

GLOSSARY

Update : January 2017

Account Balance:	Difference between the sum of the debit and credit transactions on an account from the time it was opened. The account has a credit (positive) balance when the total credits exceed the total debits, and a debit (negative) balance otherwise. Source: Banque de France
Account Statement:	Provided in paper form or on a durable medium (i.e. in electronic format), an account statement is a document that summarises the transactions carried out on a customer's account during a given period, generally monthly. Source: Banque de France
ACP or ACPR:	see Autorité de Contrôle Prudentiel et de Résolution
Actual cash value:	Price the owner would have received if he had sold the asset on the date of the loss. The actual cash value of an asset is the price paid under normal market conditions. Source: Banque de France
AFB:	see Association Française des Banques
AMF:	see Autorité des Marchés Financiers
Anonymous bond:	Bearer bond. Source: FBF
ASF:	see Association Française des sociétés financières
Association Française des Banques (AFB):	The AFB acts as an employers' association, pursuant to the collective agreement of the banking industry of January 2000, for commercial banks. It represents employers in the dialogue between management and labour and in negotiations with trade unions (collective agreement, salaries, employment, professional training, etc.). As a founding legal entity , the AFB is a member of the new Fédération Bancaire Française (FBF) . Its role is to liaise among the various categories of banks and gather their opinions in order to prepare the decisions of the FBF's Executive Committee in the banking and financial fields. Source: AFB
Association Française des sociétés financières (ASF):	Association created to represent finance companies and specialised banks vis-à-vis the supervisory authorities and the various consultative bodies. The ASF defends specialised activities in the field of credit, financial services and investment services . It has 290 members - finance companies, specialised banks and investment firms. The services offered by the ASF include legal and economic information, consultation among members and professional activities with national and European authorities. Source: ASF
Autorité de Contrôle Prudentiel et de Résolution (ACPR):	The Autorité de Contrôle Prudentiel et de Résolution - ACPR - is the French banking and insurance supervisory authority. It is an independent administrative authority charged with preserving the stability of the financial system and protecting the customers, insurance policyholders, members and beneficiaries of the persons it supervises . Source: ACPR

Autorité des Marchés Financiers (AMF):

Created by lawmakers in 2003, the Autorité des Marchés Financiers (AMF), the French authority for market supervision, regulates participants and products in France's financial markets. It regulates, authorises, monitors and, where necessary, conducts investigations and issues sanctions. In addition, it ensures that investors receive material information and provides a mediation service to assist them in disputes.

Source: AMF

Bank branch:

Entity directly related to a company or group of companies. Unlike a **subsidiary**, a branch does not have a legal personality (for example, a banking facility can be a branch). However, a branch has a certain degree of management and administrative independence from its parent company. For example, a banking facility can be a branch.

Source: LE FGDR

Bank Secrecy:

Bank secrecy, a form of professional secrecy, is a legal obligation, for the bank and its employees, to not disclose any information regarding its customers to a third party. Secrecy may be waived under very strict conditions at the request of certain administrative or judicial authorities.

Source: Banque de France:

Bank subsidiary:

Institution whose capital is more than 50% owned by another company (the parent company) which is legally separate from it but on which it is economically and financially dependent.

Source: FBF

Bank transfer:

Operation whereby funds are transferred from one account to another. Written order given by a customer to his bank or payment institution to debit his account in a specified amount in order to credit that of his creditor. A bank transfer can be occasional or ongoing. It may be executed immediately or on a scheduled date and requires the account information of the creditor receiving the transfer (bank details, BIC codes and IBAN).

Source: Banque de France

Bank:

Category of **credit institution** authorised by law to carry out all banking transactions. Banking transactions include the receipt of funds from the public, credit operations and bank payment services (including the issuance of cheque books).

Source: Banque de France

Banque de France :

In addition to the tasks of implementing the monetary and financial policy and banking supervision, the Banque de France provides specific public services to individuals:

- it manages the **payment incident registers**: Register of Household Credit Repayment Incidents (FICP), Central Cheque Register (FCC) and National Register of Irregular Cheques (FNCI) and handles requests to exercise the right to an account;
- it keeps **individuals informed** of regulations and banking practices through its information service for individuals (Tel.: 0 811 901 801).

