



Newsletter

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HUMAN RESOURCES

CSSF staff evolution

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

Legal department

Solange FAUST

UCI departments

François RAGAZZONI

Innovation, payments, markets infrastructures and governance

Nicolas BAEYENS

Following the departure of two agents, the CSSF employs 676 agents on 9 January 2017: 358 men and 318 women.

WARNINGS

Warnings published by the CSSF

A warning concerning the activities of an entity named Collardi Capital Management S.A. was published on 22 December 2016 and a warning concerning the activities of an entity named Pigeon Bank S.A. was published on 12 January 2017 on the CSSF's website:

<http://www.cssf.lu/en/consumer/warnings/news-cat/90/>.

Warnings published by IOSCO

Several warnings have been published on IOSCO's website at:

http://www.iosco.org/investor_protection/?subsection=investor_alerts_portal.

NATIONAL REGULATION

Circular CSSF 16/646

The purpose of the circular is to implement "MAR Guidelines - Delay in the disclosure of inside information" (Ref.: ESMA/2016/1478), published on 20 October 2016 by ESMA, into Luxembourg regulations. These guidelines clarify certain conditions under which an issuer may, on its own responsibility, delay the public disclosure of inside information under Article 17(4) of MAR. In particular, the guidelines provide a non-exhaustive and indicative list of legitimate interests of the issuers that are likely to be prejudiced by immediate disclosure of inside information and situations in which delay of disclosure is likely to mislead the public.

CSSF Regulation N° 16-14

On 19 December 2016, the Executive Board of the CSSF adopted CSSF Regulation N° 16-14 on the reciprocity of the systemic risk buffer rate of 1% adopted by the Central Bank of Estonia. The purpose of this regulation is to recognise and apply to credit institutions authorised in Luxembourg the systemic risk buffer rate set in accordance with Article 133 of CRD IV for exposures located in Estonia.

CSSF Regulation N° 16-15

On 21 December 2016, the Executive Board of the CSSF adopted CSSF Regulation N° 16-15 on the setting of the countercyclical buffer rate for the first quarter of 2017. The countercyclical buffer rate applicable to the relevant exposures located in Luxembourg remains at 0% for the first quarter of 2017.

Circular CSSF 16/647

The purpose of Circular CSSF 16/647 is to bring to the attention of the persons concerned the EBA guidelines on the limits on exposures to shadow banking entities which carry out banking activities outside a regulated framework under Article 395(2) of Regulation (EU) No 575/2013 (Ref.: EBA/GL/2015/20) entered into force on 1 January 2017 and with which the CSSF, in its capacity as competent authority, committed to comply. Circular CSSF 16/647 amends Circular CSSF 12/552 with respect to risk management.

Law of 23 December 2016 on market abuse

The Law of 23 December 2016 on market abuse was published on 27 December 2016 in Mémorial A No 279. Among other things, this law repeals the Law of 9 May 2006 on market abuse, as amended. Further information on this new law is available in Press release 16/48 of 30 December 2016 which is included under the heading "Communiqués" of this Newsletter.

Law of 23 December 2016 on credit agreements for consumers relating to residential immovable property

The Law of 23 December 2016 (i) transposing Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010; and (ii). amending the Consumer Code, was published on 28 December 2016 in Mémorial A No 302. The purpose of this law is to transpose Directive 2014/17/EU into Luxembourg law. The provisions of this law aim at regulating mortgage loan agreements and strengthening consumer protection. The law also introduces and regulates the status of mortgage credit intermediaries in Luxembourg. The CSSF was given a new task which consists in monitoring the access to and supervising the activity of mortgage credit intermediary.

Circular CSSF 17/648

The purpose of this circular is to implement "MAR Guidelines - Persons receiving market soundings" (Ref.: ESMA/2016/1477) published on 10 November 2016 by ESMA.

BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM

Single Supervisory Mechanism - European Central Bank (ECB)**Publications and Consultations****15 December 2016** - [ECB Banking Supervision publishes outcome of SREP 2016 and recommendations on dividends and variable remuneration for 2017](#)

The SREP 2016 outcome reveals a broadly stable capital demand for 2017. It finds that changes in individual bank levels reflect changes in their risk profiles. The ECB also imposed liquidity and governance-related qualitative measures as part of SREP.

Separately, the ECB published updated [recommendations](#) on dividend distribution and [remuneration policies](#). The Recommendations on dividend distribution and variable remuneration for 2017 reflect approach in 2016.

See also the [SSM SREP Methodology Booklet – 2016 edition](#).

15 December 2016 - [ECB Banking Supervision publishes supervisory priorities for 2017](#)

The ECB has published its 2017 priorities for supervising significant banks in the euro area. Three key risk areas remain core priorities for 2017: business model and profitability risks, credit risk with a focus on NPLs and risk management. The spotlight is also on banks' outsourced activities and associated risks. Supervisors will now focus on new areas within each risk with a new emphasis on effects stemming from Brexit and competition from the FinTech sector.

16 December 2016 - [ECB launches public consultation on the guide on materiality assessment for changes to counterparty credit risk models](#)

The ECB has launched a public consultation on the draft ECB guide on materiality assessment (EGMA) for changes or extensions to counterparty credit risk models. The draft ECB guide indicates how the ECB intends to interpret the existing legal framework. It assists significant institutions directly supervised by the ECB in their self-assessment of the materiality of changes and extensions to internal models used to calculate counterparty credit and credit valuation adjustment risks of a business partner drawing as much as possible on the approaches already defined by the EBA for other risk types.

The consultation will run until 14 February 2017.

22 December 2016 – [Introduction to the list of significant supervised entities and the list of less significant institutions](#)

In accordance with Article 49 of Regulation (EU) No 468/2014 of the European Central Bank (the SSM Framework Regulation), the ECB has updated the list containing the name of each supervised entity and supervised group which is directly supervised by the ECB ("significant supervised entity" and "significant supervised group", as defined in Article 2, points (16) and (22) of the SSM Framework Regulation). The names of the group entities are listed in alphabetical order within each Member State. The ECB has also published the list of entities supervised by a national competent authority (NCA). Please note that there are 5 Luxembourg significant institutions at the highest level of consolidation and 70 Luxembourg less significant institutions.

The list of supervised entities published by the ECB, is available at: https://www.bankingsupervision.europa.eu/ecb/pub/pdf/list_of_supervised_entities_201612.en.pdf

[Letters from the Chair of the Supervisory Board to members of the European Parliament](#)

The ECB has published several letters from the Chair of the Supervisory Board to members of the European Parliament in response to written requests on different topics among which the 2016 EBA stress test exercise.

15 December 2016 - [Governing Council Statement on Macroprudential Policies](#)

The Governing Council of the ECB has released a statement on Macroprudential Policies including the following topics: cyclical systemic risks, real estate risks and global systemically important banks (G-SIBs) and other systemically important institutions (O-SIIs).

Interviews and Speeches

27 December 2016 – [“Interview with La Stampa”](#) - Interview with Ignazio Angeloni, Member of the Supervisory Board of the ECB.

European Commission

Publications

2 December 2016 – Publication of the [Commission Implementing Regulation \(EU\) 2016/2070 of 14 September 2016](#) laying down implementing technical standards for templates, definitions and IT-solutions to be used by institutions when reporting to the European Banking Authority and to competent authorities in accordance with Article 78(2) of Directive 2013/36/EU of the European Parliament and of the Council.

10 December 2016 – Publication of the [Commission Implementing Regulation \(EU\) 2016/2227 of 9 December 2016](#) on the extension of the transitional periods related to own funds requirements for exposures to central counterparties set out in Regulations (EU) No 575/2013 and (EU) No 648/2012 of the European Parliament and of the Council.

15 December 2016 – Publication of the [Commission Delegated Regulation \(EU\) 2016/2251 of 4 October 2016](#) supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty.

21 December 2016 – Publication of the [Commission Implementing Decision \(EU\) 2016/2358 of 20 December 2016](#) amending Implementing Decision 2014/908/EU as regards the lists of third countries and territories whose supervisory and regulatory requirements are considered equivalent for the purposes of the treatment of exposures according to Regulation (EU) No 575/2013 of the European Parliament and of the Council.

23 December 2016 – Publication of the [Regulation \(EU\) 2016/2340 of the European Parliament and of the Council of 14 December 2016](#) amending Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products as regards the date of its application.

European Banking Authority (EBA)

Publications

CAPITAL REQUIREMENTS DIRECTIVE AND REGULATION

1 December 2016 - [EBA updates list of CET1 instruments](#)

The European Banking Authority (EBA) has published, in accordance with Article 26 of the Regulation (EU) 575/2013 of the European Parliament and of the Council (CRR), its fourth updated list of capital instruments that Competent Supervisory Authorities (CAs) across the EU have classified as Common Equity Tier 1 (CET1). Since the publication of the previous update in September 2016, some new CET1 instruments have been assessed and evaluated as compliant with the CRR. The list will be maintained and updated on a regular basis.

2 December 2016 - [EBA sees high NPL levels and low profitability as the main risks for EU banks](#)

The EBA has published its ninth report on risks and vulnerabilities in the EU banking sector. The report is accompanied by the EBA's 2016 transparency exercise, which provides essential data, in a comparable and accessible format, for 131 banks (including 9 Luxembourg banks) across the EU. Overall, banks have further strengthened their capital position, allowing them to continue the process of repair. The remaining high levels of non-performing loans (NPLs) and sustained low profitability are identified as the key challenges. Operational risks also appear to be on the rise and volatility in funding markets remains high.

