However, the two AMCs (AMCs 3 and 4) that have signed a contract with a service provider have not formalised in their agreements the terms and conditions for taking the internal examination (pass mark, number of questions per type (A or C), examination duration or examination venue).

In terms of practical implementation, for the majority of the AMCs (AMCs 1, 2, 4 and 5), all employees in "*key functions*" had been subject to knowledge verification.

	AMC 1	AMC 2	AMC 3	AMC 4	AMC 5
<i>Key function</i> employees who have not passed the knowledge examination within six months	15%	0%	25%	0%	0%
<i>Key function</i> employees who have not passed the knowledge examination within one year	4%	0%	13%	0%	0%
Pass certificates	100%	100%	100%	100%	100%

All the AMCs had their employees' pass certificates. However, at AMCs 1 and 3, some of their employees had still not passed the knowledge verification examination six months after taking up their posts¹¹. AMC 3 had still not verified one employee's knowledge at the end of the inspection period and, furthermore, its procedure did not make it impossible for the employee to be assigned to a position requiring such knowledge if they failed the internal examination within six months.

➤ **Employee monitoring**

Three AMCs (AMCs 1, 2 and 5) indicated that they had set up their own monitoring tool which lists the employees subject to knowledge verification. At AMCs 1 and 5, this tool, which is also used to ensure that employees have passed the knowledge verification examination within the six-month timeframe required by the regulations, takes the form of an Excel spreadsheet completed by the compliance department, indicating the employee's position, the date on which the employee joined the AMC, the need to verify the employee's knowledge, the deadline for passing the knowledge verification exam, the outcome of the AMF examination and the date on which it was passed.

However, this monitoring tool was incomplete at AMC 2, since it referred to the AMC's regulatory obligations rather than to its procedural system, which had a different scope and included employees not covered by the regulations (interns/work-study trainees).

➤ **Monitoring of employees under supervision**

Employees whose minimum knowledge has not yet been verified must receive appropriate supervision and for a maximum of six months from their date of recruitment.

When asked about this concept of appropriate supervision, the five AMCs on the panel said that it involved assigning a mentor to the employee undergoing training. This concept was defined in the procedures of two AMCs (AMCs 1 and 2). On the other hand, one AMC (AMC 3) misapplied the regulations by stipulating in its procedure that supervision was to take place after the employee in training had passed the AMF examination or internal verification of their knowledge.

AMC 4 indicated that it carries out this supervision by ensuring that its employees in training who hold portfolio manager positions are not allowed to carry out any management actions on their own until their knowledge has been verified. These trainee managers have no powers and are not declared to the AMF before the date on which they pass the knowledge verification examination.

The inspection mission found that the majority of the AMCs do not carry out appropriate supervision, i.e. supervision that is tracked and formalised (AMCs 1, 2, 3 and 4). The notion of supervision does not appear in the employee monitoring tool for knowledge verification (AMCs 1, 2 and 5). However, AMC 5 does keep a record of the supervision it has put in place by sending its new recruits an email which mentions the need for them to be supervised before their knowledge can be verified, and keeps the emails sent in a dedicated file.

Regulatory reminders¹²:

- **Article 22 (1) of the AIFM DR:** *"AIFMs shall employ sufficient personnel with the skills, knowledge and expertise necessary for discharging the responsibilities allocated to them";*

¹¹ These are scenarios in which the employee had failed the examination or had not taken the examination within six months of taking up the post.

¹² Only the AIFM provisions are cited; for the UCITS and MiFID II equivalents, please refer to the table in section 2.3.

- **Article 57 (1) (a) of the AIFM DR:** *“AIFMs shall establish, implement and maintain decision-making procedures and an organisational structure which specifies reporting lines and allocates functions and responsibilities clearly and in a documented manner”;*
- **Article 61 (1) of the AIFM DR:** *“AIFMs shall establish, implement and maintain adequate policies and procedures designed to detect any risk of failure by the AIFM to comply with its obligations under Directive 2011/61/EU, and the associated risks, and put in place adequate measures and procedures designed to minimise such risk and to enable the competent authorities to exercise their powers effectively under that Directive”;*
- **Article 318-1 of the AMF GR:** *“The asset management company shall at all times use the appropriate and adequate human and technical resources necessary for the proper management of the AIF”;*
- **Article 318-7 of the AMF GR:** *“IV. - To conduct the verification referred to in II, the asset management company shall have six months from the date on which the employee starts to perform one of the above functions. However, when the employee has been taken on under a work/study contract, as provided in Articles L. 6222-1 and L. 6325-1 of the Labour Code, the asset management company may choose not to perform any such verification. If it decides to hire the employee when his or her training period finishes, the asset management company shall ensure that he or she has the minimum qualification as well as a sufficient level of knowledge, as referred to in I, at the latest by the end of the contract training period. The asset management company shall ensure that any employee whose minimum knowledge has not yet been verified is appropriately supervised.”;*
- **AMF Position DOC-2009-29 – Questions and answers on the system for verifying the minimum level of knowledge of market participants:** *“There is no requirement for asset management companies to base the verification of knowledge on a 120-question questionnaire, as is the case for the AMF examination. However, the quality level and the requirements of the internal verification must be equivalent to that of the AMF examination. This is the responsibility of the asset management company.” “The system for verifying minimum knowledge is part of the compliance system for investment services providers which, since MiFID, has involved organisational obligations in the form of controlled and traceable procedures.”;*
- **AMF Position-Recommendation DOC-2018-01 – Assessment of knowledge and competence:** *“ISPs must ensure that persons subject to the assessment of their knowledge and competence are clearly and comprehensively identified and distinguished from those subjects only to the obligation to verify minimum knowledge”.*

