

In case of discrepancies between the French and the English text, the French text shall prevail.

Luxembourg, 25 February 2019

To all credit institutions

CIRCULAR CSSF 19/710

Re: Update of Circular CSSF 15/602 on the documents to be submitted on an annual basis by credit institutions

Ladies and Gentlemen,

The purpose of this circular is to amend Circular CSSF 15/602 on the documents to be submitted on an annual basis by credit institutions.

The amended circular provides further details on the reporting for branches of credit institutions authorised in another Member State for the subjects on which the CSSF maintains a control responsibility as host authority.

Entry into force and various provisions

The changes brought to Circular CSSF 15/602 come into force with immediate effect.

Yours faithfully,

COMMISSION de SURVEILLANCE du SECTEUR FINANCIER

Claude
WAMPACH
Director

Marco
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Director

Jean-Pierre
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Director General

Annexe

**COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER**

In case of discrepancies between the French and the English text, the French text shall prevail.

Luxembourg, 15 January 2015

To all credit institutions

**CIRCULAR CSSF 15/602
as amended by Circular CSSF 19/710**

Re: Documents to be submitted on an annual basis

Ladies and Gentlemen,

By means of Circular CSSF 14/596 we informed you that the CSSF has decided to abolish the VISA procedure for the published annual accounts for all credit institutions (significant and less significant).

The purpose of the present circular is to expose the new practices concerning the various documents to be submitted on an annual basis.

Different situations may be distinguished:

1. Significant institutions
2. Less significant institutions
3. Branches of ~~EU~~-credit institutions authorised in another Member State
4. Branches of third-country ~~non-EEA~~-credit institutions

1. Significant institutions

The following documents have to be addressed directly to the ECB (to the addresses as communicated by the ECB)¹:

¹ More information can be found in the document called “Guide to banking supervision” accessible on the following link:
<https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssmguidebankingsupervision201409en.pdf>

1.1. Documents to be submitted two weeks prior to the Ordinary General Meeting:

- the **short-form report** on annual accounts including particularly the statutory auditor's external auditors opinion, the annual accounts, related explanatory annexes, the management report;
- if the accounts are published in Lux-GAAP, a report **on the reconciliation** between the FINREP prudential reporting and the published annual accounts;
- the proposed **allocation of results** (if not included in the short-form);
- the **list of the members of the Board of Directors** in office during the financial year.

1.2. Documents to be submitted by 31~~0~~ March at the latest:

- the **ICAAP report** (in accordance with Circular CSSF 07/301, as amended);
- the summary report drawn up by the **internal auditor** (in accordance with Circular CSSF 12/552, as amended);
- the annual summary report of the **compliance officer** (in accordance with Circular CSSF 12/552, as amended);
- the summary report of the **risk control function** (in accordance with Circular CSSF 12/552, as amended);
- **confirmation** by the authorised management of compliance with the Circular CSSF **12/552** as amended by Circulars CSSF 13/563 and CSSF 14/597 (central administration, internal governance and risk management), by way of a single written sentence followed by the signatures of all the members of the authorised management²;
- **confirmation** by the authorised management of compliance with the Circular CSSF **13/555** ("Single Customer View") by way of a single written sentence followed by the signatures of all the members of the authorised management.^{2,3}

1.3. Documents to be submitted one month at the latest following the Ordinary General Meeting:

- the annual **long form audit report** drawn up by the statutory auditor (in accordance with Circular CSSF 01/27, as amended). As the summary reports of the internal control functions are transmitted separately to the CSSF in accordance with point 1.2 above, they do not have to be transmitted as an annexe of the long form audit report.

2. Less significant institutions

The following documents have to be addressed to the CSSF:

² ~~+3~~ -Where due to non-compliance, the authorised management is not able to confirm full compliance with the circular, the aforementioned statement takes the form of a reservation which outlines the non-compliance items by providing explanations on their raison d'être.

2.1. Documents to be submitted two weeks prior to the Ordinary General Meeting:

- the **short form report** on annual accounts including particularly the statutory auditor's external auditors opinion, the annual accounts, related explanatory annexes, the management report;
- if the accounts are published in Lux-GAAP, a report **on the reconciliation** between the FINREP prudential reporting and the published annual accounts;
- the proposed **allocation of results** (if not included in the short form report);
- the **list of the members of the Board of Directors** in office during the financial year.

