



## Enforcement Committee Presentation

### About the AMF Enforcement Committee

Published on November 9, 2016

The Enforcement Committee, which is made up of judges and professionals, has total freedom to make decisions. It can impose sanctions on any person or company whose practices contravene laws and regulations that fall within the jurisdiction of the AMF. It ratifies settlement agreements signed by the Secretary General and respondents. And it takes part in the AMF's educational efforts by clarifying financial regulations when explaining its decisions.

```
var titlesArray = ['title_paragraph_0', 'title_paragraph_1']; var hasLinkList = true; var currentParagraph; $(document).ready(function() {
for(var i=1; i<titlesArray.length; i++) { var divId = "#" + titlesArray[i]; $(divId).hide(); if (hasLinkList) { $(".ctn_avoiraussi").hide(); } } }); function
showContentSubParagraph(divName) { for(var i=0; i<titlesArray.length; i++) { var divId = "#" + titlesArray[i]; if(titlesArray[i] == divName) {
$(divId).show(); currentParagraph = divId; if (hasLinkList) { $(".ctn_avoiraussi").show(); } } else { $(divId).hide(); if (hasLinkList) {
$(".ctn_avoiraussi").hide(); } } } /*Changement d'affichage des liens */ var links =
$("a[name='summary_link_1']").removeClass("non_clickable"); $("a[href='#' + divName + "']").addClass("non_clickable"); }
$(document).ready(function(){ $("a[name='summary_link_0']").addClass("non_clickable"); }); </script>
```

### Contents

- Tasks
- Members

### Tasks

#### Discipline

When the AMF Board refers a matter to it, the Enforcement Committee follows a formal procedure to review the case and rule on the charges against the respondents. It may impose fines and/or disciplinary penalties, ranging from a warning or reprimand to a temporary or permanent ban on conducting business or providing some or all services.

#### Ratify

The Enforcement Committee must ratify settlement agreements signed by respondents and the AMF secretary general and approved by the Board before they are published. However, sanction proceedings will be opened if the Enforcement Committee decides not to ratify a settlement.

#### Inform professionals and the public

The Enforcement Committee endeavours to provide information to professionals and the public:

- the committee publishes its decisions, which remind participants of the legal rules and explain the reasoning, content and purpose of sanctions. Thus informed, professionals are in a better position to understand the rules they must abide by
- committee hearings have been open to the public since October 2010, enabling the public to gain a better understanding of the cases handled
- the committee regularly publishes documents that help clarify securities law (table of case decisions, briefing sheets and more)
- the committee holds an annual conference that brings together the financial and academic communities to talk about topics relating to current issues, procedures or case decisions.

### Members

#### 12 members not drawn from the Board

The Enforcement Committee is independent from the Board and has 12 members, none of whom sit on the Board:

- Four judges: two councillors of the Conseil d'Etat appointed by the vice-president of that body and two Court of Cassation trial judges appointed by the chief Justice of that Court;
- Six professionals with legal and financial expertise and experience, appointed by the economy and finance minister and after consultation with organisations representing industrial and commercial companies whose securities are offered to the public or listed on a regulated market.
- Two representatives of the employees of finance sector firms, appointed by the economy and finance minister after consultation with representative labour unions.

#### Ethical rules to prevent conflicts of interest

To prevent conflicts of interest involving the cases that they examine, Enforcement Committee members must comply with ethical rules laid down by law and in the AMF General Regulation.

Accordingly, when they take up office and throughout their appointment, Enforcement Committee members must inform the AMF chairman of:

- positions that they have held in the last two years or that they hold relating to an economic or financial activity;
- appointments that they have held in the last two years or that they hold in companies;
- interests that they have held in the last two years or that they hold, and particularly financial instruments. This information is provided in the form of a list that is updated and provided annually to the AMF chairman.

This information is provided to the chairman of the Enforcement Committee, who ensures, before appointing a rapporteur to a case, that

# AMF

the he or she is not exposed to a possible conflict of interest. Similarly, if, in view of the committee agenda, a member is concerned about a conflict of interest with the persons involved in the sanction proceedings, that member must inform the chairman of the Enforcement Committee of this. There are also rules governing the terms under which members are required to manage their financial products.

## Five-year term of office, renewable once

Half the membership of the Enforcement Committee is renewed every 30 months. Members have a five-year once-renewable term of office that runs from the first committee meeting attended.

## An elected chairman

### A rapporteur appointed for every case

A rapporteur is appointed to investigate every sanction case. Playing a key role in the sanction process, the rapporteur is selected from the committee members by the chairman, who ensures that there is no risk of a conflict of interest, given the persons and/or companies involved. Although present during the hearing, the rapporteur is not involved in – and therefore does not attend – the decision-making stage.

The chairman of the Enforcement Committee is elected by majority vote by the committee members from the four judges appointed by the Conseil d'Etat and the Court of Cassation. The Enforcement Committee chairman has to be re-elected after each partial renewal, unlike the chairman of the Board, who is appointed by decree, i.e. not by the Board members.

## Structured as two divisions

As allowed under the Monetary and Financial Code, the Enforcement Committee comprises two divisions. Each has six members and is chaired by a councillor of the Conseil d'Etat or justice of the Court of Cassation that sits on the committee. The full committee may also be convened.

```
var intervalThreadcl; function autoRefreshcl() { if(!myPopupcl || myPopupcl == null || myPopupcl.closed) { window.location.reload(true); clearInterval(intervalThreadcl); } } function openSedLinkPopupcl(url) { myPopupcl = window.open(url, "_blank", "width=800px, height=600px,scrollbars=yes,resizable=yes,toolbar=no,titlebar=no,menubar=no,location=no,status=no"); intervalThreadcl = setInterval(autoRefreshcl, 500); } </script>
```

## Read more

- [Enforcement Committee news releases](#)
- [The two divisions of the Enforcement Committee \(in french only\)](#)

## Contents

- [Tasks](#)
- [Members](#)

[Page top](#)