AMF action:

In order to provide better support to the AMCs that have opted for an internal system for verifying their employees' knowledge, the AMF has decided to supplement AMF Position DOC-2009-29 - Questions and answers on the system for verifying the minimum level of knowledge of market participants to clarify the requirements that the AMF expects of the system itself and of the examination proposed as part of the system. This new position will come into application on 1st January 2026.

Good practices:

- including, in the employment contract of the employee subject to knowledge verification, a clause stipulating that the employee will not be able discharge their function if they fail to pass the knowledge verification examination within six months of being recruited;
- having an employee monitoring tool to ensure that the AMC has verified the knowledge of the employees concerned within six months of taking up their post;
- setting up tracked supervision for its employees whose minimum knowledge must be verified, by sending them an email when they take up their post informing them of the name of their supervisor;
- ensure that the supervised employee cannot perform their 'key function' without the prior approval of their supervisor for each relevant action.

For an external knowledge verification system:

- establishing a clear process based on objective criteria for selecting and monitoring the service provider responsible for knowledge verification;
- having a procedure setting out the entire knowledge verification system and defining, in particular, the persons concerned, the time and training constraints, and the arrangements for taking the AMF knowledge verification examination with the external service provider.

For an internal knowledge verification system:

- using a certified training body and using the same question base as that used for the AMF examination;
- using a platform provided by the certified service provider that guarantees restricted access for the employee to the AMF examination question base.

By 1st January 2026, the following good practices will comply with the new provisions of AMF Position DOC-2009-29, which sets out the regulatory obligations:

- offering an internal examination comprising more than 800 questions with the same breakdown of "C" and "A" questions as the AMF examination;
- having a service provision agreement with the training body.

Poor practices:

- not formalising the process applicable to internal transfers of employees benefiting from the "grandfather" clause.

For an internal knowledge verification system:

By 1st January 2026, the following poor practices will be contrary to the new provisions of AMF Position DOC-2009-29, which sets out the regulatory obligations:

- not setting out the terms and conditions for the internal knowledge verification examination in the agreement binding the AMC and the training body (pass rate, number of questions per type (A and C), examination duration and examination venue);
- setting lower pass marks for the internal knowledge verification examination than for the AMF examination.

3.2. ASSESSMENT OF KNOWLEDGE AND COMPETENCES

In its guidelines, ESMA sets out the conditions under which ISPs, including AMCs¹³, must ensure that natural persons providing investment advice or information about financial instruments, investment services or related services to clients on their behalf have the necessary knowledge and competences, i.e. the **appropriate qualifications and experience**, to comply with the legal requirements and ethical standards in force and to understand and apply the AMC's internal procedures. The AMF's doctrine¹⁴ has clarified that:

- persons who have met the minimum knowledge verification requirements are deemed to have met the requirement to have **appropriate qualifications**;
- the provision of advice or information about financial instruments, investment services or related services for a period of at least six months on a full-time equivalent basis meets the minimum duration requirement for having **appropriate experience**.

Employees who do not have the appropriate qualifications or experience are authorised to work under the supervision of an employee with the appropriate qualifications and experience for a maximum period of six

¹³ Provided that they are acting in connection with the provision of one or more investment services and solely in connection with the provision of such service(s).

¹⁴ AMF Position-Recommendation DOC-2018-01- Assessment of knowledge and competence.

months. The AMC must carry out an annual appraisal of appropriate qualifications and experience. This may be carried out as part of the annual employee performance appraisal provided for in the Labour Code¹⁵ or be the subject of a separate specific appraisal.

3.2.1. Procedure for assessing knowledge and competence

Only two AMCs on the panel (AMCs 1 and 3) provide investment services within the meaning of article L. 321-1 of the MFC or market them within the meaning of AMF instruction 2008-04 and are therefore required to implement a system for assessing the knowledge of their employees.

Their set of procedures for knowledge assessment is the same as that for knowledge verification, which does not make it possible to distinguish the people concerned by each of the systems.

Although the regulations stipulate that persons who have satisfied the minimum knowledge verification requirements are deemed to satisfy the appropriate qualifications requirement, only employees with the status of "sales personnel"¹⁶ at an AMC are affected by the two systems.