2.2. Documents to be submitted by 30¹ March at the latest:

- the **ICAAP report** (in accordance with Circular CSSF 07/301, as amended);
- the summary report drawn up by the **internal auditor** (in accordance with Circular CSSF 12/552, as amended);
- the annual summary report of the **compliance officer** (in accordance with Circular CSSF 12/552, as amended);
- the summary report of the **risk control function** (in accordance with Circular CSSF 12/552, as amended);
- **confirmation** by the authorised management of compliance with the Circular CSSF **12/552** as amended by Circulars CSSF 13/563 and CSSF 14/597 (central administration, internal governance and risk management), by way of a single written sentence followed by the signatures of all the members of the authorised management³;
- **confirmation** by the authorised management of compliance with the Circular CSSF **13/555** ("Single Customer View") by way of a single written sentence followed by the signatures of all the members of the authorised management.⁵

2.3. Documents to be submitted one month at the latest following the Ordinary General Meeting:

- the annual **long form audit report** drawn up by the statutory auditor (in accordance with Circular CSSF 01/27, as amended). As the summary reports of the internal control functions are transmitted separately to the CSSF in accordance with point 2.2 above, they do not have to be transmitted as an annexe of the long form audit report.

3. **Branches of EU credit institutions authorised in another Member State**

The following documents has^{ve} to be addressed to the CSSF:

³ ⁺⁵—Where due to non-compliance, the authorised management is not able to confirm full compliance with the circular, the aforementioned statement takes the form of a reservation which outlines the non-compliance items by providing explanations on their raison d'être.

3.1. Document to be submitted by 31 March at the latest:

- the summary report drawn up by the **internal auditor of the branch or the internal audit report of the registered office** covering, for the branch, the subjects on which the CSSF maintains a control responsibility as host authority;
- the summary report of the **compliance officer of the branch or the report of the compliance function of the registered office** covering, for the branch, the subjects on which the CSSF maintains a control responsibility as host authority.

The report to be provided on an annual basis to the CSSF by the compliance function shall cover its functioning and all the activities and events linked to the subjects concerned, i.e. the main recommendations issued, the deficiencies, irregularities and significant problems (existing or emerging), the corrective and preventive measures put in place as well as a statement of the significant shortcomings, irregularities and problems which have not yet been the subject of appropriate corrective measures. Moreover, the report shall indicate the general state of its control area and the adequacy of the available human and technical resources.

As the host authority of a branch of a credit institution authorised in another Member State, the CSSF maintains the responsibility for the supervision of the **fight against money laundering and terrorist financing** and of the **conduct of business rules when providing investment services**.

In accordance with Circular CSSF 12/552, as amended, the branches of credit institutions authorised in another Member State must establish governance and internal control arrangements (including relevant reporting mechanisms) similar to those of Luxembourg credit institutions.

3.2. Document to be submitted by 30 June at the latest:

- the statutory auditors' report ~~by the external auditor~~ on specific subjects on which the CSSF maintains a control responsibility as host authority, in particular as regards compliance with the rules on the prevention of **money laundering** and compliance with **conduct of business rules** when providing investment services to clients (in accordance with the provisions of Circular CSSF 07/325).

To draw up its report, the statutory auditor shall apply mutatis mutandis the provisions applicable to the drawing-up of the annual long form audit report as concerns compliance with professional obligations as regards the fight against money laundering and terrorist financing and conduct of business rules when providing investment services. The statutory auditor's report must include a description of the procedures and controls in place at the branch as well as the appreciation of the statutory auditor. The descriptive sections of the reports are put at the disposal of the statutory auditor by the branches.

4. Branches of ~~non-EEA~~ third-country credit institutions

The following documents have to be addressed to the CSSF:

4.1. Documents to be submitted by 31~~0~~ March at the latest:

- the **ICAAP report** (in accordance with Circular CSSF 07/301, as amended);
- the summary report drawn up by the **internal auditor** (in accordance with Circular CSSF 12/552, as amended);
- the ~~annual summary~~ report of the **compliance officer** (in accordance with Circular CSSF 12/552, as amended);
- the summary report of the **risk control function** (in accordance with Circular CSSF 12/552, as amended);
- **confirmation** by the authorised management of compliance with the Circular CSSF 12/552 as amended by Circulars CSSF 13/563 and CSSF 14/597 (central administration, internal governance and risk management), by way of a single written sentence followed by the signatures of all the members of the authorised management⁴;
- **confirmation** by the authorised management of compliance with the Circular CSSF **13/555** ("Single Customer View") by way of a single written sentence followed by the signatures of all the members of the authorised management.⁴

4.2. Documents to be submitted by 30 June at the latest:

- the **annual report** of the **parent company**;
- the **short form** report on annual accounts of the **branch** including particularly the ~~external statutory~~ auditor's opinion, the annual accounts, related explanatory annexes, the management report;
- the annual **long form audit report of the branch** drawn up by the statutory auditor (in accordance with Circular CSSF 01/27, as amended). **As the summary reports of the internal control functions are transmitted separately to the CSSF in accordance with point 4.1 above, they do not have to be transmitted as an annexe of the long form audit report.**

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER



Claude SIMON
Directeur



Jean GUILL
Directeur général

⁴ ~~+~~ - Where due to non-compliance, the authorised management is not able to confirm full compliance with the circular, the aforementioned statement takes the form of a reservation which outlines the non-compliance items by providing explanations on their raison d'être.