

The Brief

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The International Capital Markets Group

Editorial

New French securities regulator

Mr Francis Mer, the French Minister of Finance, presented, yesterday morning, France's new securities regulator, the *Autorité des marchés financiers* ("AMF").

The AMF results from the merger of the *Commission des opérations de bourse* ("COB"), the *Conseil des marchés financiers* ("CMF"); and the *Conseil de discipline de la gestion financière* ("CDGF").

Organised as an independent public authority with collective responsibility and a multidisciplinary remit, its mission, as described by the French Parliament in August this year, are threefold: (a) protecting savings; (b) informing investors; and (c) ensuring the proper functioning of the market. To this end, the AMF:-

- will adopt a set of general rules ("*Règlement général*"), approved by the Minister of the Economy, detailing the rights and obligations of those in the financial community and specifying the proper functioning of financial markets and instruments (notably UCITS) as well as IPOs, capital increases, takeover bids, etc.;
- will monitor financial transactions and information provided to the public regarding financial instruments; it will ensure compliance with obligations imposed on open firms and on those who manage securities issued by open firms or provide individual or collective management of share portfolios; it will acquire new oversight powers (direct solicitations, transactions by corporate directors, auditors of open firms, corporate governance, etc.);



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- will have the power to impose sanctions and to require magistrates to issue injunctions or emergency measures or report information on facts constituting criminal offences, as well as the power to act as a party to civil proceedings; moreover, it may be formally called upon to advise other jurisdictions regarding matters relating to its field of expertise.

The AMF has been assigned three main goals by the government yesterday: (i) contributing to rebuilding investor confidence; (ii) supporting and facilitating the modernisation and development of the French financial industry; and (iii) playing an active part in European and international regulatory bodies and in the construction of a Europe-wide and worldwide system that will ensure financial stability and enhance the efficiency and integrity of financial markets.

Michel Prada, has been appointed as the first Chairman of the AMF.

The AMF website is already operating at <http://www.amf-france.org>.

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This memorandum is a summary of certain legislative reforms introduced in France. It is circulated for information purposes only and should not be used as the basis for any business or investment decision without prior specific legal assistance. For further explanation or additional information, please do not hesitate to contact the signatories.

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