

Progress in the Implementation of G20/FSB Recommendations – June 2012

Jurisdiction: FRANCE

Index

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# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
1. Refining the regulatory perimeter						
1 (new)	Cannes	Strengthening the oversight of shadow banking	We agree to strengthen the regulation and oversight of the shadow banking system. ¹	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any): Implementation of the FSB recommendations once they will be finalised. The EU Commission will probably issue standardised regulations for the EU.</p> <p>Expected commencement date: End 2012</p> <p>Web-links to relevant documents: http://ec.europa.eu/internal_market/bank/docs/shadow/green-paper_en.pdf</p>
<input checked="" type="checkbox"/> Others, please specify: Policy development underway at FSB level until end 2012, with contributions from the French authorities. At the same time, the EU Commission has published a Green Paper on the various issues raised by the Shadow banking System for consultation with contributions invited by 1 June 2012. <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: Web-links to relevant documents:						

¹ For this survey, the focus is exclusively on the recommendations for monitoring the shadow banking system, discussed in section 2 of the October 2011 FSB report: “Shadow Banking: Strengthening Oversight and Regulation”, which is available here: http://www.financialstabilityboard.org/publications/r_111027a.pdf.

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2 (11)	(Lon)	Review of the boundaries of the regulatory framework	We will each review and adapt the boundaries of the regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Policy development underway at FSB level until end 2012, with contributions from the French authorities. At the same time, the EU Commission has published a Green Paper on the various issues raised by the Shadow banking System for consultation with contributions invited by 1 June 2012. It is completed as of 2010 regarding the extension of the AMF perimeter</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: End 2010, the French government has approved the budget needed for the implementation of the AMF Strategy Proposals outlining its plans to extend the boundaries of its regulatory reach. A Law was voted in Oct. 2010 extending the AMF's powers in several areas (OTC, commodities markets, CRAs, etc.). The</p>	<p>Planned actions (if any): Implementation of the FSB recommendations once they will be finalised. The EU Commission will probably issue standardised regulations for the EU</p> <p>Expected commencement date: End 2012</p> <p>Web-links to relevant documents: http://ec.europa.eu/internal_market/bank/docs/shadow/green-paper_en.pdf</p>

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					<p>AMF has also significantly revamped its organisation to create a new Directorate bringing under the same umbrella the surveillance of markets, market intermediaries and market infrastructures, with the objective to better monitor developments. Lastly, the AMF has stepped up its vigilance with regard to the development of more complex and/or risky products offered to investors.</p> <p>At national level, the National Council of Systemic Risk and Financial Regulation was set up to monitor transfers of risks and potential accumulation of risks outside the regulated sector.</p> <p>Web-links to relevant documents:</p>	
(i) Hedge funds						
3 (13)	(Seoul)	Regulation (including registration) of hedge funds	We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds, ...	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Draft regulations/guidelines published as of 2011</p>	<p>Planned actions (if any):</p> <p>The AMF welcomes the adoption of the Directive on alternative investment fund managers which, in particular, will impose as from its implementation in July 2013 across EU reporting obligations on systemic aspects related to alternative funds</p> <p>Expected commencement date:</p>

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	(Lon)		<p>Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management.</p>		<p>Final rules expected to be in force by 2013. National regulation in place since 1998</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: In France, all asset management companies are required by law to be registered with and have their programme of activity approved by the AMF. They all are subject to ongoing supervision and oversight by the AMF. Individual fund managers are required to be "fit and proper" (honesty, fairness and expertise). They all must adopt and implement risk management procedures and processes that are adapted to the fund type that the manager envisages managing. All collective investment schemes but two types - (very specific investment funds tailored made for professional/sophisticated investors and SICAF (closed-end funds)) - must be approved by the AMF at inception and when a substantial change is made to fund rules. The two types of funds that are not subject to AMF approval are notified to the AMF and are subject to investment restrictions and leverage limits and therefore report to the AMF on an ongoing basis regarding respect of these restrictions and limits. The two fund types that are not subject to AMF approval are required to</p>	<p>July 2013</p> <p>Web-links to relevant documents: http://ec.europa.eu/internal_market/investment/alternative_investment_s_en.htm</p>

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				<p>disclose the level and source of leverage they use on request by the AMF.</p> <p>Web-links to relevant documents:</p>		
4 (14)	(Lon)	Effective oversight of cross-border funds	We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009.	End-2009	<p>Implementation ongoing:</p> <p><input checked="" type="checkbox"/> Draft regulations/guidelines being developed, expected publication by June 2012</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken:</p> <p>In the present situation, pending the entry into force of the AIFM Directive:</p> <p>In the case of a French asset management company managing a non EU fund, the AMF may request and obtain all information regarding the fund from the asset manager.</p> <p>By law, in the conduct of its oversight and investigation activities, the AMF is entitled to request, give and exchange information</p>	<p>Planned actions (if any):</p> <p>Developments are expected in relation to the implementation of the AIFM Directive as well as adoption of its implementing measures. ESMA published during the summer 2011 a consultation paper setting out its proposals for the detailed rules on supervision and third country entities underlying the Alternative Investment Fund Managers Directive (AIFMD). The European Commission is due to publish implementing measures in June 2012.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					to/with its counterparts in other countries provided certain conditions are fulfilled Web-links to relevant documents:	
5 (15)	(Lon)	Effective management of counter-party risk associated with hedge funds	Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of Steps taken before the issuance of the Recommendations (mainly through enhanced supervision, see below). <p>Overview (short description) of action(s) taken: The Prudential Supervisory Authority (ACP) makes a semi annual review of French banks' exposures to leverage counterparties based on data provided by banks.</p> <p>Regarding a specific sort of institutions which have hedge funds as their counterparties, namely funds of hedge funds</p>	<p>Planned actions (if any): This will be facilitated by reporting requirements imposed by the AIFMD as from July 2013</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>(FoHF), in France FoHFs' managers are required, as a full part of the programme of activity, to submit to AMF's approval, to establish and maintain risk management procedures and processes, including mechanisms to monitor the underlying HF leverage (due diligence), and are required to set limits for single counterparty exposures (risk diversification).</p> <p>Web-links to relevant documents:</p>	
6 (16)	(FSF 2008)	Guidance on the management of exposures to leveraged counterparties	II.17 Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of of Steps taken before the issuance of the Recommendations (mainly through enhanced supervision, see below)</p> <p>Overview (short description) of action(s) taken: The ACP has conducted on-site reviews at</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>the banks with the largest hedge funds exposures in 2009.</p> <p>The ACP makes a semi annual review of French banks' exposures to leverage counterparties based on data provided by banks.</p> <p>Maturity mismatches are reported by all credit institutions on an individual basis in FR.</p> <p>Web-links to relevant documents:</p>	
(ii) Securitisation						
7 (17)	(FSB 2009)	Implementation of BCBS/IOSCO measures for securitisation	<p>During 2010, supervisors and regulators will:</p> <ul style="list-style-type: none"> implement the measures decided by the Basel Committee to strengthen the capital requirement of securitisation and establish clear rules for banks' management and disclosure; 	During 2010	<p>No response required for this survey.</p> <p>Please refer to the BCBS progress report on the Basel 2.5 adoption, available at: http://www.bis.org/publ/bcbs/b2_5prog_rep_table.htm</p>	

