



# Newsletter

## No 193 - February 2017

General Secretariat of the CSSF  
283, route d'Arlon, L-1150 Luxembourg  
Postal address: L-2991 Luxembourg  
Tel.: (+352) 26 251-2560  
E-mail: [direction@cssf.lu](mailto:direction@cssf.lu)  
Website: [www.cssf.lu/en/](http://www.cssf.lu/en/)



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## *HUMAN RESOURCES*

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### **CSSF staff evolution**

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

#### **MAF departments**

Florence BOULAY

#### **UCI departments**

Étienne RAULT

#### **Resolution**

Maxime DANTEC

#### **On-site inspection**

Shamim FARID

Pierre NIKES

#### **Supervision of information systems and support PFS**

Lauriane IADADAÏNE

Jonas SCHMITT

#### **Single Supervisory Mechanism (SSM)**

Dirk MEVIS

Following the departure of two agents, the CSSF employs 682 agents on 14 February 2017: 362 men and 320 women.

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## *MEMORANDUM OF UNDERSTANDING*

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### **Signature of a memorandum of understanding between the Financial Services Regulatory Authority of the Abu Dhabi Global Market and the CSSF**

On 6 February 2017, the Financial Services Regulatory Authority of the Abu Dhabi Global Market and the CSSF signed a Memorandum of Understanding on mutual assistance, consultation and exchange of information in the area of supervision of financial entities operating in the financial markets of the two jurisdictions. The MoU took effect on the day of its signature.

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## *WARNINGS*

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### **Warnings published by the CSSF**

A warning concerning the activities of an entity named **Ebel & Partner Luxembourg S.A.** was published on 23 January 2017 and a warning concerning the activities of an entity named **Graumann & Partner S.A.** was published on 22 February 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](http://www.iosco.org/investor_protection/?subsection=investor_alerts_portal).

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## *NATIONAL REGULATION*

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### **Circular CSSF-CODERES 17/03**

The purpose of Circular CSSF-CODERES 17/03 is the adoption of the guidelines issued by the European Banking Authority (EBA) on the provision of information in summary or collective form for the purposes of Article 84(3) of Directive 2014/59/EU (EBA/GL/2016/03).

### **Circular CSSF 17/649**

The purpose of Circular CSSF 17/649 is the adoption of the guidelines issued by the European Banking Authority (EBA) on the provision of information in summary or collective form for the purposes of Article 84(3) of Directive 2014/59/EU (EBA/GL/2016/03).

### **Circular CSSF 17/650**

This circular follows on from the new criminal law provisions laid down in the Law of 23 December 2016 on the implementation of the 2017 tax reform which concerns, in particular, the extension of the money laundering offence to aggravated tax fraud and swindling. With these new provisions, Luxembourg transposes the revised FATF standard of 2012/2013 and Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing by extending the money laundering offence to a new category of serious predicate offences, namely tax crimes related to direct and indirect taxes. This circular which was prepared together with the Financial Intelligence Unit aims at i) providing specifications of the two authorities on the practical application of these new provisions by professionals of the financial sector supervised by the CSSF and ii) providing a list of indicators to assist the professionals.

### **Circular CSSF 17/651**

Circular CSSF 17/651 concerns the Law of 23 December 2016 1. 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 2. amending the Consumer Code. The circular has two objectives, namely to outline Chapter 6 of the Consumer Code and to draw the attention to the entry into force of

some guidelines of the European Banking Authority applicable in this context. The circular also informs on the characteristics that the “representative” example referred to in Article L. 226-6 (2) on the publicity regarding mortgage loan agreements shall have.

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## *INTERNATIONAL REGULATION*

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### **Publication in the Official Journal of the European Union**

**21 January 2017** - Publication of [Commission Delegated Regulation \(EU\) 2017/104 of 19 October 2016](#) amending Delegated Regulation (EU) No 148/2013 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 on the minimum details of the data to be reported to trade repositories.

**21 January 2017** - Publication of [Commission Implementing Regulation \(EU\) 2017/105 of 19 October 2016](#) amending Implementing Regulation (EU) No 1247/2012 laying down implementing technical standards with regard to the format and frequency of trade reports to trade repositories according to Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories.