9 December 2016 - [EBA issues revised list of ITS validation rules](#)

The EBA has issued a revised list of validation rules in its Implementing Technical Standards (ITS) on supervisory reporting, highlighting those which have been deactivated either for incorrectness or for triggering IT problems. Competent authorities throughout the EU are informed that data submitted in accordance with these ITS should not be formally validated against the set of deactivated rules.

14 December 2016 - [EBA publishes final guidelines on revised Pillar 3 disclosures requirements](#)

The EBA has published its final Guidelines on regulatory disclosure requirements following an update of the Pillar 3 requirements by the Basel Committee in January 2015 in order to improve and enhance the consistency and comparability of institutions' regulatory disclosures. The guidelines apply from 31 December 2017, but G-SIIs are encouraged to comply with a subset of those guidelines as soon as 31 December 2016.

21 December 2016 - [EBA sees considerable improvement in the average LCR across EU banks](#)

The EBA has published its third impact assessment Report for the liquidity coverage ratio (LCR), together with a review of its phasing-in period. The report, which has been developed in accordance with Article 509(1) CRR, shows a constant improvement of the average LCR across EU banks since 2011. At the reporting date of 31 December 2015, EU banks' average LCR was significantly above the 100% minimum requirement, which will have to be fully implemented by January 2018, and no strong evidence was found suggesting that the EBA should recommend an extension of the phasing-in period of the LCR. The report, which is based on liquidity data from 194 EU banks (including one Luxembourg bank) across 17 Member States, is the first publication after the implementation of the minimum binding standards in 2015 and accounts for the provisions of the Commission's Delegated Regulation on the LCR.

21 December 2016 - [EBA to run its next EU-wide stress test in 2018](#)

The Board of Supervisors of the EBA has decided to carry out its next EU-wide stress test in 2018, in line with its previous decision to aim for a biennial exercise. The EBA will start immediately to prepare the methodology for the 2018 stress test exercise, which will also include an assessment of the impact of IFRS 9, which will be implemented on 1 January 2018. In 2017, the EBA will perform its regular annual transparency exercise.

22 December 2016 - [EBA recommends retaining risk-sensitive framework for banks regulatory capital](#)

The EBA has published its Report on cyclical capital requirements aiming at clarifying whether risk-sensitive bank capital requirements as laid down in the CRR and CRD create unintended pro-cyclical effects by reinforcing the endogenous relationships between the financial system and the real economy. This report, drafted in close cooperation with the European Systemic Risk Board (ESRB) and the ECB, is in response to a request by the European Commission (EC) to understand whether CRDIV/CRR requirements exert significant effects on the economic cycle and, if so, whether any remedial measures are justified. The report concludes that the impact of regulatory capital requirements, more specifically their risk-sensitivity, under CRDIV/CRR on the EU economic cycle appears to be limited and finds no strong grounds to fundamentally move away from a risk sensitive capital framework.

BANKING RECOVERY AND RESOLUTION DIRECTIVE**14 December 2016** - [EBA makes final recommendations for strengthening loss-absorbing capacity of banks in Europe](#)

The EBA has published its final Report on the implementation and design of the minimum requirement for own funds and eligible liabilities (MREL). The report, which has been developed in accordance with Article 45(19) and (20) of the BRRD, quantifies the current MREL stack and estimates potential financing needs of EU banks under various scenarios. It also assesses the possible macroeconomic costs and benefits of introducing MREL in the EU. Finally, the report recommends a number of changes to reinforce the MREL framework and integrate the international standards on total loss-absorbing capacity (TLAC) in the EU's MREL.

See also the [MREL report FAQ](#).

PAYMENT SERVICES DIRECTIVE**14 December 2016** - [EBA publishes final draft technical standards on cooperation and exchange of information for pass-porting under PSD2](#)

The EBA has published its final draft Regulatory Technical Standards (RTS) specifying the framework for cooperation and exchange of information between competent authorities for passport notifications under the revised Directive (EU) 2015/2366 on payment services in the internal market (PSD2). The RTS, which have been developed in accordance with Article 28(5) PSD2, will ensure that information about payment institutions and e-money institutions that carry out business in one or more EU Member States is exchanged consistently between the national authorities of the home and host Member States.

COVERED BONDS**20 December 2016** - [EBA recommends a harmonised EU-wide framework for covered bonds](#)

The EBA has published a report including recommendations on how to harmonise covered bond framework in the EU. This report aims at further strengthening the covered bonds across the EU and seeks to ensure that only those financial instruments that comply with the harmonised structural, credit

risk and prudential standards can be branded as 'covered bonds' and have access to special regulatory and capital treatment as provided in the current EU financial regulation.

The EBA has proposed a 'three step approach' framework: (i) a new covered bond directive should be developed to provide a definition of the covered bond and specify structural quality requirements for all regulated covered bonds in the EU; (ii) the CRR should be amended to strengthen conditions for those covered bonds that seek preferential capital treatment, and (iii) convergence of national frameworks should be encouraged on a voluntary basis in some specific cases by means of non-binding instruments.

Consultations, surveys and data collections

CAPITAL REQUIREMENTS DIRECTIVE AND REGULATION

16 December 2016 - [EBA launches qualitative survey on internal models](#)

The EBA has launched a qualitative survey on internal ratings-based (IRB) models to analyse the impact of the EBA draft Guidelines on the estimation of risk parameters for non-defaulted exposures, namely of the probability of default (PD) and the loss given default (LGD), and on the treatment of defaulted assets, which are currently under consultation. These guidelines are part of the broader review of the IRB approach that is carried out by the EBA to reduce the unjustified variability in the outcomes of internal models, while preserving the risk sensitivity of capital requirements.

The qualitative survey will run until 27 January 2017.

PAYMENT SERVICES DIRECTIVE

12 December 2016 - [EBA consults on Guidelines on the reporting of operational or security incidents under the PSD2](#)

The EBA has launched a consultation on its draft Guidelines developed in close cooperation with the ECB under the PSD2. The draft guidelines, which have been developed in accordance with Article 96(3) PSD2, specify (i) the criteria for classifying operational or security incidents as major, (ii) the template to be used by payment service providers when notifying them to the CAs and (iii) the indicators CAs need to use when assessing the relevance of such incidents. These guidelines are in support of the objectives of the PSD2 of strengthening the integrated payments market across the EU, ensuring a consistent application of the legislative framework, promoting equal conditions for competition, providing a secure framework on the payments environment and protecting consumers.

The consultation will run until 7 March 2017.

OTHERS

20 December 2016 - [EBA consults on supervision of significant branches](#)

The EBA has launched a consultation on its draft Guidelines on the supervision of significant branches. Prompted by the increasing demand to establish branches across the EU, these guidelines are designed to facilitate cooperation and coordination between the CAs. They will assist them in supervising the largest systemically important branches, the so-called "significant-plus" branches, which require intensified supervision.

The consultation will run until 20 March 2017.

20 December 2016 - [EBA launches data collection addressed to commodity derivatives firms to review the prudential framework for investment firms](#)

The EBA has launched a data collection for commodity derivatives firms that will support the EC in the calibration of the new prudential regime for investment firms. This exercise follows up on the consultation the EBA launched on 4 November 2016 in response to the EC's call for technical advice on the design of a new prudential regime for investment firms, including the extent to which the new regime would also be suitable for or adaptable to specialised commodity derivatives firms.

The data collection is comprised of five parts. The first two parts focus on general and financial information whereas the other three parts focus on prudential requirements and aim at gathering information on regulatory capital, liquidity and large exposures.

The data collection will run until 20 February 2017.

See also the data [instructions](#) and data [templates](#).

Joint Committee of the European Supervisory Authorities (ESAs)

Publications

23 December 2016 - [European Supervisory Authorities respond to European Commission on amendments to PRIIPs rules](#)

The European Supervisory Authorities (ESAs) have published their response to the EC on the amendments the EC proposes to make to the draft RTS on key information documents (KIDs) for packaged retail and insurance-based investment products (PRIIPs).

European Systemic Risk Board (ESRB)

Publications

6 December 2016 - [Macro-prudential Commentaries, no. 8: Implementation of the countercyclical capital buffer regime in the European Union](#)

The ESRB published a non-technical commentary on the implementation of the countercyclical capital buffer (CCyB) in order to inform the general public about key issues that are relevant from a macroprudential perspective. This commentary briefly describes the purpose and functioning of the CCyB and sets out the principal features of the CCyB regime. In addition, it also refers to the different implementation frameworks across Member States and informs on the use and interpretations of the credit-to-gdp, i.e. the core reference indicator in the setting of the buffer, by the different countries.

22 December 2016 - [ESRB Risk Dashboard, December 2016 \(Issue 18\)](#)

The ESRB risk dashboard is a set of quantitative and qualitative indicators of systemic risk in the EU financial system. The composition and the presentation of the ESRB risk dashboard have been reviewed in the first quarter of 2016. Unless otherwise indicated, all EU indicators relate to the 28 Member States of the EU (the EU28) and all data series relate to the Euro 19 (i.e. the euro area including Lithuania) for the whole time series.

