

## Administrative sanctions of 4 and 17 May 2022

**Administrative sanctions  
imposed on the investment firm  
Fuchs & Associés Finance S.A.**

Luxembourg, 1 September 2022

### Internal governance and organisational requirements under MiFID II

On 17 May 2022, the CSSF has imposed two administrative fines amounting to a total amount of EUR 1,015,000 on the investment firm Fuchs & Associés Finance S.A. (hereinafter "**the Investment firm**"). The administrative fines are composed of:

- an amount of EUR 250,000 imposed pursuant to Article 63 (1), 1<sup>st</sup>, 4<sup>th</sup> and 7<sup>th</sup> indents, and (2), 3<sup>rd</sup> indent, of the Law of 5 April 1993 on the financial sector, as amended (hereinafter "**the LFS**"); and
- an amount of EUR 765,000 imposed pursuant to Article 63-2a (1), points 12, 13 and 14, and (4) of the LFS.

These administrative fines are the result of an on-site inspection carried out by the CSSF in the premises of the Investment firm during which have been identified some breaches of :

- the provisions of the LFS and of Circular CSSF 20/758<sup>1</sup>, as applicable at the time of the facts, relating to the internal governance arrangements and notably to the responsibilities of the board of directors and the authorised management, and the rules and professional duties of the internal control functions; and
- the provisions of the LFS, of the Commission Delegated Regulation 2017/565<sup>2</sup> and of the Grand-ducal Regulation of 30 May 2018<sup>3</sup> relating to specific organisational requirements under

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<sup>1</sup> Circular CSSF 20/758 on central administration, internal governance and risk management.

<sup>2</sup> Commission Delegated Regulation 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

<sup>3</sup> Grand-ducal Regulation of 30 May 2018 on the protection of financial instruments and funds belonging to clients, the product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits.

MiFID II and more precisely to the organisation in relation to the provision of portfolio management services, the product governance framework, the assessment of the suitability of investment services, the reporting of significant losses, the management of conflicts of interest, the follow-up of personal transactions and the management of benefits received and paid.

In determining the amount of the administrative fines, the CSSF has taken into consideration the remedial actions already undertaken by the Investment firm in order to address certain identified deficiencies.

This disclosure is done according to Article 63 (2), 2<sup>nd</sup> sub-paragraph and Article 63-3a of the LFS.

### **Market abuse and reporting of transactions in financial instruments**

On 4 May 2022, the CSSF, as competent authority in Luxembourg for the purposes of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (hereinafter "**MAR**") and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (hereinafter "**MiFIR**"), has imposed two administrative fines amounting to a total amount of EUR 537,498.80 on the Investment firm based on Article 12 of the Law of 23 December 2016 on market abuse (hereinafter "**the Market Abuse Law**") and on Article 47 of the Law of 30 May 2018 on markets in financial instruments (hereinafter "**the MIF Law**"), respectively.

A first administrative fine amounting to EUR 412,498.80 has been imposed by the CSSF on the basis of Article 12 (2), sub-paragraph 11, point b, of the Market Abuse Law for the violations, detected following an on-site inspection, concerning the detection and notification of suspicious orders and transactions required by Article 16 (2) MAR and the regulatory technical standards laid down by the Commission Delegated Regulation (EU) 2016/957<sup>4</sup>.

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<sup>4</sup> Commission Delegated Regulation (EU) 2016/957 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the appropriate arrangements, systems and procedures as well as notification templates to be used for preventing, detecting and reporting abusive practices or suspicious orders or transactions.



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A second administrative fine amounting to EUR 125,000 has been imposed on the Investment firm on the basis of Article 47 (2), point 19, of the MIF Law for the violations detected in relation to the reporting of transactions in financial instruments in accordance with Article 26 (1), sub-paragraph 1, and (3) MiFIR.

In the context of the procedure before the CSSF, the Investment firm concerned has committed itself to remedy the violations.

The two administrative sanctions are made public according to Article 34 MAR and Article 49 (1) of the MIF Law, respectively.

