

**CONSULTATION PAPER OF ESMA**  
**Draft guidelines on certain aspects of the**  
**MiFID II suitability requirements**  
**AMAFI comments**

Association française des marchés financiers (AMAFI) is the trade organisation working at national, European and international levels to represent financial market participants in France. It mainly acts on behalf of credit institutions, investment firms and trading and post-trade infrastructures, regardless of where they operate or where their clients or counterparties are located. AMAFI has more than 140 members operating for their own account or for clients in equities, fixed-income products and derivatives. Nearly one-third of its members are subsidiaries or branches of non-French institutions.

AMAFI welcomes the opportunity to comment on ESMA's consultation paper regarding the draft guidelines on MiFID 2 suitability requirements. Before responding to the specific questions of ESMA's consultation document, we would like to point out the following general comments.

## **1. GENERAL COMMENTS**

---

AMAFI welcomes the opportunity to comment those Draft guidelines and wishes to emphasise the following issues:

- The implementation of obligations in a proportionate way (regarding the type of product, the type of service and the type of client), as foreseen by MiFID 2, is not always sufficiently taken into account in these Guidelines. AMAFI finds that these Guidelines only take into account the proportionality principle to require higher requirements but do not allow them to be reduced in the context of very simple products and of more sophisticated investors;
- Most firms have to carry out a very high number of suitability assessments. To be properly managed, these assessments must remain most of the time automatable and therefore questionnaires drafted to collect necessary information should not be designed on a case by case basis;
- Firms should be able to rely on the information provided by the client that is presumed to be acting in good faith. Therefore, firms should retain the ability to warn their clients about the negative consequences that may ensue from the provision of false or incomplete information;
- Finally, AMAFI wishes to emphasize that the obligation of Product Governance (know your product), on one hand, and Suitability (know your client/investor), on the other hand, are different requirements (even if they are complementary). With the addition of Product Governance requirements, "know your product" requirements must not persist in Suitability. Therefore, AMAFI proposes to fully delete Guideline 7.

## 2. RESPONSES TO ESMA QUESTIONS

---

**Q1 Do you agree with the suggested approach on the information to be provided on the suitability assessment and specifically with the new supporting guidelines on robo-advice? Please also state the reasons for your answer.**

AMAFI partially agrees with this suggested approach. AMAFI supports the fact that the realization of the suitability assessment is the responsibility of investment firms and that they cannot transfer their responsibility through a disclaimer. AMAFI is also supportive that such assessment should be done by the investment firm and not by the investor himself.

However, AMAFI believes it is important to remind that the questionnaire is filled-in by investors so they need to be informed of the consequences of providing incomplete or misleading information. The provision of accurate and complete information remains the responsibility of the investor and not of the investment firm (in accordance with article 55.3 of MiFID 2 Delegated Regulation 2017/565).

Furthermore, AMAFI considers that investment firms are entitled to use a disclaimer when they legitimately consider that they do not provide an investment advice service and therefore do not perform a suitability test to inform their clients of such situation. For AMAFI, such use of the disclaimer increases the investors' protection, since they are informed that the verification of the compatibility between their profile and the product they wish to acquire is less thorough than in the case of investment advice.

Finally, AMAFI wishes to emphasize that if the information required from clients is too heavy or complex for them to provide, the less likely they will provide comprehensive answers.

**Q2 Do you agree with the suggested approach on the arrangements necessary to understand clients and specifically with how the guideline has been updated to take into account behavioural finance and the development of robo-advice models? Please also state the reasons for your answer.**

AMAFI partially agrees with the approach developed in the Guideline 2. However, AMAFI finds that the proposals developed by ESMA are overly prescriptive and call into question the possibility of a proportionate application. More specifically, AMAFI wishes to highlight the following points:

- First, AMAFI again wishes to insist on the need to request only the information necessary to carry out the suitability assessment so that the client is not dissatisfied by the amount of information to be provided which would result in his refusal to provide this information.
- Second, AMAFI agrees that the answer "no answer" should not be used excessively. However, it should be underlined that, regularly, investors do not want to communicate certain information and that it is therefore possible to obtain an "empty answer" even if the choice "no answer" would not be proposed. Investment firms will then have to decide whether this lack of response is problematic for the successful completion of their suitability assessment.
- Third, AMAFI totally disagrees with the approach developed in the paragraph 28, which implies investment firms must verify the entirety of answers provided. According to article 55.3 of MiFID 2 Delegated Regulation 2017/565 : "*An investment firm shall be entitled to rely on the information provided by its clients or potential clients unless it is aware or ought to be aware that the information is manifestly out of date, inaccurate or incomplete*", whereas Guideline 2 seems to presume that clients do not provide accurate information. AMAFI would like this presumption to be reversed: the investor shall be considered as answering accurately and in good faith. Investment firms have to verify that there is no flagrant inconsistency in the answers.

