

UCITS & investment funds Presentation

Regulation of Collective Investment Products

Published on December 3, 2014

The Autorité des Marchés Financiers authorises the creation and marketing of collective investments. The AMF Asset Management Directorate (DGA) is responsible for appraising authorisation application files and monitoring collective investments. It also provides support for professionals by regularly publishing the doctrine adopted by the AMF Board and practical guides.

Regulated collective investments

Collective investments encompass a wide range of investment products regulated by the AMF.

Undertakings in collective investments in transferable securities, referred to as "UCITS", are collective investment undertakings subject to Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009.

Alternative Investment Funds or "AIFs":

- raise capital from a number of investors, with a view to investing it for the benefit of those investors in accordance with an investment policy that the AIFs or their management companies define; and
- are not UCITS.

Collective investments that are neither UCITS nor AIFs are "other collective investments".

Regulated collective investments

Collective investment undertakings (OPC)		"Other AIFs"	"Other collective investments"
UCITS	AIF (by nature)		
These are investment vehicles subject to Directive 2009/65/EC (UCITS IV Directive).	These are vehicles that are AIFs and are listed in the Monetary and Financial Code: private equity funds, employee investment undertakings, real estate collective investment undertakings (OPCI), securitisation vehicles, etc.	These are investment vehicles which, although AIFs, are not listed in the Monetary and Financial Code.	These are collective investments that are neither UCITS nor AIFs.

Products subject to an authorisation issued by the AMF

Creations or material modifications of certain French collective investment vehicles are subject to the prior authorisation of the AMF, notably:

>UCITS, whether incorporated in the form of a common fund (FCP) or an open-ended investment company (SICAV),

>The following AIFs:

- retail investment funds;
- funds of alternative funds;
- private equity investment funds (retail private equity investment funds (FCPR), retail venture capital funds (FCPI) and retail local investment funds (FIP));
- professional investment funds;
- employee investment undertakings (employee investment funds (FCPE), SICAVs for employee shareholders (SICAVAS));
- real estate collective investment undertakings (OPCI), open-ended real-estate investment companies (SPPICAV));
- professional real estate investment undertakings.

The Autorité des Marchés Financiers issues an authorisation for the creation of these products after checking, in particular:

>compliance of the product with the regulations;

>that unit or shareholders are properly informed:

- through the information indicated in the regulatory documents,
- in the letters sent to clients when there is a material change to the strategy of the product they hold.

The AMF makes no judgement as to whether the investment is appropriate.

Projects subject to declaration to the AMF

Creations of material modifications of professional specialised funds and professional private equity investment funds are not subject to authorisation, but to declaration to the AMF.

Mentions légales:

Le Directeur de la Direction de la communication de l'AMF

Contact : Direction de la communication. Autorité des marchés financiers - 17, place de la Bourse - 75082 Paris Cedex 02

AMF

Products subject to an approval issued by the AMF

Certain products are subject neither to prior authorisation nor to declaration to the AMF. However, when they make a public offer of their financial securities, the AMF must issue an approval certifying, among other things, that the prospectus for the public is comprehensive, easy to understand and that the information it contains is coherent (Article L. 621-8-1 of the Monetary and Financial Code). Such is the case, for example, of units issued by an SCPI or bonds issued by a securitisation vehicle.

Product monitoring

The AMF monitors products throughout their lifetime. It checks their compliance with the regulations and monitors the quality of the information supplied to investors (annual reports, newsletters or commercial documents). Particular attention is paid to commercial documents of products intended for the general public.

Enhanced supervision of distribution

Monitoring of marketing of collective investment products is organised in two ways:

1. An ex-ante examination of the commercial documents is conducted for:

- products posing higher risks of misselling (UCITS or AIFs implementing particular management strategies of the portfolio-insurance or long/short type, etc.),
- products sold according to a determined maturity (formula funds, venture capital funds, etc.).

2. Ex-post monitoring is conducted by sampling of all the products marketed in France. It includes an examination of advertising campaigns: posters, television, radio, examination of management company websites and review of the specialised magazines.

UCITS & AIFs in Europe

French UCITS complying with Directive 2009/65/EC may be marketed in the other territories of the European Union or in another State that is a party to the European Economic Area (EEA) agreement under the passport procedure defined by this Directive. Likewise, foreign (European Union or EEA) UCITS complying with the same Directive may also be marketed in France under the same conditions.

French AIFs managed by a management company authorised under the terms of Directive 2011/61/EU, may be marketed to professional clients in other European Union Member States under a passport procedure defined by this Directive. Likewise, foreign AIFs managed by a management company authorised under the terms of the same Directive may also be marketed in France to professional clients under the same conditions.

Support for professionals

To enable professionals to comply with its doctrine, the Autorité des Marchés Financiers publishes doctrine and practical guides on its website.

Do you have a question about how to compile the authorisation application or about compliance of a commercial document?

Contact the "Authorisation and Monitoring" Department of the AMF Asset Management Directorate on 01.53.45.61.87

Read more

- [Guide to the regulatory documents governing collective investments schemes and real estate funds](#)
- [Guide to drafting CIS marketing materials and distributing CISs](#)
- [A guide to the monitoring of collective investment schemes](#)
- [Key concepts of the Alternative Investment Fund Managers Directive](#)

Also

- [Directive 2009/65/EC](#)
- [Directive 2011/61/EU](#)

[Page top](#)