Source: Banque de France

Business account:

As opposed to a personal account. Bank account that allows the holder to manage his day-to-day business activity.

Source: Banque de France:

Cash account:

Account associated with a **securities account** which is used for all cash movements relating to the financial instruments.

Source: LE FGDR

CECEI:

see **Autorité de Contrôle Prudentiel et de Résolution**

CEL:

see **Compte d'Epargne Logement**

Comité des
Etablissements de Crédit
et des Entreprises
d'Investissement
(CECEI):

see [Autorité de Contrôle Prudentiel et de Résolution](#)

Compensation:

Indemnification paid to a person for the prejudice (damage) sustained by him/her.
Source: Banque de France

Compte d'Epargne
Logement (CEL):

Regulated savings product that allows the holder to obtain a loan, at the end of a minimum savings period, to finance expenses related to purchasing a primary residence or, under certain conditions, homes which have another purpose. The amount of the **home savings** loan is based on the savings amount and term. The interest rate of the loan is set by the public authorities. The money earned on a CEL consists of an interest rate and a government premium, which is paid only if a loan is granted. The funds deposited into a CEL are available at any time.
Source: Banque de France

Court-ordered
liquidation:

Legal proceedings that allow the sale of assets and the settlement of liabilities of a merchant, company or craftsman who is in suspension of payments, in order to pay its creditors.
Source: Larousse

Coverage level:

Maximum **compensation** amount that may be received.
Source: LE FGDR

Credit card:

Card that allows its holder to pay for purchases and/or make **withdrawals** by means of credit previously and contractually defined with a **credit institution**. A credit card is linked to a **revolving line** of credit. **Withdrawals** and payment transactions are not debited from the account but are charged against the revolving credit amount.
Source: Banque de France:

Credit institution:

These include several types of institutions, particularly **banks**, as well as specialised credit institutions, which are mainly authorised to issue loans.
Also called banks or banking institutions.
Source: Banque de France

Creditor:

Person to whom a sum of money is owed. Also called "recipient".
Source: Banque de France

Custody account-
keeping:

Activity that entails registering **financial instruments** in their holder's name, i.e. recognising the holder's rights to said financial instruments, and providing custody of the related assets under conditions specific to each financial instrument.
Source: Banque de France

Damage:

Loss, destruction, bodily injury, loss of revenue. Damage may be physical (deterioration, destruction or theft of property), bodily (physical integrity of an individual) or consequential (financial harm, loss of use of property, etc.).
Source: Banque de France

Debit card:

Card issued by a **bank** or payment institution which enables its holder to make payments at stores or on-line as well as cash withdrawals at automatic teller machines. A debit card can be national or international. There are several types of debit cards: immediate debit card, automatic authorisation debit card (CPAS) and deferred debit card.
Source: Banque de France