**25 January 2017** - Publication of [the Corrigendum to Commission Implementing Regulation \(EU\) 2017/105 of 19 October 2016](#) amending Implementing Regulation (EU) No 1247/2012 laying down implementing technical standards with regard to the format and frequency of trade reports to trade repositories according to Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories.

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## *BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM*

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### **Single Supervisory Mechanism - European Central Bank (ECB)**

#### **Publications and Consultations**

**31 January 2017** - [Supervisory Banking Statistics - Third quarter 2016](#)

The European Central Bank (ECB) has published its supervisory banking statistics for the third quarter 2016, including general statistics, statistics on balance sheet composition and profitability, on capital adequacy and asset quality, on funding and on data quality.

See also the [Methodological note for the publication of aggregated Supervisory Banking Statistics](#), which presents the main features of the publication Supervisory Banking Statistics with respect to the scope and content of the data published, the methodology underlying data aggregation and the approach to applying confidentiality requirements.

#### **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 [language regime in European banking supervision](#) and the [recovery planning of less significant institutions](#).

## Interviews and Speeches

**18 January 2017** – “[European banking supervision – a necessary innovation](#)” - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, at the WHU New Year’s Conference, Koblenz.

**25 January 2017** – “[New Year’s resolutions for a stable banking sector](#)” - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, at the European banking supervision and European Banking Federation boardroom dialogue, Frankfurt.

**30 January 2017** – “[Interview with La Repubblica](#)” - Interview of Danièle Nouy, Chair of the Supervisory Board of the ECB.

## European Commission

### Publications

**25 January 2017** – Publication of [the Corrigendum to Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013](#) on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

**25 January 2017** – Publication of [the Corrigendum to Regulation \(EU\) No 575/2013 of the European Parliament and of the Council of 26 June 2013](#) on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

## European Banking Authority (EBA)

### Publications

#### **CAPITAL REQUIREMENTS DIRECTIVE AND REGULATION**

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

The European Banking Authority (EBA) has published its Report on cyclicity of banks’ capital requirements aiming at clarifying whether risk-sensitive bank capital requirements as laid down in Regulation (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR) and Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV) create unintended pro-cyclical effects by reinforcing the endogenous relationships between the financial system and the real economy. This report, which has been drafted in close cooperation with the European Systemic Risk Board (ESRB) and the ECB is in response to a request by the European Commission to understand whether CRD IV/CRR requirements exert significant effects on the economic cycle and, if so, whether any remedial measures are justified. In addition, according to the EBA, this report may inform the European Commission’s currently ongoing reviews of the EU micro- and macro-prudential frameworks and may serve as a complementary contribution to the global discussions about the bank capital regulatory framework. The report concludes that the impact of regulatory capital requirements, more specifically their risk-sensitivity, under CRD IV/CRR on the EU economic cycle appears to be limited and, from a cyclical perspective, there are no strong grounds to fundamentally move away from a risk sensitive capital framework.

**11 January 2017 - [EBA updates recommendation on the equivalence of supervisory regimes](#)**

The EBA has published an amended Recommendation on the equivalence of confidentiality regimes with respect to Article 116(6) of CRD IV. Several additional non-EU supervisory authorities (authorities from Australia, Hong Kong, Japan and Kosovo) were added to the list of non-EU or third country supervisory authorities whose confidentiality regimes can be regarded as equivalent.

Additionally, the EBA has also published an [opinion](#) addressed to the European Commission, whereby it concluded that the supervisory and regulatory framework applicable to credit institutions in Turkey and New Zealand can be regarded as equivalent.

**11 January 2017 - [EBA published a periodical update of its Risk Dashboard summarising the main risks and vulnerabilities in the EU banking sector by a set of Risk Indicators in Q3 2016](#)**

The figures covered in the Risk Dashboard are based on a sample of 156 banks (including 9 Luxembourg banks), covering more than 80% of the EU banking sector (by total assets), at the highest level of consolidation, while country aggregates may also include large subsidiaries.

The EBA has also published the results of a [Risk Assessment Questionnaire](#), which was conducted among banks and market analysts between October and November 2016.

**18 January 2017 - [EBA publishes DPM and XBRL taxonomy 2.6 for remittance of supervisory reporting](#)**

The EBA has published an update to the XBRL taxonomy that competent authorities should use for the remittance of data under the EBA Implementing Technical Standards (EU) No 680/2014 on supervisory reporting. The revised taxonomy will be used for reference dates from 30 June 2017 onwards and includes changes and corrections to validation rules.