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			<ul style="list-style-type: none"> implement IOSCO's proposals to strengthen practices in securitisation markets. 		<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Certain aspects are already covered by EU and national legislation and regulation (see below). Other aspects are currently being developed at IOSCO level through a Task Force (TFUMP), co-chaired by the AMF.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Initial but also ongoing and permanent disclosure requirements of an ABS offered to the public are defined by EU regulation and in French national legislation and regulation (including the AMF's General Regulation). Meanwhile European sectoral legislations (on banks, insurances, and asset managers) have introduced an obligation of comprehensive due diligence and subsequent monitoring for investment by</p>	<p>Planned actions (if any): The IOSCO TFUMP, co-chaired by the AMF, will potentially publish policy recommendations for 4th quarter 2012.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			risk of the underlying assets, thus encouraging them to act prudently.		<p>retention requirement (5%) for securitizations sponsors and originators, has been completed, and came into force by 31/12/10.</p> <p>Web-links to relevant documents: http://www.banque-france.fr/cclrf/fr/pdf/20070220arr_arr_29_10_09.pdf</p>	<p>July 2013</p> <p>Web-links to relevant documents:</p>
9 (19)	(FSF 2008)	Strengthening of regulatory and capital framework for monolines	II.8 Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input checked="" type="checkbox"/> Final rules expected to be in force by Solvency II, the new European risk-based regulatory framework will enter into force on 01/01/2014. As it takes into account the actual risks, the regulatory framework and the financial requirements will be strengthened for monoline insurers (most significantly they will not be able to gain from diversification benefits)</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s)</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>taken: During the crisis, the French ACP has more closely supervised French operations of monoline insurers, which are reinsured by American companies and are now in run-off.</p> <p>Web-links to relevant documents:</p>	
10 (20)	(FSF 2008)	Strengthening of supervisory requirements or best practices for investment in structured products	II.18 Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Mainly completed, but certain actions are on-going</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Regarding a specific sort of institutional investor, namely asset and/or investment fund managers, the AMF requires that they perform due diligence when investing in structured products, prior to the investment and on an ongoing basis (during the</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>investment). As full part of the programme of activity that every management company (whatever type of management functions they perform) must submit to AMF's approval, asset and/or investment fund managers are required to establish and maintain due diligence procedures that must be in particular:</p> <ul style="list-style-type: none"> - documented and traceable; - expressly and clearly described in the programme of activity as approved by the AMF; - based on a qualitative and quantitative analysis of the financial instruments characteristics and the associated risks; - implemented using suitable human and technical resources. <p>As part of its New Strategy Proposals, the AMF is reviewing this requirement to ensure that it is consistent with the Good Practices published by IOSCO in July 2009 in relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (working group chaired by the AMF). http://www.iosco.org/library/pubdocs/pdf/IOSCOPD300.pdf</p> <p>Web-links to relevant documents:</p>	

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11 (21)	(FSF 2008)	Enhanced disclosure of securitised products	III.10-III.13 Securities market regulators should work with market participants to expand information on securitised products and their underlying assets.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Certain aspects are already implemented, in other areas work is still on-going at the international level.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: (See also reply to question 7) Initial but also ongoing and permanent disclosure requirements of an ABS offered to the public are defined by EU regulation as well as in French national legislation and regulation (including the AMF's General Regulation). Meanwhile European sectoral legislations (on banks, insurances, and asset managers) have introduced an obligation of comprehensive due diligence and subsequent monitoring for investment by such EU regulated institutions in an ABS.</p> <p>With BCBS as an observer to its work,</p>	<p>Planned actions (if any): (See also reply to question 17) IOSCO's recommendations on securitization, published in September 2009 are the basis of additional work in order to facilitate the implementation at national level including work on the enhancement of disclosures in the securitization process.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>IOSCO TFUMP, co-chaired by the AMF, is currently working further on analysis and potential recommendations (pursuant to an FSB mandate) on both enhanced transparency (including standardization of disclosure) and risk retention..</p> <p>Web-links to relevant documents:</p>	
2. Enhancing supervision						
12 (5)	(Pitts)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The supervision performed by the ACP is particularly focused on SIBs.</p> <p>Work is on progress regarding the recent new obligations of the major French banking groups related to the definition of</p>	<p>Planned actions (if any): The proposed EU legislation on crisis management is expected to incorporate in due time the FSB recommendations on resolution (recovery plans, etc.).</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>Recovery and Resolution Plan, the resolvability assessment and specific cross-border cooperation agreement.</p> <p>In line with the FSB SIFI Recommendations, the ACP asked large banking groups to start preparing recovery and resolution plans (RRPs). Firms have been requested to have group-wide RRP, capturing all key dimensions, available by mid-2012. Practical implementation of the plans will extend into end 2012.</p> <p>The French recovery and resolution planning exercise is framed within the FSB Crisis Management Group (CMG) context. 1st CMG meetings were organized for the major banking groups in 2011 and are developed further in 2012.</p> <p>The crisis management European Directive which is currently under preparation (see planned next steps) will provide a legal framework for implementing RRP requirements complying with national laws related to confidentiality of prudential information.</p> <p>Regarding resolvability assessment ACP's work has begun and it considers that information filled for the resolution plans from the institutions would be an important</p>	

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					<p>part.</p> <p>see also reply on hedge funds.</p> <p>Furthermore, the AMF is participating in the college of regulators for LCH.Clearnet.</p> <p>Web-links to relevant documents:</p>	
13 (8)	(Lon)	Establishment of Supervisory colleges	To establish the remaining supervisory colleges for significant cross-border firms by June 2009.	June 2009 (for establishing supervisory colleges)	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of 2005</p> <p>Overview (short description) of action(s) taken: The ACP has established colleges for the 3 most significant cross-border banks in France since 2005. In addition, one college has been set up for a major insurance company. The AMF is participating in the college of regulators for Euronext and committees of</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>regulators for Euroclear and LCH.Clearnet. 2 more colleges have been established by the end of 2010 pursuant to the provisions of the EU Directive 2009/111 (Capital Requirement Directive 2).</p> <p>As a home supervisor, ACP has set up European colleges concerning 14 different French banking groups. Colleges of European supervisors of the three largest groups have regularly met since 2006. Furthermore, ACP is a member of colleges of supervisors of several foreign banking groups.</p> <p>As regards states which are not parties to the EEA the ACP has also power to conclude bilateral agreements with the authorities of these states subject to the condition that these authorities are entrusted with duties similar to those entrusted in France to the ACP and provided that such authorities are themselves bound by an obligation of professional secrecy.</p> <p>The ACP has concluded a number of bilateral agreements with non EEA countries, among which Canada, the US, Switzerland, Korea, Qatar, Dubai, Monténégro, Mexico, Taiwan, Morocco, China, Guinea, West African Monetary Union and West African Banking Commission.</p> <p>For three of the largest groups, colleges gathering the supervisors of the main</p>	

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					<p>entities, including non-EEA countries, have met once or twice a year for five years.</p> <p>The AMF is participating in the college of regulators for Euronext and committees of regulators for Euroclear and LCH.Clearnet.</p> <p>Web-links to relevant documents:</p>	
14 (8)	(Seoul)	Conducting risk assessments through international supervisory colleges	We agreed to conduct rigorous risk assessment on these firms through international supervisory colleges ...	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of 2006</p> <p>Overview (short description) of action(s) taken:</p> <p>In the case of European cross-border groups, this process is conducted along the lines defined by applicable regulation, currently the CRD 2 and CEBS Guidelines in order to reach a joint risk assessment and decision by the supervisory college. As a home supervisor, the ACP uses the</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>harmonized templates defined by the CEBS to translate the outcome of the various national RAS into a common presentation. The Assessors discussed this process with supervisors, reviewed supervisory documents, and outputs of these systems and the methodology, and discussed the supervisory process with individual banks.</p> <p>Web-links to relevant documents:</p>	
15 (9)	(FSF 2008)	Supervisory exchange of information and coordination	V.7 To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of Supervisory practises in constant evolution</p> <p>Overview (short description) of action(s) taken: The ACP is fully involved in national and international initiatives aimed at enhancing supervisory coordination. At the national level: creation of the Conseil de Régulation</p>	<p>Planned actions (if any): The question of third country equivalence will be also tackled concerning the EMIR Directive in relation to CCPs and trade repositories, most probably in autumn 2012.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>Financière et du Risque Systémique, and of a single supervisor for banks and insurers. At the international level: colleges of supervisors, participation in EBA and BCBS work, member of the Senior Supervisors Group etc.). A European supervisors' joint risk assessment has been carried out in 2011.</p> <p>Securities regulation: Agreements on supervisory cooperation between the EU and other countries are being negotiated in different areas: - Between June 2011 and March 2012, there have already been memoranda of understanding signed between ESMA and different foreign authorities (from Australia, Canada, Hong Kong, Japan, Singapore, US) in relation to supervision of CRAs - discussions are on-going in the framework of the AIFM Directive on cooperation in the supervision of alternative fund managers</p> <p>Web-links to relevant documents:</p>	
16 (10)	(Seoul)	More effective oversight and supervision	We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act,	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	<p>Planned actions (if any):</p> <p>Expected commencement date:</p>