The ESRB risk dashboard is accompanied by an [overview note](#), which shortly describes the outcome of the analysis of the different risk categories as well as two annexes setting out the [definitions of the indicators](#) used and the [methodologies](#) applied for the purposes of the risk analysis.

Countercyclical Capital buffer (CCyB)

As provided for in [CSSF Regulation N° 16-15](#), the CCyB in Luxembourg is maintained at 0% for the first quarter of 2017, i.e. from 1 January 2017 to 31 March 2017.

The list of applicable CCyB rates in EU/EEA countries is available on the [ESRB website](#). The following countries have announced a CCyB rate above 0%:

Country	CCyB rate	Application date
Czech Republic	0.5 %	01/01/2017
		01/04/2017
		01/07/2017
		01/01/2018
Norway	1.5%	31/03/2017
		30/06/2017
		30/09/2017
		31/12/2017
Slovakia	0.5%	01/08/2017
		01/11/2017
Sweden	2%	19/03/2017
United Kingdom	0.5%	29/03/2017

The list of applicable CCyB rates in non-EU/EEA countries can be consulted on the [BIS website](#).

Reciprocation of macroprudential measures

Reciprocation of the Estonian Systemic Risk Buffer of 1%

Following the ESRB Recommendation (ESRB/2016/4) requesting the reciprocation of a macroprudential policy measure adopted by the central bank of Estonia (Eesti Pank), the CSSF has decided, pursuant to Article 59-11 of the Law on the financial sector (LFS), to reciprocate the Systemic Risk Buffer of 1% which was applied in accordance with Article 133 of Directive 2013/36/EU to the domestic exposures of all credit institutions authorized in Estonia.

This decision is laid down in [CSSF Regulation N° 16-14](#) on the reciprocity of the systemic risk buffer rate of 1% adopted by the Central bank of Estonia (available only in French).

Basel Committee on Banking Supervision (BCBS)

30 November 2016 - [BCBS Chairman gave a speech on the Basel 3 finalisation reforms](#)

Some of the key reforms flagged by the Chairman were the following: (i) a revised standardised approach to credit risk; (ii) a revised standardised approach for operational risk; (iii) a leverage ratio surcharge for global systemically important banks (complementing the risk-based G-SIB surcharge); and (iv) the revised framework will largely retain the use of internal models but with the safeguards provided by input floors and revisions to the foundation IRB approach. The Chairman also expressed his expectation that an aggregate output floor will be part of the package of reforms.

9 December 2016 - [BCBS completed reviews of all its members' risk-based capital frameworks](#)

The report sets out the BCBS' review of the implementation of Basel standards in Indonesia, Japan and Singapore. LCR regulations and the capital framework of the three countries are assessed as

“compliant” (the highest of the four possible grades), with the exception of the Indonesian capital framework, which is found to be “largely compliant”.

Financial Stability Board (FSB)

16 December 2016 - [FSB launched consultations on proposed guidance to support resolution planning and promote resolvability](#)

The FSB has issued for consultation two proposals for guidance on the implementation on its resolution standards which form part of the overall policy framework to end “too-big-to-fail”. The [first document](#) (*Guiding Principles on the Internal Total Loss-absorbing Capacity of G-SIBs* (“Internal TLAC”)) is related to the internal total loss-absorbing capacity (TLAC) of G-SIBs, while the [second proposal](#) (*Guidance on Continuity of Access to Financial Market Infrastructures* (“FMI”) for a Firm in Resolution) seeks to guarantee adequate access to FMIs for a firm in resolution.

Both consultations will run until 10 February 2017.

19 December 2016 - [FSB published progress report and 2017 workplan to assess and address the decline in correspondent banking](#)

The report describes progress in taking forward: (i) further examining the dimensions of the problem, and its causes and effects; (ii) clarifying regulatory expectations, as a matter of priority, including through guidance by the Financial Action Task Force; (iii) domestic capacity-building in jurisdictions that are home to affected respondent banks; and (iv) strengthening tools for due diligence by correspondent banks.

SANCTIONS

Specialised investment funds (SIFs)

In accordance with Article 51(1) of the Law of 13 February 2007 relating to specialised investment funds, the CSSF imposed an administrative fine on the *dirigeants* (directors) of a specialised investment fund for non-filing of the annual financial report.

Investment companies in risk capital (SICARs)

In accordance with Article 17(1) of the Law of 15 June 2004 relating to the investment company in risk capital (SICAR), the CSSF imposed an administrative fine on a natural person for filing of an incomplete declaration of honour.

COMMUNIQUÉS

Compliance of the issuers with ESMA Guidelines on Alternative Performance Measures and Circular CSSF 16/636

Press release 16/46 of 22 December 2016

The CSSF has issued on 21 June 2016 Circular CSSF 16/636 whose purpose is to implement “ESMA Guidelines on Alternative Performance Measures” (Ref. ESMA/2015/1415) (hereafter the “Guidelines”),

published on 5 October 2015 by the European Securities and Markets Authority (ESMA), into Luxembourg regulations.

The Guidelines apply in relation to Alternative Performance Measures (hereafter “APMs”) disclosed by issuers or persons responsible for the prospectus when publishing regulated information or prospectuses for securities.

This circular as well as ESMA Guidelines have entered into force on 3 July 2016.

In the context of the publication of the 2016 half-yearly financial reports by issuers of securities under the law of 11 January 2008 on transparency requirements for issuers, as amended (hereafter the “Transparency Law”), the CSSF has carried out an examination of those interim financial reports for a selection of issuers to ensure that the Guidelines have been complied with.

With respect to information published for the 2016 half-year period, the Guidelines, not applying to measures that are defined under accounting standards and presented in the financial statements¹, essentially cover APMs disclosed in documents such as management reports issued to the market in accordance with the Transparency Law, or disclosures contained in information published under the requirements of Article 17 of the Market Abuse Regulation, such as ad-hoc disclosures including financial earnings results.

According to the Guidelines, issuers or the persons responsible for the prospectus, when they use APMs, should notably:

- define the APMs used and their components as well as the basis of calculation adopted;
- disclose the definitions of all APMs used, in a clear and readable way;
- disclose a reconciliation of the APMs to the most directly reconcilable line item, subtotal or total presented in the financial statements of the corresponding period, separately identifying and explaining the material reconciling items;
- explain the use of APMs in order to allow users to understand their relevance and reliability;
- explain why they believe that an APM provides useful information regarding the financial position, cash-flows or financial performance as well as the purposes for which the specific APM is used;
- provide comparatives for the corresponding previous periods. In situations where APMs relate to forecasts or estimations, the comparatives should be in relation to the last historical information available.

However, during the above-mentioned examination performed by the CSSF on the 2016 half-yearly financial reports, misstatements and omissions have been identified. In particular, a lack of information has been noted regarding:

- definitions of APMs used (paragraph 21 of the Guidelines): while some issuers did not provide any definitions at all, others only disclosed definitions for specific APMs (such as APMs referred to “adjusted measures” or considered as less common) whereas the Guidelines require definitions to be provided for all APMs used;
- reconciliations of APMs to the most directly reconcilable line item, subtotal or total presented in the financial statements (paragraph 26 of the Guidelines): while some issuers did not provide any reconciliation at all, others provided only reconciliations for some APMs used. In this

¹ Annual, half-yearly financial statements and additional periodic financial information prepared in accordance with the applicable financial reporting framework and disclosed by issuers or persons responsible for the prospectus in accordance with the Transparency Directive or the Prospectus Directive.

- context, the CSSF recalls that if the reconciliation is disclosed in another document, compliance with the Guidelines requirements could be done by reference to this document;
- explanations on the use of APMs (Paragraphs 33 and 34 of the Guidelines): the CSSF has noted many omissions and boilerplate or incomplete information regarding this requirement of the Guidelines. In this context, the CSSF reminds issuers that they should explain why they believe that an APM provides useful information as well as the purposes for which this specific APM is used. Explanations as to their relevance and reliability should be provided for all APMs used.

In view of the above-exposed findings, the CSSF reminds issuers to assess for each measure used, when preparing future financial information, in particular the financial report for year-end 2016, whether this measure is an APM or not and if the Guidelines are applicable for this APM. Issuers should notably base their assessment on paragraphs 4, 17, 18 and 19 of the Guidelines. In the case where the Guidelines are applicable, the issuers should comply with all requirements for each and every APM used.

More information on inspections and findings by the CSSF within the framework of its mission under Article 22 (1) of the Transparency Law are provided on the CSSF website under the section [SUPERVISION > Securities markets > Enforcement of financial information](#) and in its annual report, available on the CSSF's website under [DOCUMENTATION > Publications > Annual reports](#).

Audit regulators in Jersey and Luxembourg enter into Cooperative Agreement

Communiqué of 23 December 2016

The Jersey Financial Services Commission and the Commission de Surveillance du Secteur Financier ("CSSF") in Luxembourg, have signed a Memorandum of Understanding that sets the stage for cooperation with regard to the oversight of statutory auditors.

For the CSSF, this is the fourth cooperative agreement with an audit regulator outside of the European Union.

Similar arrangements with other jurisdictions are under negotiation.

Suspension of the financial instruments issued or guaranteed by Banca Monte dei Paschi di Siena S.p.A.