Demand account:	<p>Ordinary deposit account used to manage cash assets. A card and cheque book are generally linked to this type of account. All rules relating to fees and operation of a demand account are described in an account agreement available from the customer's banking facility.</p> <p>Source: FBF</p>
Demand deposit :	<p>Deposit to a non-interest-bearing demand account (e.g. checking account).</p> <p>Source: FBF</p>
Deposit account:	<p>Account used to manage money on a daily basis. A customer's bank card and/or cheque book are generally linked to this type of account. The account must have a credit balance, unless the bank agrees otherwise. Also called bank account, checking account or demand account. The term "current account" is also used, but incorrectly.</p> <p>Source: Banque de France</p>
Deposit guarantee:	<p>The mechanism that compensates depositors within 7 days, in an amount up to €100,000 per person, per institution, if the institution where their assets are held is no longer able to meet its commitments.</p> <p>See "Deposit Guarantee" on this site.</p> <p>Source FGDR</p>
Deposit:	<p>Funds or securities entrusted to a bank to be held and returned under specific terms and conditions.</p> <p>Source: Banque Info</p>
Depositor:	<p>Legal entity or natural person that deposits money into an account at a bank or credit institution.</p> <p>Source: LE FGDR</p>
EEA currency:	<p>The currencies of the European Economic Area are:</p> <ul style="list-style-type: none"> - Euro: Germany, Austria, Belgium, Cyprus, Spain, Estonia, Finland, France, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia and Slovenia, - CFP franc: New Caledonia, French Polynesia and Wallis and Futuna, - Other currencies of European Economic Area countries: Bulgarian Leva (BGN) - Bulgaria; Czech Koruny (CZK) - Czech Republic; Danish Kroner (DKK) - Denmark; Hungarian Forint (HUF) - Hungary; Icelandic Kronur (ISK) - Iceland; Estonian Kroon (EEK) - Estonia; Croatia Kuna (HRK) - Croatia; Norwegian Kroner (NOK) - Norway; Polish Zlotych (PLN) - Poland; Romanian Lei (RON) - Romania; Pound Sterling (GBP) - United Kingdom; Swedish Kroner (SEK) - Sweden. <p>Source: FGDR</p>
European Economic Area (EEA):	<p>As of 1 July 2013, the European Economic Area consisted of the 28 EU countries and three EFTA countries: Germany, Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Spain, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Czech Republic, Romania, United Kingdom, Slovakia, Slovenia, Sweden, Iceland (EFTA), Norway (EFTA) and Liechtenstein (EFTA).</p> <p>Source: LE FGDR</p>
FCP:	<p>see Mutual Fund</p>
Fédération Bancaire Française (FBF) :	<p>Professional organisation created on 1 February 2001 which represents and defends the interests of the banking profession as a whole. Its members include 378 mutual and cooperative commercial banks.</p> <p>Source: FBF</p>

Financial Instrument:

All securities including stocks, debt instruments (including bonds), units or shares of investment funds (see [UCITS](#)) and financial contracts.

Source: Banque de France

Guarantee of performance bonds scheme:

The compensation mechanism that covers performance bonds given by credit institutions in favour of business professionals. The FGDR takes the place of a failed institution when it is no longer able to honour, vis-à-vis the public, the performance bonds issued by it in favour of business professionals who are required by law to provide a guarantee to their customers.

See ["Guarantee of performance bonds scheme" on this site](#).

Source: LE FGDR

Investment bank:

Credit institution that carries out all or some financial market activities: origination, financial analysis, sales, execution and trading, investment, custody and other post-trade activities, merger-acquisition. This type of institution, closely monitored by various supervisory authorities (AMF, Comité des établissements de crédit et des entreprises d'investissement and Commission Bancaire), may have the status of a bank (credit institution) or investment firm.

An investment bank does not receive funds from the public, but finances itself by borrowing from commercial banks.

Source FBF

Investment firm:

Generic term that encompasses **legal entities** that provide investment services as defined in Article L. 321-1 of the Monetary and Financial Code.

Source: Banque de France

Investment services provider:

Investment firm or credit institution that has received authorisation to provide investment services. ISPs provide investment services as their usual activity, including in particular the reception and transmission of orders on behalf of third parties, the execution of orders on behalf of third parties and proprietary trading.

See also [investment services](#).

Source: LE FGDR

Investment services:

Services and activities relating to financial instruments. Investment services include the following services and activities: - execution of orders on behalf of third parties; - proprietary trading; - portfolio management on behalf of third parties; - investment advice; - underwriting; - guaranteed investment; - non-guaranteed investment; - operation of a multilateral trading facility.

See also [Investment Services Provider](#).

Source: Banque Info

Investor compensation scheme :

see [Investor compensation](#).

Investor compensation:

The mechanism that compensates investors, in an amount up to €70,000 per person, per institution, for securities (stocks, bonds, units of UCITS) and other financial instruments which their investment services provider is unable to return to them in case of bankruptcy, and for the associated cash. See "investor compensation" on this site.

See Investor compensation in the ["FGDR guarantees"](#) section.