- Fourth, AMAFI proposes to delete paragraph 29. Elements mentioned in this paragraph are most of time provided in different means (e.g. product sheets, information about risks, etc.) but not through the questionnaires used to collect necessary information for suitability assessment. Regarding the volume of suitability assessment carried out by investment firms, it is essential that those assessments can be automated and industrialized and therefore not designed for a particular product, transaction or client.
- Finally, AMAFI outlines that investors are mostly reluctant to disclose all of their (financial) assets, especially if these assets are held in other institutions. Investment firms have no way of verifying such information given by investors especially because of banking secrecy.

Regarding robo advisor, AMAFI does not understand why such specification is made on paragraph 30 and proposed to delete this paragraph that is only redundant with previous paragraphs of that section.

AMAFI would like to propose the following change in the Guideline 2:

26. Information necessary to conduct a suitability assessment includes different elements that may affect, for example, the analysis of the client's financial situation (including his ability to bear losses) or investment objectives (including his risk tolerance). ~~Examples of such elements are the client's:~~

- ~~(a) marital status (especially the client's legal capacity to commit assets that may belong also to his partner);~~
- ~~(b) family situation (evolutions in the family situation of a client may impact his financial situation e.g. a new child or a child of an age to start university);~~
- ~~(c) age (which is mostly important to ensure a correct assessment of the investment objectives, and in particular the level of financial risk that the investor is willing to take, as well as the holding period/investment horizon, which indicates the willingness to hold an investment for a certain period of time);~~
- ~~(d) employment situation (the fact that a client might lose his job or is close to retirement may impact his financial situation or his investment objectives);~~
- ~~(e) need for liquidity in certain relevant investments.~~

28. Information collected by firms about a client's knowledge and experience should be considered altogether for the overall appraisal of his understanding of the products and of the risks involved in the transactions recommended or in the management of his portfolio. Firms should take all reasonable steps to sufficiently assess the understanding by their clients of the main characteristics and the risks related to the product types in the offer of the firm. The adoption by firms of mechanisms to avoid self-assessment ~~and ensure the consistency of the answers provided by the client~~ is particularly important for the correct assessment of the client's knowledge and experience.

29. ~~It is also important that firms appraise the client's financial literacy and understanding of basic notions such as, for example, investment risk (including concentration risk) and risk-return trade off. To this end, firms should consider using indicative, comprehensible examples of the levels of loss/return that may arise depending on the level of risk taken, and should assess the client's response to such scenarios.~~

30. ~~Given the limited human interaction, firms providing robo-advice should design an online questionnaire able to gather sufficient information to support the assessment of suitability. In order to ensure their compliance with the requirements concerning that assessment, firms should take into account factors such as:~~

- ~~• Whether the information collected through the online questionnaire allows the firm to conclude that the advice provided is suitable for their clients on the basis of their knowledge and experience, their financial situation and their investment objectives and needs;~~
- ~~• Whether the questions in the questionnaire are sufficiently clear and/or whether the questionnaire is designed to provide additional clarification or examples to clients when necessary (e.g., through the use of design features, such as tool-tips or pop-up boxes);~~
- ~~• Whether some human interaction (including remote interaction via emails or mobile phones) is available to clients when responding to the online questionnaire;~~
- ~~• Whether steps have been taken to address inconsistent client responses (such as incorporating in the~~

~~questionnaire design features to alert clients when their responses appear internally inconsistent and suggest them to reconsider such responses; or implementing systems to automatically flag apparently inconsistent information provided by a client for review or follow up by the firm).~~

**Q3 Do you believe that further guidance is needed to clarify how firms should assess clients' ability to bear losses?**

AMAFI does not think that further guidance is needed. The developments already outlined in the Guideline 2 seem sufficient.

The investor's ability to bear losses assessment should be based, in particular, on the financial information provided by the investor and the exchanges that may take place with him.