Furthermore, in its procedure, AMC 1 categorises employees according to the activity they discharge in order to determine the level of competences expected, and sets this at a higher level for employees providing the investment advice service. Its procedure also includes the requirement for employees whose required knowledge and competences have not been assessed to be supervised by a line manager.

3.2.2. Diligences taken to assess employees' knowledge and competences

➤ Assessment of appropriate qualifications and experience

The compliance team at these two AMCs identifies those employees whose knowledge and competences need to be assessed, by determining whether the activity they discharge consists of providing investment advice, or information about financial instruments, investment services or related services to clients on their behalf.

AMC 1 carries out employee identification when they are recruited or move internally, and informs the new employee by email. It has introduced two questionnaires that must be completed and signed by the employee and their manager: a mandatory assessment questionnaire and an optional supervision questionnaire when supervision of the employee is required. The assessment questionnaire mentions the employee's categorisation in terms of their role (provision of an investment advice service or information about financial instruments/investment services/related services), their qualifications and certifications, their level of experience in the position they hold and in their previous position, their cumulative *MiFID II* experience, and an assessment of their knowledge and competences by area (macroeconomics/financial markets/investment products/costs and fees/compliance), with a summary of the assessment determining whether or not the employee needs to be supervised. When supervision is required, an additional questionnaire is completed, stating the name of the supervisor, the start and end dates of supervision, the supervisory actions and a record of the actions supervised (nature/date and signature of the manager and of the employee). The manager also receives an email setting out the terms and conditions of the employee's supervision (scope/duration/back-up).

These questionnaires are then forwarded to the AMC's General Secretariat. At the same time, the compliance team monitors this system by filling in an Excel table which lists the employee's internal classification, the name of the manager and whether or not supervision is in place. However, this table was incomplete because it did not include

¹⁵ Articles L. 1222-2 to L. 1222-5 of the Employment Code.

¹⁶ Article L. 533-12-6 of the Monetary and Financial Code.

(i) work-study trainees and interns, even though the AMC's procedure includes them in the knowledge assessment system, and (ii) work-study trainees recruited at the end of their training period.

At AMC 3, employee identification was introduced in 2023 as part of a project led by the Group's compliance department. This identification is planned when an employee is recruited or moves to another role.

AMC 3 assesses the knowledge and competences of its employees, in this case only those portfolio managers providing investment advice and/or discretionary management, via an e-learning system provided by its parent group. This e-learning package is comprised of 10 items: (i) market organisation and operation, (ii) the MiFID II Regulation, (iii) financial investment advice, (iv) ESG criteria, (v) equities and bonds, (vi) accompanied management, (vii) B units, (viii) collective investment undertakings and structured funds, (ix) structured funds and (x) EMTNs. The e-learning system includes a quiz with a minimum pass rate of 70%. The content of this e-learning system and the quiz did not change during the period under review and corresponded to fundamental concepts that did not allow for personalised follow-up and an improvement in employees' skills. According to the AMC's procedure, an employee who fails to take the e-learning training course (which is not updated) or who does not achieve the minimum level of 70% by 31 December of the current year will no longer be able to place orders until they validate the training course and the IT department unblocks their access, which could significantly lengthen the time taken for their reinstatement.

➤ **Annual review of training needs and experience**

The two AMCs review the training needs and experience of their employees during their annual performance appraisals.

AMC 1 has formalised the annual review of employees' training needs and experience in its annual performance appraisal document. This document includes a section covering 5 or 7 skill areas, which the manager assesses to determine whether the employee has the knowledge and competences required for the position held. If this is not the case, two sub-headings need to be completed, covering the employee's training and supervision needs. The AMC's compliance team then follows up on the annual appraisals using a table that tracks the conduct of the annual appraisals and whether or not employees need to be supervised.

At AMC 3, the performance appraisal is either annual or every two years, as the employee's choosing. The document for this meeting also includes a section on knowledge assessment, which simply states whether or not the employee has completed and validated the dedicated e-learning course, without any comment. Another section of the document refers to the competences to be enhanced and any associated training courses. However, a number of employees stated in their appraisals that they had not been able to take training courses that met their needs. The training catalogue available, via two platforms (Group/AMC), offers a limited number of courses, mainly of a regulatory nature, and is therefore not very operational. Furthermore, these platforms cannot be added to, and the AMC's compliance department has had no discussions with human resources to have the catalogue of available training courses updated. The AMC does, however, provide for the possibility of making training requests outside the platforms made available, with these requests having to be validated by the AMC's senior management. However, no training course has been offered as a result of these appraisals and no supervision has been put in place despite requests made by employees.

Regulatory reminders:

- **Article 21 (1) (a) (d) of the MiFID II DR:** *"Investment firms shall comply with the following organisational requirements: (a) establish, implement and maintain decision-making procedures and an organisational structure which clearly and in documented manner specifies reporting lines and allocates functions and*

responsibilities; [...] (d) employ personnel with the skills, knowledge and expertise necessary for the discharge of the responsibilities allocated to them [...]"