Source: LE FGDR

Joint tenants account (joint account):

Multiple owners account opened in the name of two or more people who are not necessarily bound by a family relationship or alliance, called co-holders. To open a joint account, the co-holders must sign an account agreement. Any of the co-holders may complete debit and credit transactions on the account on his own – exactly as if he were the sole account holder – including deposits and withdrawals of funds, cashing of cheques, bank transfers, direct debit authorisations, etc.
Source: Banque de France

Legal entity:

Group of individuals that is recognised as having a different legal personality from that of its members and is a legal person. (A distinction is made between public legal entities [central government, departments, communes, regions, public institutions] and private legal entities [companies, syndicates, professional bodies, associations]).
Source: Larousse

LEP:

see **Livret d'Épargne Populaire**

Life insurance policy:

Contract by which the insurer makes a commitment, in return for the payment of contributions or premiums, to pay to the policyholder, the subscriber or his/her designated beneficiaries a lump-sum payout or an annuity in the event of the death or survival of the policyholder, based on the terms and conditions defined in the policy. Life insurance policies are subject to a specific tax regime. Policies may be issued to an individual or a group.
Source: Banque de France

Liquidator:

Trustee appointed by the court in proceedings involving the court-supervised reorganisation or liquidation of a company.
Source: Larousse

Livret Bleu savings account :

Regulated savings account available in the Crédit Mutuel network. As of 1 January 2009, it is no longer possible to open a Livret Bleu account. However, accounts existing as of that date remain in effect. A Livret Bleu account is similar to a **type 'A'** account. A person may not have a type 'A' account and a Livret Bleu account at the same time.
Source: Banque de France

Livret d'Épargne Populaire or LEP savings account :

Regulated savings product available only to individuals whose tax residence is in France and whose income tax does not exceed an amount which is revised each year. The funds deposited into an LEP are available at any time. The term of an LEP is unlimited so long as the tax ceiling requirement is met. However, it may be closed at any time by the account holder. Only one LEP account may be opened per taxpayer plus one for his/her spouse. Children included in the tax household may not hold this type of account. The interest paid on an LEP account is tax-exempt. The maximum amount of deposits is €7,700.
Source: Banque de France

LDD:

see **Livret Développement Durable**

Livret Développement Durable or LDD savings account:

Regulated savings product available only to individuals whose tax residence is in France. The funds deposited are available at any time. An LDD account has an unlimited term. However, it may be closed at any time by the account holder. Only one LDD account may be opened per taxpayer plus one for his/her spouse. The interest paid on an LDD account is tax-exempt. The maximum amount that can be deposited into an LDD account is €12,000.
Source: Banque de France

Livret Jeune savings account:

Regulated savings product available only to individuals aged 12 to 25 who reside in France. For those under age 16, withdrawals from a Livret Jeune account must be authorised by their legal representative. A Livret Jeune account is closed by no later than 31 December following the account holder's 25th birthday and the credit balances are transferred to another account designated by the account holder. The interest paid on a Livret Jeune account is tax-exempt. The interest rate is set by the credit institutions and may not be lower than the type 'A' rate. The maximum amount of deposits is €1,600.
Source: Banque de France

Market value or Fair value:

Price at which an asset can be sold if an active open trading market exists.
Source: FBF

Multiple owners account :

Account opened in the name of several people. In a multiple owners account, the co-holders complete transactions on the account together. In a **joint account**, each co-holder can complete transactions on his/her own.
Source: FBF

Mutual fund (FCP):

UCITS that issues units but which, unlike a company – such as a **SICAV** (open-end investment company) – does not have a legal personality. An investor who purchases units becomes a member of a co-ownership of financial instruments but has no voting rights. The investor is not a shareholder. An FCP is represented by a management company, which provides administrative, financial and accounting management.
Source: Banque de France

Natural person:

An individual as opposed to a **legal entity**. Certain rights are common to both legal entities and natural persons, while others are specific to one category.
Source: Larousse

Net Asset Value:

Price of a unit or share of a **UCITS**. This value is obtained by dividing the total value of the net assets of the UCITS by the number of units or shares. The net asset value must be published and made available to anyone requesting it. This value can fluctuate upwards or downwards.
Source: Banque de France

Obligation/Bond:

(1)- A legal relationship between two persons whereby one of them, the **creditor**, may demand that the other, the debtor, perform a service or refrain from taking an action (positive obligation, negative obligation and obligation to pay a sum of money);
(2)- **Financial instrument** issued by a company, a public authority or the central government. It is a debt security (i.e. it represents a debt) that earns interest and is payable on a date and in an amount specified in advance. During its term, the value of a bond fluctuates upwards or downwards. Sale prior to maturity may result in capital gains or losses.
Source: Banque de France

