

CPDI – DECISION of 17 January 2017 adopting the Internal Rules of the Council for the Protection of Depositors and Investor (CPDI 2016 004)

THE MEMBERS OF THE COUNCIL FOR THE PROTECTION OF DEPOSITORS AND INVESTORS

Having regard to Article 12-13(3) of the Law of 23 December 1998 establishing a financial sector supervisory commission (“Commission de surveillance du secteur financier”), as amended, hereinafter referred to as the “CSSF Law”;

HAVE ADOPTED THESE INTERNAL RULES

Article 1

Definitions

The terms used in these Internal Rules shall have the same meaning as in the CSSF Law and in the Law of 18 December 2015 on the failure of credit institutions and certain investment firms, as amended.

Article 2

Composition of the CPDI

1. The secretariat of the CPDI shall maintain and keep up to date a list of the members and their substitutes appointed or designated in accordance with Article 12-11(3) of the CSSF Law.
2. Any change to that list shall be reported to the secretariat in a timely manner.

Article 3

Meetings of the CPDI

1. Ordinary meetings shall be convened by the secretariat upon the Chairperson’s request, or if s/he is unavailable, the Director of the Treasury, in principle at least 30 working days in advance.
2. The ordinary meetings of the CPDI shall be held on a half-yearly basis. A projected yearly timetable of the ordinary meetings, drawn up at the beginning of the calendar year, shall be proposed by the secretariat and submitted for approval to the members of the CPDI.
3. In urgent or exceptional circumstances, including the cases referred to in the second subparagraph of Article 12-12(2) of the CSSF Law, the face-to-face meetings or the meetings using

a voice communication system shall be convened with the necessary diligence upon the Chairperson's request, or if s/he is unavailable, the Director of the Treasury.

4. Without prejudice to the provisions of Article 12-12(3) of the CSSF Law, the CPDI, in principle, shall hold its meetings in the CSSF premises.

Article 4

Secretariat

In accordance with Article 12-11(7) of the CSSF Law, a CSSF agent, to be designated by the CPDI, shall carry out the tasks of the secretariat of the CPDI.

Article 5

Agenda

1. The secretariat shall draw up the agenda of the meetings of the CPDI. The members may propose topics to be included on the agenda. In this case, they shall inform the secretariat, in principle within a maximum of fifteen and a minimum of seven working days, prior to the scheduled meeting, and shall provide it with the relevant documents, where appropriate.

2. The secretariat shall be in charge of informing the Chairperson of the subjects and providing him with the documents proposed by the members.

The inclusion of the proposed subjects on the agenda shall be determined by the CPDI Chairperson or, if s/he is unavailable, the Director of the Treasury.

3. The secretariat of the CPDI shall draw up a preliminary agenda for each CPDI meeting and shall transmit it to the Chairperson, with the relevant documents, for approval.

4. The agenda of a CPDI meeting and the relevant documents shall be transmitted to the members, preferably via email, in sufficient time, in principle five working days prior to the scheduled meeting.

5. The final agenda shall be drawn up by the members at the beginning of each CPDI meeting.

6. In urgent or exceptional circumstances, including the cases referred to in the second subparagraph of Article 12-12(2) of the CSSF Law, the time limits in this Article shall not apply.

Article 6

Written procedure

1. If the sound functioning of the CPDI so requires or where necessary in case of an emergency, the Chairperson, or if s/he is unavailable, the Director of the Treasury, may decide to use a written procedure to request a decision of the CPDI. The secretariat shall provide the members with the questions submitted for decision and the relevant documents, and it shall set the time limit for

replying. The time limit cannot be less than 10 working days, except in urgent cases, where the time limit cannot be less than 24 hours. The Chairperson, or if s/he is unavailable, the Director of the Treasury, may grant an extension of the time limit upon duly reasoned request by a member. During this period, if at least two members so request, the decision may be taken by using a voice communication system.

2. After the expiry of the period, the secretariat shall summarise the opinions received and shall communicate to the members of the CPDI the decision adopted in accordance with the voting rules provided for in Article 7.

Article 7

Voting rules

1. The deliberations of the CPDI during face-to-face meetings or meetings held using a voice communication system shall be valid if at least three members are present or represented by their substitute. Except in urgent cases, no decision can be taken on items that are not on the agenda. Without prejudice to the provisions of letter (b) Article 12-17(2) of the CSSF Law, providing for a unanimous decision of all the members of the CPDI for any information request submitted to the Banque centrale du Luxembourg, the decisions shall be taken by a majority of the votes cast by at least three voting members. The number of those who do not participate in the vote shall not be taken into account to determine the number of voters. In the event of a tie, the vote of the Chairperson, or if s/he is unavailable, of the Director of the Treasury, shall be decisive. In case of use of a written procedure, the absence of a reply within the given time limit shall be considered as abstention to vote.