Press release 16/47 of 23 December 2016

Following a decision of the Commissione Nazionale per le Società e la Borsa (CONSOB), the competent authority of Italy, to suspend from trading the financial instruments issued or guaranteed by Banca Monte dei Paschi di Siena S.p.A., the Commission de Surveillance du Secteur Financier (CSSF) requested this morning, in accordance with Article 9(3) of the Law of 13 July 2007 on markets in financial instruments, with immediate effect the suspension of the financial instruments issued or guaranteed by Banca Monte dei Paschi di Siena S.p.A. from trading on the markets of the Luxembourg Stock Exchange.

Entry into force of the Law of 23 December 2016 on market abuse

Press release 16/48 of 30 December 2016

The Law of 23 December 2016 on market abuse, published in Mémorial A no 279 on 27 December 2016 and repealing the Law of 9 May 2006 on market abuse, will enter into force three clear days after its publication.

The Law of 23 December 2016 on market abuse supplements and clarifies the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse notably by specifying the powers of the CSSF, the procedure for cooperation with foreign competent authorities and supervisory authorities, as well as the administrative and criminal sanctions applicable in the context of market abuse. Furthermore, the law specifies the mechanisms to enable reporting of actual or potential infringements of the Regulation (EU) No 596/2014 to the CSSF.

Documentation regarding the market abuse framework is available on the CSSF website (section: [Supervision > Securities markets > Market abuse](#)).

Further questions relating to the Law of 23 December 2016 on market abuse may be submitted to the following address: market.abuse@cssf.lu.

Introduction of a form file for the transmission of notifications in the framework of Circular CSSF 02/77 on NAV calculation errors and non-compliance with the investment rules

Press release 17/01 of 3 January 2017

The CSSF would like to inform you that the notification to be submitted to the CSSF in case of a calculation error of the Net Asset Value (NAV) or non-compliance with the investment rules in accordance with Circular CSSF 02/77 applicable to undertakings for collective investment (UCIs) must henceforth be transmitted via the form file "[Notification of NAV calculation error and non-compliance with the investment rules](#)". This form file may be downloaded directly from the CSSF website where you may also find the relevant [additional explanations](#).

This form file, applicable to UCIs subject to the Law of 17 December 2010 as well as to specialised investment funds subject to the Law of 13 February 2007, is in Excel format and is intended to collect all the information necessary for the CSSF in the framework of a NAV calculation error or non-compliance with the investment rules.

The form file must be sent electronically to the following address opc.prud.sp@cssf.lu. This new procedure is applicable with immediate effect; however, the notifications sent to the CSSF in a different format will be accepted until 1 March 2017.

After that date, the use of the form file is compulsory.

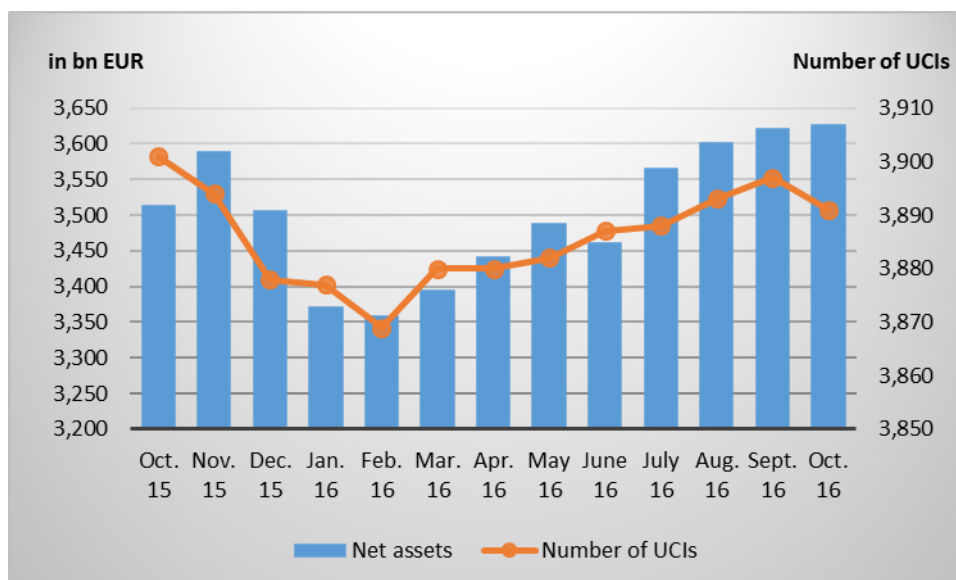
Global situation of undertakings for collective investment and specialised investment funds at the end of October 2016

Press release 17/02 of 5 January 2017

I. Overall situation

As at 31 October 2016, total net assets of undertakings for collective investment and specialised investment funds amounted to EUR 3,626.498 billion compared to EUR 3,621.929 billion as at 30 September 2016, i.e. a 0.13% increase over one month. Over the last twelve months, the volume of net assets rose by 3.22%.

Consequently, the Luxembourg UCI industry registered a positive variation amounting to EUR 4.569 billion in October. This increase represents the balance of positive net issues of EUR 7.012 billion (0.19%) and of the negative development in the financial markets amounting to EUR 2.443 billion (- 0.06%).



The number of undertakings for collective investment (UCIs) and specialised investment funds (SIFs) taken into consideration totalled 3,891 as against 3,897 in the previous month. 2,595 entities have adopted an umbrella structure, which represents 13,011 sub-funds. When adding the 1,296 entities with a traditional structure to that figure, a total of 14,307 fund units are active in the financial centre.

As regards, on the one hand, the impact of financial markets on Luxembourg UCIs and SIFs (hereafter "UCIs") and, on the other hand, the net capital investment in these UCIs, the following can be said about October 2016.

The categories of equity UCIs developed differently during the month under review.

As far as developed markets are concerned, given the political uncertainties in Europe, the category of European equity UCIs recorded a negative performance in October despite positive economic data in Europe. While equity markets in the United States closed the month in negative territory due mainly to the uncertainties surrounding the presidential elections, the category of US equity UCIs recorded nevertheless a slight increase following the USD appreciation against the EUR by almost 2%. The stock prices for the category of Japanese equity UCIs grew significantly during the month under review,

mainly as a result of a depreciation of the YEN against the USD by over 4% and Japanese economic indicators that are better than expected.

As for emerging countries, the category of Asian equity UCIs recorded overall a positive performance following positive growth data and the upward trend of the economic indicators in China. The category of Eastern equity UCIs also registered price increases in October 2016 as a consequence of the deceleration of the Russian recession and the stabilisation of oil prices despite persisting geopolitical problems in the region. The strong appreciation of South American shares and main currencies against the EUR explains the positive performance of Latin American equity UCIs.

During October 2016, the category of equity UCIs registered an overall negative net capital investment.

Development of equity UCIs during the month of October 2016*

	Market variation in %	Net issues in %
Global market equities	-0.74%	-0.10%
European equities	-0.87%	-0.99%
US equities	0.07%	-1.28%
Japanese equities	4.14%	-1.02%
Eastern European equities	2.57%	0.00%
Asian equities	0.64%	0.65%
Latin American equities	9.10%	-0.23%
Other equities	0.91%	0.93%

* Variation in % of Net Assets in EUR as compared to the previous month.

In October, the bond yields recorded an upward trend on both sides of the Atlantic.

In Europe, government bond yields increased amidst rumours of a reduction in the ECB's asset buy-back programme, positive economic data and a slight increase of general inflation indices in Europe. Corporate bonds also followed the upward trend in yields, whereas risk premiums of corporate bonds remained more or less stable. Consequently, EUR-denominated bond UCIs registered price losses during the month under review.

As regards USD-denominated bond UCIs, economic data exceeding expectations as well as the rise of the inflation anticipations led to a growth in USD-denominated bonds. This increase in yields was more than offset by the USD appreciation against the EUR so that the category of USD-denominated bond UCIs ended the month under review slightly up.

A high demand for emerging market bonds and the stabilisation of the commodity prices resulted in price increases for emerging bond UCIs.

In October, the categories of fixed-income UCIs registered an overall positive net capital investment.

Development of fixed-income UCIs during the month of October 2016*

	Market variation in %	Net issues in %
EUR money market	-0.03%	-0.73%
USD money market	1.97%	1.62%
Global market money market	-1.75%	-1.50%
EUR-denominated bonds	-1.13%	-0.77%
USD-denominated bonds	0.03%	2.10%
Global market bonds	-0.16%	0.59%
Emerging market bonds	0.38%	1.39%
High Yield bonds	0.86%	0.78%
Others	-0.71%	-0.94%

* Variation in % of Net Assets in EUR as compared to the previous month.