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			<p>appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention.</p>		<p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of This aspects have been enrooted in French regulation for several years. The creation of the ACP, in early 2010, favoured an enhanced and more integrated supervision of credit institutions and insurers.</p> <p>Overview (short description) of action(s) taken: The French supervisory framework complies with this effective oversight and supervision principle as the French supervisory authority has a well defined and clear mandate with independence and appropriate tools and powers.</p> <p>The Autorité de Contrôle Prudentiel's (ACP) missions are to ensure financial stability and to protect clients of financial institutions subject to its supervision. The ACP shall monitor financial institutions' compliance with the laws and regulations applicable to them and for penalizing any breaches found. (Monetary and Financial Code, Art. L612-1).</p> <p>The ACP is in charge with the ongoing</p>	<p>Web-links to relevant documents:</p>

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					<p>supervision of financial institutions' operating conditions and watches over the quality of their financial situation. In particular the ACP controls that credit institutions comply with their solvability and liquidity requirements.</p> <p>The ACP is responsible for granting authorizations and exemptions for financial institutions. The ACP ensures also that financial institutions comply with rules pertaining to customers' protection. The ACP also has powers to protect consumers and to control the distribution of financial products. (Monetary and Financial Code, Art. L612-1 to L613-34). The ACP can also trigger the intervention of the Deposit Guarantee Fund (DGF). All credit institutions authorized in France belong to a DGF whose purpose is to indemnify the depositors in the event of their deposits or other repayable funds being unavailable. (Monetary and Financial Code, Art. L312-4)</p> <p>The ACP has extensive powers to address compliance with law and to ensure that credit institutions have sound risk management and financial situations. The ACP has a whole set of efficient tools to ensure that credit institutions comply with its decisions.</p>	

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					<p>The ACP is empowered with the following administrative powers it can apply where a solvency or liquidity situation of a financial institution under its supervision is such that the ACP judges that interests of customers are in jeopardy or likely to be so :</p> <ul style="list-style-type: none"> - placing the institution under special control, - prohibiting certain operations, - suspending or prohibiting the use of institution’s assets, - suspending or prohibiting payment of dividends and - temporary or permanent removal of senior executives. (Monetary and Financial Code, Art. L612-33). <p>The ACP can also appoint a provisional administrator “to whom will be transferred all the powers for administering, managing and representing” the financial institution (Monetary and Financial Code, Art. L612-34) or appoint a liquidator (Monetary and Financial Code, Art. L613-24 to L613-31).</p> <p>The ACP may impose a wide range of disciplinary sanctions up to the full deletion of the supervised institution from the list of authorized institutions, with or without appointment of a provisional administrator.</p> <p>As set out in Article L. 511-41-3 of the Monetary and Financial Code (“pillar II injunctions to credit institutions”), the ACP</p>	

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					<p>is enable to require higher solvency ratios than the legal minimum whenever they deem this justified by specific risk characteristics of a credit institution.</p> <p>As regards its resources, the ACP has budgetary independence based on a compulsory financial contribution from credit institutions.</p> <p>Concerning early intervention, ACP has devised a process through which each credit institution, investment firm, is evaluated through the Supervisory Review and Evaluation Process (SREP). The SREP consists of:</p> <ul style="list-style-type: none"> - A systematic review of the main risks faced by a firm, its compliance with prudential and other regulatory requirements (including Pillar I capital requirements) and of the adequacy of its internal control system. This review is conducted using an internal methodology (ORAP 2□); - A dialogue with the supervised entity to share and discuss the RAS; - A final assessment of the firm's risk profile that may lead to corrective actions required from the firm and/or Pillar 2 measures. <p>Off-site teams carry out a regular assessment of a bank's risk profile based on</p>	

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					<p>prudential returns and publicly available information, which are processed through the ORAP methodology. The assessment of an individual bank is at least annual but can be more frequent depending on the overall bank's score, allowing early intervention. In practice for large banks it is often updated quarterly.</p> <p>Regarding stress tests, France participated to the elaboration of the CEBS guidelines on stress testing (published In August 2010). Specifically, ACP is participating in the stress test testing exercises conducted by EBA since 2010.</p> <p>Concerning securities regulation, a Law was voted in Oct. 2010 extending the AMF's powers in several areas (OTC, commodities markets, CRAs, etc.). Please see reply to question 2.</p> <p>Web-links to relevant documents: http://www.acp.banque-france.fr/accueil.html (English version available)</p> <p>An English version of the French Monetary and Financial Code can be found here: http://www.legifrance.gouv.fr/content/download/1996/13927/version/2/file/CoMOFI+C3%A0+jour+L+version+EN+novembre+2</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					010.pdf (Please note however that this version reflects changes only until 22 October 2010)	
17 (12)	(FSF 2008)	Supervisory resources and expertise to oversee the risks of financial innovation	V.1 Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks.	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of see below Overview (short description) of action(s) taken: The Article IV review conduct by the IMF in the first semester of 2009 concluded to the consistent supervisory coverage of all lending institutions by the ACP. (http://www.imf.org/external/np/ms/2009/061609.htm) The AMF has set up in early 2010 an in-house risk committee to identify early-stage risks more easily. It has recruited staff with significant industry expertise in order to increase its ability to monitor market	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

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					<p>developments. The AMF has also revamped its organisation to create a new Directorate bringing under the same umbrella the surveillance of markets, market intermediaries and market infrastructures, with the objective to better monitor developments. The AMF has also established a Retail Investors Relations Division in charge of monitoring new products being offered to investors.</p> <p>Web-links to relevant documents:</p>	
3. Building and implementing macro-prudential frameworks and tools						
18 (23)	(Lon)	Amendment of regulatory systems to take account of macro-prudential risks	Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk.	Ongoing	<p>Implementation ongoing:</p> <p><input checked="" type="checkbox"/> Draft regulations/guidelines being developed, expected publication by end 2012</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: In the context of the transposition of Basel 3</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>into EU law, provisions are being discussed and designed that may allow member states, contingent on safeguards for harmonized prudential rules across the EU, to take domestic measures to address threats to systemic risks.</p> <p>A Law voted in October 2010 mandates the AMF to consider financial stability objectives when accomplishing its missions. Financial stability is also among the statutory objectives of the ACP (art. L. 612-1 CMF)</p> <p>Web-links to relevant documents:</p>	
19 (24)	(Lon)	Powers for gathering relevant information by national regulators	Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of 21 January 2011</p> <p>Overview (short description) of action(s) taken:</p>	<p>Planned actions (if any):</p> <p>As regards alternative funds, including hedge funds, the AIFM Directive, once implemented (as from July 2013), will impose such information gathering in view of collecting information on systemic aspects from alternative funds' managers and will impose upon national competent authorities the obligation to gather this information with ESMA and ESRB at EU level.</p> <p>The European Commission is due</p>