OCBF:

See **Office de Coordination Bancaire et Financière (OCBF)**

Office de Coordination Bancaire et Financière (OCBF):

Independent professional organisation working closely with the financial markets whose members include banking and finance professionals.
Source: Office de Coordination Bancaire et Financière

Open-end investment companies (SICAV):

Undertaking for Collective Investment in Transferable Securities (**UCITS**) which has a legal personality (company) and issues **stocks** or **bonds**, negotiable debt securities and other financial instruments authorised either by regulations or by the SICAV's Articles of Association. Any person who invests in a SICAV becomes a shareholder and can vote at shareholders' meetings. A SICAV can manage itself or, more often the case, entrust this function to a **UCITS management company**.
Source: Banque de France

Performance bond:	Commitment made by a person to pay the debt of a debtor if the debtor fails to do so. Source: Banque de France
Personal account:	As opposed to a business account .
Plan d'Épargne d'Entreprise (PEE) account:	Type of company savings scheme in which the sums paid by employees are blocked for at least five years, except in cases of early withdrawal. Capital increases reserved for employees generally occur through a PEE. The income and capital gains are exempt from income tax but are subject to social security charges. Source: Banque de France
Plan d'épargne logement (PEL) account:	Regulated savings product that allows loans to be issued to finance expenses related to purchasing a primary residence or, under certain conditions, homes which have another purpose. Unlike a home savings account , the PEL has a minimum term of four years and a maximum term of 10 years. After that time, the scheme can continue to exist but payments can no longer be made to it. The savings interest rate is set for the entire term of the scheme at the rate in effect when the PEL is opened. The money earned on a PEL consists of an interest rate and a government premium. For schemes opened after 12 December 2002, the payment of the premium is linked to the loan being granted. The maximum amount of deposits is €61,200. Source: Banque de France
Plan d'Épargne pour la Retraite Collectif (PERCO) account:	Collective pension savings scheme which allows the employees of a company or group of companies to save, in some cases with help from their employer, by investing in transferable securities . Employees enjoy favourable tax treatment in exchange for their savings being blocked, generally until the retirement age. The sums paid are therefore blocked until the employee retires, barring exceptional circumstances explicitly provided by law. Source: Banque de France
Plan d'Épargne Retraite Populaire (PERP) account:	Group life insurance policy through which savings are built up over a long period of time, leading to the payment of a life annuity upon retirement. The savings are available, at the time of retirement, in the form of a lump-sum payout only for the purchase of a primary residence (first-time home ownership). In addition to the life insurance regulations applicable to PERPs, the operation of this scheme is subject to specific provisions. Under certain conditions, a PERP offers an upfront tax advantage (deduction of the payments made). Source: Banque de France
Plan d'épargne populaire (PEP) account:	Regulated savings product. Since 2003, it is no longer possible to open a new PEP; however, existing PEPs remain in effect and funds can be deposited into them up to the maximum deposit amount (€92,000). At the end of the scheme, the holder may receive a lump-sum payout or a life annuity. Source: Banque de France
Recipient:	Person to whom or to whose order a cheque, bank transfer, etc. must be paid. Source: Les clés de la banque
Referral:	Formality that results in a court "hearing and determining" a dispute. Source: Larousse

Regulated savings:

Regulated savings refers to savings products (savings and other accounts) for which the terms of operation are defined by the public authorities. These terms of operation pertain to interest rate, tax incentive, maximum savings amounts, opening or closing conditions, etc. The public authorities have also determined how the funds collected in these savings and other accounts are used (for example, financing of public housing for **type 'A'** savings accounts, financing of projects that benefit SMEs and work relating to energy savings for **LDD accounts**, etc.). These savings and other accounts are defined in the Monetary and Financial Code under the name "general savings products subject to a specific tax regime".

Source: Banque de France

Remote banking (services):

Services provided by a bank which may or may not have a banking facility or a place where it receives customers and uses new technologies (Internet, telephone, etc.) to complete all or some transactions on a bank account remotely. Also called on-line banking.

Source: Banque de France

Savings account (or Passbook Account):

Savings product that does not have a regulated interest rate or a maximum deposit amount. The funds deposited into this type of account are available at any time. The account has an unlimited term and may be closed at any time by the account holder. The interest paid on this type of account is subject to tax and social security charges.