## **The EBA and the European Securities and Markets Authority (ESMA)**

**18 January 2017 - [EBA and ESMA call to clarify margin requirements between the CRR and EMIR](#)**

The EBA and ESMA have published their joint report on the functioning of the CRR with Regulation (EU) No 648/2012 of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (European Market Infrastructure Regulation - EMIR). The report calls for the requirements for credit, market, and counterparty credit risk in the CRR to be clarified. According to the EBA, this clarification should ensure that only risks not already covered by specific financial resources for activities not related to clearing are to be covered by the CRR requirements. This exclusion should also be extended to activities covered by interoperability arrangements.

## **Basel Committee on Banking Supervision (BCBS)**

**3 January 2017 - [GHoS postponed meeting to finalise Basel III reforms](#)**

The Group of Central Bank Governors and Heads of Supervision (GHoS), the oversight body of the BCBS, has welcomed the progress made towards completing the Basel Committee's post-crisis regulatory reforms, but states that more time is needed to finalise some work, including ensuring the framework's final calibration.

**26 January 2017 - [BCBS published frequently asked questions \(FAQs\) on market risk capital requirements](#)**

The FAQ document includes clarifications both to the standardised approach (SA) and the internal models approach (IRB). The key features of the revised framework include: (i) a revised boundary between the trading book and banking book; (ii) a revised IRB for market risk; (iii) a revised SA for market risk; (iv) a shift from value-at-risk to an expected shortfall measure of risk under stress; and (v) incorporation of the risk of market illiquidity.

## 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 [website of the ESRB](#). 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%	30/06/2016
		31/03/2017
		30/06/2017
		30/09/2017
	2 %	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 website of the [Bank of International Settlements](#).

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## SANCTIONS

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### Specialised investment funds

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 directors (*dirigeants*) of a specialised investment fund for non-filing of the management letter.

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 directors (*dirigeants*) of a specialised investment fund for non-filing of the annual financial report.

### Management companies

In accordance with Article 148(1) of the Law of 17 December 2010 relating to undertakings for collective investment, the CSSF imposed an administrative fine on a natural person for filing of an incomplete declaration of honour.

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## COMMUNIQUÉS

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### **Enforcement of the 2016 financial information published by issuers subject to the Transparency Law**

**Press release 17/03 of 16 January 2017**

Pursuant to the law of 11 January 2008 on transparency requirements for issuers (the “Transparency Law”), the CSSF is monitoring that financial information published by issuers, in particular their consolidated and non-consolidated financial statements, is drawn up in compliance with the applicable accounting standards.

In this context, the CSSF wishes to draw the attention of issuers and auditors on identified financial reporting topics they should particularly consider when preparing and auditing, respectively, the International Financial Reporting Standards (hereafter referred to as “IFRS”) financial statements for the year ending 31 December 2016.

As in previous years, the European Securities and Markets Authority (hereafter referred to as “ESMA”), together with European national accounting enforcers, including the CSSF, identified common enforcement priorities for the 2016 financial statements<sup>1</sup> on which particular attention will be paid when monitoring and assessing the application of all IFRS requirements.

When establishing its enforcement campaign, the CSSF has assessed how to monitor these common priorities defined at European level and communicated by ESMA and considered the need to identify other items of interest. This analysis is based on the following criteria:

- the importance and relevance of these topics for issuers under its direct supervision;
- the importance of judgment and assumptions made by issuers in dealing with these topics;
- the experience and history of issues encountered by the CSSF during previous campaigns.

The campaign will thus be governed by the following priorities:

#### **Presentation of financial performance**

The presentation of financial information of an entity, in particular of its financial performance, is a key driver to influence its users when they make economic decisions. The CSSF’s examination will take into account that:

- ESMA has stressed again the importance of providing investors with clear and high quality information on financial performance, and urges issuers to ensure transparency and consistency when presenting their performance in the primary financial statements, notes and in the documents accompanying their financial statements; and
- Amendments to IAS 1 “Presentation of Financial Statements” took effect on 1 January 2016. These amendments are part of the International Accounting Standards Board’s overall Disclosure Initiative and aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports. Disclosure Initiative (Amendments to IAS 1) introduces the following main changes:
  - Materiality: the amendments clarify that information should not be obscured by aggregating or by providing immaterial information; and

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<sup>1</sup> [ESMA/2016/1528](#)



- Statement of financial position and statements of profit or loss and other comprehensive income: the amendments introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and also provide additional guidance on subtotals in these statements.