Latitude must be left to investment firms to make this assessment in a proportionate manner taking into account their activities, organisation, categories of clients and financial instrument offered.

**Q4 Do you agree with how the guideline on the topic of 'reliability of client information' has been updated to take into account behavioural finance and the development of robo-advice models? Please also state the reasons for your answer.**

AMAFI disagrees with this Guideline 4. Regarding the veracity of information provided by investors:

- As already mentioned in the Guideline, even if they used external providers, "*firms remain responsible for ensuring they have adequate information to conduct a suitability assessment and cannot limit their responsibility*";
- Nevertheless, information required could only be based on the information provided by the investor. The investment firm cannot be required to verify systematically and extensively the veracity of every piece of information collected. Moreover, the exchanges between the investment firm and the investor take place within the framework of a contractual relationship which therefore presupposes the good faith of both parties;
- The investment firm may only question the information provided if it is obviously false or manifestly inconsistent (according to article 55.3 of MiFID 2 Delegated Regulation 2017/565 – previously mentioned). Its responsibility cannot be held where investor deliberately furnishes false information and the investment firm has no means of determining it.

Regarding the examples of elements to be provided to clients (Consultation Guidelines, § 45), in line with our answer 2, accurate information on potential product yields under certain scenarios is generally not provided to clients by suitability questionnaires but by separate documentation. Requiring the addition of such questions goes beyond MiFID 2's requirements.

Regarding the potential investors' "overestimation" of their knowledge and experiences (Consultation Guidelines, § 49), AMAFI disagrees: assessment made by investment firms on this topic are especially used to evaluate the accurate knowledge of the investor. It is therefore actually unlikely to overestimate his knowledge.

Once again, regarding robo-advisor, AMAFI does not understand why specific rules are dedicated to them.

AMAFI would like to propose the following change in the Guideline 4:

43. Clients are expected to provide correct, up-to-date and complete information necessary for the suitability assessment. ~~However, firms need to take reasonable steps to check the reliability, accuracy and consistency of information collected about clients. Firms remain responsible for ensuring they have adequate information to conduct a suitability assessment and~~ cannot limit their responsibility by means of a specific clause in the contract with the client, in the general terms and conditions, or otherwise.

45. When assessing the risk tolerance of their clients through a questionnaire, firms should not only investigate the desirable risk-return characteristics of future investments but they should also take into account the client's risk perception. To this end, whilst self-assessment for the risk tolerance should be avoided, explicit questions on the clients' personal choices in case of risk uncertainty could be presented. Furthermore, firms could for example ~~graphs, specific percentages or concrete figures when asking~~ ask the client how he would react when the value of his portfolio decreases.

**Q5 Do you agree with the suggested approach on the topic of 'updating client information'? Please also state the reasons for your answer.**

AMAFI fully supports the objective of avoiding abusive or "opportunistic" updating client profile but totally disagrees with this suggested approach especially with the ones described in paragraph 54. This paragraph implies that updates carried out concomitantly with a transaction are deemed to be performed inadequately and opportunistically and that investment firms must provide the evidence of the contrary.

Operationally, it is very common that when investment advisors meet their investors they take advantage of those meetings to update their information (and so, their assessments) and, additionally, to make decision to invest. The two actions are therefore simultaneous without the update being fraudulent. This presumption of bad faith is inappropriate, in the AMAFI view.

Consequently, in those situations, checks must not be carried out systematically but take place within the framework of regular compliance monitoring. If an element jeopardizes the good faith of the update, an escalation can then be carried out for in-depth analysis.

AMAFI would like to propose the following change in the Guideline 5:

54. It is also important that firms adopt measures to mitigate the risk of inducing the client to update his own profile so as to make appear as suitable a certain investment product that would otherwise be unsuitable for him, without there being a real modification in the client's situation. As an example of a good practice to address this type of risk, firms could adopt procedures to ~~verify, before or after transactions are made,~~ monitor ex-post whether a client's profile has been updated too frequently or only after a short period from last modification. **Based on results of those monitoring if breaches of accurate and suitable updating client profiles is detected, those breaches will be escalated in accordance with internal policies** (especially if this change has occurred in the immediate days preceding a recommended investment). ~~Such situations would therefore be escalated or reported to the relevant independent.~~

**Q6 Do you agree with the suggested approach to conduct the suitability assessment for a group of clients, especially where no legal representative is foreseen under applicable national laws? Please also state the reasons for your answer.**

AMAFI partially agrees with this suggested approach with the exception of paragraph 65. Investment firms may not have to take into account the matrimonial regime. AMAFI considers that taking this information into account goes beyond what is required by the MiFID 2 first two levels without, however, increasing the investors' protection.