- **Article 22 (1) of the MIFID II DR:** "Investment firms shall establish, implement and maintain adequate policies and procedures designed to detect any risk of failure by the firm to comply with its obligations under Directive 2014/65/EU, as well as the associated risks, and put in place adequate measures and procedures designed to minimise such risk and to enable the competent authorities to exercise their powers effectively under that Directive";
- **Article L. 533-12-6 of the MFC:** "Investment services providers other than asset management companies shall ensure and be able to demonstrate to the Autorité des Marchés Financiers that the natural persons who provide investment advice or information about financial instruments, investment services or related services to clients on their behalf have the knowledge and skills necessary to comply with the obligations laid down in this section.";
- **Article L. 533-27 of the MFC:** "Investment firms shall devote the human and financial resources necessary for the training of the persons referred to Article L. 533-26 (I).";
- **Article 314-10 of the AMF GR:** "When an investment services provider ensures that the persons who provide investment advice or information on financial instruments, investment services or ancillary services to clients, on its behalf, possess the necessary knowledge and competence in accordance with Article L. 533-12-6 of the Monetary and Financial Code, it may consider that it has fulfilled its obligations in terms of the verification of the minimum knowledge levels provided for in II of Article 314-9, subject to the regular update of their skills and knowledge. An investment services provider shall ensure that the persons referred to in the first paragraph, when they do not yet possess an appropriate level of knowledge and competence, acquire them within a period of six months full-time equivalent from the date on which they took on their functions. During this period, these persons shall be supervised by one or more member(s) of the staff of the investment services provider who possess the adequate qualifications and experience.";
- **AMF Position-Recommendation DOC-2018-01 – Assessment of knowledge and competences, paragraph 2.1:** "The notion of "assessment of knowledge and competences" should not be confused with the notion of "verification of minimum knowledge". The first concept, introduced by Article L. 533-12-6 of the Monetary and Financial Code is for ISPs to ensure that natural persons who provide investment advice or information about financial instruments, investment services or related services to their clients on their behalf have the necessary knowledge and skills, i.e. the appropriate qualifications and experience to comply with the applicable legal requirements and ethical standards and to understand and apply the ISP's internal procedures, the knowledge and skills expected of persons providing investment advice to clients being higher than those expected of persons only providing clients with information about financial instruments, investment services or related services.";
- **AMF Position-Recommendation DOC-2018-01 – Assessment of knowledge and competences, paragraph 2.2:** "Persons who have met the minimum knowledge verification requirements shall be deemed to satisfy the appropriate qualifications requirement set out in ESMA's guidelines on knowledge and competences, subject to regular updating of their knowledge and competences and at least an annual review of their training and experience needs.";
- **ESMA guidance 2015/1886 EN, point 20 (b):** "carry out an internal or external review, on at least an annual basis, of staff members' development and experience needs, assess regulatory developments and take action necessary to comply with these requirements. This review should also ensure that staff possess an appropriate qualification and maintain and update their knowledge and competence by undertaking continuous professional development or training for the appropriate qualification as well as specific training required in advance of any new investment products being offered by the firm".

Good practices:

- establishing a procedure for categorising employees according to the activity they discharge, in order to determine the competences required for each category;
- informing new employees, as soon as they take up their role, of their job category and their obligations under the knowledge and competences assessment system;
- informing the manager by email, when a new employee is recruited, of the supervision arrangements to be put in place (scope/back-up/duration);
- setting up a tool to monitor the knowledge and competences assessment system, which includes the employee's internal classification, the name of the manager and whether or not there is supervision;
- setting up a tool for monitoring the annual review of training needs and the experience of the employees concerned, indicating the date on which the annual appraisal took place and whether or not the employee needs to be supervised.

Poor practices:

- implementing tools to assess employees' knowledge, the content of which has not been regularly updated and which contain only basic concepts, making it impossible to update and monitor employees' skills and training needs on a personalised basis;
- not identifying employees' knowledge and skills when they take up their posts.

3.3. TRAINING ON ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM (AML/CFT)

3.3.1. Set of procedures

Most of the AMCs on the panel (AMCs 1, 2 and 4) have an AML/CFT procedure that sets out their regulatory obligations, including employee training, and indicates the frequency of such training. These procedures specify the roles of each employee in the AML/CFT system.

The other two AMCs (AMCs 3 and 5) have introduced a set of procedures that is incomplete and does not mention the frequency of AML/CFT training.

AMC 5 has a general AML/CFT policy which stipulates that passing the minimum knowledge verification examination allows an employee to validate their knowledge of the AML/CFT regulations.

AMC 3 has a group procedure on AML/CFT obligations that does not mention the training system (no definition of the employees targeted by training, the frequency of training or whether training is mandatory). In its procedure for verifying knowledge, it refers to an "*advanced AML/CFT*" training course, without specifying the employees concerned, its frequency or whether it is mandatory.