In addition, the CSSF will also pay special attention to the application of Circular CSSF 16/636 whose purpose is to implement the “ESMA Guidelines on Alternative Performance Measures” (hereafter referred to as the “Guidelines”)<sup>2</sup> into Luxembourg regulations. In the second-half of 2016, the CSSF has carried out an examination of 2016 interim financial reports for a selection of issuers to ensure that the Guidelines have been complied with, and a series of misstatements and omissions have been identified<sup>3</sup>. The CSSF will pursue this examination as part of its diligence on 2016 financial reports.

Finally, the CSSF’s examination on this first priority will cover other significant areas where financial performance is presented including segment information, movements in the statement of other comprehensive income, earnings per share, and presentation of information not specifically required by IFRS.

### **Financial instruments: distinction between equity instruments and financial liabilities**

Due to the fact that there are cases where distinction between equity and liability requires significant judgement, ESMA reminded issuers that the general principle for distinguishing liabilities from equity issued by an entity is whether the entity has an unconditional right to avoid delivering cash or another financial asset to settle the contractual obligation.

The CSSF’s examination in this context will mainly focus on areas where issues had been encountered in the past, including the review of the characteristics of compound financial instruments with equity and liabilities components and of clauses for rights attached to preference shares. In this respect, issuers should also carefully consider events surrounding the conversion of a financial instrument such as the application of the fixed-for-fixed criterion, the cash settlement options, the review of contingent settlement provisions, etc. and the particular events for instruments which mandatorily have to deliver a pro rata share in the net assets such as the evaluation of elements outside the control of the entity or the subordination clauses.

### **Business Combinations**

Transactions involving business combinations remain critical when applying the key aspects of IFRS 3 “Business Combinations”, notably the identification of a business combination itself (i.e. criteria defining a business) and the subsequent application of the acquisition method. As a result, the CSSF’s examination in this context will be governed by the special focus that should be put on the recognition of assets acquired (and liabilities assumed), implying the identification of intangible assets previously not recognised, and their measurement at fair value in accordance with IFRS 13 “Fair value measurement”, as well as the measurement method chosen to recognise non-controlling interests acquired.

From a financial reporting point of view, the CSSF will also emphasise on the most meaningful disclosures that have been omitted in the past by the preparers of financial information. The recurring observations in this context principally relate to omissions of (i) the qualitative description of the factors that make up a goodwill or a bargain purchase recognised, (ii) the description of the contingent liabilities not recognised including the estimate, timing and uncertainties of their financial effects, and (iii) the

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<sup>2</sup> [ESMA/2015/1415](#)

<sup>3</sup> [CSSF Press Release 16/46](#)

miscellaneous disclosures on the amounts of revenue and profit or loss of the acquiree. Comprehensive disclosures in this respect are provided by paragraphs 59 to 61 of IFRS 3.

### **Continued uncertainty in financial markets conditions**

While ESMA set out “Impacts of the financial markets conditions on the financial statements” in the 2015 European common enforcement priorities, the financial reporting environment remains uncertain more than ever: there is still high volatility for commodities’ prices, interest rates are still at an historical low level, significant foreign exchange rate fluctuations are observed even in European currencies, as well as political factors such as the decision of the United Kingdom to leave the European Union or the result of the U.S. election.

These factors make it difficult for management to make judgements and assumptions about the future of their business. Likewise, it makes it harder for preparers of financial information to present and describe a comprehensive information for the users. Therefore, emphasis should be put not only on the description of the major sources of estimation uncertainty as required by IFRS, but on further quantitative and qualitative consideration given to a number of topics implying the use of assumptions as well as on the need to provide the disclosures relative to sensitivity analysis. The CSSF will make sure that an appropriate level of disclosure allows users of financial information to understand the challenges an entity faces when navigating uncertain times.

Finally, issuers potentially affected by the Brexit are encouraged to assess and disclose the associated risks and expected impacts that the referendum may have on their business activities.

