

COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER

CSSF
NEWSLETTER

No. 120

January 2011



HUMAN RESOURCES

Since the publication of the last Newsletter, the CSSF has recruited 3 new agents who were assigned to the following departments:

General Supervision

Annick BOVÉ

Legal Department

Yasmin GABRIEL

Supervision of Investment Firms

Annick HUCKER

The CSSF counts 365 agents of which 193 are men and 172 are women as at 13 January 2011.

NATIONAL REGULATION

■ COMING INTO FORCE OF THE LAW OF 17 DECEMBER 2010 RELATING TO UNDERTAKINGS FOR COLLECTIVE INVESTMENT

The CSSF draws your attention to the publication (in *Mémorial A* – N° 239 of 24 December 2010) of the law of 17 December 2010 relating to undertakings for collective investment and of the CSSF regulations N° 10-4 and N° 10-5 implementing the above-mentioned law.

This law of 17 December 2010 (the "new law") transposes into Luxembourg law among others Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("Directive 2009/65/EC"). The new law also amends certain Luxembourg legal provisions relating to undertakings for collective investment ("UCIs") and, in addition, it amends the law of 13 February 2007 relating to specialised investment funds as well as the law of 4 December 1967 on income tax, as amended.

CSSF regulations N° 10-4 and N° 10-5 transpose into Luxembourg law (i) Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depository and a management company, and (ii) Commission Directive 2010/44/EU of 1 July 2010 implementing Directive 2009/65/EC as regards certain provisions concerning fund mergers, master-feeder structures and notification procedure.

Compared to the law of 2002, the main amendments in the new law which do not result from the transposition of Directive 2009/65/EC are:

- UCIs in company form are excluded from the requirement to send annual reports to registered unitholders at the same time as the convening notice for the annual general meeting (Articles 26(3) and 99(8));
- having regard to the important number of subscriptions and redemptions and, thus, of amendments in the unitholder register to which a UCI in company form may be subject, the convening notices to the general meetings may set out that the quorum and the majority at the general meeting be determined according to the units issued and outstanding on the fifth day prior to the general meeting (Articles 26(4) and 99(9));
- if the articles of incorporation of a UCI in company form are drawn up in English, this UCI is excluded from the requirement to provide a French or German translation for the registration of the articles of incorporation (Articles 26(2), 99(7), 189 and 190);
- as regards the delegation, the manager of a UCI under Part II of the law of 2002 shall be subject to an agreement and a supervision by a supervisory authority likely to exchange information with the CSSF (Articles 95(2) and 99(6), subparagraph 2).

The new law entered into force on 1 January 2011.

On 10 January 2011, the CSSF published Circular CSSF 11/498 which provides a general description of the provisions of the new law and draws attention to other enforcement measures of Directive 2009/65/EC (measures of level 2 and 3).

Useful link: www.cssf.lu

■ PUBLICATION OF CIRCULARS CSSF 10/496 AND CSSF 10/497

On 27 December 2010, the CSSF published circulars CSSF 10/496 (aimed at credit institutions) and CSSF 10/497 (aimed at investment firms). These circulars, which amend circulars CSSF 06/273 and CSSF 07/290 defining capital ratios pursuant to Article 56 of the law of 5 April 1993 on the financial sector, as amended, transpose Directive 2010/76/EU of the European Parliament and of the Council of 24 November 2010 ("CRD III") into Luxembourg law.

The amendment included in circulars CSSF 10/496 and CSSF 10/497 refer, among others, to:

1. Remuneration policies

The above-mentioned circulars transpose into national law the provisions of CRD III regarding remuneration policies in the financial sector. Credit institutions and investment firms must put in place remuneration policies and practices which allow and promote sound and effective risk management. It should be pointed out that compared to Circular CSSF 10/437 the points n, o, p and q of Section 12, point (2) of these circulars provide essential amendments for banks and investment firms concerned.

As regards the provisions which transpose the requirements regarding remuneration policies, it should be pointed out that credit institutions and investment firms must also apply the principles set out in point (2) of Section 12 (i.e. points 4-1, 4-2 and 4-3 of Part XVII of Circular CSSF 06/273 for credit institutions respectively of Circular CSSF 07/290 for investment firms):

- i) to remunerations due based on contracts signed before 1 January 2011 and granted or paid after this date; and
- ii) to remunerations granted but not paid before 1 January 2011, for services provided in 2010.

2. Capital requirements for trading book and for re-securitisations

The following changes need to be pointed out in particular:

Capital requirements for settlement/delivery risk are not limited to the activities of trading book any more, but were extended to the entire banking activity.

The institutions using internal models for the calculation of capital requirements due with respect to the market risk shall henceforth also calculate a "value-at-risk in a crisis situation" and, where applicable and concerning debt securities in the trading book, shall put in place an approach which allows taking into account the additional default and migration risks.

The possibility is given to the institutions to include price risks as regards the related trading book in the ambit of the internal model for the calculation of capital requirements with respect to the market risks.

The securitised products in the trading book will be dealt with according to the provisions applicable to the non-trading book.

Specific treatment and risk weighting are introduced for re-securitisations.

The provisions relating to remuneration policies came into force on 1 January 2011. The other provisions of circulars CSSF 10/496 and CSSF 10/497 will come into force on 31 December 2011.

NEWS

■ ESMA

ESMA (European Securities and Markets Authority) is the new European authority for markets which recently became operational. The Board of Supervisors which is ESMA's decision-making body and which brings together the national supervisory bodies of the 27 Member States elected the members of the Management Board and validated the internal rules and procedures. Mr Jean Guill, Director General of the Commission de Surveillance du Secteur Financier (CSSF) was elected one of the six members of this Management Board.

www.esma.europa.eu

■ TO ALL ENTITIES SUBJECT TO THE PUBLIC OVERSIGHT OF THE AUDIT PROFESSION BY THE CSSF: COMMUNICATION REGARDING THE UPDATE OF ADMINISTRATIVE DATA

In accordance with Article 11 of the law of 18 December 2009 concerning the audit profession, the CSSF administrates the **public register** of *réviseurs d'entreprises agréés* (approved statutory auditors) and *cabinets de révision agréés* (approved audit firms) which is available electronically on the CSSF website.

As indicated in Circular CSSF 10/439 of 22 February 2009:

*"Every year, during the month of January, the CSSF requests all "cabinets de révision" (audit firms), "réviseurs d'entreprises" (statutory auditors) and trainee "réviseurs d'entreprises" (statutory auditors) to confirm or to update their personal data by adding the required documentary evidence. Moreover, the "cabinets de révision agréés" (approved audit firms) and "réviseurs d'entreprises agréés" (approved statutory auditors) shall complete the **Annual Appendix.**"*

In order to do so, the CSSF published on its website at www.cssf.lu a new version of the form **Annual Appendix** as well as electronic forms for the **update** of data for:

- *cabinets de révision* (audit firms) and *cabinets de révision agréés* (approved audit firms);
- *réviseurs d'entreprises* (statutory auditors) exercising in a firm;
- independent *réviseurs d'entreprises* (statutory auditors) or *réviseurs d'entreprises* (statutory auditors) exercising in an undertaking;
- trainee *réviseurs d'entreprises* (statutory auditors).

In order to fulfil the set goal of confirming or updating the data, the CSSF will proceed as follows:

- **for the *cabinets de révision agréés* (approved audit firms)**, the CSSF will send an email with the data included in the CSSF register on 1 January 2011 to the CSSF's primary contact person in the firm appointed as such during the registration. The latter has to organise the confirmation or the update of the data by using the relevant form and by transmitting the required documentary evidence *via* the portal "de Guichet".
- **for the *réviseurs d'entreprises agréés* (approved statutory auditors)**, the CSSF will send an email with the data included in the CSSF register on 1 January 2011 to every *réviseur d'entreprises agréé* (approved statutory auditor). Every statutory auditor has to confirm or update the data by using the relevant form and by transmitting the required documentary evidence *via* the portal "de Guichet".
- **for the trainee *réviseurs d'entreprises* (statutory auditors)**, the CSSF will send an email with a table indicating the data included in the CSSF register on 1 January 2011 to the persons in charge of human resources (HR) of every firm. The persons in charge of HR will organise the confirmation or the update of the data with the trainees of their firm by using the relevant form and by transmitting the required documentary evidence *via* the portal "de Guichet".