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

Diversified UCIs and funds of funds during the month of October 2016*

	Market variation in %	Net issues in %
Diversified UCIs	-0.14%	0.27%
Funds of funds	-0.25%	0.52%

* Variation in % of Net Assets in EUR 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 2010 Law and of SIFs, respectively, according to the 2007 Law

	PART I UCITS		PART II UCIs		SIFs		TOTAL	
	NUMBER	NET ASSETS (in bn EUR)	NUMBER	NET ASSETS (in bn EUR)	NUMBER	NET ASSETS (in bn EUR)	NUMBER	NET ASSETS (in bn EUR)
31/12/2013	1,817	2,121.458 €	523	187.380 €	1,562	306.525 €	3,902	2,615.363 €
31/01/2014	1,817	2,128.746 €	518	186.766 €	1,550	308.324 €	3,885	2,623.836 €
28/02/2014	1,823	2,182.477 €	515	186.477 €	1,543	310.557 €	3,881	2,679.511 €
31/03/2014	1,824	2,216.005 €	510	181.493 €	1,551	311.703 €	3,885	2,709.201 €
30/04/2014	1,831	2,250.792 €	509	179.885 €	1,558	311.531 €	3,898	2,742.208 €
31/05/2014	1,829	2,318.076 €	502	181.248 €	1,569	316.545 €	3,900	2,815.869 €
30/06/2014	1,824	2,355.462 €	490	179.083 €	1,570	320.095 €	3,884	2,854.640 €
31/07/2014	1,868	2,405.883 €	452	170.630 €	1,571	327.623 €	3,891	2,904.136 €
31/08/2014	1,884	2,461.916 €	446	171.092 €	1,566	337.512 €	3,896	2,970.520 €
30/09/2014	1,887	2,497.035 €	441	172.581 €	1,572	337.146 €	3,900	3,006.762 €
31/10/2014	1,883	2,525.079 €	436	169.371 €	1,585	340.008 €	3,904	3,034.458 €
30/11/2014	1,895	2,567.847 €	433	169.526 €	1,585	345.981 €	3,913	3,083.354 €
31/12/2014	1,893	2,578.423 €	422	168.915 €	1,590	347.649 €	3,905	3,094.987 €
31/01/2015	1,896	2,734.590 €	412	178.286 €	1,577	364.137 €	3,885	3,277.013 €

28/02/2015	1,896	2,851.312 €	409	181.463 €	1,588	371.091 €	3,893	3,403.866 €
31/03/2015	1,891	2,955.916 €	405	186.664 €	1,592	382.213 €	3,888	3,524.793 €
30/04/2015	1,895	2,970.878 €	403	185.177 €	1,596	382.531 €	3,894	3,538.586 €
31/05/2015	1,900	3,027.262 €	401	187.084 €	1,600	387.179 €	3,901	3,601.525 €
30/06/2015	1,903	2,962.778 €	399	182.163 €	1,599	383.190 €	3,901	3,528.131 €
31/07/2015	1,901	3,015.582 €	392	181.228 €	1,602	386.300 €	3,895	3,583.110 €
31/08/2015	1,899	2,871.083 €	391	173.038 €	1,601	378.866 €	3,891	3,422.987 €
30/09/2015	1,900	2,820.370 €	391	169.729 €	1,603	376.727 €	3,894	3,366.826 €
31/10/2015	1,903	2,952.296 €	391	173.421 €	1,607	387.676 €	3,901	3,513.393 €
30/11/2015	1,895	3,019.572 €	386	175.406 €	1,613	394.693 €	3,894	3,589.671 €
31/12/2015	1,892	2,946.860 €	384	169.896 €	1,602	389.445 €	3,878	3,506.201 €
31/01/2016	1,903	2,819.861 €	378	164.531 €	1,596	386.607 €	3,877	3,370.999 €
29/02/2016	1,904	2,813.421 €	373	157.278 €	1,592	387.785 €	3,869	3,358.484 €
31/03/2016	1,905	2,847.418 €	371	157.047 €	1,603	390.939 €	3,879	3,395.404 €
30/04/2016	1,904	2,888.262 €	370	159.477 €	1,606	394.341 €	3,880	3,442.080 €
31/05/2016	1,902	2,928.461 €	371	159.174 €	1,609	400.345 €	3,882	3,487.980 €
30/06/2016	1,899	2,906.498 €	367	156.893 €	1,621	398.513 €	3,887	3,461.904 €
31/07/2016	1,892	2,997.551 €	365	159.356 €	1,631	408.849 €	3,888	3,565.756 €
31/08/2016	1,894	3,033.413 €	363	159.141 €	1,636	409.608 €	3,893	3,602.162 €
30/09/2016	1,891	3,051.016 €	362	159.088 €	1,644	411.825 €	3,897	3,621.929 €
31/10/2016	1,893	3,053.246 €	356	159.320 €	1,642	413.932 €	3,891	3,626.498 €

During the month under review, the following 21 undertakings for collective investment and specialised investment funds have been registered on the official list:

1) UCITS Part I 2010 Law:

- AMBER FUND SICAV, 12, rue Eugène Ruppert, L-2453 Luxembourg
- BCDI-AKTIEFONDS, 4, rue Thomas Edison, L-1445 Strassen
- M.M. WARBURG STRUCTURED EQUITY INVEST, 2, place François-Joseph Dargent, L-1413 Luxembourg
- SUMUS FUND, 12, rue Eugène Ruppert, L-2453 Luxembourg
- WATERLOO SICAV, 6A, rue Gabriel Lippmann, L-5365 Munsbach

2) SIFs:

- ALFA CAPITAL LUXEMBOURG SA, SICAV-FIS, 42, rue de la Vallée, L-2661 Luxembourg
- AQUILA CAPITAL RENEWABLES AND INFRASTRUCTURE FUND IV S.A., SICAV-SIF, 5, Heienhaff, L-1736 Senningerberg
- ATLAS AI SICAV-FIS, S.A., 5, rue des Labours, L-1912 Luxembourg
- BPI STRATEGIES CAPITAL SICAV-SIF, 15, avenue J-F Kennedy, L-1855 Luxembourg
- CORPUS SIREO HEALTH CARE IV SICAV-FIS, 4A, rue Albert Borschette, L-1246 Luxembourg
- CREON ENERGY FUND S.C.A., SICAV-SIF, 5, allée Scheffer, L-2520 Luxembourg
- CULROSS FUNDS S.A., SICAV-SIF, 58, rue Charles Martel, L-2134 Luxembourg
- DOMBLICK S.A. SICAV-FIS, 15, rue de Flaxweiler, L-6776 Grevenmacher
- FYSIS FUND II SICAV-SIF S.C.A, 412F, route d'Esch, L-1471 Luxembourg
- INFRASTRUCTURE FINANCE SCS-SIF, 2-4, rue Eugène Ruppert, L-2453 Luxembourg
- LOOP U.S. MUNICIPAL BONDS FUND, 287-289, route d'Arlon, L-1150 Luxembourg
- NAXOS SCA SICAV SIF, 5, allée Scheffer, L-2520 Luxembourg
- PARTNERS GROUP PRIVATE LOANS S.A., SICAV-SIF, 2, place François-Joseph Dargent, L-1413 Luxembourg
- PRIME PROPERTIES S.C.A. SICAV-SIF, 12, rue Eugène Ruppert, L-2453 Luxembourg
- SHAFTESBURY REAL ESTATE PARTNERS 1, 23, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg

- SKHGP-AI, 5, rue des Labours, L-1912 Luxembourg

The following 27 undertakings for collective investment and specialised investment funds have been deregistered from the official list during the month under review:

1) UCITS Part I 2010 Law:

- ARTESIS MARKET OPPORTUNITIES, 9A, rue Gabriel Lippmann, L-5365 Munsbach
- AVOCADO FONDS, 1C, rue Gabriel Lippmann, L-5365 Munsbach
- DWS MEGATREND PERFORMANCE 2016, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- DWS PERFORMANCE RAINBOW 2015, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- RINASCIMENTO SICAV, 60, avenue J.F. Kennedy, L-1855 Luxembourg

2) UCIs Part II 2010 Law:

- AGCM II SICAV, 4, rue Peternelchen, L-2370 Howald
- CAPITALATWORK ALTERNATIVE FUND, 11-13, boulevard de la Foire, L-1528 Luxembourg
- FIDELITY MULTI MANAGER FUNDS FCP, 2A, rue Albert Borschette, L-1246 Luxembourg
- NOBILIS INVESTMENT FUNDS, 15, rue Edward Steichen, L-2540 Luxembourg

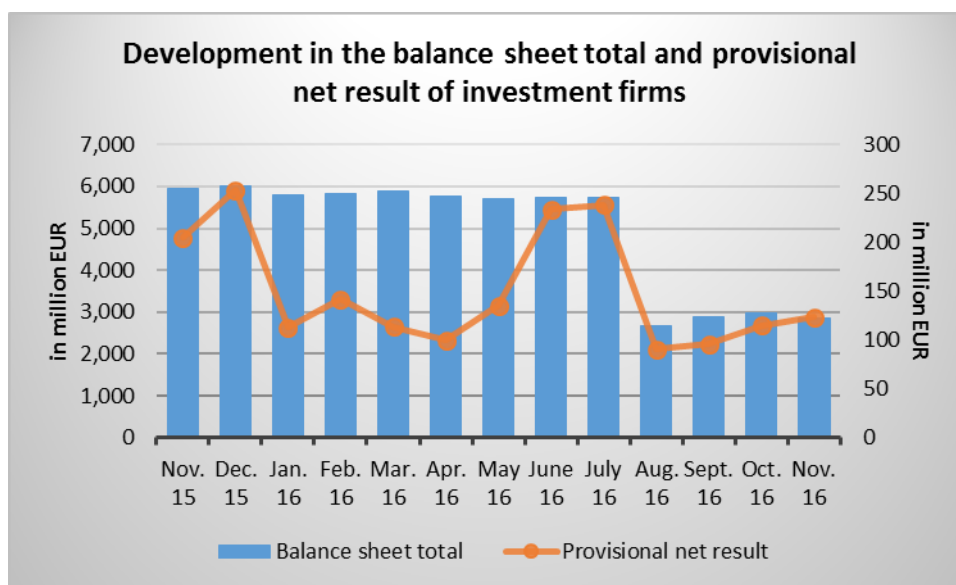
3) SIFs:

- ABERDEEN EUROPEAN SHOPPING PROPERTY FUND, 35A, avenue J-F Kennedy, L-1855 Luxembourg
- ATCM III, 4, rue Peternelchen, L-2370 Howald
- BLUEHIVE OPPORTUNITIES, 6, rue Lou Hemmer, L-1748 Senningerberg
- CAPMAN PUBLIC MARKET FUND FCP-SIF, 5, rue Guillaume Kroll, L-1882 Luxembourg
- CF SPEZIAL FIS, 1C, rue Gabriel Lippmann, L-5365 Munsbach
- CORDEA SAVILLS NORDIC RETAIL FUND, 26, boulevard Royal, L-2449 Luxembourg
- FORST INVEST - WALDFONDS S.C.A. SICAV-SIF, 61, Gruuss-Strooss, L-9991 Weiswampach
- GENERALI CHINA, 4, rue Jean Monnet, L-2180 Luxembourg
- INVESCO EUROPEAN HOTEL REAL ESTATE FUND, 37A, avenue J-F Kennedy, L-1855 Luxembourg
- IPC - M.M. STRATEGIE FUND, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- IPC-CAPITAL STRATEGY IX, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- IPC-CAPITAL STRATEGY XII, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- PENOLA INVESTO CAPITAL SIF FCP, 10, rue Antoine Jans, L-1820 Luxembourg
- S. U. P. LEO SICAV-FIS, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- SCHRODER PROPERTY, 5, rue Höhenhof, L-1736 Senningerberg
- SECURITAS2007, 534, rue de Neudorf, L-2220 Luxembourg
- SENSUS CAPITAL S.A. - SICAV-SIF, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- VAUBAN INVESTMENTS, 44, avenue J-F Kennedy, L-1855 Luxembourg

STATISTICS

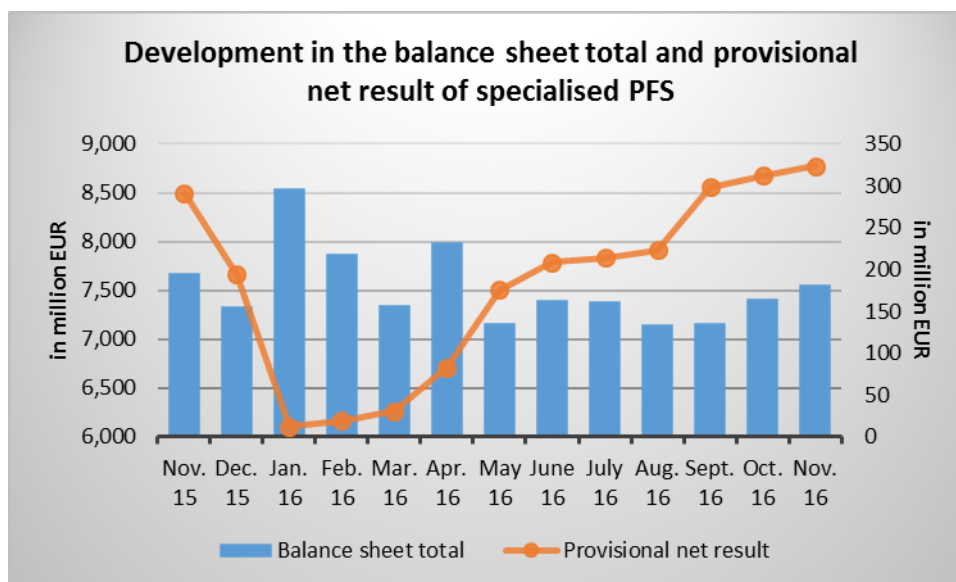
Investment firms

Decrease in the investment firms' balance sheet total as at 30 November 2016



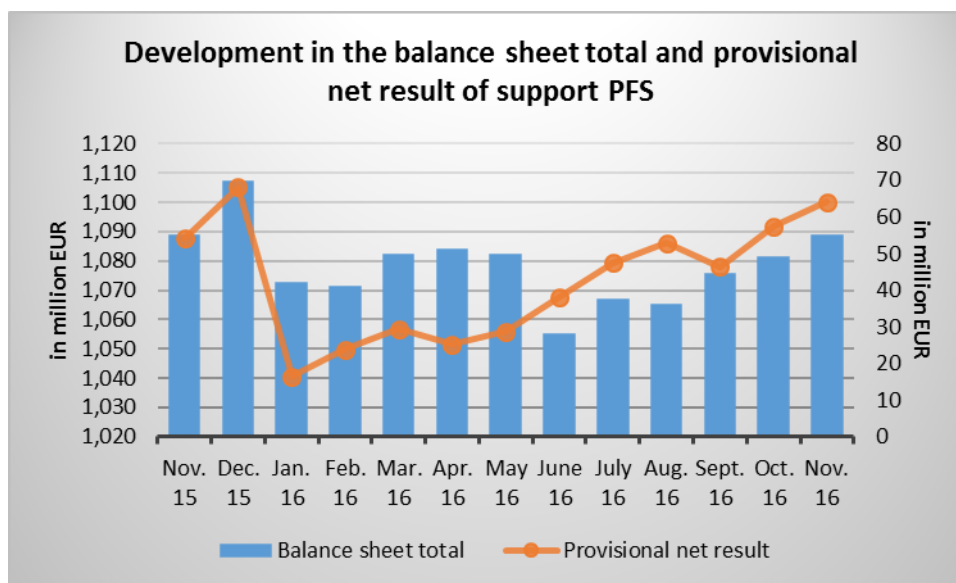
Specialised PFS

Increase in the specialised PFS' balance sheet total as at 30 November 2016



Support PFS

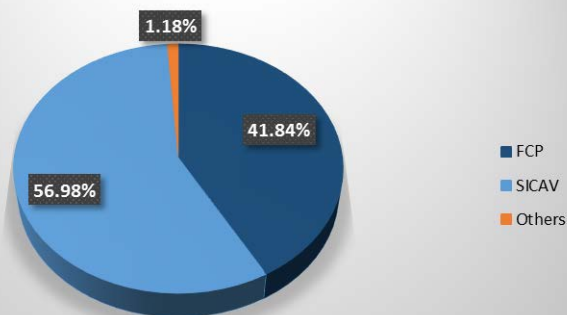
Increase in the support PFS' balance sheet total as at 30 November 2016



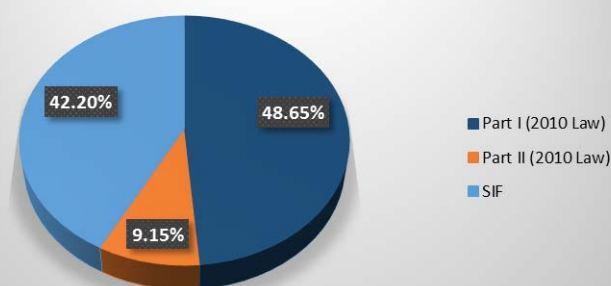
UCIs (Situation as at 31 October 2016)

Number of UCIs

Breakdown according to legal form



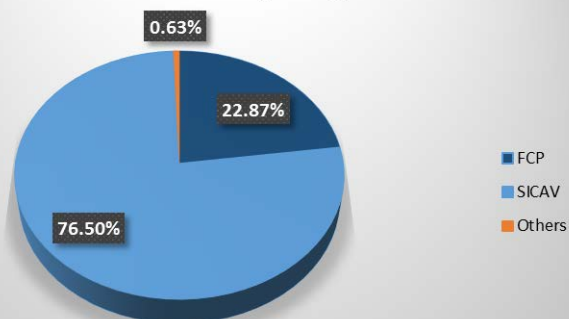
Breakdown according to law and part applicable



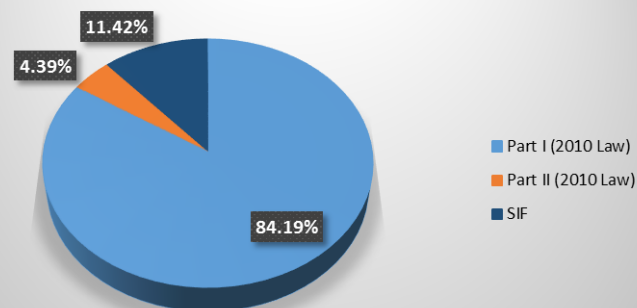
Law, part/legal form	FCPs	SICAVs	Others	Total
Part I (2010 Law)	1,027	866	0	1,893
Part II (2010 Law)	180	173	3	356
SIFs	421	1,178	43	1,642
TOTAL	1,628	2,217	46	3,891

Net assets of UCIs

Breakdown according to legal form



Breakdown according to law and part applicable



Law, part/legal form (in bn EUR)	FCPs	SICAVs	Others	Total
Part I (2010 Law)	611.237	2,442.009	0.000	3,053.246
Part II (2010 Law)	61.516	97.315	0.489	159.320
SIFs	156.739	234.994	22.199	413.932
TOTAL	829.492	2,774.318	22.688	3,626.498

Breakdown according to investment policy

Breakdown according to investment policy	Net assets (in bn EUR)	Number of fund units ²
Fixed-income securities	1,133.709	3,103
Variable-yield transferable securities	1,045.357	3,802
Mixed transferable securities	785.006	4,106
Funds of funds	214.442	2,130
Money market instruments and other short-term securities	316.814	253
Cash	2.118	22
Private equity	24.530	178
Venture capital	1.467	32
Real estate	49.581	334
Futures and/or options	12.808	139
Other assets	40.666	208
Total	3,626.498	14,307

² "Fund units" refers to both traditionally structured UCIs and sub-funds of umbrella funds.