Savings passbook account:

Type of interest-bearing **deposit account** that has financial and tax advantages. Interest is calculated biweekly. See **Savings account**.

Source: FBF

Securities account:

Account in which the financial instruments (**stocks, bonds, UCITS**, etc.) held by the account holder are registered. Cash movements are not recorded in the securities account.

Source: Banque de France

Security:

General term that refers to stocks and bonds, among other things. In the context of banking, it refers to a **transferable security**.

Source: FBF

SICAV:

see **Open-and investment company**

Stock:

Financial instrument which is a certificate of ownership of a share of the capital of a limited company (listed or not listed on a stock exchange) which confers rights on its holder, the shareholder. The value of a share fluctuates upwards or downwards.

Source: Banque de France

Subrogation:

Substitution of one person (personal subrogation) or one thing (real subrogation) for another in a legal relationship.

Source: Larousse

Suspension of payments:

Suspension of payments occurs when the debtor is no longer able to pay its current debt with its available assets; also called default. This is a more "serious" event than a simple payment default. Under French law, suspension of payments is a condition for initiating judicial receivership and liquidation proceedings.

Source: FGDR

Term account:

Deposit account in which the funds are blocked for a certain time period in return for an interest rate stipulated when the account is opened. The interest paid is subject to tax and social security charges. Also called fixed-term deposit.

Source: Banque de France

Term deposit:

As opposed to a **demand deposit**, interest-bearing **deposit** in a contractual amount with a specified term and interest rate. The cash funds are therefore blocked until the end of a given term. Generally speaking, the return of the blocked funds may not be requested before the end of the term specified in the contract signed between the customer and the bank (without penalties). In return for the funds being blocked, the customer receives an interest rate similar to that of the money market rate.

Source: FBF

Transferable Security:

Security issued by public or private legal entities (for example, a company, SICAV, central and local governments) which provides access, directly or indirectly, to a portion of the issuer's capital or to a right to claim. **Stocks**, **bonds** and units of **mutual funds** are examples of transferable securities. The term "transferable security" has been replaced by financial instrument in the Monetary and Financial Code.

Source: Banque de France

Type 'A' savings account (Livret A):

Regulated savings account that can be opened by any individual and by certain associations. The funds deposited are available at any time. A type 'A' account has an unlimited term. However, it may be closed at any time by the account holder. Only one type 'A' account may be opened per person (including minors). The interest paid on a type 'A' account is tax-exempt. The maximum amount that can be deposited by an individual into a type 'A' account is €22,950.

Source: Banque de France

UCITS management company:

Company that manages **UCITS**, i.e. carries out activities such as UCITS portfolio management and administration and, at times, marketing of units or shares. Management companies are subject to AMF authorisation. The list of authorised management companies can be viewed on the AMF website.

Source: Banque de France

UCITS:

see **Undertaking for Collective Investment in Transferable Securities**

Undertaking for Collective Investment in Transferable Securities:

Term that encompasses **open-end investment companies (SICAV)** and mutual funds (FCP). These entities manage portfolios of **financial instruments** (or **securities**) and issue units or shares which may be subscribed for by individuals or companies. UCITS are authorised by the AMF (or a European regulator) and must comply with management and investment rules. UCITS offer the possibility, particularly for individuals, to access a portfolio of diversified financial instruments managed by a professional. Also called collectively managed savings products.

Source: Banque de France

Unsecured creditor:

An unsecured creditor is a **creditor** that does not have any specific guarantee (lien, pledge, mortgage) which allows it to be paid before other creditors from the proceeds of the sale of the debtor's assets. Only the debtor's present and future assets serve as a guarantee of payment of its claim. If an unsecured creditor is not paid, it may have the debtor's assets sold in order to be paid from the proceeds of the sale; however, it will be in competition with all the other creditors, particularly the preferential creditors.

Source: Service Public

Withdrawal:

Transaction whereby a customer withdraws a certain amount of cash from his account either at an automatic teller machine (ATM) or at the teller window at his bank or payment institution. A withdrawal authorisation limit, as specified in the account agreement or the payment services master agreement, is applied over a seven-day period.

Source: Banque de France