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			international level in order to achieve as much consistency as possible across jurisdictions.		<p>The Secretary General of the Autorité de Contrôle Prudentiel may request from the entities subject to its supervision any information or documents on whatever medium and obtain a copy thereof, as well as any clarification or proof required to perform its duties.</p> <p>The ACP has also access to a specialized database regarding derivative products (DTCC).</p> <p>Concerning unregulated entities, the ACP and the AMF have regular reporting on hedge funds.</p> <p>The AMF is currently reviewing the flow of information between hedge fund managers and the AMF in order to ensure that the information on systemic aspects is relevant and in line with IOSCO recommendations (based on the work undertaken by the Task Force on Unregulated Entities).</p> <p>Web-links to relevant documents: http://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072026&idArticle=LEGIARTI000021722296&dateTexte=&categorieLien=cid</p>	<p>to publish implementing measures in June 2012.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
20 (25)	(FSF 2009)	Use of macro-prudential tools	3.1 Authorities should use quantitative indicators and/or	End-2009 and ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published</p>	<p>Planned actions (if any):</p> <p>Starting in 2013, the reporting by alternative investment funds requested by the AIFM Directive</p>

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	(Cannes)		<p>constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level... Authorities should review enforcing minimum initial margins and haircuts for OTC derivatives and securities financing transactions.</p> <p>We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the</p>		<p>as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: International policy making is ongoing, cf infra.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: Working groups have been implemented with banks and banking associations to monitor their margin policies. In addition, numerous quantitative indicators have been developed already for internal purposes (submitted to Governor of the BoF and the Board of the ACP) or published (Annual report of the ACP). Several types of stress tests have also been developed (bottom up with banks; in house: at macro (scenario) and micro (what if type) levels, using different types of data sources etc.). The ACP also played an active role in the European stress test ran in July 2011 on 4 major groups and in the recapitalization exercise ran in October 2011. It is currently implementing stress tests of the whole financial system (banks and insurance companies) under the aegis of the FSAP IMF mission.</p>	<p>will allow the AMF to develop new tools and indicators covering the hedge fund industry (notably on the global leverage of this industry).</p> <p>Procyclicality aspects of haircuts and margin requirements are also currently being considered in EMIR Draft Technical Standards.</p> <p>Expected commencement date: 2013</p> <p>Web-links to relevant documents:</p>

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			FSB-BIS-IMF on this subject.		<p>Banque de France participated in the CGFS working group on margins and haircut. It is engaged in several working group on the selection and design of macroprudential instruments, both at the EU and the international level. Banque de France is advancing empirical, analytical and policy work internally to inform and develop a macroprudential approach.</p> <p>French authorities participates in the EU data collection exercise in the context of the BIS lead statistic collection on conditions prevailing in OTC and securities lending.</p> <p>Web-links to relevant documents:</p>	
21 (26)	(WAP)	Monitoring of asset price changes	Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: French Authorities adapt stress test parameters and other monitoring tools on an ongoing basis.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: This dimension is included in the stress testing exercises regularly conducted by the ACP with the financial institutions. It is also a dedicated part of the French financial sector risk assessment (see above) The AMF has been publishing an annual risks and trends mapping for several years. Housing credit and prices are increasingly subject to surveillance within the Banque de France, ACP and the National Council of Systemic Risk and Financial Regulation. A more frequent reporting (monthly) was implemented in 2011. Web-links to relevant documents: http://www.amf-france.org/documents/general/10031_1.pdf	
22 (27)	(FSF 2008)	Improved cooperation between supervisors and central banks	V.8 Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

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			financial stability risks. The exchange of information should be rapid during periods of market strain.		<input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of March 2010 (date of the establishment of the ACP; cooperation channels however existed previously Overview (short description) of action(s) taken: Art. L. 631-1 CMF states that “the Banque de France, the ACP and the AMF cooperate among themselves. They send each other information which is relevant to the performance of their respective duties.” This includes information covered by professional secrecy (same Article). In addition, cross-membership at Board level contributes to the effectiveness of cooperation: the Deputy Governor of the Banque de France is a member of the Board of the AMF. In addition, since the establishment of the ACP in March 2010, the President of the AMF attends the Board of the ACP. The Governor of Banque de France chairs the ACP and the ACP Secretary General is a Directorate of Banque de France. Consequently cooperation and exchange of information between the Central Bank and	

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					<p>the supervisors do not raise any issue in France. The exchange of information during periods of market strain was particularly smooth.</p> <p>At an operational level, the AMF and the Banque de France have significantly increased their co-operation and exchange of information regarding the assessment of financial risks. The Banque de France is invited to participate to the meetings of the AMF's Risk Committee.</p> <p>Established in October 2010, the National Council of Systemic Risk and Financial Regulation (Corefris) also strengthens co-operation, information sharing and coordination between authorities (ministry of finance, central bank and microprudential authorities). Its mandate includes early detection and surveillance of systemic risk. Four meetings have been held since February 2011.</p> <p>Web-links to relevant documents: http://www.legifrance.gouv.fr/affichCode.do?idArticle=LEGIARTI000022962499&idSectionTA=LEGISCTA000006170938&cidTexte=LEGITEXT000006072026&dateTexte=20120416</p>	

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4. Improving oversight of credit rating agencies						
23 (35)	(Lon)	Registration of CRAs etc.	All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals.	End-2009	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of December 2009 <p>Overview (short description) of action(s) taken: The European Parliament and the Council of the European Union adopted a Regulation (n°1060/2009) introducing a legal framework for credit rating agencies on September 16, 2009. The EU Regulation entered into force on 7 December 2009. From that date, legal obligations, including registration requirements, contained in the Regulation apply. On June 1st 2011, a revised version of the regulation on CRAs entered into force (n°513/2011). The only essential change introduced is the centralised oversight of CRAs operating in the EU (registration and on-going supervision or under certification or endorsement of third country regimes)</p>	<p>Planned actions (if any): A new EU Regulation has been proposed by the European Commission on the 15 of November 2012 and is now being discussed with, among others, supplemental rules of regulatory oversight of CRAs, along with a global principle and various requirements to reduce overreliance. It is expected to be adopted this year.</p> <p>Expected commencement date: 2013</p> <p>Web-links to relevant documents: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0747:FIN:EN:PDF</p>

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					<p>after the creation of ESMA. Enforcement powers (to investigate and to impose penalty or fines) were also reinforced. Under this revised regulation, guidance issued in 2010 under CESR on the registration process, and other standards of compliance or reporting under the terms of the initial regulation will be updated and become binding regulatory technical standards (RTS) issued by ESMA. The AMF still participates at ESMA level as a member of the Technical Committee regarding CRA level that specifically deals with these issues of policy.</p> <p>In France, the AMF was the national competent authority for the direct supervision via registration and the oversight of the CRAs until the ESMA took over this exclusive competence for CRAs Europe wide on the 1st of July 2011. Registration of the largest group CRAs was finalised by National Competent Authorities on the 31 October. Since then, ESMA has taken a decision on the possibility for those registered CRAs to endorse (import under their responsibilities) ratings produced by related CRAs in a number of third countries (notably Australia, US, Canada, Hong Kong and Singapore).</p> <p>Web-links to relevant documents:</p>	