AMAFI would like to propose the following change in the Guideline 6:

65. The firm's policy could however require the underlying client(s) to agree on which financial situation should be taken into account and on their investment objectives. ~~Where the client is a couple, the firm's policy should take into account the matrimonial regime applicable to that couple.~~

**Q7 Do you agree with the suggested approach on to the arrangements necessary to understand investment products for the purposes of suitability assessment? Please also state the reasons for your answer.**

AMAFI strongly and fully disagrees with this Guideline 7. As developed by ESMA in the introduction of the Consultation Paper, MiFID 2 as introduced a new requirement for investment firms: Product Governance which creates additional requirements that complete the suitability assessment one, although the two are linked. "Know your product" features are now, with MiFID 2, fully addressed and managed by Product Governance rules.

Guideline 2 under MiFID 1 was meaningful since product governance requirements (and therefore knowledge of the product) did not exist independently. However, MiFID 2 has introduced this obligation of "Know your product" in product governance obligations, so it should not persist within Suitability. **Therefore, AMAFI proposes to fully delete Guideline 7.**

Furthermore, the complexity as defined here in draft guidelines only makes sense for the possibility of performing a transaction within the framework of execution only. This definition should be reviewed in the context of marketing of products (as it is done in product governance). This particular point shows the inconsistency to allow two separate sets of rules to coexist on the same subject. A same product can be considered as "moderately complex" according to its target market definition drafted under product governance rules and plain "complex" under execution only and – according to draft guidelines – for suitability as well.

Finally, paragraph 72 does not correspond to operational reality. In many cases, product information (including target market required by product governance) will be provided by the manufacturer to distributors via data providers. Distributors will obviously be able to rely on such data. AMAFI would therefore suggest deleting this paragraph 72.

**Q8 Do you agree with the additional guidance provided with regard to the arrangements necessary to ensure the suitability of an investment? Please also state the reasons for your answer.**

AMAFI strongly disagrees with this Guideline which requires that the client's portfolio be monitored in terms of credit risk exposure which goes far beyond the obligations in terms of suitability as defined by the first two levels of MiFID 2.

Moreover, as explained above, investment firms do not have a view on all the financial instruments held by their clients in other institutions, so this monitoring of credit risk should not be done on part of the client's assets, which can be only partial. Especially since, through several product information documents (product sheets, PRIIPs KID, marketing brochure, Prospectus, etc.), the investor is already fully informed that if he invests in this product X, he takes a credit risk on the issuer Y. AMAFI therefore suggests that ESMA could recommend, as a good practice, for investment firms to warn investors where, to the best of their knowledge, their credit risk exposure can be considered as over concentrated. However, firms cannot be required to closely monitor this risk on a systematic basis nor implement methodologies with threshold mechanisms. That would be going way further than the requirement to assess suitability.

AMAFI would like to propose the following change in the Guideline 8:

78. In this regard, the tools should be designed so that they take account of all the relevant specificities of each client or investment product. For example, tools that classify clients or investment product **too** broadly would not be fit for purpose.

79. A firm should establish policies and procedures which enable it to ensure inter alia that:

- (a) the advice and portfolio management services provided to **the whole portfolio of** the client take account of an appropriate degree of risk diversification;
- (b) the client has an adequate understanding of the relationship between risk and return, i.e. of the necessarily low remuneration of risk free assets, of the incidence of time horizon on this relationship and of the impact of costs on his investments;
- (c) the financial situation of the client can finance the investments and the client can bear any possible losses resulting from the investments;
- (d) any personal recommendation or transaction entered into in the course of providing an investment advice or portfolio management service, where an illiquid product is involved, takes into account the length of time for which the client is prepared to hold the investment; and
- (e) any conflicts of interest are prevented from adversely affecting the quality of the suitability assessment;
- (f) necessary information or warning are provided to clients about credit risk exposure, where relevant.**

~~83. In this context, firms should be especially prudent regarding credit risk: exposure of the client's portfolio to one single issuer or to issuers part of the same group should be considered as an additional risk. This is because, if a client's portfolio is concentrated in products issued by one single entity (or entities of the same group), in case of default of that entity, the client may lose up to his entire investment. When operating through so called self-placement models, firms are reminded of ESMA's 2016 Statement on BRRD44 according to which "they should avoid an excessive concentration of investments in financial instruments subject to the resolution regime issued by the firm itself or by entities of the same group".~~