AMCs 1, 4 and 5 differentiate between their employees according to the activity they perform and do not assign them all to the same AML/CFT training course. AMCs 1 and 4 identify their employees based on their level of exposure to AML/CFT risks, requiring those in charge of AML/CFT due diligence (compliance/sales team) to undergo more in-depth training. Employees are categorised by a group entity, which assesses the level of exposure to AML/CFT risks of the various jobs performed within group entities, by identifying the roles in contact with clients, the employees involved in the due diligence and initial contact process, management positions, compliance officers and any role associated with risk management or control. In addition, the AMCs may propose a more granular classification of jobs, which must be validated by the group entity in charge of AML/CFT.

Some AMCs (AMCs 1, 2 and 4) distinguish compliance teams from other employees and require them to undergo additional, more detailed and more in-depth AML/CFT training¹⁷.

Finally, 3 AMCs (AMCs 1, 4 and 5) offer AML/CFT training for all categories of employees, i.e. corporate officers, employees on fixed-term and permanent contracts, work-study trainees and interns (AMCs 1 and 4), the independent board members of SICAVs and their corporate officers (AMC 5) and external staff exposed to AML/CFT risks when they are involved in the AML/CFT supervision process (AMCs 1 and 4).

3.3.2. Implementation of the system

AML/CFT training is provided in the form of e-learning (AMCs 1, 3 and 4) or face-to-face training (AMCs 2 and 5) on an annual basis (AMCs 1 and 4) or every 18 months (AMC 2).

Most of the AMCs have only one AML/CFT training course applicable to all employees (AMCs 2, 3 and 5). However, two AMCs (1 and 4) require certain employees to undergo more specific training depending on their department (asset management/fund management), their status (new starters/external staff) or their high exposure to AML/CFT risks. AMC 2 also indicated that it supplements its AML/CFT training with awareness-raising initiatives for its employees via emails about regulatory developments and specific actions carried out by the compliance team.

The training materials are drafted for all the AMCs by the compliance team of the AMC or its parent group (AMC 5 had nevertheless called in an external firm to hold a training session). These materials include references to AML/CFT regulatory requirements, case studies, examples of AMF sanctions and, in some cases, flowcharts summarising the AML/CFT due diligence to be carried out in specific situations.

However, some of the documents have not been updated, in particular the lists of countries that pose risks or that are subject to international sanctions (AMC 2), others do not refer to the AMC's AML/CFT procedure or the procedure for reporting suspicions, nor do they mention the name of the TRACFIN reporter (AMCs 2 and 5). For two AMCs (AMCs 1 and 5), the materials do not mention the documents and tools put in place by the AMC to carry out AML/CFT due diligence. Finally, for three AMCs (AMCs 2, 3 and 5), certain fundamental concepts are not covered or defined in some materials, such as asset freezing and politically exposed persons, and there are no illustrations of instances of money laundering. Consequently, this training cannot provide sufficient operational guidance for staff and therefore does not meet the regulatory expectations.

Three AMCs (AMCs 1, 3 and 4) administer an evaluation questionnaire at the end of the training course. For two of these AMCs (AMCs 1 and 4), employees must achieve a pass rate of 80% in order to have successfully completed the course.

In addition, it was noted that AMC 2 did not carry out AML/CFT training at the frequency defined in its procedure, some employees at AMC 5 had not done the mandatory annual AML/CFT training course and the training received by the employees of AMC 4 was inadequate given their high level of exposure to AML/CFT risks. These shortcomings constitute regulatory breaches.

System monitoring

Three of the AMCs on the panel (AMCs 1, 4 and 5) monitor their AML/CFT training system by preparing an annual training plan. This is done by the group's human resources function (AMCs 1 and 4) or by the AMC's compliance team (AMC 5). These plans identify the training courses to be carried out over the year, their deadlines and the

¹⁷ AFG e-training, RCCI workshop, advanced AML/CFT training set up by the parent group, etc.

employees concerned. This plan makes it possible to monitor training campaigns and send reminders to employees who have not completed their training by the deadline set in the plan, escalating the reminder to the employee's manager if necessary. These reminders may be issued manually by the RCCI as part of their follow-up work (AMC 5) or automatically (AMCs 1 and 4), and are then recorded in the training tool set up by the group in accordance with the training plan.

At AMCs 1 and 4, an employee having completed their mandatory AMC/CFT training courses is recorded in their annual performance appraisal. If it has not been completed, this may have an impact (for the employees concerned) on the setting of their variable remuneration.