### **Disclosures of the impact of the new standards on IFRS financial statements**

ESMA highlighted the fact that some aspects of the new IFRS standards, notably IFRS 9 “Financial Instruments”, IFRS 15 “Revenue from Contracts with Customers” and IFRS 16 “Leases”, which will come into force at the beginning of 2018 and 2019, will represent a significant change to the current standards. These new standards may affect the recognition, measurement and presentation of assets, liabilities, income, expenses and cash flows. ESMA encourages issuers to work as soon as possible on the implementation of these standards. Accordingly, the CSSF will start closely monitoring how issuers start preparing for these new standards and how they provide already additional disclosures on expected impacts in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

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

## **EBA publishes final Guidelines on revised Pillar 3 disclosure requirements**

### **Communiqué of 19 January 2017**

**On 14 December 2016, EBA published its final Guidelines on regulatory disclosure requirements following an update of the Pillar 3 requirements by the Basel Committee in January 2015. These Guidelines represent a significant step forward in the EBA's effort of improving and enhancing the consistency and comparability of institutions' regulatory disclosures.**

Following the release by the Basel Committee on Banking Supervision (BCBS) of a revised version of the Pillar 3 framework (RPF) in January 2015, the EBA published its own initiative Guidelines to ensure the harmonised and timely implementation of the RPF in the EU. These Guidelines, while not changing

the requirements of the regulatory disclosures defined in Part Eight of the CRR, provide further guidance and support to institutions in complying with both the CRR and the RPF requirements.

The Guidelines apply to Globally and Other Systemically Important Institutions (G-SIIs and O-SIIs) from 31 December 2017, but G-SIIs are encouraged to comply with a subset of those Guidelines as soon as 31 December 2016.

The document can be accessed by the following link:

<https://www.eba.europa.eu/documents/10180/1696202/Final+report+on+the+Guidelines+on+disclosure+requirements+under+Part+Eight+of+Regulation+575+2013+%28EBA-GL-2016-11%29.pdf/20370623-9400-4b5e-ae22-08e5baf4b841>.

## **Diploma ceremony - 2016 Examination of professional competence of *réviseurs d'entreprises* (statutory auditors)**

**Press release 17/04 of 24 January 2017**

Eleven new *réviseurs d'entreprises* (statutory auditors) received, on the premises of the CSSF, their diploma evidencing their success in the 2016 session of the examination of professional competence.

This diploma rewards a substantial training programme and is granted on the basis of a six-hour written examination and an individual oral test for every candidate in front of a jury appointed by the CSSF which is equally composed of audit professionals and of people not involved in the profession of *réviseurs d'entreprises*.

The diploma confirms the acquisition of the professional qualifications necessary to be granted the title of "*réviseur d'entreprises*" and to apply for authorisation in Luxembourg.

The ceremony took place in the presence of the Minister of Finance Pierre GRAMEGNA and the Director General of the CSSF Claude MARX.

### **List of the 11 new *réviseurs d'entreprises*:**

1. DE MAIGRET Gabriel (Cum laude)
2. FINEZ Marie-Noëlle
3. JULIEN Clément
4. LEGO-DEIBER Stéphane
5. MELOTTE Julien
6. MROZEK Aleksandra
7. RIBAU COURT Estelle
8. RORY Marion
9. SCHUH Frank (Cum laude)
10. SERAFIN Lena
11. SZYMKOWIAK Christophe

The CSSF congratulates the candidates for achieving this important professional qualification.