2. The vote shall take place by a show of hands unless at least one member requests a vote by secret ballot.

3. If the quorum is not reached at the beginning of the meeting, the Chairperson may suspend the meeting and convene a new meeting with the same agenda within a reasonable shorter time frame, or use a written procedure.

Article 8

Conflicts of interest

In accordance with Article 12-13(4) of the CSSF Law, a member of the CPDI who, in the discharge of his/her duties, is called upon to decide on a matter in which s/he has direct or indirect personal interests that would jeopardise his/her independence, shall inform the CPDI and shall not take part in the discussions or decisions in question.

Article 9

Minutes of the CPDI's meetings

1. The secretariat shall prepare the draft minutes of the CPDI's meetings.
2. The minutes shall refer to the agenda and the documents submitted to the CPDI, record the decisions taken and/or the conclusions the CPDI reached and shall include the list of the participants. For each decision adopted, the minutes shall also mention the abstentions and the votes cast against the decision.
3. The draft minutes shall be submitted to the members for comments at the latest three weeks after the meeting. The approval shall be made through a written procedure or at the next meeting.
4. Once approved, the minutes shall be signed by the Chairperson as well as by the secretary. A copy shall be sent to the substitute members.

Article 10

Preparatory hearings and activities

1. The CPDI may seek expert advice as provided for in Article 12-16 of the CSSF Law. The persons heard shall not attend the deliberations.
2. The Chairperson may invite any CSSF agent whose presence is required regarding the files discussed to attend the meetings. The invited persons shall not attend the deliberations.
3. The CPDI may request the CSSF's department referred to in Article 12-15 of the CSSF Law to provide technical advice on one or more specific issues.
4. The secretariat shall invite the persons referred to in paragraphs 1 and 2 of this Article.

Article 11

Decisions taken by the CPDI

1. The decisions taken by the CPDI shall be recorded in a register and bear the signature of the Chairperson. A copy of the register may be obtained by any member of the CPDI upon request.
2. Except for the communications that the CPDI decides to make public, the decisions of the CPDI shall not be public.
3. The information that the CPDI decides to make public shall be published on the CSSF's website or by any other appropriate communication means.

Article 12

Professional secrecy

1. The members of the CPDI, their substitutes, the experts consulted as well as any other person called to attend the meetings shall be subject to professional secrecy in accordance with Article 12-13(2) of the amended CSSF Law. Any expert who is not subject to professional secrecy as provided for in the aforementioned paragraph shall, before his/her hearing by the CPDI, undertake in writing to keep the exchanges strictly confidential.
2. The deliberations and minutes of the CPDI shall be confidential. Meetings shall not be held in public.

Article 13

Information exchange

The CPDI shall exchange, duly and in a timely manner, with the Resolution Board and the Executive Board of the CSSF all information necessary to perform their respective duties, either upon request or on a voluntary basis in the absence of any explicit request.

Article 14

Signing authority

1. Regulations, circulars and circular letters shall bear the signature of the Chairperson acting on behalf of the CPDI with the notation "on behalf of the CPDI".
2. Any act that is binding on the CPDI shall bear the signature of the Chairperson.
3. A delegation of signing authority in administrative matters as laid down in the annex to these Internal Rules shall be granted to the Chairperson of the CPDI to sign any act relating to the day-to-day business management of the CPDI.

Article 15

Review clause

These Internal Rules shall be subject to review at the latest one year following their adoption.

Article 16

Entry into force

These Internal Rules shall enter into force on the day following their adoption by the CPDI; it shall be published on the CSSF's website.

Annex :

In accordance with Article 14(3) of the Internal Rules, a delegation of signing authority in administrative matters shall be granted to the Chairperson of the CPDI:

- a) for the administrative tasks related to data collection and the raising of the contributions to be paid to the Fonds de garantie des dépôts Luxembourg (Luxembourg Deposit Guarantee Fund) in accordance with the methodology adopted by the CPDI;
- b) to provide credit institutions that are members of the FGDL, their depositors or authorities and foreign guarantee schemes with answers that require no deliberation of the CPDI;
- c) to implement the guidelines issued by the European Banking Authority that do not allow national options or discretions;
- d) to authorise expenses up to EUR 12,500.