Breakdown of net assets according to investment policy

Breakdown according to investment policy	Net assets (in bn EUR)	Number of fund units	Subscriptions (in bn EUR)	Redemptions (in bn EUR)	Net subscriptions (in bn EUR)
PART I					
Fixed-income transferable securities	1,028.545	2,445	47.401	43.142	4.259
Variable-yield transferable securities	984.192	3,385	34.469	36.902	-2.433
Mixed transferable securities	611.857	2,794	19.397	17.803	1.594
Funds of funds	123.685	956	2.792	3.363	-0.571
Money market instruments and other short-term securities	294.061	189	150.721	150.050	0.671
Cash	1.391	11	0.048	0.050	-0.002
Futures and/or options	6.066	58	0.336	0.156	0.180
Other assets	3.449	10	0.061	0.053	0.008
TOTAL PART I:	3,053.246	9,848	255.225	251.519	3.706
PART II					
Fixed-income transferable securities	24.123	133	0.412	0.308	0.104
Variable-yield transferable securities	16.983	79	0.086	0.201	-0.115
Mixed transferable securities	54.648	259	1.513	1.103	0.410
Funds of funds	32.522	343	0.317	0.784	-0.467
Money market instruments and other short-term securities	19.591	51	1.016	1.168	-0.152
Cash	0.710	9	0.009	0.028	-0.019
Private equity	3.381	15	0.095	0.021	0.074
Venture capital	0.027	2	0.000	0.000	0.000
Real estate	0.924	19	0.000	0.037	-0.037
Futures and/or options	3.415	33	0.036	0.055	-0.019
Other assets	2.996	13	0.046	0.076	-0.030
TOTAL PART II:	159.320	956	3.530	3.781	-0.251
SIFs					
Fixed-income transferable securities	81.041	525	2.825	2.234	0.591
Variable-yield transferable securities	44.182	338	0.547	0.776	-0.229
Mixed transferable securities	118.501	1,053	1.367	1.161	0.206
Funds of funds	58.235	831	2.323	0.776	1.547
Money market instruments and other short-term securities	3.162	13	0.176	0.429	-0.253
Cash	0.017	2	0.000	0.000	0.000
Private equity	21.149	163	0.641	0.042	0.599
Venture capital	1.440	30	0.009	0.003	0.006
Real estate	48.657	315	0.554	0.722	-0.168
Futures and/or options	3.327	48	0.177	0.034	0.143
Other assets	34.221	185	1.409	0.294	1.115
TOTAL SIFs:	413.932	3,503	10.028	6.471	3.557
TOTAL LUXEMBOURG UCIs	3,626.498	14,307	268.783	261.771	7.012

Origin of the initiators of Luxembourg UCIs

Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
United States	752.384	20.7%	167	4.3%	1,059	7.4%
United Kingdom	625.343	17.2%	270	6.9%	1,513	10.6%
Germany	522.638	14.4%	1,438	37.0%	2,760	19.3%
Switzerland	497.357	13.7%	529	13.6%	2,681	18.7%
Italy	321.145	8.9%	145	3.7%	1,254	8.8%
France	290.163	8.0%	275	7.1%	1,321	9.2%
Belgium	156.028	4.3%	167	4.3%	996	7.0%
Netherlands	84.781	2.3%	49	1.3%	229	1.6%
Luxembourg	75.044	2.1%	212	5.4%	593	4.1%
Denmark	74.377	2.1%	24	0.6%	176	1.2%
Others	227.238	6.3%	615	15.8%	1,725	12.1%
Total	3,626.498	100.0%	3,891	100.0%	14,307	100.0%

Breakdown of UCI fund units registered in Luxembourg by reference currency

Currency	Net assets (in bn EUR)	in %	Number of fund units	in %
AUD	6.681	0.184%	29	0.203%
CAD	1.627	0.045%	26	0.182%
CHF	52.244	1.441%	299	2.090%
CNH	1.348	0.037%	19	0.133%
CNY	0.081	0.002%	2	0.014%
CZK	1.314	0.036%	65	0.454%
DKK	3.061	0.084%	10	0.070%
EUR	1,982.151	54.657%	9,138	63.871%
GBP	96.523	2.662%	330	2.307%
HKD	4.498	0.124%	10	0.070%
HUF	0.270	0.007%	33	0.231%
ILS	0.001	0.000%	1	0.007%
JPY	67.251	1.854%	219	1.531%
NOK	4.159	0.115%	29	0.203%

NZD	0.912	0.025%	5	0.035%
PLN	0.460	0.013%	25	0.175%
RON	0.488	0.014%	6	0.042%
SEK	45.193	1.246%	192	1.342%
SGD	0.547	0.015%	7	0.049%
TRY	0.054	0.002%	3	0.021%
USD	1,357.608	37.436%	3,857	26.959%
ZAR	0.027	0.001%	2	0.014%
Total	3,626.498	100.000%	14,307	100.000%

SICARs

Since the publication of the last Newsletter, no **SICAR** has 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).

No SICAR was deregistered from the official list of SICARs governed by the Law of 15 June 2004 relating to the investment company in risk capital (SICAR).

As at 5 January 2017, the number of SICARs registered on the official list amounted to **283 entities**.

Pension funds

As at 12 January 2017, **14 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.

On the same date, the number of professionals authorised to act as **liability managers** for pension funds subject to the Law of 13 July 2005 amounted to **17**.

Securitisation undertakings

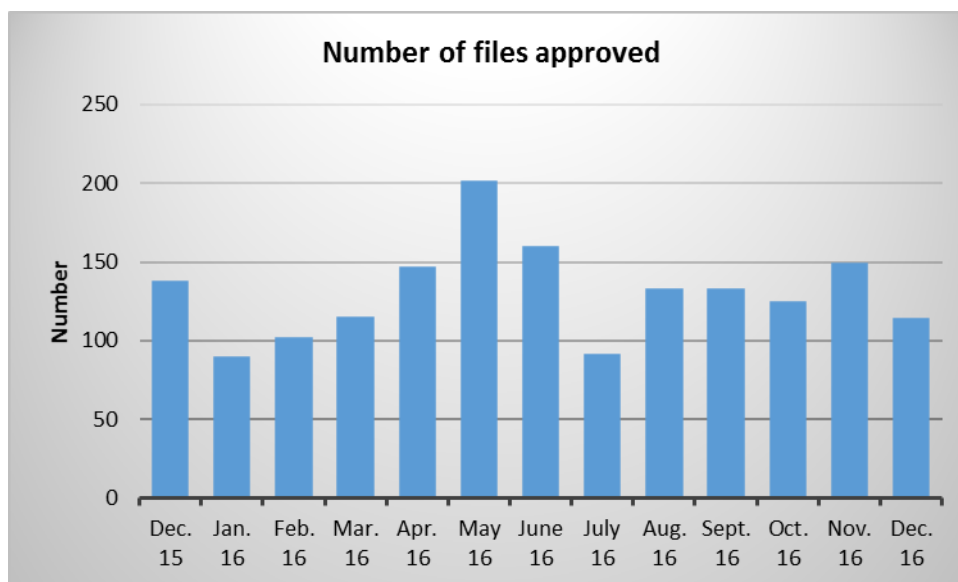
The number of **securitisation undertakings authorised** by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **34** entities as at 9 January 2016.

Public oversight of the audit profession

The public oversight of the audit profession covered **64 cabinets de révision agréés** (approved audit firms) and **291 réviseurs d'entreprises agréés** (approved statutory auditors) as at 31 December 2016. The oversight also included **43 third-country auditors and audit firms** duly registered in accordance with the Law of 23 July 2016 concerning the audit profession.