Apart from the form for the update of the data, the Annual Appendix shall be transmitted by all *cabinets de révision agréés* (approved audit firms) and all *réviseurs d'entreprises agréés* (approved statutory auditors) *via* the portal "de Guichet".

The deadline for receiving all the forms and required documentary evidence is set on **14 February 2011**.

■ PUBLICATION OF 22 DECEMBER 2010: CEBS ADAPTS THE TIMELINE FOR THE REVISED FINANCIAL REPORTING FRAMEWORK

On 15 December 2009, CEBS published a provisional revised version of the FINREP reporting framework (FINREP rev2) which shall apply from 1st January 2012. At the same time, CEBS decided to review FINREP rev2 in the course of 2010, in order to take into account the IASB changes, particularly the IAS 39 and IAS 1 replacement that were scheduled to be agreed in 2010.

However, as IASB has not, so far, fully finalised the above replacement projects, CEBS has decided that a new revised financial reporting framework (FINREP rev3) will be published by the EBA¹ by the end of 2011,

¹ The EBA (European Banking Authority) has taken over all tasks and responsibilities from the Committee of European Banking Supervisors (CEBS) as of 1st January 2011. The EBA was established by Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010.

with an application date of 1st January 2013. This decision has been published by CEBS in its "latest news" dated 22 December 2010, available at the following address: <http://www.eba.europa.eu/News--Communications/Latest-news/CEBS-adapts-the-timeline-for-the-revision-of-the-G.aspx#>

Following the decision by CEBS to publish a revised version of the FINREP rev3 framework by the end of 2011, the CSSF has decided not to implement FINREP rev2 as from 1st January 2012.

■ PUBLICATION BY THE EUROPEAN COMMISSION FOR PUBLIC CONSULTATION ON THE COMMUNICATION REGARDING THE REINFORCEMENT OF NATIONAL SANCTIONING REGIMES IN THE FINANCIAL SERVICES SECTOR

On 8 December 2010, the European Commission published a consultation document on the reinforcement of the national sanctioning regimes in the financial services sector. The public consultation period is open for over two months, i.e. from 8 December 2010 to 19 February 2011.

The consultation document is available on the European Commission's website at:

http://ec.europa.eu/internal_market/consultations/2010/sanctions_en.htm

■ PUBLICATION BY THE EUROPEAN COMMISSION FOR PUBLIC CONSULTATION ON THE REVIEW OF THE MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE (MIFID)

On 8 December 2010, the European Commission published a document for public consultation on the review of MiFID. The proposed changes will have an impact on intermediaries of Luxembourg's financial centre. The public consultation period is open for almost two months, i.e. from 8 December 2010 to 2 February 2011.

The consultation document is available on the European Commission's website at:

http://ec.europa.eu/internal_market/consultations/2010/mifid_en.htm

SANCTIONS

■ UCIS / SIFS

In accordance with Article 108(1) of the law of 20 December 2002 relating to undertakings for collective investment respectively with Article 51(1) of the law of 13 February 2007 relating to specialised investment funds, the CSSF imposed administrative fines on the managers of several UCIs/SIFs for non filing of audited annual reports within the allotted time limit.

■ AUDIT PROFESSION

- Administrative fine imposed on Mr Marc Edouard HOYDONCKX by the CSSF. – In accordance with Article 67 of the law of 18 December 2009 concerning the audit profession, on 25 November 2010, the CSSF imposed an administrative fine of EUR 1,500 on Mr Marc Edouard HOYDONCKX for not communicating the requested documents and other information.

- Suspension imposed on Mr Marc Edouard HOYDONCKX by the CSSF. – In accordance with Article 67 of the law of 18 December 2009 concerning the audit profession, on 21 December 2010, the CSSF imposed on Mr Marc Edouard HOYDONCKX the suspension of the authorisation referred to in Article 5 of the above-mentioned law and of the registration in the public register.

The sanctions imposed above were published in *Mémorial* B N°4 of 17 January 2011.

WARNING

Warning of 12 January 2011

The Commission de Surveillance du Secteur Financier (CSSF) draws the attention of the public on the publication by the supervisory authorities of Norway (Finanstilsynet), Belgium (Banking, Finance and Insurance Commission (CBFA)) and the Netherlands (Autoriteit Financiële Markten) of a warning concerning the activities of a company named Iberia Securities established in Spain.

The CSSF warns the public that the activities of Iberia Securities are, according to the information available to the CSSF, proposing investment transactions in financial instruments to persons contacted on the Luxembourg territory through unsolicited phone calls.

PRESS RELEASES

■ PROFIT AND LOSS ACCOUNT OF CREDIT INSTITUTIONS AS AT 31 DECEMBER 2010

Press release 11/01 of 19 January 2011

Based on provisional figures¹, the Commission de Surveillance du Secteur Financier estimates profit before provisions of the Luxembourg banking sector at EUR 4,773 million for the financial year 2010. Compared to 2009, profit before provisions thus decreased by 20.8%.

*The sharp fall in profit before provisions mainly stems from the **decline by EUR 1,026 million in the interest-rate margin** as compared to last year. It essentially reflects the reduction in their intermediation activity which the Luxembourg banks have had to incur since the financial crisis. Indeed, at the beginning of 2009, the aggregated balance sheet total, which roughly allows to measure the intermediation activity, exceeded EUR 900 billion. At that time, banks recorded substantial intermediation revenues, which resulted in a high interest-rate margin for 2009. In 2010, with an average aggregated balance sheet of EUR 790 billion, the volume of intermediation activity decreased. Furthermore, in a context of less favourable interest rates, the commercial margin which banks benefit on intermediation transactions from, was reduced. The interest-rate margin consequently dropped by 16% as compared to last year.*

The other net income item whose positive development largely sustained the banks' profits in 2009 decreased by EUR 498 million in 2010. This sharp decline essentially stems from the lower fair value variations which banks recorded in the market value of their securities portfolios. It should also be noted that fair value gains

on these securities had been particularly high in 2009 due to a generalised upturn in financial markets as compared to the end of 2008.

Only **commission income recorded an increase**. Its progression, which reached 12.6% on an annual basis, confirms the important position of Luxembourg banks in asset management activities on behalf of private and institutional customers, including services offered to investment funds.

Overall, the above indicated factors resulted in a **banking income which decreased by 11.2%** in 2010 as compared to 2009.

When adding the 2.6% **increase in general expenses**, profit before provisions falls by 20.8%.

Based on the provisional figures currently available but not yet audited, the net impairments of financial assets which have not been booked in item "Other net income" are expected to further decrease as compared to 31 December 2009. The value re-adjustments, motivated by a more favourable economic situation, should thus nevertheless allow a significant increase in the 2010 net profit.

Profit and loss account as at 31 December 2010

Items in million EUR	December 2009	December 2010	%
Interest-rate margin ²	6,404	5,378	-16.0%
Commissions received	2,985	3,360	+12.6%
Other net income	847	349	-58.8%
Banking income	10,236	9,088	-11.2%
Staff costs	2,313	2,347	+1.5%
Other general expenses	1,893	1,968	+3.9%
General expenses	4,206	4,315	+2.6%
Result before provisions	6,030	4,773	-20.8%

¹ Survey carried out on a sample of 98.59% of the profit before provisions of the financial year 2009.

² Including dividends received from subsidiaries

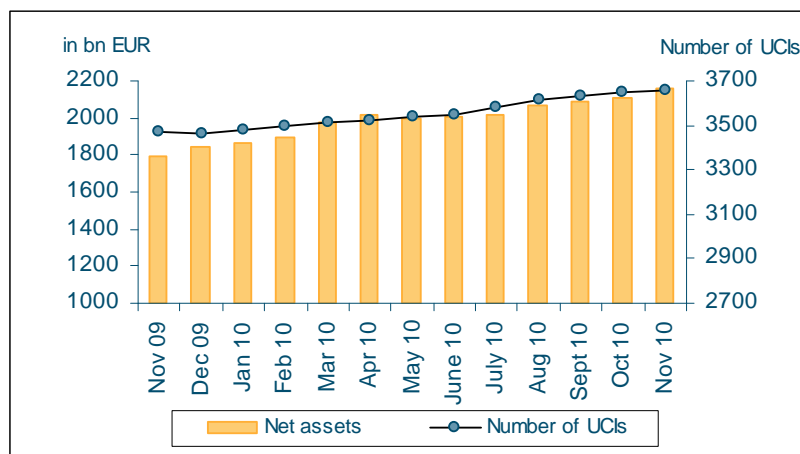
■ GLOBAL SITUATION OF UNDERTAKINGS FOR COLLECTIVE INVESTMENT AND SPECIALISED INVESTMENT FUNDS AT THE END OF NOVEMBER 2010

Press release 10/25 of 31 December 2010

I. Overall situation

As at 30 November 2010, total net assets of undertakings for collective investment and specialised investment funds reached EUR 2,160.872 billion compared to EUR 2,107.575 billion as at 31 October 2010, i.e. a 2.53% growth over one month. Over the last twelve months, the volume of net assets increased by 20.79%.