Regulatory reminders¹⁸:

- **Article L. 561-34 of the MFC:** *"In order to ensure compliance with the obligations laid down in Chapters I and II of this Title, the persons mentioned in Article L. 561-2 shall provide regular information to their staff. To the same end, they shall put in place any useful training initiatives";*
- **Article R. 561-38-1 of the MFC:** *"The persons referred to in Article L. 561-2 shall ensure that the persons involved in implementing the obligations laid down in this chapter have the appropriate experience, qualifications and hierarchical position to carry out their duties. In addition, they shall ensure that such persons receive training appropriate to their duties or activities, their hierarchical position and the risks identified by the risk classification referred to in Article L. 561-4-1 and that they have access to the information necessary for the discharge of their duties or activities";*
- **Article 320-20 of the AMF GR:** *"The asset management company shall draft and implement written internal procedures to ensure compliance with the provisions relating to the prevention of money laundering and terrorist financing. It shall update them periodically.";*
- **Article 320-23 of the AMF GR:** *"When recruiting employees, the asset management company shall consider the risks relating to the prevention of money laundering and terrorist financing, in accordance with employees' level of responsibility. At the time of hiring, and periodically thereafter, it shall provide its personnel with information on and training in the applicable regulations and amendments, current money-laundering techniques, prevention and detection measures, and the procedures and terms referred to in Article 320-17. They shall be adapted to the functions performed, members, locations and risk classification. It shall draft and implement written procedures to ensure compliance with the provisions relating to the prevention of money laundering and terrorist financing. It shall take the necessary measures to ensure that, within its subsidiaries, recruitment takes into account, according to the level of responsibilities exercised, the risks with regard to the fight against money laundering and terrorist financing, and that the above-mentioned information and training is provided to staff when they are recruited and on a regular basis thereafter. It shall draft and implement written procedures to ensure compliance with the provisions relating to the prevention of money laundering and terrorist financing.";*
- **Article 320-23 of the AMF GR (UCITS AMCs, also applicable to the collective investment management companies referred to in Article L. 543-1 of the Monetary and Financial Code, other than UCITS and AIF management companies):** *"When recruiting employees, the asset management company shall consider the risks relating to the prevention of money laundering and terrorist financing, in accordance with employees' level of responsibility. At the time of hiring, and periodically thereafter, it shall provide its personnel with information on and training in the applicable regulations and amendments, current money-laundering techniques, prevention and detection measures, and the procedures and terms referred to in Article 320-17. They shall be adapted to the functions performed, members, locations and risk classification. It shall draft and implement written procedures to ensure compliance with the provisions relating to the prevention of money laundering and terrorist financing. It shall take the necessary measures to ensure that, within its*

¹⁸ Only the AIFM provisions are cited; for the UCITS and MiFID II equivalents, please refer to the table in section 2.3.

subsidiaries, recruitment takes into account, according to the level of responsibilities exercised, the risks with regard to the fight against money laundering and terrorist financing, and that the above-mentioned information and training is provided to staff when they are recruited and on a regular basis thereafter.”

Good practices:

- drawing up an annual training plan identifying the persons concerned, as well as the mandatory training courses and their deadlines, in order to monitor the AML/CFT training system;
- setting up a reminder system for employees who have not completed their training within the set deadline;
- administering a questionnaire at the end of the training course with a pass mark to ensure that the employee has properly understood the training course;
- drawing up training materials that provide practical examples and summary diagrams of the AML/CFT procedures to be carried out in relation to the AMC's business;
- taking into account an employee's failure to complete the mandatory AML/CFT training in the annual performance appraisal;
- having an AML/CFT training frequency not exceeding 18 months, depending on risk exposure;
- drawing up training materials that are specific to certain functions held by employees;
- offering the AML/CFT training system to as many people as possible (including the SICAV's corporate officers and independent board members).

Poor practice:

- resorting exclusively to e-learning without accompanying this with a system for assessing the impact of the training on knowledge/understanding of the AML/CFT obligations applicable to the AMC in the light of its own risks.

3.4. SUSTAINABLE FINANCE TRAINING

As an extension to the core knowledge base, the AMF has decided, at the suggestion of the HCCP, to create a new optional certification module on sustainable finance. This examination is aimed in particular at professionals discharging the role of sales personnel, who wish to acquire a general sense of the institutional and economic framework of sustainable finance, understand the essential concepts and acquire a frame of reference for the products and methodologies used. The aim is also to be able to collect clients' sustainability preferences and offer them products that are tailored to their needs. The first examinations for this module took place at the beginning of 2022.

3.4.1. Procedure and information relating to expertise in sustainable finance

The majority of the AMCs (AMCs 1, 2, 3 and 4) disclose in their “*Article 29 of Law No. 2019-1147 of 8 November 2019 on energy and climate*”¹⁹ report the specific training in relation to sustainable finance provided to their employees. Depending on the AMC, this is:

- training courses developed by their parent group on the group's policy, the regulations and ESG risk assessment (AMCs 1, 3 and 4);
- training courses created by the AMC to raise staff awareness of sustainable finance issues and the inclusion of non-financial factors in asset management (AMCs 2 and 5); or
- courses leading to qualifications²⁰, which are mainly aimed at specific groups (portfolio managers, sales personnel, compliance and management) (AMCs 1, 2, 4 and 5).

¹⁹ [Article 29 - Law No. 2019-1147 of 8 November 2019 on energy and climate \(1\)](#)

²⁰ “*Sustainability Essentials for Business*” by Cambridge, Certificate in ESG Investing issued by the CFA Institute, AMF Sustainable Finance certification., EFFAS Certified ESG Analyst.