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				http://www.esma.europa.eu/system/files/2011_360.pdf http://www.esma.europa.eu/system/files/2012-158.pdf	
24 (36)	(Lon)	CRA practices and procedures etc.	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of November 2011 (EU Regulation 1060/2009 ensuring registration and authorisation of rating agencies and addressing conflicts of interests, transparency of rating methodologies, publication of track record of ratings.)</p> <p>Overview (short description) of action(s) taken: Those provisions are addressed in the new European regulation on CRAs : "credit rating agencies should (...) clearly differentiate between rating categories used for rating structured finance instruments on</p>	<p>Planned actions (if any): ESMA in exercise of its exclusive competence of direct ongoing surveillance and supervision will guarantee the consistent respect of CRA obligations across jurisdictions Europe-wide. ESMA is also the Authority empowered to sign MoU to exchange information with third countries on regulated CRAs. AMF still participates at ESMA level as a member of the Technical Committee regarding CRA level that specifically deals with any policy or general supervisory questions. Both AMF and ESMA take part to IOSCO Standing Committee on CRAs.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO.		<p>the one hand, and rating categories used for other financial instruments or financial obligations on the other, by adding an appropriate symbol to the rating category". Notably when a CRA issues credit ratings for structured finance instruments, those ratings must be clearly differentiated by using an additional symbol which distinguishes them from other ratings. Concerning the oversight framework, ESMA in exercise of its direct supervision powers guarantee the respect of EU CRAs obligation across jurisdictions. ESMA has published its first operational report in 2012.</p> <p>Web-links to relevant documents: http://www.esma.europa.eu/system/files/2012-3.pdf http://www.esma.europa.eu/system/files/2012-207.pdf</p>	
25 (37)	(FSB 2009)	Globally compatible solutions to conflicting compliance obligations for CRAs	Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as	As early as possible in 2010	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify:</p>	Planned actions (if any): The IOSCO group is mandated to review and make progress towards international regulatory consensus regarding CRA oversight, and serve as a forum for regular interaction between regulators and CRAs. It currently has a mandate to revise the IOSCO CRA Code of

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			possible in 2010.		<p>Third Country regime foreseen in EU Regulation 1060/2009, allowing for endorsement of third country ratings and equivalence of third country regimes.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: AMF is actively participating in the Standing Committee 6 of IOSCO dealing with CRAs (ESMA as well). For the purpose of the use of rating produced in third countries in Europe (under procedure of endorsement or of certification), AMF had engaged, within the field of competence of ESMA, in cooperation agreement with third countries regarding CRAs (eg signature of EoL with JFSA). This is now the sole competence of ESMA to sign cooperation agreement to supervise rating endorsement by EU registered CRAs from third countries and third countries CRAs certified in the EU.</p> <p>Web-links to relevant documents:</p>	<p>Conduct to reflect the fact that regulatory regimes have beefed up CRAs' supervision. ESMA has been and is still engaged in the signature of cooperation agreement with various third countries regarding CRAs.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
26 (38)	(Seoul)	Reducing the reliance on ratings	We also endorsed the FSB's principles on reducing reliance on external credit	Ongoing	<p>No response required for this survey.</p> <p>Please refer to national summary tables in <i>Progress Report on Reducing Reliance on CRA Ratings</i> (forthcoming).</p>	

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	(FSF 2008)		<p>ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings.</p> <p>IV. 8 Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation.</p>		

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	(Cannes)		We reaffirm our commitment to reduce authorities' and financial institutions' reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings.			
5. Enhancing and aligning accounting standards						
27 (28)	(WAP)	Consistent application of high-quality accounting standards	Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: Ongoing process. <input type="checkbox"/> Completed as of	Planned actions (if any): Continue close technical dialogues between prudential regulators (EBA, BCBS) and the IASB on ongoing projects and enhancement of international accounting standards, especially regarding the 1st, 2nd and 3rd phases of the IFRS 9 project review, focused on classification and measurement, provisioning models and macro-hedge accounting. With a view to proper

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			accounting standards.		<p>Overview (short description) of action(s) taken: As a stakeholder in the development of high-quality standards, the Banque de France and the ACP-through the Basel Committee and the EBA- commented upon the IASB agenda consultation 2011 and urged the IASB to complete its project related to financial instruments in order to achieve the G20 recommendations of April 2009. Moreover, at the end of 2011, the ACP participated in the annual meetings organised by audit firms with a view to encourage auditors and banks to pay special attention to some important accounting issues for the year end accounts and to ensure consistent application of accounting standards</p> <p>The AMF also plays an important role in the monitoring of high-quality accounting standards. In France it is a member of the Board and commissions of the French National Standard Setter and contributes to its positions and letters. The AMF also actively participates to the ESMA and IOSCO working groups which roles are to analyze and comment the IASB's proposals. As far as enforcement is concerned, the AMF is contributing to the European Enforcers Coordination Sessions (EECS) within the Corporate Reporting Standing</p>	<p>implementation, the ANC also suggests the need to address the issues left open in the "convergence" process, like "offsetting" and "consolidation"</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>Committee of ESMA, the group mandated to follow regulatory developments in the EU in the field of accounting and auditing. The AMF serves as observer for IOSCO on the IFRS foundation AC, and observer for IOSCO on the IFRIC.</p> <p>Furthermore, the AMF publishes recommendations every year on the application of IFRS to ensure that disclosures meet the level of quality required by the Law.</p> <p>Web-links to relevant documents:</p>	
28 (30)	(FSF 2009)	The use of valuation reserves or adjustments by accounting standard setters and supervisors	3.4 Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak.	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Ongoing international developments.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: France's position is totally in line with</p>	<p>Planned actions (if any): Ensure that the standard of the IASB on fair value measurement will incorporate an enhanced guidance on fair value measurement.</p> <p>The Greek debt crisis shows that IFRS 13 does not yet provide sufficient guidance. The ANC notes that the same goes for illiquid assets, as rules have not been changed since the subprime/complex products crisis. AMF supports that a new exchange of views takes place through a specific project</p>

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					<p>BCBS guiding principles for replacing IAS 39 and in particular regarding the importance of valuation adjustments. http://www.bis.org/publ/bcbs161.htm The ACP and Banque de France have contributed to the work undertaken by the BCBS Accounting Task Force (chaired by Banque de France) with the IASB to complement the fair value measurement guidance on valuation uncertainty.</p> <p>Web-links to relevant documents:</p>	<p>including new exposure for all the phases of IFRS 9. (Q3 2012). ANC supports that proposal</p> <p>Monitor the development of educational material relating to fair value measurement by the IASB and FASB (2012)</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
29 (31)	(FSF 2009)	Dampening of dynamics associated with FVA.	3.5 Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the	End-2009	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Ongoing international policy making.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: All French authorities pay due attention to</p>	<p>Planned actions (if any): The ACP, the AMF, the ANC and Banque de France will continue their close monitoring of the IASB's projects on financial instruments, with the view to ensure (i) the development of a converged approach with the FASB on impairment, based on an expected loss model and (ii) the simplification of hedging rules. A special attention will also be given to the joint deliberations with the FASB on classification of financial instruments and the related convergence process..</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
			accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements.		the fact that the IASB's proposals do not lead to an extension of the fair value measurement. These concerns are regularly conveyed by French FSB members in international fora and in meetings with the IASB. Web-links to relevant documents:	Expected commencement date: Q3 2012 Web-links to relevant documents:

6. Strengthening adherence to international financial standards

30 (32)	(Lon)	Adherence to international prudential regulatory and supervisory standards, as well as agreeing to undergo FSAP/ FSB periodic peer reviews (Note) Please try to prioritise any major initiatives conducted specifically in	We are committed to strengthened adherence to international prudential regulatory and supervisory standards. FSB members commit to pursue the maintenance of financial stability, enhance the openness and transparency of the financial sector, implement	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input checked="" type="checkbox"/> Others, please specify: Ongoing <input type="checkbox"/> Completed as of Overview (short description) of action(s) taken: France regularly undergoes FSAPs. An FSAP initiated in 2011 is currently underway.	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
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# (# in brackets are from 2011 template)	G20/FSB Recommendations		Deadline	Progress to Date	Planned Next Steps	
		your jurisdiction	international financial standards, and agree to undergo periodic peer reviews, using among other evidence IMF / World Bank FSAP reports.		<p>The previous FSAP took place in 2005 and the detailed assessment reports were published (see link below). It showed a high level of compliance with international standards.</p> <p>The AMF is signatory to the IOSCO MMoU since 2002."</p> <p>Web-links to relevant documents: http://www.imf.org/external/pubs/ft/scr/2005/cr05186.pdf</p>	
7. Enhancing risk management						
31 (4)	(WAP)	Enhancing guidance to strengthen banks' risk management practices	Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of 1997</p> <p>Overview (short description) of action(s) taken: The French prudential regulation 97-02 February 1997 is the main rule relating to internal control, including risk management,</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>in credit institutions and investment firms. It covers all risks and control and risk management processes including for AML/CTF. It requires a comprehensive risk management process including Board and senior management oversight, the control system for operations and internal procedures, the organization of accounting and information processing systems, the risk and result measuring systems, the risk monitoring and risk control systems and the remunerations framework.</p> <p>Credit institutions and investment firms are to apply this regulation on a consolidated basis. Risk management processes are to be commensurate with the size and risk profile of the institution.</p> <p>Web-links to relevant documents:</p>	
32 (4)	(FSF 2009)	Validation of adequacy of banks' capital buffers	1.4 Supervisors should use the BCBS enhanced stress testing practices as a critical part of the Pillar 2 supervisory review process to validate the adequacy of banks' capital buffers	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			above the minimum regulatory capital requirement.		<input checked="" type="checkbox"/> Completed as of 2006 Overview (short description) of action(s) taken: In addition to micro prudential assessments, stress tests are periodically carried out in order to check the adequacy of banks' capital buffers above the minimum regulatory capital requirement. These stress tests are both carried out using a bottom up and a top down approach. The supervisors have been deeply involved in the June 2011 and November EBA exercises and are currently implementing a stress test under the supervision of the FSAP IMF program. Web-links to relevant documents:	
33 (4)	(FSF 2008)	Monitoring the implementation of updated guidance on liquidity risk	II.10 National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks'	Ongoing	Implementation ongoing: <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input type="checkbox"/> Draft regulations/guidelines published as of <input type="checkbox"/> Final rules expected to be in force by <input type="checkbox"/> Others, please specify: <input checked="" type="checkbox"/> Completed as of May 2009	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

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			<p>implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices.</p>		<p>Overview (short description) of action(s) taken: The BCBS Principles for Sound Liquidity Risk Management and Supervision have been introduced within the French regulatory framework by the Order of 5 May 2009 on the identification, measurement, management and control of liquidity risk and by a modification of Order n°97-02 on the internal control. This Order has entered into force end June 2010 and has fostered the requirements on liquidity risk measurement, management and control for all France based credit institutions. Furthermore, credit institutions are incited to improve their internal liquidity risk methodologies by developing their own internal advanced approaches while complying with regulatory requirements.</p> <p>CEBS paper on : i)Liquidity Risk Management (Sept 2008), ii)Liquidity Identity Card on the information to be exchanged within supervisors colleges and iii)Liquidity buffer and survival periods (Dec 2009)have also completed the framework applicable to French credit institutions.</p> <p>Quantitative impact studies and stress tests are periodically carried out to check the</p>	

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					<p>effective implementation of the updated guidance on the management of liquidity within banks. Furthermore, an important phase of onsite inspections have been carried out on the compliance with French liquidity requirements in 2011 and 2012. Moreover, onsite inspections have been also carried out in 2011 and 2012 to collect information on the French credit institutions' preparation of the future LCR and NSFR Reporting.</p> <p>Web-links to relevant documents:</p>	
34 (4)	(FSB 2009)	Enhancing banks' operations in foreign currency funding markets	Regulators and supervisors in emerging markets will enhance their supervision of banks' operation in foreign currency funding markets.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Ongoing</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The funding in foreign currencies, mainly USD, is closely monitored. This monitoring</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>encompasses (i) the sources and uses of foreign currency funding; (ii) maturity mismatches between assets and liabilities in foreign currencies vs. maturity mismatches between domestic assets and domestic liabilities. Credit institutions are strongly advised to diversify their funding sources and limit the maturity mismatches.</p> <p>Web-links to relevant documents:</p>	
35 (39)	(Pitts)	Robust, transparent stress test	We commit to conduct robust, transparent stress tests as needed.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Ongoing</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The methodology used at the ACP for the top down approach has been described in a publication released in 2007. The bottom up approach has been designed by the EBA and is described in details in the</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>methodological documentations available on their website.</p> <p>Web-links to relevant documents: http://www.eba.europa.eu/cebs/media/Publications/Other%20Publications/2011%20EU-wide%20stress%20test/EBA-ST-2011-004-%28Detailed-Methodological-Note%29_1.pdf http://www.cambridge.org/aus/catalogue/catalogue.asp?isbn=9780521767309</p>	
36 (40)	(Pitts)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed.	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input checked="" type="checkbox"/> Others, please specify: Ongoing</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: The ACP monitors closely credit institutions' efforts to deal with impaired assets and raise additional capital where needed.</p>	<p>Planned actions (if any): Monitoring and discussions with credit institutions will continue until portfolios of impaired assets are unwound.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					Web-links to relevant documents:	
37 (41)	(WAP)	Enhanced risk disclosures by financial institutions	Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate.	Ongoing	<p>Implementation ongoing:</p> <p><input checked="" type="checkbox"/> Draft regulations/guidelines being developed, expected publication by June 2012 (part 8 of Capital Requirements Regulation - "Disclosure by Institutions")</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input checked="" type="checkbox"/> Final rules expected to be in force by Jan 2013</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of dec 2010 (Capital Requirement Directive III - New requirement to enhance disclosure relating to securitisation, market risk and remuneration)</p> <p>Overview (short description) of action(s) taken: The ACP which is currently chairing the EBA Working Group on Transparency has taken an active part in the regular assessment of financial institutions' disclosure, especially pillar 3 disclosures. In its October 2011 report, the EBA noted that banks have made efforts to improve</p>	<p>Planned actions (if any): For the year 2012, EBA intends to continue monitoring banks disclosures, especially Pillar 3 disclosures, to assess the correct implementation of the new requirements relating to securitisation, market risk and remuneration. Furthermore, for this year, EBA will conduct a short survey on Basel III implementation disclosures. EBA has also published a questionnaire on the identification of users/investors needs on credit institutions Pillar 3 disclosures, in order to enhance, if possible, the value of the EBA's output. EBA might organise physical meetings with such parties once the analysis of the responses has been completed. For its part, the ACP will continue to monitor French banks' disclosures (financial statements and Pillar 3 disclosures).</p> <p>Expected commencement date:</p>

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					<p>their disclosures and convey their risk profile in a comprehensive way to market participants, even if there is a room for greater harmonisation of the disclosure provided by the firms to improve comparability.</p> <p>The Prudential Supervision Authority has monitored French banks' financial disclosures (notably annual report and Pillar 3) and although financial disclosures were globally satisfactory, has discussed individually with banks when needed.</p> <p>In 2009, CESR published a study on the application of IFRS 7 (on disclosures related to financial instruments) by a sample of 96 European institutions. An update to this study has been made by CESR in October 2010.</p> <p>Since implementation of the UCITS IV Directive, UCITS asset managers have to comply with enhanced and detailed risk disclosure rules and notably provisions regarding the key investor document. Once implemented, the AIFM Directive will also impose stricter risk disclosure rules upon alternative funds' managers, including reporting to the competent authority</p> <p>Web-links to relevant documents: http://www.eba.europa.eu/cebs/media/Publications/2010/10/20101020_CESR_Study_on_IFRS_7.pdf</p>	<p>May 2012</p> <p>Web-links to relevant documents: http://www.eba.europa.eu/News</p>