Overall, the Luxembourg UCI industry registered a positive variation amounting to EUR 53.297 billion during November. This increase results from both the favourable impact of the financial markets amounting to EUR 37.034 billion (+1.76%) and the positive net issues amounting to EUR 16.263 billion (+0.77%).



The number of undertakings for collective investment (UCIs) and specialised investment funds (SIFs) taken into consideration totalled 3,656 as against 3,645 in the previous month. A total of 2,284 entities have adopted an umbrella structure, which represents 11,505 sub-funds. When adding the 1,372 entities with a traditional structure to the previous figure, a total of 12,877 entities are active in the financial centre.

As regards the impact of the financial markets and net capital investment on Luxembourg UCIs, the following can be said about November 2010.

Most categories of equity UCIs registered price increases. This development may be explained by the fact that the negative trend in equity markets, due to investors' uncertainties regarding the European sovereign debt, was compensated on many markets by a USD appreciation of over 6% compared to EUR.

In Japan, the results of undertakings which were better than predicted caused an increase of about 8% in Japanese equity UCIs.

All in all, nearly all categories of equity UCIs registered profits and positive net issues.

Development of equity UCIs during the month of November 2010*

	Market variation	Net issues
Global market equities	3.58%	0.37%
European equities	-1.18%	-0.48%
US equities	6.52%	0.00%
Japanese equities	8.69%	1.24%
Eastern European equities	2.05%	1.76%
Asian equities	4.01%	1.86%
Latin American equities	3.81%	2.93%
Other equities	3.53%	2.26%

* Variation in % of net assets as compared to the previous month

On European government bond markets, new doubts in relation to tensions on the markets of eurozone sovereign debt lead to an increase in the yield volatility and a decrease in prices.

Consequently, bond UCIs denominated in EUR suffered a fall in prices and negative net issues.

In the United States, doubts in relation to the announcement of a new phase in the expansive monetary policy triggered an increase in the volatility of yields of US government bonds. As regards Luxembourg bond UCIs denominated in USD, the fall in prices was compensated by a USD vs. EUR appreciation.

Development of fixed-income UCIs during the month of November 2010*

	Market variation	Net issues
EUR money market	0.00%	2.51%
USD money market	6.56%	-0.15%
Global market money market	2.07%	-2.78%
EUR-denominated bonds	-1.65%	-0.70%
USD-denominated bonds	3.63%	-1.58%
Global market bonds	0.83%	1.01%
High Yield bonds	1.69%	2.52%
Others	1.04%	-0.78%

* Variation in % of net assets as compared to the previous month

The development of net assets of Luxembourg diversified income UCIs and of funds of funds during the month of November is illustrated in the table below:

Diversified income UCIs and funds of funds during the month of November 2010*

	Market variation	Net issues
Diversified UCIs	0.76%	0.78%
Funds of funds	1.05%	0.72%

• Variation in % of net assets as compared to the previous month

II. Breakdown of the number and the net assets of UCIs according to Parts I and II of the 2002 law and SIFs

	PART I UCIs		PART II UCIs		SIFs		TOTAL	
	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)
28/02/2007	1,490	1,568.660 €	561	259.029 €	227	81.018 €	2,278	1,908.707 €
31/03/2007	1,457	1,580.732 €	563	265.013 €	228	81.615 €	2,248	1,927.360 €
30/04/2007	1,461	1,613.851 €	571	269.882 €	244	83.263 €	2,276	1,966.996 €
31/05/2007	1,469	1,660.616 €	578	277.244 €	255	86.802 €	2,302	2,024.662 €
30/06/2007	1,492	1,675.029 €	584	283.491 €	276	88.502 €	2,352	2,047.022 €
31/07/2007	1,519	1,676.027 €	586	285.907 €	302	91.043 €	2,407	2,052.977 €
31/08/2007	1,538	1,649.820 €	585	288.727 €	337	96.757 €	2,460	2,035.304 €
30/09/2007	1,547	1,668.478 €	588	289.818 €	366	100.848 €	2,501	2,059.144 €
31/10/2007	1,599	1,713.963 €	608	297.171 €	411	112.385 €	2,618	2,123.519 €
30/11/2007	1,639	1,652.126 €	618	294.554 €	504	117.117 €	2,761	2,063.797 €
31/12/2007	1,653	1,646.341 €	643	295.939 €	572	117.115 €	2,868	2,059.395 €
31/01/2008	1,662	1,539.494 €	653	293.197 €	617	118.450 €	2,932	1,951.141 €
29/02/2008	1,680	1,543.385 €	654	296.900 €	638	122.560 €	2,972	1,962.845 €
31/03/2008	1,700	1,480.352 €	663	292.614 €	649	122.479 €	3,012	1,895.445 €
30/04/2008	1,733	1,541.312 €	675	296.483 €	675	126.281 €	3,083	1,964.076 €
31/05/2008	1,736	1,566.198 €	678	303.800 €	691	126.961 €	3,105	1,996.959 €
30/06/2008	1,755	1,480.895 €	682	292.539 €	716	128.658 €	3,153	1,902.092 €
31/07/2008	1,784	1,471.973 €	688	292.279 €	748	132.105 €	3,220	1,896.357 €
31/08/2008	1,817	1,487.918 €	695	293.025 €	772	137.050 €	3,284	1,917.993 €
30/09/2008	1,827	1,375.104 €	699	285.360 €	796	136.232 €	3,322	1,796.696 €
31/10/2008	1,845	1,243.344 €	701	270.891 €	805	132.793 €	3,351	1,647.028 €
30/11/2008	1,840	1,206.535 €	709	265.744 €	815	131.958 €	3,364	1,604.237 €
31/12/2008	1,826	1,169.389 €	708	259.809 €	837	130.455 €	3,371	1,559.653 €

Commission de Surveillance du Secteur Financier

31/01/2009	1,837	1,183.116 €	710	252.878 €	851	135.540 €	3,398	1,571.534 €
28/02/2009	1,838	1,149.100 €	709	246.367 €	855	134.824 €	3,402	1,530.291 €
31/03/2009	1,840	1,154.891 €	698	240.229 €	858	131.443 €	3,396	1,526.563 €
30/04/2009	1,847	1,213.147 €	697	240.906 €	871	138.879 €	3,415	1,592.932 €
31/05/2009	1,849	1,243.508 €	693	235.626 €	883	140.135 €	3,425	1,619.269 €
30/06/2009	1,846	1,255.762 €	691	232.770 €	898	142.724 €	3,435	1,631.256 €
31/07/2009	1,848	1,327.841 €	684	234.610 €	906	143.579 €	3,438	1,706.030 €
31/08/2009	1,851	1,360.316 €	678	232.282 €	920	146.819 €	3,449	1,739.417 €
30/09/2009	1,849	1,394.016 €	670	229.669 €	938	150.149 €	3,457	1,773.834 €
31/10/2009	1,844	1,399.816 €	664	227.254 €	946	150.458 €	3,454	1,777.528 €
30/11/2009	1,858	1,415.274 €	651	221.603 €	964	152.033 €	3,473	1,788.910 €
31/12/2009	1,843	1,465.743 €	649	221.203 €	971	154.047 €	3,463	1,840.993 €
31/01/2010	1,842	1,477.013 €	649	220.250 €	989	163.425 €	3,480	1,860.688 €
28/02/2010	1,843	1,511.384 €	646	221.532 €	1,009	165.018 €	3,498	1,897.934 €
31/03/2010	1,847	1,584.238 €	643	226.268 €	1,026	170.032 €	3,516	1,980.538 €
30/04/2010	1,842	1,611.938 €	640	227.551 €	1,039	173.398 €	3,521	2,012.887 €
31/05/2010	1,846	1,589.202 €	637	225.773 €	1,059	177.438 €	3,542	1,992.413 €
30/06/2010	1,843	1,600.977 €	636	224.773 €	1,071	184.887 €	3,550	2,010.637 €
31/07/2010	1,849	1,610.800 €	638	222.244 €	1,095	186.179 €	3,582	2,019.223 €
31/08/2010	1,855	1,653.112 €	637	223.081 €	1,122	192.797 €	3,614	2,068.990 €
30/09/2010	1,858	1,667.806 €	631	220.834 €	1,144	195.100 €	3,633	2,083.740 €
31/10/2010	1,854	1,688.755 €	630	219.558 €	1,161	199.262 €	3,645	2,107.575 €
30/11/2010	1,851	1,733.602 €	629	219.956 €	1,176	207.314 €	3,656	2,160.872 €