The sustainable finance training system is defined in a training plan (AMCs 3 and 4) or in a procedure relating to sustainable finance (AMCs 1 and 5) or recruitment (AMC 2). This system mentions the existence of sustainable finance training courses (AMCs 1, 2, 3 and 4), of which at least one awareness-raising course is mandatory. The AMF sustainable finance examination is mandatory for certain employees, i.e., for sales personnel within six months of being recruited (AMC 2) or the compliance and internal control teams, as well as the legal teams (AMC 5). To help their employees to pass the AMF sustainable finance exam, these AMCs use a service provider certified by the AMF for the sustainable finance examination. Two AMCs (AMCs 1 and 4) have indicated that they plan to make this AMF sustainable finance examination mandatory in the coming year.

At all the AMCs, the sustainable finance systems are overseen by a coordinator, a contact person or a committee entrusted with these subjects, which is responsible for defining the applicable training courses, the target audience and whether or not they are mandatory.

Several AMCs also indicated that they have set up training programmes for their management teams, specific to their business or on the analytical tools developed around ESG (AMCs 1, 2 and 4).

3.4.2. Implementation of the training system

As mentioned above, most of the AMCs have chosen to train all their staff in sustainable finance issues by providing at least one mandatory awareness-raising course (AMCs 1, 2, 3 and 4). AMC 5 has decided to provide a training course on sustainable finance exclusively for its management and sales teams. Most of these courses take place face-to-face (AMCs 2, 3 and 5). They are all put together by the compliance team (AMCs 2 and 5) or their parent group (AMCs 1, 3 and 4). None of the AMCs has opted for an external service provider, preferring to carry out their own tailor-made training courses in line with their business.

The training materials cover all the commitments made by the AMC or those of its parent group in terms of sustainable finance, their implementation within the AMC, the ESG process and the applicable regulatory framework. Some of the materials are highly educational (AMCs 1, 2 and 4), presenting concepts and the AMC's commitments in the form of clear diagrams. These general training courses vary in duration from 12 minutes to two days.

In addition to awareness training, two AMCs (AMCs 1 and 4) offer their employees a wide range of training courses. Four AMCs (AMCs 1, 2, 3 and 4) offer a range of other means of raising awareness and informing their employees, including regular lunches organised by the ESG team, monthly newsletters, weekly briefings at meetings, webinars, an internal experts' website, informative articles on the intranet and workshops (climate fresco/"2 tonnes" workshop).

The AMCs also offer training courses leading to certification, including the AMF examination on sustainable finance, which are aimed at identified employees, i.e. the sales team and the compliance team (see above). Other courses leading to qualifications²¹ are also available, mainly for management, the AMC's management teams, and the compliance and marketing teams.

²¹ "Sustainability Essentials for Business" by Cambridge, Certificate in ESG Investing issued by the CFA Institute, EFFAS Certified ESG Analyst.

Good practices:

- setting up a training plan that defines the sustainable finance training courses, target employees and whether or not these courses are mandatory;
- offering awareness-raising activities using a variety of methods: webinars, lunches, workshops, etc;
- proposing educational training materials in the form of diagrams, the content of which is adapted to the AMC's business;
- having contact points for sustainable finance issues;
- making the AMF sustainable finance examination mandatory for targeted employees.

3.5. INTERNAL CONTROL FRAMEWORK

3.5.1. Procedures and control plan

Most of the AMCs (AMCs 1, 2, 3 and 4) include in their procedures the controls to be carried out on training, knowledge verification and, where applicable, knowledge and skills assessment, but they do not all detail the methodology for these controls.

For example, only AMC 1 specifically describes in its procedures the ongoing and periodic controls relating to knowledge verification, knowledge and skills assessment, and AML/CFT training. The procedure describes the roles and responsibilities of the teams in charge of the controls, the nature of the controls to be carried out and the methodologies used.

AMCs 1, 3 and 4 mention the checks carried out by their group's human resources department to verify employees' minimum knowledge and the completion of mandatory training courses. However, none of these AMCs provided any evidence of these controls having been carried out.

AMC 2 refers, in its procedure, to its risk map and states that it assesses the risk of non-compliance in the form of a map which it then uses to draw up its annual control plan.

Finally, AMC 5 makes no mention in its procedures of any controls relating to these matters.

Most of the AMCs (AMCs 1, 2, 3 and 5) include in their annual permanent control plans controls on employee AML/CFT training (AMCs 1, 2, 3 and 5) and on the minimum knowledge verification (AMCs 1 and 2). However, these control points were handled in a heterogeneous manner by the AMCs, with AMC 5, for example, mentioning a limited control point in one of its annual control plans covering "AML/CFT and recruitment". These checks are usually carried out annually (AMCs 1, 2 and 3).

In addition, AMC 2 mentions annual permanent control of the verification of employees' knowledge/assessment of their skills in sustainable finance.

With regard to periodic controls, the control plans mention control points relating to the mandatory training system, including AML/CFT training (AMCs 1, 2, 4 and 5) and the ESG training system (AMCs 1 and 2).