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					<p>cations/Other%20Publications/Others/2011/EBA-BS-2011-132-(Follow-up-review-of-banks--transparency-in-their-2010-Pillar-3-reports)---FINAL.pdf</p> <p>For the 2010 CESR update on the application of IFRS7 (on disclosures related to financial instruments): http://www.esma.europa.eu/system/files/10_1183.pdf</p> <p>For the UCITS IV Directive, see http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:302:0032:0096:EN:PDF</p>	
8. Strengthening deposit insurance						
38 (42)	(FSF 2008)	Review of national deposit insurance arrangements	VI.9 National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed.	Ongoing	<p>No response required for this survey.</p> <p>Please refer to peer review report on deposit insurance systems published in February 2012, available at: http://www.financialstabilityboard.org/publications/r_120208.pdf</p>	

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9. Safeguarding the integrity and efficiency of financial markets						
39 (new)	(Cannes)	Market integrity and efficiency	We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012.	Ongoing	<p>Implementation ongoing:</p> <input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by <input checked="" type="checkbox"/> Draft regulations/guidelines published as of October 2011 (MiFID and MAD review) <input checked="" type="checkbox"/> Final rules expected to be in force by Mid-2014 <input type="checkbox"/> Others, please specify: <input type="checkbox"/> Completed as of <p>Overview (short description) of action(s) taken: The AMF has always been committed to achieve high-level market integrity and ensure efficient functioning of markets. In particular, the AMF has been advocating for initiatives aiming at enhanced market transparency. Among others: - AMF has participated in the drafting of the IOSCO Reports on "Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency" (October 2011) and on "Issues raised by dark liquidity" (October 2010). - AMF has been calling for the new IOSCO mandate on "Issues raised by changes in market structure", adopted end 2011</p>	<p>Planned actions (if any): AMF has been leader in the establishment of a new IOSCO work mandate on "market structure" (aimed at analysing the issues linked to market fragmentation and transparency) - ongoing work (Report targeted mid-2013). - AMF Surveillance Department is ongoingly undertaking active analysis/enquiries on potential cases of market abuse, in particular linked to high frequency trading.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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					<p>- At European level, AMF is working actively in the context of the MiFID review, in the context of ESMA's work (in particular on microstructural issues related to high frequency trading, and on transparency); and bringing a technical support to the Treasury in the EU Council 's negotiations.</p> <p>- AMF has participated in the drafting of ESMA's Guidelines on "systems and controls in an automated trading environment", and has declared compliant to such Guidelines.</p> <p>Web-links to relevant documents: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD361.pdf http://www.iosco.org/library/pubdocs/pdf/IOSCOPD336.pdf http://www.esma.europa.eu/system/files/esma_2012_122_fr_0.pdf</p>	
40 (new)	(Cannes)	Enhanced market transparency in commodity markets	We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p>	<p>Planned actions (if any):</p> <p>Each of these Level 1 Regulations and Directives will require Level 2 implementing measures</p> <p>Expected commencement date:</p>

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		<p>regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012</p>		<p><input checked="" type="checkbox"/> Others, please specify: Certain aspects are completed; for others, work is still on-going at the EU level.</p> <p><input type="checkbox"/> Completed as of</p> <p>Overview (short description) of action(s) taken: At the international level, the AMF participates to the IOSCO Task-Force on Regulation and Supervision of Commodity derivatives markets.</p> <p>At the EU level, the European Commission published MiFID and MiFIR proposals in October 2011 (transparency of financial commodity markets, regulatory intervention powers, position limits and position management).</p> <p>The MAR and MAD proposals were published in October 2011 (market abuse rules extended and clarified in their application to financial commodity markets).</p> <p>EMIR Level 1 Regulation has been adopted and is expected to be in force in Q1 or Q2 2013 (trade repositories) pending finalisation of Level 2 measures.</p> <p>REMIT Regulation was published in</p>	<p>Web-links to relevant documents:</p>

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					<p>December 2011 (market abuse and surveillance of wholesale electricity and gas markets) and is already in force in several areas.</p> <p>MiFID and MiFIR implementation timetable is dependent on the negotiation process, but could be expected for 2014.</p> <p>MAR and MAD implementation timetable is dependent on the negotiation process, but could be expected for 2013.</p> <p>Web-links to relevant documents:</p>	
10. Enhancing consumer protection						
41 (new)	(Cannes)	Financial consumer protection	We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on	Ongoing	<p>Implementation ongoing:</p> <p><input type="checkbox"/> Draft regulations/guidelines being developed, expected publication by</p> <p><input type="checkbox"/> Draft regulations/guidelines published as of</p> <p><input type="checkbox"/> Final rules expected to be in force by</p> <p><input type="checkbox"/> Others, please specify:</p> <p><input checked="" type="checkbox"/> Completed as of 2012</p> <p>Overview (short description) of action(s) taken:</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			<p>financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions.</p>		<p>Most of the High-level Principles on Financial Consumer Protection are already largely implemented in France.</p> <p>Principles 1 and 2 - Legal, Regulatory and Supervisory Framework; Role of Oversight Bodies</p> <p>The ACP, established on 9 March 2010 as a result of the merger of the banking and insurance supervisors, has an explicit consumer protection mandate, as was the case previously for the insurance supervisor but not the banking supervisor.</p> <p>The AMF has a mandate of consumer protection concerning the securities sector and has recently created a Retail Investor Relations Department (DREP) covering all activities aimed at retail investors.</p> <p>To ensure better coordination in the field of consumer protection whatever the product at stake (securities, banking or insurance product) between the AMF and the ACP, a Joint Unit (“pole commun”) has been put in place. Furthermore, the views of retail investors are channelled into AMF’s decision making through the consultative committee dealing with retail investors’ matters and the participation of retail investors in the AMF Board.</p> <p>Consultative bodies (CCSF, CCLRF) also involve industry and consumer representatives.</p>	

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					<p>3: Equitable and Fair Treatment of Consumers: Banks are subject to compliance requirements (regulation CRBF 97-02) : their compliance framework has to take into account stringent consumer protection laws and regulations as well as codes of conducts.</p> <p>Banking , insurance and financial intermediaries in France are subject to a comprehensive set of rules of conduct rules aiming at ensuring fair and equitable treatment of consumers (see L.500 sq of the insurance code, L519-1 sq and L541-8 1 of the Monetary and Financial Code, AMF General Regulation Book III and Book V, Title III of the Monetary and Financial Code).</p> <p>4. Disclosure and Transparency In the Insurance sector, European Directives have set strong requirements for disclosure and transparency, especially in life insurance.</p> <p>In banking, Law n°2010-737 on Consumer Credit (transposing the EU Consumer Credit Directive 2008/48/EC) was adopted on 1 July 2010. This law is codified in Articles L.311-2 et seq. of the Consumer Code. It introduces new specific pre-</p>	

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					<p>contractual disclosure requirements, transparency rules, Intermediaries are more closely regulated since Law n° 2010-1249 (Articles L519 -1 et seq of the Monetary and Financial Code) based upon the existing regulation for insurance intermediaries (in force since 2005). This regulation also introduces disclosure and transparency requirements.</p> <p>The ACP has the power to issue soft law, such as recommendations. The following recommendations relate to disclosure and transparency :</p> <ul style="list-style-type: none"> - Recommendation concerning advertising communication for unit-linked life insurance contracts, with bonds and other debt securities as underlying assets (2011-R-02 of 23 March 2011). - Recommendation concerning the marketing of unit-linked life insurance contracts, with debt securities issued by an entity that is financially linked to the insurance undertaking as underlying assets (2011-R-03 of 6 May 2011) - Recommendation on the marketing of life insurance policies linked to funeral payment plans (2011-R-04 of 15 June 2011) <p>Regarding securities and investment funds, France has implemented the relevant European Union Directives (Prospectus, UCITS and MiFID) ensuring that appropriate information is provided to the</p>	