■ PUBLICATION OF DIRECTIVE 2010/73/EU AMENDING THE PROSPECTUS DIRECTIVE AND THE TRANSPARENCY DIRECTIVE AND ITS IMMEDIATE CONSEQUENCES REGARDING TRANSPARENCY REQUIREMENTS FOR ISSUERS CONSIDERING TO ISSUE AFTER 30 DECEMBER 2010 DEBT SECURITIES THE DENOMINATION PER UNIT OF WHICH IS LESS THAN EUR 100,000

Press release 10/24 of 20 December 2010

Directive 2010/73/EU of 24 November 2010 amending directive 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading (Prospectus Directive) and directive 2004/109/EC on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (Transparency Directive) has been published on 11 December 2010 in the Official Journal of the European Union and will enter into force on 31 December 2010.

Regarding the amendments to the Transparency Directive, the Commission de Surveillance du Secteur Financier (CSSF) points out that the grandfathering clause provided for in article 2 of directive 2010/73/EU only applies to debt securities the denomination per unit of which is at least EUR 50,000 (or its equivalent in any other currency) and which have been admitted to trading on a regulated market before 31 December 2010, for as long as such debt securities are outstanding.

Pour issuers which issue debt securities with a denomination per unit below EUR 100,000 (or its equivalent in any other currency) on 31 December 2010 or after such date, this means they will have to comply with all the transparency requirements which currently apply to issuers having issued debt securities with a denomination per unit below EUR 50,000 (or its equivalent in any other currency), including the requirements to **prepare annual and half-yearly financial reports**. Where

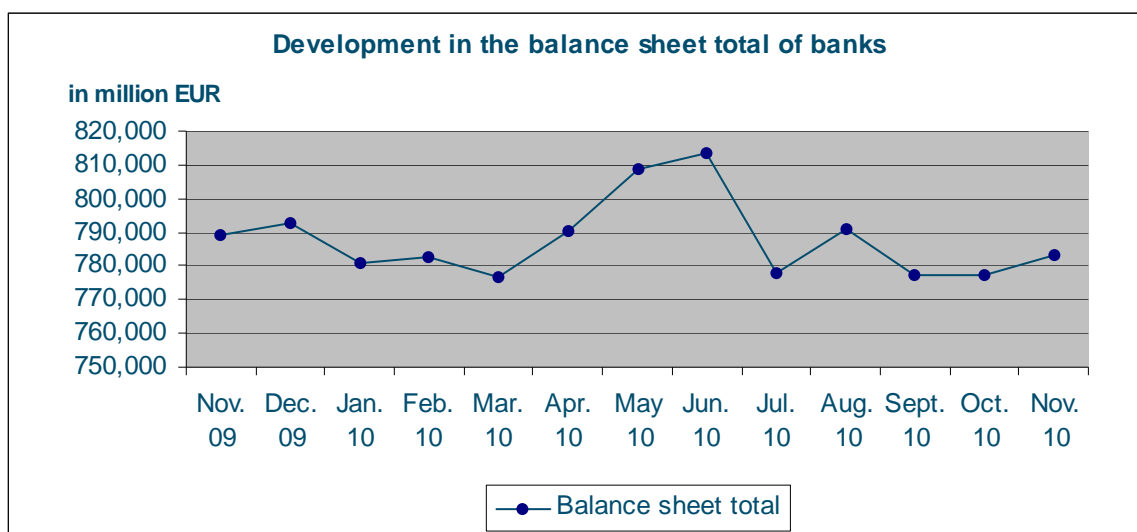
Luxembourg is the home Member State for such an issuer under the law of 11 January 2008 on transparency requirements for issuers of securities, these obligations will apply to such an issuer as from the date these provisions enter into force under Luxembourg law.

Directive 2010/73/UE provides that it must be implemented no later than 1st July 2012.

STATISTICS

■ BANKS

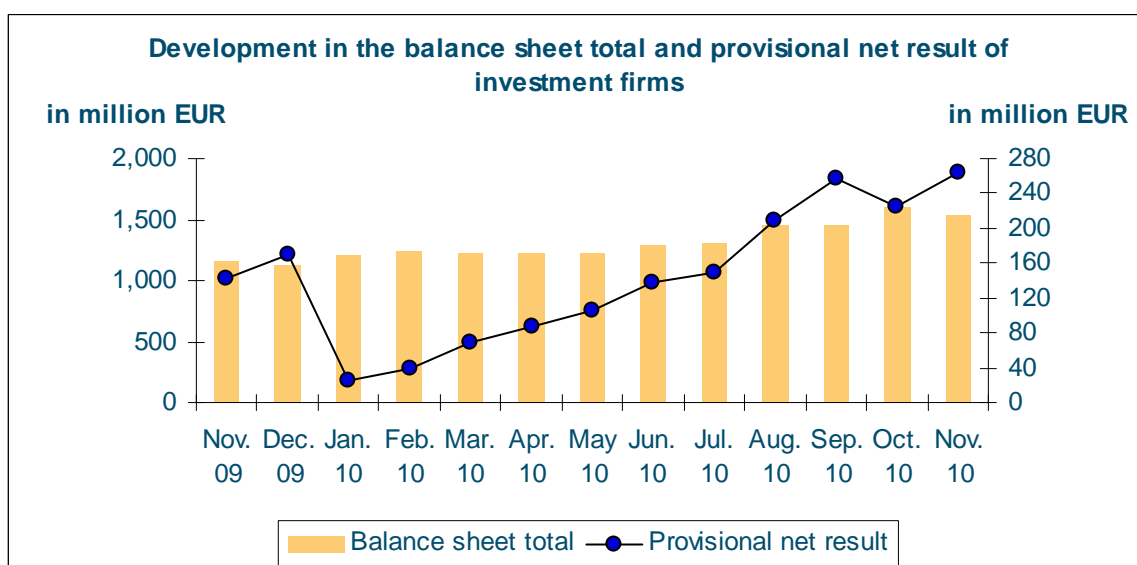
Increase in the banks' balance sheet total as at 30 November 2010



The balance sheet total increased by 0.75% over one month. On a yearly basis, the decrease reached 0.77%.