~~84. Therefore, in addition to the methodologies to be implemented for the assessment of products credit risk (see guideline 7), firms should also adopt ad hoc measures and procedures to ensure that concentration with regard to credit risk is effectively identified, controlled and mitigated (for example, the identification of ex ante thresholds could be encompassed).~~

**Q9 Do you agree with the suggested approach for ensuring that firms assess, while taking into account costs and complexity, whether equivalent products can meet their clients' profile? Please also state the reasons for your answers.**

AMAFI partially agrees with Guideline 9. AMAFI wishes to recall that this search for equivalent products must be done in high level, centrally manner, for example at the time of the approval process of the new product, and not on a transaction by transaction or customer by customer basis.

On this point, AMAFI notes an inconsistency in the frequency of examination between paragraphs 90 ("higher level", "centrally") and 91 ("when providing investment advice") and is fully supportive of paragraph 90 approach. Furthermore, contrary to paragraph 91, MiFID 2 does not require that this information be included in the suitability report.

AMAFI would like to propose the following change in the Guideline 9:

91. Firms should be able to justify those situations where a more costly or complex product is recommended over an equivalent product, ~~taking into account that for the selection process of products in the context of investment advice or portfolio management further criteria can also be considered (for example: the portfolio's diversification, liquidity, or risk level). When providing investment advice, a clear explanation of the reasons for recommending a more costly or complex product should be included in the suitability report the firm has to provide to the client before the transaction is made.~~

**Q10 Do you agree with the suggested approach for conducting a cost-benefit analysis of switching investments in the context of portfolio management or investment advice? Please also state the reasons for your answer.**

AMAFI partially agrees with that Guideline 10 and would clarify the following points:

- cost and charges provision (article 50 of the Delegated Regulation) only requires to take into account monetary costs and not "both monetary and non-monetary factors of costs and benefits" as stated in the paragraph 93;
- MiFID 2 does not require information on switching investments to be included into suitability report. Investment firms are free in the way to inform their investors on this subject;
- Like explained in answer 4, AMAFI disagrees with the presumption of dishonesty described in the subsection 94.

AMAFI would like to propose the following change in the Guideline 10:

93. Firms should take all necessary information into account, so as to be able to conduct a cost-benefit analysis of the switch, i.e. an assessment of the advantages and disadvantages of the new investment(s) considered. When considering the cost dimension, firms should take into account all costs and charges covered by the relevant provisions under Article 24(4) of MiFID II and the related MiFID II Delegated Regulation provisions. ~~In this context, both monetary and non-monetary factors of costs and benefits could be relevant. [...]~~

94. When providing investment advice, **investment firm should clearly inform the client** ~~a clear explanation of the reasons why the benefits of the recommended switch are greater than its costs should be included in the suitability report the firm has to provide to the client before the transaction is made.~~



**Q11 Do you believe that further guidance would be needed with regard to the skills, knowledge and expertise that should be possessed by staff not directly facing clients, but still involved in other aspects of the suitability assessment? Please also state the reasons for your answer.**

AMAFI agrees with that General Guideline 11 and does not believe further Guidance is needed.

**Q12 Do you have any further comment or input on the draft guidelines?**

General comments on Guideline 3

Firstly, AMAFI would like to comment on the Guideline 3. As defined in answer 7, the complexity level stated by suitability assessment obligation should not be defined as the complexity level for performing a transaction within the framework of execution only. So called MiFID 2 definition of “complexity” is actually only relevant in the context of execution only and not for the whole MiFID 2 scope. Contrary to what is stated in footnote 29, the notion of product complexity should be the ones defined by the target market of the product as defined in compliance with product governance, which allows greater granularity in the assessment of the complexity of a product. AMAFI also wishes to recall that the verification of the compatibility between a product (notably depending on its risk and its complexity) and an investor profile is a matter of product governance and not of suitability.

Moreover, the granularity requested in this Guideline is highly demanding, investment firms cannot set up different questionnaires on a product by product and a client by client basis. The questionnaires as implemented through MiFID 1 are already long and complex. It seems inadequate and not proportionate to put an additional burden on them.