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					<p>investor. In addition, the AMF issues public warnings in case a product or market practice may be of risk to the consumer. Warnings are also often issued in coordination with the ACP.</p> <p>5. Financial Education and Awareness</p> <p>The Banque de France and AMF, together with the financial literacy institute “Institut pour l’Education Financière du Public (IEFP)” undertake educational activities (see http://www.lafinancepourtous.com/IMG/pdf/IEFP_anglais.pdf).</p> <p>The Banque de France is setting up an interactive museum on money and the economy. Together with the ACP and the AMF, the Banque de France has set up a telephone hotline to answer consumers’ questions on banking, insurance and securities, as well as a specific website (Assurance Banque Epargne Info Service www.abe-infoservice.fr).</p> <p>The CCSF (Comité Consultatif du Secteur Financier), a consultative body, edits brochures to inform the general public (www.banque-france.fr/ccsf/fr). Moreover, the banking and insurance professional associations edit pedagogical brochures to inform the general public (“The keys of the bank” www.lesclesdelabanque.com and</p>	

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					<p>“Insurance in practice” www.ffsa.fr/sites/jcms/fp_7202/l-assurance-pratique). AMF also conducts initiatives in order to educate the general public by preparing and distributing brochures.</p> <p>6. Responsible Business Conduct of Financial Services Providers and Authorised Agents Both law n°2010-737 on Consumer Credit (codified in Articles L.311-2 et seq. in the Consumer Code) and Law n° 2010-1249 on banking intermediaries (codified in Articles L519-1 et seq. in the Monetary and Financial Code) introduce requirements on advice and training of sales staff in direct relation with customers.</p> <p>Regarding securities and investment funds, France has implemented the European Union MIFID Directive. This includes key provisions for financial intermediaries in terms of responsible conduct of business, such as the obligation to undertake appropriateness and suitability tests with potential investors. MiFID has been transposed into French Law and the AMF General Regulation.</p> <p>7. Protection of Consumer Assets against Fraud and Misuse In banking, deposit taking is limited to</p>	

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					<p>licensed banks subject to regulation and a deposit guarantee scheme. Insurance is also limited to closely regulated entities. The winding up rules ensure that policyholders benefit from a privileged treatment compared to other creditors. In addition, the two main insurance guarantee schemes are the:FGAO (Fonds de Garantie des Assurances Obligatoires www.fondsdegarantie.fr/) and the FGAP (Fonds de Garantie des Assurances de Personnes) concerning respectively life and non life insurance (ie L. 421-1 sq and L.423-1 sq Insurance code) protect policyholders in case of winding up of an insurance company.</p> <p>Insurance and banking intermediaries who handle assets have to be insured by a bank or insurance company (Art. L. 519-4 CMF and L. 512-6 and L. 512-7 of the Insurance Code)</p> <p>Regarding securities and investment funds, the protection of clients' assets in France results from various provisions such as Art. L533-10,6 of the Monetary and Financial Code and Art. 313-13 to 313-17 and Art. 314-39 of the AMF General Regulation. Concerning investment funds, the depository is in charge of settling trades, checking the manager's investment</p>	

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					<p>decisions and more notably safekeeping assets. It is subject to an obligation to return securities in respect of asset safekeeping. It must act solely in the unit holder's interest. Further key gatekeepers are in the French system the auditors who approve the financial information disclosed to the public, such as financial statements.</p> <p>8. Protection of Consumer Data and Privacy The gathering and use of personal data is regulated in France by Statute (ACT N°78-17 OF 6 JANUARY 1978 ON INFORMATION TECHNOLOGY, DATA FILES AND CIVIL LIBERTIES), especially Art. 6 (http://www.cnil.fr/fileadmin/documents/en/Act78-17VA.pdf)</p> <p>9. Complaints Handling and Redress The French banking and insurance supervisory authority, ACP, has adopted on 15 December 2011 a recommendation on complaints handling (2011-R-05-http://www.acp.banque-france.fr/fileadmin/user_upload/acp/Fichiers_EN/Recommandations_et_fichiers_DCPC/Recommendation-2011-R-05-of-the-ACP.pdf) which applies to both the insurance and the banking sectors. Ombudsmen exist since 1993 in the</p>	

# (# in brackets are from 2011 template)	G20/FSB Recommendations			Deadline	Progress to Date	Planned Next Steps
					<p>insurance sector, and are a compulsory feature of the French banking sector since the December 11, 2001 law.</p> <p>For the securities sector, there is one Ombudsman who is attached to a public body, the AMF, and handles queries and requests for out-of-court dispute settlement from investors. Furthermore, the AMF and the ACP have issued early 2012 a recommendation for the treatment of complaints</p> <p>10. Competition The banking industry adopted on 6 July 2009 a code of conduct (« norme professionnelle ») to facilitate the possibility for consumers to move to another bank (change of bank accounts). The ACP has checked compliance in 2011 in 350 banks. 9 commitments out of 16 had compliance levels above 89% (in terms of market share of compliant respondents) although progress is required in other areas. For the securities sector, the European Directives, through the different passports in place for intermediaries and products, allow for a competitive market in Europe.</p> <p>Web-links to relevant documents:</p>	

Origin of recommendations:

Cannes: The Cannes Summit Final Declaration (3-4 November 2011)

Seoul: The Seoul Summit Document (11-12 November 2010)

Pitts: Leaders' Statement at the Pittsburgh Summit (25 September 2009)

Lon: The London Summit Declaration on Strengthening the Financial System (2 April 2009)

Tor: The G-20 Toronto Summit Declaration (26-27 June 2010)

WAP: The Washington Summit Action Plan to Implement Principles for Reform (15 November 2008)

FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience (7 April 2008)

FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System (2 April 2009)

FSB 2009: The FSB Report on Improving Financial Regulation (25 September 2009)

Index of acronyms

Example:

FSB: Financial Stability Board

ABS: Asset Backed Security

ACP: Autorité de Contrôle Prudentiel, the French Prudential Supervisory Authority

AIFMD: Directive on alternative investment fund managers

AML/CTF: anti money laundering and countering the financing of terrorism

ANC: Autorité des Normes Comptables, the French accounting standard-setter

AMF : Autorité des marchés financiers, the French Financial Markets Authority

BdF: Banque de France, the French Central Bank

CCSF: Comité Consultatif du Secteur Financier, a consultative body of the financial sector, including representatives from the industry and consumer associations

CEBS: Committee of European Banking Supervisors (now: European Banking Authority)

CESR: Committee of European Securities Regulators (now ESMA)

CMF: Code Monétaire et Financier, the French Monetary and Financial Code

CMG: Crisis Management Group

COREFRIS: the National Council of Systemic Risk and Financial Regulation

CRA: Credit Rating Agencies

CRD: European Capital Requirements Directive

DTCC: Depository Trust & Clearing Corporation

EBA: European Banking Authority

EEA: European Economic Area

EMIR: european market infrastructure regulation

ESMA: European Securities and Markets Authority

EU: European Union

FSAP: Financial Sector Assessment Program

FoFH: funds of hedge funds

IEFP Institut pour l'Éducation Financière du Public -financial literacy institute

LCR: Liquidity Coverage Ratio

MAD/R: Market Abuse Directive/Regulation

MiFID/R: Markets in Financial Instruments Directive / Regulation

NSFR: net stable funding ratio ORAP 2: internal rating methodology used by the ACP

OTC: Over the counter

RRP: recovery and resolution plans

RTS: binding regulatory technical standards

SIB: Systemically Important Bank

SIFI: Systemically Important Financial Institution

SREP: Supervisory Review and Evaluation Process

TFUMP: IOSCO Task Force on Unregulated Financial Markets and Products

UCITS: Undertakings for Collective Investment in Transferable Securities,