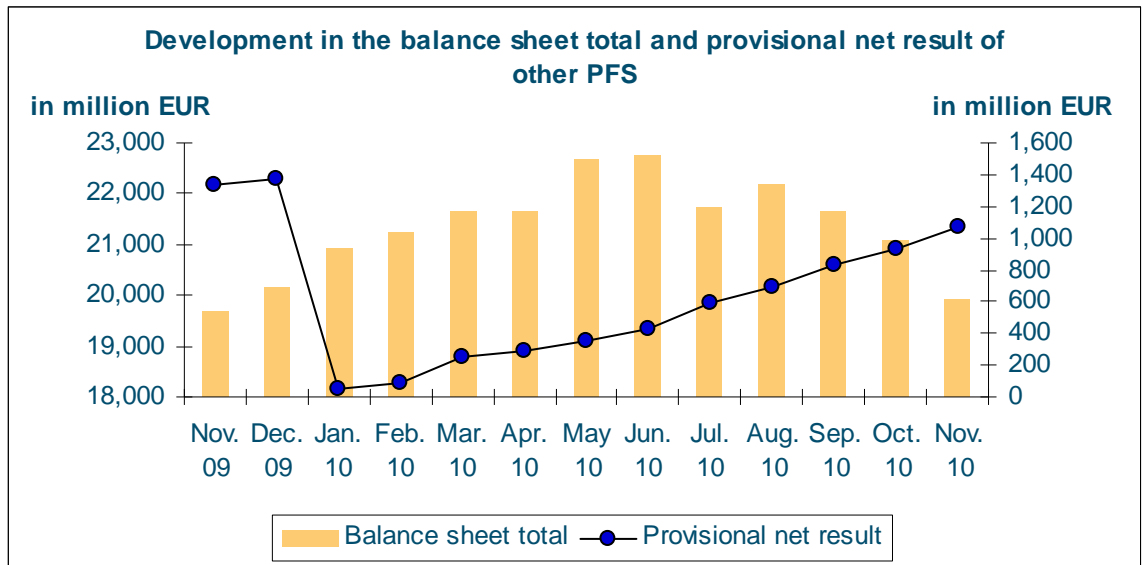
■ INVESTMENT FIRMS

Decrease in the investment firms' balance sheet total as at 30 November 2010



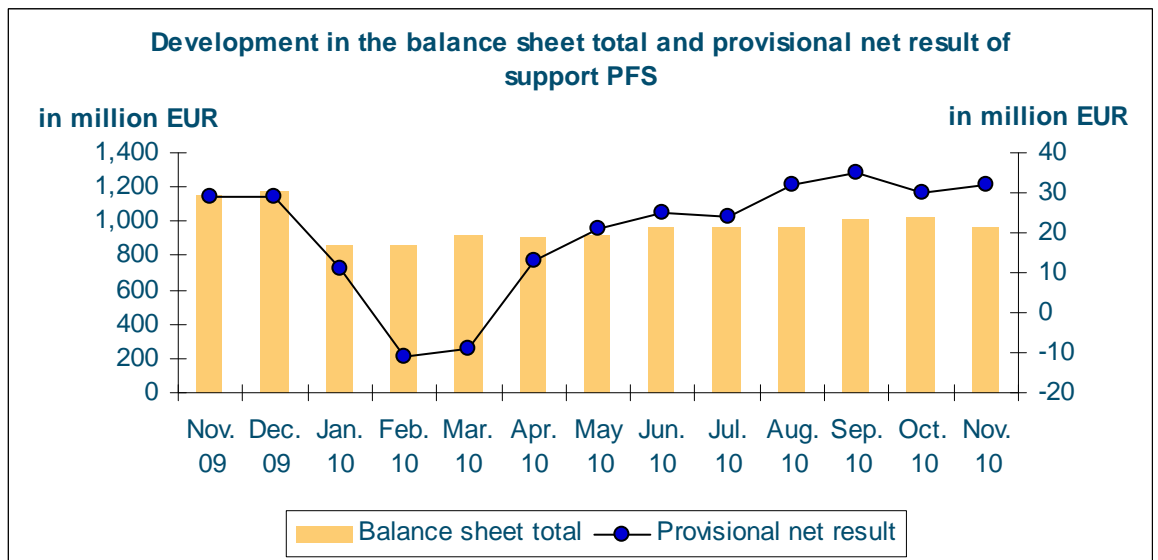
■ OTHER PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

Decrease in the PFS' balance sheet total as at 30 November 2010



■ SUPPORT PFS

Decrease in the support PFS' balance sheet total as at 30 November 2010



■ PENSION FUNDS, SICARS AND AUTHORISED SECURITISATION UNDERTAKINGS

As at 13 January 2011, 15 pension funds in the form of pension savings companies with variable capital (sepcav) and pension savings associations (assep) were registered on the official list of pension funds subject to the law of 13 July 2005.

Since the publication of the last Newsletter, 1 new liability manager has been registered on the official list, namely:

- TOWERS WATSON NETHERLANDS B.V., Hullenbergweg, 425, NL-1101 CS Amsterdam

As at 13 January 2011, the number of professionals authorised to exercise the activity of liability manager for pension funds subject to the law of 13 July 2005 amounts to 14.

Since the publication of the last Newsletter, four SICARs have been registered on the official list of SICARs governed by the law of 15 June 2004 relating to the Investment company in risk capital (SICAR), namely:

- IFE III SICAR, 69, route d'Esch, L-1470 Luxembourg
- DIGITAL INVESTMENTS S.C.A. SICAR, 30, boulevard Royal, L-2449 Luxembourg
- CHINA DISTRICT ENERGY SICAR, 2, Boulevard Konrad Adenauer, L-1115 Luxembourg
- SILVERSTREET PRIVATE EQUITY STRATEGIES SICAR, 20, boulevard Emmanuel Servais, L-2535 Luxembourg

Three SICARs were removed from the official list, namely:

- H/H-STADTWERKEFONDS KGAA, SICAR, 3, rue Jean Monnet, L-2180 Luxembourg
- HSH SWIFT CAPITAL PARTNERS INSTITUTIONAL S.A., SICAR, 1C, Parc d'activité Syrdall, L-5365 Munsbach
- CETP II CO-INVESTMENT S.A R.L. SICAR, 2, avenue Charles de Gaulle, L-1653 Luxembourg

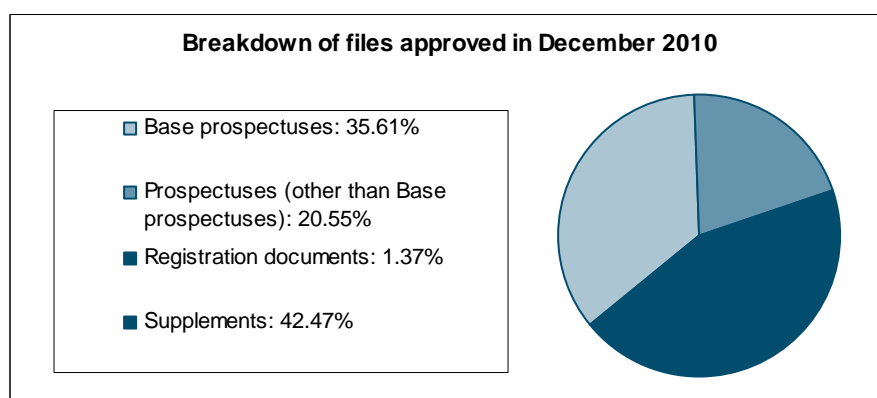
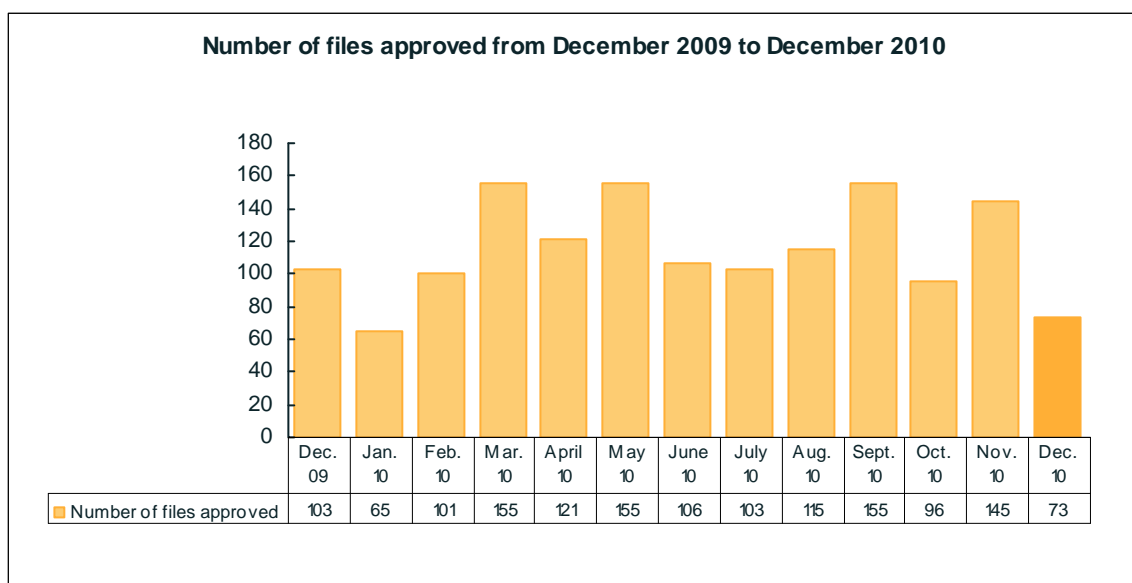
As at 13 January 2011, the number of SICARs registered on the official list amounted to 244 entities.

The number of securitisation undertakings authorised by the CSSF in accordance with the law of 22 March 2004 on securitisation amounted to 26 entities as at 13 January 2011.