3.5.2. Implementation of permanent/periodic controls

In terms of permanent control, most of the AMCs (AMCs 1, 2 and 5) do implement their permanent control plans. Contrary to the provisions of its control plan, AMC 3 did not carry out any controls during the period under review in relation to staff training and information provision to staff on AML/CFT issues between 2021 and 2023. AMC 4 did not carry out any checks on AML/CFT training or on whether the employees concerned had passed the knowledge verification examination, contrary to the provisions of its group procedure and its regulatory obligations.

Checks in relation to training were sometimes incomplete (AMCs 2 and 3), since they did not cover the content of the training courses, rather they only monitored whether they had taken place. The AML/CFT training courses were

incomplete and had not been updated at these two AMCs (see above). In the case of AMC 2, the remedies issued by the permanent control function concerning compliance with the frequency of AML/CFT training have not been implemented. During the period under review, AMCs 3, 4 and 5 did not carry out any permanent controls on the implementation of the minimum knowledge verification system.

Finally, AMC 3's RCCI Report, submitted annually to the AMC's management, made no mention of the knowledge and skills assessment system.

With regard to periodic inspections, the inspection team noted that AMC 5's periodic controls had revealed the absence of a formalised procedure for integrating new employees, but considered that the system was compliant, since the AMC had set up a process for onboarding new employees in conjunction with human resources. However, this onboarding process does not correspond to a formalised procedure on onboarding and verifying the knowledge of a new employee.

Regulatory reminders²²:

- **Article 57 (1) (c) of the AIFM DR:** "AIFMs shall: [...] establish, implement and maintain adequate internal control mechanisms designed to secure compliance with decisions and procedures at all levels of the AIFM";
- **Article 60 (4) of the AIFM DR** "4. An AIFM shall ensure that its senior management receives on a frequent basis, and at least annually, written reports on matters of compliance, internal audit and risk management indicating in particular whether appropriate remedial measures have been taken in the event of any deficiencies.";
- **Article 61 (1) of the AIFM DR** cited above;
- **Article 61 (2) (a) of the AIFM DR:** "An AIFM shall establish and maintain a permanent and effective compliance function which operates independently and has the following responsibilities: (a) monitoring and, on a regular basis, evaluating the adequacy and effectiveness of the measures, policies and procedures put in place in accordance with paragraph 1 and the actions taken to address any deficiencies in the AIFM's compliance with its obligations";
- **Article 61 (3 b) of the AIFM DR:** "3. In order to enable the compliance function referred to in paragraph 2 to perform its responsibilities properly and independently, the AIFM shall ensure that: [...] (b) a compliance officer is appointed and is responsible for the compliance function and for reporting on a frequent basis, and at least annually, to the senior management on matters of compliance, indicating in particular whether appropriate remedial measures have been taken in the event of any deficiencies";
- **Article 62 of the AIFM DR:** "1. AIFMs shall, where appropriate and proportionate in view of the nature, scale and complexity of their business and the nature and range of collective management activities undertaken in the course of that business, establish and maintain an internal audit function which is separate and independent from the other functions and activities of the AIFM";
- **Articles L. 561-32 (II) of the MFC** cited above;
- **Article R. 561-38-3 of the MFC:** "For the application of Article L. 561-32 II, the persons referred to in Article L. 561-2 shall set up an internal control system adapted to their size, the nature, complexity and volume of their activities, and equipped with sufficient human resources";
- **Article 320-14 of the AMF GR:** "Asset management companies shall have organisational structures and procedures that enable them to comply with the vigilance and disclosure requirements provided for in Book V, Title VI of the Monetary and Financial Code relating to the prevention of money laundering and terrorist financing".

²² Only the AIFM provisions are cited; for the UCITS and MiFID II equivalents, please refer to the table in section 2.3.

- **Article 320-16 of the AMF GR:** *"It shall set up suitable organisational structures, internal procedures and a supervision system to ensure compliance with the obligations relating to the prevention of money laundering and terrorist financing."*;
- **Article 320-20 of the AMF GR** cited above;
- **AMF Position-Recommendation DOC-2018-01 – Assessment of knowledge and competences, paragraph 2.3 (a):** *"This review of the organisation and procedures put in place to assess knowledge and competences will be expanded on in the compliance report submitted annually by the Chief Investment Services Compliance Officer (RCSI) or Chief Compliance Officer (RCCI) to the ISP's management, pursuant to Articles 312-7 and 321-36 of the AMF General Regulation and Article 60 of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012."*;
- **AMF Position DOC-2009-29 – Questions and answers on the system for verifying the minimum level of knowledge of market participants, question 55:** *"The system for verifying minimum knowledge is part of asset management companies' compliance system, which, since MiFID, involves organisational obligations in the form of controlled and traceable procedures"*.

Good practices:

- including a control point on sustainable finance training in the permanent control plan;
- including a control point on sustainable finance training in the periodic inspection plan.

Poor practice:

- not analysing and/or receiving data from the controls carried out by the parent group as regards verification of knowledge or AML/CFT training.