Furthermore, the distinctions required by paragraph 38 (taking into account the nature of the investor, particularly in terms of vulnerability or inexperience) go far beyond the MiFID 2 objective (in terms of clients’ classification) and could even be considered as discriminating (moreover, in France investment firms must not refuse to sell a financial instrument to an investor, regardless of its characteristics).

According to MiFID 2, the investment firm could assume that a per se professional client is able financially “to bear any related investment risks consistent with the investment objectives of that client” (MiFID 2 Delegated Regulation 2017/565, art. 54.3). In AMAFI’s point of view, paragraph 39 goes further than MiFID 2.

Regarding paragraph 41, as explain above in answer 2, investors are mostly reluctant to disclose all of their (financial) assets, especially if these assets are held in other institutions. Investment firms have no way of verifying this information given by investors especially because of banking secrecy. That is why AMAFI would like the paragraph 41 to be deleted especially since it goes beyond the obligations laid down by the first two levels.

AMAFI would like to propose the following change in the Guideline 3:

Footnote 29: As defined in MiFID 2 Product Governance requirements. ~~It and taking into account the criteria identified in guideline 7.~~

35. For illiquid financial instruments, the 'necessary information' to be gathered will obviously include information on the length of time for which the client is prepared to hold the investment. As information about a client's financial situation will always need to be collected, the extent of information to be collected may depend on the type of financial instruments to be recommended or entered into. ~~For example, for illiquid or risky financial instruments, 'necessary information' to be collected may include all of the following elements as necessary to ensure whether the client's financial situation allows him to invest or be invested in such instruments:~~

~~(a) the extent of the client's regular income and total income, whether the income is earned on a permanent or temporary basis, and the source of this income (for example, from employment, retirement income, investment income, rental yields, etc);~~

~~(b) the client's assets, including liquid assets, investments and real property, which would include what financial investments, personal and investment property, pension funds and any cash deposits, etc. the client may have. The firm should, where relevant, also gather information about conditions, terms, access, loans, guarantees and other restrictions, if applicable, to the above assets that may exist.~~

~~(c) the client's regular financial commitments, which would include what financial commitments the client has made or is planning to make (client's debits, total amount of indebtedness and other periodic commitments, etc).~~

38. Firms should also take into account the nature of the client when determining the information to be collected. For example, ~~more in-depth information would usually need to be collected for potentially vulnerable clients (such as older clients could be) or inexperienced ones asking for investment advice or portfolio management services for the first time. In addition,~~ where a firm provides investment advice or portfolio management services to a professional client (who has been correctly classified as such), it is generally entitled to assume that the client has the necessary level of experience and knowledge, and therefore is not required to obtain information on these aspects.

39. Similarly, where the investment service consists of the provision of investment advice to a 'per se professional client' the firm is entitled to assume that the client is able to financially bear any related investment risks consistent with the investment objectives of that client ~~and therefore is not generally required to obtain information on the financial situation of the client. Such information should be obtained, however, where the client's investment objectives demand it. For example, where the client is seeking to hedge a risk, the firm will need to have detailed information on that risk in order to be able to propose an effective hedging instrument.~~

41. Information about a client's financial situation includes information regarding his investments. This implies that firms are expected to possess information about the client's financial investments he holds at this firm on an instrument-by-instrument basis. Firms should also encourage clients to disclose their financial investments they hold with other firms ~~in detail, and, if possible – when the client agrees on disclosing it – also~~ on an instrument-by-instrument basis.

#### General comment on robo-advisors

AMAFI notes that the Consultation Guidelines seem to oppose human-made suitability assessments to fully automate ones while the reality lies between the two. To provide advice, many investment firms already use computer software that allows them to select the most suitable products. So, even transactions result from a face to face meeting, are at least partly assisted by automated tools.

The Guidelines seem to consider these developments as damaging for the investors' protection whereas on the contrary they allow the provision of efficient suitability tests regarding the proposed products.

Also, AMAFI would like the developments on robo-advisors to be kept to a minimum taking into account the elements developed above.

#### General comment on Guidelines

As concerns proportionality, AMAFI finds that these Guidelines fail to fully apply this key principle when dealing with very simple products or with more sophisticated investors

In addition, these Guidelines are very precise and leave little flexibility to investment firms to adapt them to their activities and their investors' type. With regard to the product volumes and the corresponding number of suitability tests to be carried out, it is essential that the processes remain as simple and as easily implementable and understandable by clients as possible.