■ PROSPECTUSES FOR SECURITIES IN THE EVENT OF AN OFFER TO THE PUBLIC OR ADMISSION TO TRADING ON A REGULATED MARKET (PART II AND PART III, CHAPTER 1 OF THE LAW ON PROSPECTUSES FOR SECURITIES)

1. APPROVALS

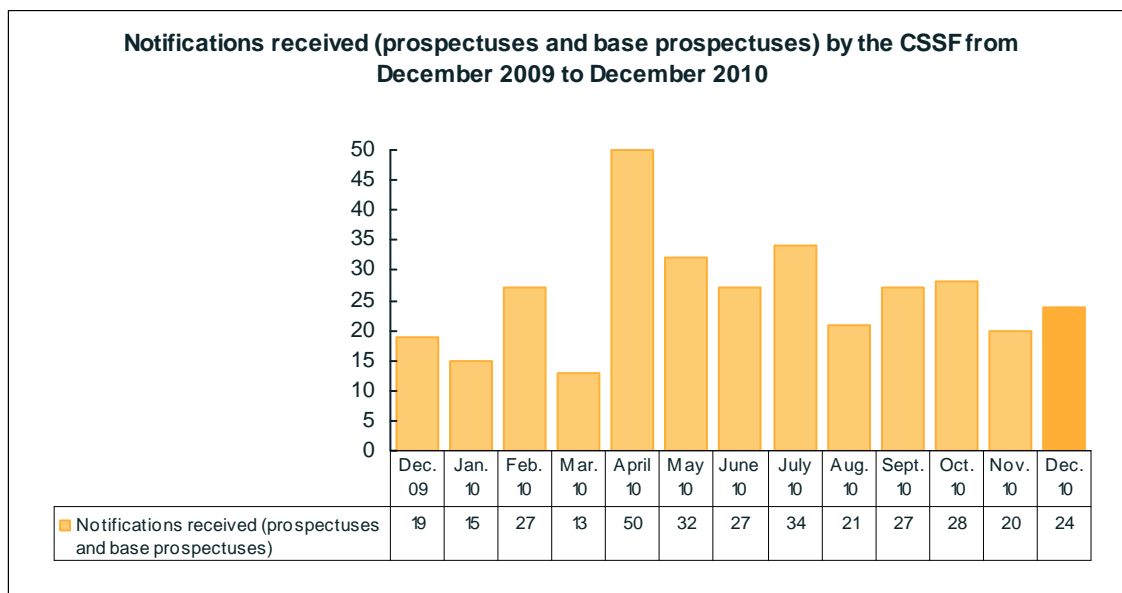
In December 2010, a total of 73 documents have been approved by the CSSF, i.e. 15 prospectuses, 26 base prospectuses, 1 registration document and 31 supplements.



2. NOTIFICATIONS

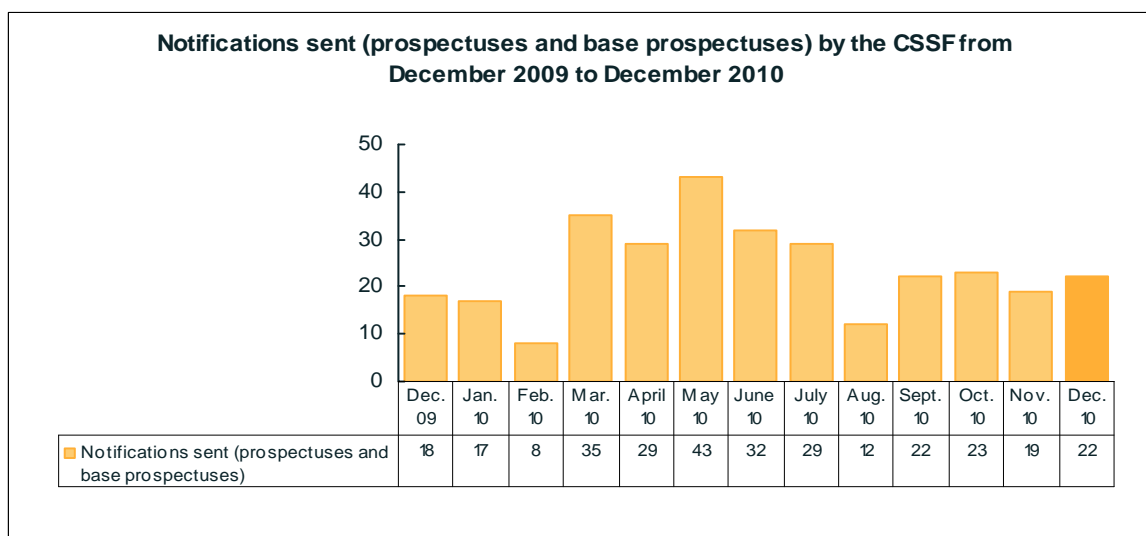
2.1. Notifications received by the CSSF

In December 2010, the CSSF received 24 notifications relating to prospectuses and base prospectuses and 36 notifications relating to supplements from the competent authorities of several EU Member States.



2.2. Notifications sent by the CSSF

In December 2010, the CSSF sent notifications concerning 22 prospectuses and base prospectuses and 28 supplements² it has approved to the competent authorities of the EU Member States.

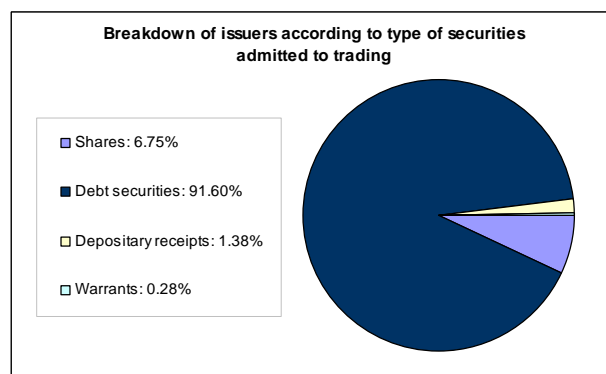
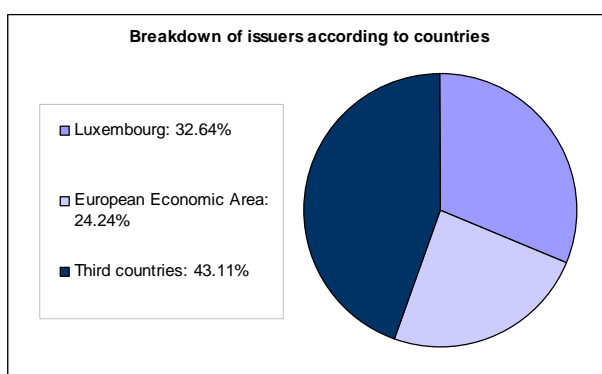


² This figure is the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications have been sent at different dates and/or in several Member States, only the first notification is included in the statistical calculations. Each document notified in one or several Member States is thus only counted once.

■ ISSUERS FOR WHICH LUXEMBOURG IS THE HOME MEMBER STATE PURSUANT TO THE LAW OF 11 JANUARY 2008 ON TRANSPARENCY REQUIREMENTS FOR ISSUERS OF SECURITIES (THE "TRANSPARENCY LAW")

Since 13 December 2010, 9 issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, 7 issuers were removed from the list due to the fact that they do not fall within the scope of the Transparency Law any more.

As at 7 January 2011, 726 issuers, subject to the supervision of the CSSF, were included in the list of issuers for which Luxembourg is the home Member State pursuant to the Transparency Law.



OFFICIAL LISTS

■ LIST OF BANKS

Registration:

SAL. OPPENHEIM JR. & CIE LUXEMBOURG S.A.

4, rue Jean Monnet, L-2180 Luxembourg

Registration on 1 January 2011

Withdrawals:

SAL. OPPENHEIM JR. & CIE S.C.A.

4, rue Jean Monnet, L-2180 Luxembourg

Withdrawal on 31 December 2010

UNION BANCAIRE PRIVEE, SUCCURSALE DE LUXEMBOURG

Merger by takeover by UNION BANCAIRE PRIVEE (LUXEMBOURG) S.A., on 10 January 2011

Changes of denomination:

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LUXEMBOURG S.A. changed denomination for **INDUSTRIAL AND COMMERCIAL BANK OF CHINA (EUROPE) S.A., in abbreviated form ICBC (EUROPE) S.A.**

Change effective as from 1 January 2011

WEST LB INTERNATIONAL S.A. changed denomination for

VM BANK INTERNATIONAL S.A.