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)

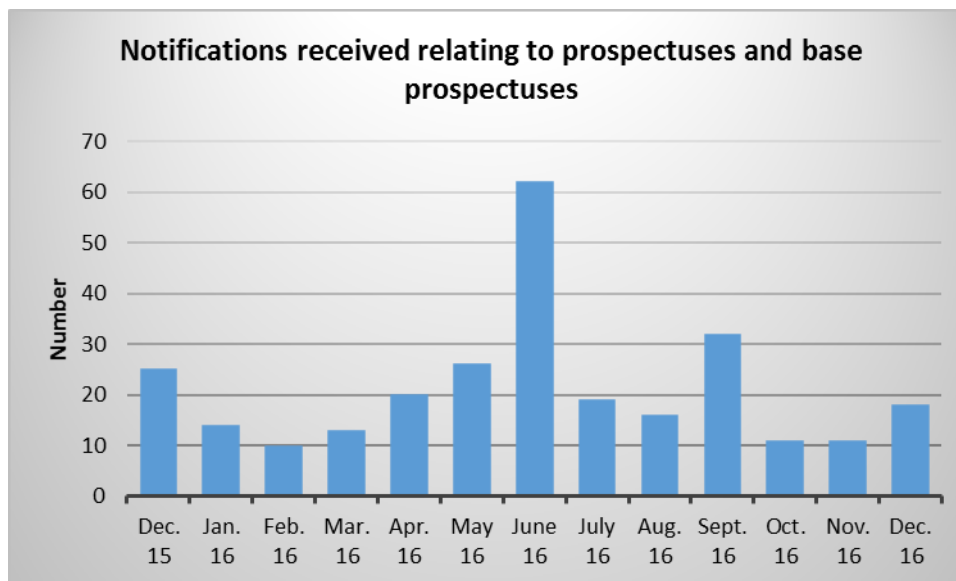
CSSF approvals



In December 2016, the CSSF approved a total of 114 documents pursuant to the Prospectus Law, which break down as follows:

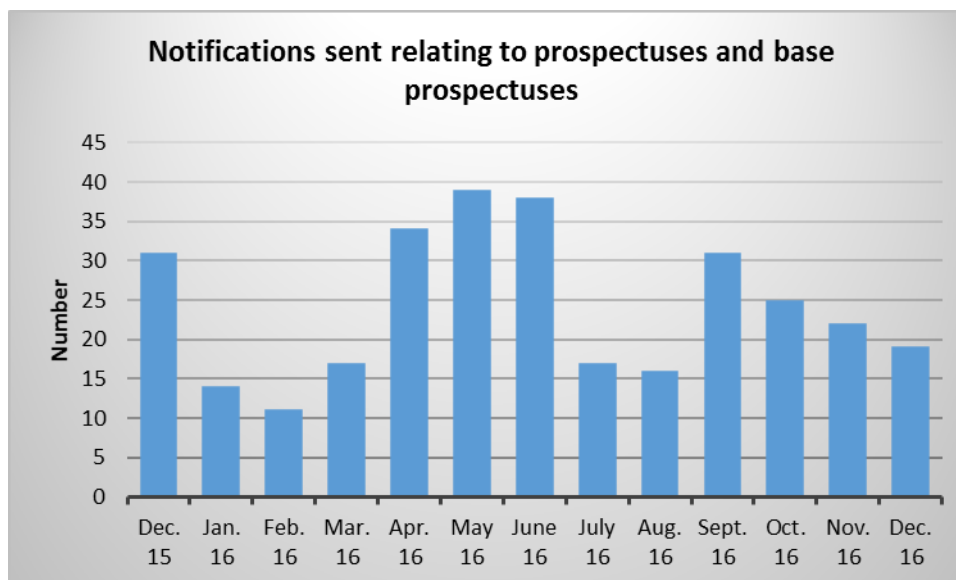
base prospectuses:	17	(14.91%)
other prospectuses:	18	(15.79%)
supplements:	79	(69.30%)

Notifications received by the CSSF from the competent authorities of other EEA Member States



In December 2016, the CSSF received 18 notifications relating to prospectuses and base prospectuses and 93 notifications relating to supplements from the competent authorities of other EEA Member States.

Notifications sent by the CSSF to the competent authorities of other EEA Member States



In December 2016, the CSSF sent 19 notifications relating to prospectuses and base prospectuses and 66 notifications relating to supplements to the competent authorities of other EEA Member States³.

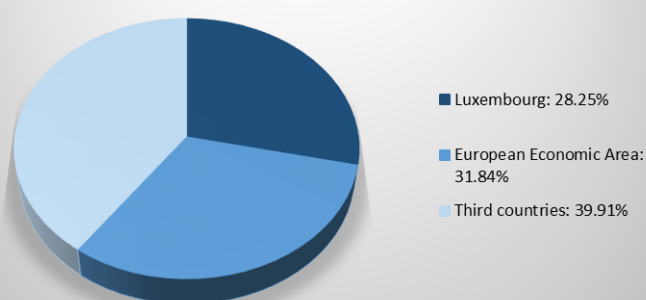
³ These figures reflect the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications were sent at different dates and/or in several Member States, only

Issuers of securities whose home Member State is Luxembourg pursuant to the Law of 11 January 2008 on transparency requirements for issuers (the "Transparency Law")

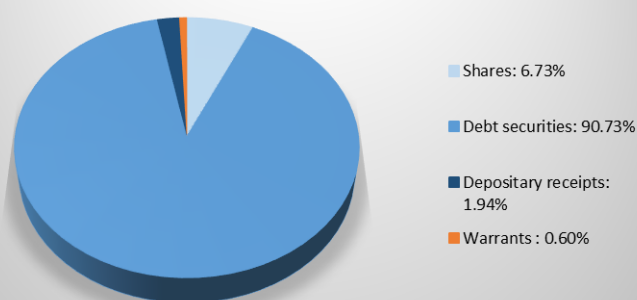
Since 14 December 2016, **one** issuer has chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, **four** issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 11 January 2017, **669 issuers** were included in the list of issuers whose home Member State is Luxembourg pursuant to the Transparency Law and are thus subject to the supervision of the CSSF.

Breakdown of issuers according to countries



Breakdown of issuers according to type of securities admitted to trading



WITHDRAWALS DECIDED BY THE CSSF

Following the CSSF's decision to withdraw the specialised investment fund **BAPE S.C.A., SICAV-SIF** from the official list of specialised investment funds, the VIth Chamber of the Luxembourg *Tribunal d'Arrondissement* (District Court), dealing with commercial matters, per judgement on 8 December 2016, pronounced the dissolution and ordered the liquidation of the specialised investment fund BAPE S.C.A., SICAV-SIF. The same judgement has appointed Mr Laurent Lucas as official receiver (*juge-commissaire*) and Me Julien Boeckler as liquidator.

A decision to withdraw the specialised investment fund **EQUI SICAV SIF SCA** from the official list of specialised investment funds was taken by the CSSF on 13 December 2016.

A decision to withdraw the specialised investment fund **KANT CAPITAL FUND S.C.A. SICAV-SIF** from the official list of specialised investment funds was taken by the CSSF on 13 December 2016.

the first notification is included in the statistical calculation. Each document notified in one or several Member States is thus only counted once.

FINANCIAL CENTRE

Main updated figures regarding the financial centre:

			Annual comparison
Banks	Number (12/01/2017)	141 ⁴	↘ 2 entities
	Balance sheet total (30/09/2016)	EUR 741.975 bn	↘ EUR 15.462 bn
	Profit before provisions (30/09/2016)	EUR 4.408 bn	↗ EUR 34 m
Payment institutions	Number (12/01/2017)	9	↘ 1 entity
Electronic money institutions	Number (12/01/2017)	4	↘ 1 entity
UCIs	Number (12/01/2017)	Part I 2010 Law: 1,873	↘ 18 entities
		Part II 2010 Law: 353	↘ 30 entities
		SIFs: 1,636	↗ 39 entities
		TOTAL: 3,862	↘ 9 entities
	Total net assets (31/10/2016)	EUR 3,626.498 bn	↗ EUR 36.827 bn
Management companies (Chapter 15)	Number (31/12/2016)	201	↘ 3 entities
	Balance sheet total (30/09/2016)	EUR 13.022 bn	↗ 188 million
Management companies (Chapter 16)	Number (31/12/2016)	171	↘ 6 entities
AIFMs	Number (12/01/2017)	220	↗ 20 entities
SICARs	Number (05/01/2017)	283	↘ 3 entities
Pension funds	Number (12/01/2017)	14	no change
Authorised securitisation undertakings	Number (09/01/2017)	34	↗ 2 entities
Investment firms	Number (12/01/2017)	109 of which 10 branches	↗ 2 entities
	Balance sheet total (30/11/2016)	EUR 2.856 bn	↘ EUR 3.108 bn
	Provisional net profit (30/11/2016)	EUR 123.023 m	↘ EUR 81.658 m
Specialised PFS	Number (12/01/2017)	120	↘ 6 entities
	Balance sheet total (30/11/2016)	EUR 7.558 bn	↘ EUR 11 m
	Provisional net profit (30/11/2016)	EUR 323.446 m	↗ EUR 32.39 m
Support PFS	Number (18/11/2016)	76	↘ 3 entities
	Balance sheet total (30/11/2016)	EUR 1.089 bn	↗ EUR 1 m
	Provisional net profit (30/11/2016)	EUR 64.18 m	↘ EUR 10.11 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (11/01/2017)	669	↗ 87 entities
Public oversight of the audit profession	Number (31/12/2016)	64 <i>cabinets de révision agréés</i>	↘ 2 entities
		291 <i>réviseurs d'entreprises agréés</i>	↗ 15 people
		43 third-country auditors and audit firms	↘ 1 entity
Employment (30/09/2016)	Banks	26,132 people	↗ 288 people
	Management companies (Chapter 15)	3,965 people	↗ 222 people
	Investment firms	2,274 people	↘ 12 people
	Specialised PFS	3,950 people	↗ 220 people
	Support PFS	8,986 people	↘ 162 people
	Total	45,307 people	↗ 556 people ⁵

⁴ A difference with the number stated in the application "Supervised entities" may occur. This difference is due to the fact that the list in the application includes the banks that are already closed, but whose closure has not yet been confirmed by the ECB.

⁵ This development does not mean a net creation or loss of jobs, but includes the transfer of existing jobs from the non-financial sector to the financial sector and vice versa.