Change effective as from 1 January 2011

Changes of address:

DEUTSCHE POSTBANK INTERNATIONAL S.A.

PB Finance Center, Parc d'Activité Syrdall 2, 18-20, rue Gabriel Lippmann, L-5365 Munsbach
Change effective as from 1 January 2011

MIZUHO TRUST & BANKING (LUXEMBOURG) S.A.

1B, rue Gabriel Lippmann, L-5365 Munsbach (Postal address: B.P. 29, L-2010 Luxembourg)
Change effective as from 1 January 2011

UNICREDIT LUXEMBOURG S.A.

8-10, rue Jean Monnet, L-2180 Luxembourg (Postal address: B.P. 453, L-2099 Luxembourg)
Change effective as from 1 January 2011

■ LIST OF OTHER PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

New authorisations:

ALTRAN LUXEMBOURG S.A.

26-28, rue Edward Steichen, L-2540 Luxembourg
Statuses: primary IT systems operator of the financial sector and secondary IT systems and communication networks operator of the financial sector
Ministerial authorisation of 27 October 2010

ISIWIS S.à R.L.

5, rue Guillaume Kroll, L-1882 Luxembourg
Statuses: client communication agent, secondary IT systems and communication networks operator of the financial sector
Ministerial authorisation of 30 November 2010

OKTOPUS CONSULTING PSF S.A.

50, route d'Esch, L-1470 Luxembourg
Status: secondary IT systems and communication networks operator of the financial sector
Ministerial authorisation of 3 December 2010

TRIDENT FUND SERVICES (LUXEMBOURG) S.A.

75, Parc d'Activités (Bâtiment Vega Center), L-8308 Capellen
Statuses: registrar agent, administrative agent of the financial sector, client communication agent, domiciliation agent of companies and professional performing services of setting-up and of management of companies
Ministerial authorisation of 30 November 2010

Voluntary withdrawals:

FRANSAD GESTION S.A.

Change into SOPARFI as from 22 December 2010

IW LUX S.à R.L.

Change of scope of activities as from 28 December 2010

Extension of status:

ALTER DOMUS ALTERNATIVE ASSET FUND ADMINISTRATION S.à R.L.

Addition of the statuses of domiciliation agent of companies and professional performing services of setting-up and of management of companies to those of registrar agent, administrative agent of the financial sector and client communication agent
Ministerial authorisation of 13 December 2010

Changes of denomination:

MAPLES FINANCE LUXEMBOURG S.A. changed denomination for
MAPLESFS (LUXEMBOURG) S.A.

PANDOMUS S.A. changed denomination for
PANDOMUS

SYLIS PSF LUXEMBOURG S.A. changed denomination for
GROUPE OPEN PSF LUXEMBOURG

Changes of address:

ANPHIKO ASSET MANAGEMENT S.A.

98, rue de la Gare, L-8325 Capellen

AUSY LUXEMBOURG PSF S.A.

2, rue Jean Fischbach, L-3372 Leudelange

CORE CAPITAL MANAGEMENT S.A.

36-38, Grand-Rue, L-1660 Luxembourg

DONNER & REUSCHEL LUXEMBOURG S.A.

14, rue Gabriel Lippmann, L-5365 Munsbach

FIDUPAR S.A.

50, avenue J. F. Kennedy, L-1855 Luxembourg

OES EUROPE S.à R.L.

33, rue de Notre Dame, L-2240 Luxembourg

■ LIST OF MANAGEMENT COMPANIES

New authorisation:

GS&P Invest S.A.

74, route de Luxembourg, L-6633 Wasserbillig
activity: only collective management

Change of denomination:

LUX-INVESTMENT ADVISORS changed denomination for
BCEE ASSET MANAGEMENT

Withdrawal:

MASTER INVESTMENT MANAGEMENT S.A.

2, place Dargent, L-1413 Luxembourg

Change of denomination:

ADEPA ASSET MANAGEMENT S.A.

6A, rue Gabriel Lippmann, L-5365 Munsbach

■ LIST OF SICARS

New registrations:

CHINA DISTRICT ENERGY SICAR

2, Boulevard Konrad Adenauer, L-1115 Luxembourg

DIGITAL INVESTMENTS S.C.A. SICAR

30, boulevard Royal, L-2449 Luxembourg

IFE III SICAR

69, route d'Esch, L-1470 Luxembourg

SILVERSTREET PRIVATE EQUITY STRATEGIES SICAR

20, boulevard Emmanuel Servais, L-2535 Luxembourg

Withdrawals:

CETP II CO-INVESTMENT S.A R.L. SICAR

2, avenue Charles de Gaulle, L-1653 Luxembourg

H/H-STADTWERKEFONDS KGAA, SICAR

3, rue Jean Monnet, L-2180 Luxembourg

HSW SWIFT CAPITAL PARTNERS INSTITUTIONAL S.A., SICAR

1C, Parc d'activité Syrdall, L-5365 Munsbach

SWISS INVESTMENT S.C.A. SICAR

The Luxembourg District Court [*tribunal d'arrondissement*], 6th Chamber, sitting in commercial matters, pronounced in its commercial decision of 25 November 2010 the dissolution and ordered the liquidation of the investment company in risk capital in the form of a *société en commandite par actions* Swiss Investment S.C.A. SICAR, whose registered office in L-1653 Luxembourg, 2-8, avenue Charles de Gaulle was closed on 6 May 2010. Maître Yann Baden, Attorney-at-law, whose firm is in L-1473 Luxembourg, 27, rue Jean-Baptiste Esch, has been appointed liquidator of the company.

PATENTPOOL IP S.A. SICAR SICAR

The Luxembourg District Court [*tribunal d'arrondissement*], 6th Chamber, sitting in commercial matters, pronounced in its commercial decision of 9 December 2010 the dissolution and ordered the liquidation of the investment company in risk capital in the form of a *société anonyme* Patentpool IP S.A., SICAR, whose registered office was in L-1413 Luxembourg, 2, place Dargent. Maître Yann Baden, Attorney-at-law, whose firm is in L-1473 Luxembourg, 27, rue Jean-Baptiste Esch, has been appointed liquidator of the company.

■ LIST OF SECURITISATION UNDERTAKINGS

Changes of address:

H.E.A.T. MEZZANINE S.A.

8, rue Lou Hemmer, L-1748 Luxembourg

PRINUS INVEST S.A.

7A, rue Robert Stümper, L-2557 Luxembourg

TARANIS SECURITIES S.A.

42, rue de la Vallée, L-2661 Luxembourg

■ LIST OF LIABILITY MANAGERS

New authorisation:

TOWERS WATSON NETHERLANDS B.V.

Hullenbergweg, 425, NL-1101 CS Amsterdam

■ LIST OF ISSUERS OF SECURITIES FOR WHICH LUXEMBOURG IS THE HOME MEMBER STATE PURSUANT TO THE TRANSPARENCY LAW

New issuers:

<u>NAME</u>	<u>COUNTRY OF INCORPORATION</u>
Curzon Funding Limited	Jersey
Eskom Holdings Limited	South Africa
ISS Global A/S	Denmark
JSC Alliance Bank	Kazakhstan
PKO Finance AB (Publ)	Sweden
Ramius Special Alternative Program	Luxembourg
Siena Mortgages 10-7 S.R.L.	Italy
Taurus Capital S.A.	Luxembourg
Umidore Finance Luxembourg	Luxembourg

Withdrawals:

<u>NAME</u>	<u>COUNTRY OF INCORPORATION</u>
Enel Finance International S.A.	Luxembourg
Geminus S.A.	Luxembourg
Parsifal Limited	Jersey
Shipfinance (Luxembourg) S.A.	Luxembourg
Stolt-Nielsen S.A.	Luxembourg
Union Fenosa Finance B.V.	Netherlands
Vintage Capital S.A.	Luxembourg

■ LIST OF UNDERTAKINGS FOR COLLECTIVE INVESTMENT (UCIS)

Registrations and withdrawals from the official list of the Luxembourg undertakings for collective investment during the month of November 2010

During the month under review, the following thirty-three undertakings for collective investment and specialised investment funds have been registered on the official list:

1) Part I UCIs:

- ALPCOT ACTIVE, 6A, Circuit de la Foire Internationale, L-1347 Luxembourg
- AMUNDI MONEY MARKET FUND, 5, allée Scheffer, L-2520 Luxembourg
- BBVA GLOBAL FUNDS, 2-4, rue Eugène Ruppert, L-2453 Luxembourg
- DSC SICAV, 49, avenue J-F Kennedy, L-1855 Luxembourg
- JPW, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- KOMMUNAL- UND STIFTUNGSFONDS DEFENSIV, 4, rue Alphonse Weicker, L-2721 Luxembourg
- SEB PRIME SOLUTIONS, 6A, Circuit de la Foire Internationale, L-1347 Luxembourg
- SELECT EQUITIES, 12, rue Eugène Ruppert, L-2453 Luxembourg
- SPL GESTION, 14, boulevard Royal, L-2449 Luxembourg

2) Part II UCIs:

- RAM (LUX) FUNDS, 36, avenue du X Septembre, L-2550 Luxembourg

3) SIFs:

- A-DGZ 13-FONDS, 5, rue des Labours, L-1912 Luxembourg
- ALLIANZ LJ RISK CONTROL FUND AUD FCP-FIS, 6A, route de Trèves, L-2633 Senningerberg
- ALLIANZ LJ RISK CONTROL FUND USD2 FCP-FIS, 6A, route de Trèves, L-2633 Senningerberg
- ARGO INVESTMENT FUND SICAV-FIS S.A., 412F, route d'Esch, L-1471 Luxembourg
- BOSTON & ALEXANDER, 31, Z.A. Bourmicht, L-8070 Bertrange
- CB RICHARD ELLIS GMM GLOBAL ALPHA FUND SERIES FCP-SIF, 26-28, rue Edward Steichen, L-2540 Luxembourg

- DEGROOF OFP, 12, rue Eugène Ruppert, L-2453 Luxembourg
- DIVERSIFIED OPPORTUNITIES FUND, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- EU MICROFINANCE PLATFORM FCP-FIS, 96, boulevard Konrad Adenauer, L-1115 Luxembourg
- GOLDING BUYOUT EUROPE SICAV-FIS VI, 43, avenue J-F Kennedy, L-1855 Luxembourg
- HOTEPE, 1, boulevard Royal, L-2449 Luxembourg
- IC FUND, 14, boulevard Royal, L-2449 Luxembourg
- MAS FILII SIF, 8, rue Lou Hemmer, L-1748 Findel-Golf
- METIS SIF, 287, route d'Arlon, L-1150 Luxembourg
- NAEV-IMMO, FCP-FIS, 18-20, Parc d'activité Syrdall, L-5365 Munsbach
- PICTOR SPECIALIZED FUND SICAV-FIS S.A., 412F, route d'Esch, L-1471 Luxembourg
- PRADERA EUROPEAN RETAIL FUND 3, 2, avenue Charles de Gaulle, L-1653 Luxembourg
- PUZZLE NICHE FUND SICAV-FIS, 19, rue Eugène Ruppert, L-2453 Luxembourg
- RESS UNCORRELATED ASSETS FUND, 5, allée Scheffer, L-2520 Luxembourg
- SPIRIT DIVERSIFIED SICAV-FIS, 69, route d'Esch, L-1470 Luxembourg
- UIL SPECIAL-BOND-PORTFOLIO, 308, route d'Esch, L-1471 Luxembourg
- VC SOLES INVEST S.C.A., SICAV-FIS, 4, rue Heinrich Heine, L-1720 Luxembourg
- ZEPHYRUS FUND S.C.A. SICAV-SIF, 19-21, boulevard du Prince Henri, L-1724 Luxembourg

The following twenty-two undertakings for collective investment and specialised investment funds have been withdrawn from the official list in November 2010:

1) Part I UCIs:

- ALLIANZ PIMCO EUROPA RENTEN »T«, 6A, route de Trèves, L-2633 Senningerberg
- ALLIANZ RCM GLOBAL FUND SELECTION, 6A, route de Trèves, L-2633 Senningerberg
- COMINVEST EUROPA PREMIUM FONDS 1/2013, 6A, route de Trèves, L-2633 Senningerberg
- COMINVEST EUROPA PREMIUM FONDS 11/2012, 6A, route de Trèves, L-2633 Senningerberg
- COMINVEST EUROPA PREMIUM FONDS 4/2013, 6A, route de Trèves, L-2633 Senningerberg
- COMMERZBANK EUROPA PREMIUM FONDS 7/2013, 6A, route de Trèves, L-2633 Senningerberg
- COMMERZBANK EUROPA PREMIUM FONDS 9/2013, 6A, route de Trèves, L-2633 Senningerberg
- DRIVER & BENGSCHE (LUX), 1B, Parc d'activité Syrdall, L-5365 Munsbach
- DWS CORPORATE BOND BASKET 2014, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- DWS OPTIRENT (MEDIUM), 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- FT EMERGING ARABIA (USD), 534, rue de Neudorf, L-2220 Luxembourg
- MULTI OPPORTUNITIES IV, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- RREEF, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- SICAV FRANCE-LUXEMBOURG, 11, rue Aldringen, L-1118 Luxembourg

2) Part II UCIs:

- EUROPEAN PROPERTY FUND, 34, avenue de la Liberté, L-1930 Luxembourg

3) SIFs:

- ALLIANCEBERNSTEIN TALF LUXEMBOURG FEEDER S2 PORTFOLIO SICAV, 18, rue Eugène Ruppert, L-2453 Luxembourg
- CAPITAL STRATEGY FUNDS, 12, rue Eugène Ruppert, L-2453 Luxembourg
- DIVERSIFIED LIQUIDITY FUND, 16, boulevard Royal, L-2449 Luxembourg
- DUKAAT FUNDS, 50, avenue J-F Kennedy, L-1855 Luxembourg
- EURO EJENDOMME HOTELFONDS I SICAV-FIS, 2, place Dargent, L-1413 Luxembourg
- OAI PRIVATE EQUITY FUND SICAV, 4, rue Jean Monnet, L-2180 Luxembourg
- PARIBUS GERMAN PROPERTY FUND 1 FCP-SIF, 140, boulevard de la Pétrusse, L-2330 Luxembourg

Withdrawal decided by the CSSF:

EUROMENA REAL ESTATE FUND

A decision to withdraw the *société d'investissement à capital variable* EUROMENA REAL ESTATE FUND from the official list of specialised investment funds was taken by the CSSF on 5 January 2011 according to Articles 43(2) and 46 of the law of 13 February 2007 relating to specialised investment funds.

FINANCIAL CENTRE

Main updated figures regarding the financial centre:

Number of banks: **146** (10 January 2011)

Balance sheet total: **EUR 783.092 billion** (30 November 2010)

Profit before provisions: **EUR 4.77 billion** (31 December 2010)

Employment: **26,217 persons** (30 September 2010)

Number of UCIs: **3,670** (12 January 2011)

of which 1,196 specialised investment funds (SIFs)

Total net assets: **EUR 2,160.872 billion** (30 November 2010)

Number of management companies: **180** (13 January 2011)

(chapter 13 of the law of 20 December 2002)

Provisional employment figure: **2,289 persons** (30 September 2010)

Number of investment firms: **110** of which **11** branches (7 January 2011)

Balance sheet total of investment firms: **EUR 1.541 billion** (30 November 2010)

Provisional net profit: **EUR 263.650 million** (30 November 2010)

Employment: **2,323 persons** (30 September 2010)

Number of other PFS: **113** (7 January 2011)

Balance sheet total of other PFS: **EUR 19.92 billion** (30 November 2010)

Provisional net profit: **EUR 1,065 million** (30 November 2010)

Employment: **3,622 persons** (30 September 2010)

Number of support PFS: **79** (7 January 2011)

Balance sheet total of support PFS: **EUR 967.136 million** (30 November 2010)

Provisional net profit: **EUR 32.73 million** (30 November 2010)

Employment: **8,078 persons** (30 September 2010)

Number of pension funds: **15** (13 January 2011)

Number of SICARs: **244** (13 January 2011)

Number of authorised securitisation undertakings: **26** (13 January 2011)

Number of issuers of securities for which Luxembourg
is the home Member State pursuant to the Transparency Law: **726** (7 January 2011)

Provisional total employment figure of the supervised establishments:
42,529 persons (30 September 2010)

CSSF Newsletter

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