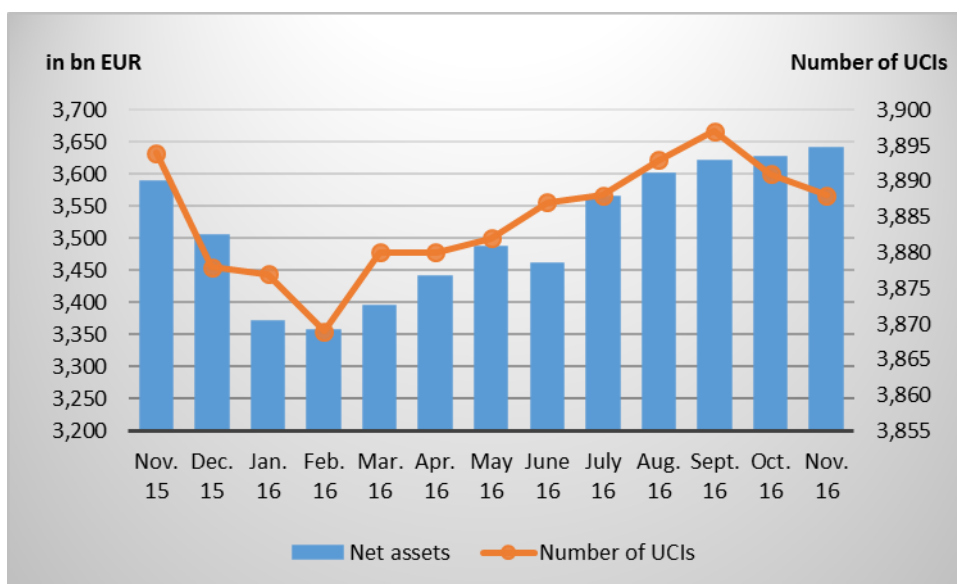
## Global situation of undertakings for collective investment and specialised investment funds at the end of November 2016

Press release 17/05 of 25 January 2017

### I. Overall situation

As at 30 November 2016, total net assets of undertakings for collective investment and specialised investment funds amounted to EUR 3,640.629 billion compared to EUR 3,626.498 billion as at 31 October 2016, i.e. a 0.39% increase over one month. Over the last twelve months, the volume of net assets rose by 1.42%.

The Luxembourg UCI industry thus registered a positive variation amounting to EUR 14.131 billion in November. This increase represents the balance of negative net issues of EUR -6.534 billion (-0.18%) and a positive development in the financial markets amounting to EUR 20.665 billion (0.57%).



The number of undertakings for collective investment (UCIs) and specialised investment funds (SIFs) taken into consideration totalled 3,888 as against 3,891 in the previous month. 2,598 entities have adopted an umbrella structure, which represents 12,942 sub-funds. When adding the 1,290 entities with a traditional structure to that figure, a total of 14,232 fund units are active in the financial centre.

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

The result of the presidential election in the United States dominated the financial markets, thus leading, among other things, to a rise in equity prices and bond yields of the developed countries as well as of the dollar.

Anticipating a more expansive tax policy in the United States, the category of US equity UCIs, recorded in this context price increases amplified by a USD appreciation against the EUR by almost 3%. Even if the positive performance was less marked due to political uncertainties surrounding, among others, the referendum in Italy, the category of European equity UCIs followed an upward trend. The category of Japanese equity UCIs also ended the month in positive territory influenced, notably, by the depreciation

of the JPY against the USD by about 8% and figures of economic growth beyond the investors' expectations.

As far as emerging countries are concerned, the increase in interest rates, a strong dollar and the anticipation of a review of business relation arrangements of the United States with some emerging countries, following the result of the presidential election in the United States, explain the negative performance of the categories of Asian and Latin American equity UCIs despite stable growth data in China. However, the category of Eastern European equity UCIs recorded a general upward trend backed by the increase of oil prices following the agreement of the Organization of the Petroleum Exporting Countries (OPEC) on a decrease of the production quotas.

In November, equity UCI categories registered an overall negative net capital investment.

#### Development of equity UCIs during the month of November 2016\*

	Market variation in %	Net issues in %
Global market equities	1.93 %	0.08 %
European equities	0.58 %	-1.36 %
US equities	6.65 %	0.30 %
Japanese equities	1.91 %	0.66 %
Eastern European equities	2.15 %	0.05 %
Asian equities	-1.25 %	-1.35 %
Latin American equities	-8.15 %	-1.19 %
Other equities	-0.64 %	-0.10 %

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

On the bond markets of developed countries, the yields continued their positive development due, in particular, to the increase in inflation anticipations linked to the rise in oil prices and the measures of expansive tax policy expected after the presidential elections in the United States. Thus, the category of EUR-denominated bond UCIs registered price losses, amplified by economic data which were better than expected in Europe, whereas for the category of USD-denominated bond UCIs, the USD appreciation against the EUR partially offset the negative performance.

The statements of the new president of the United States on the future of the business relations with certain emerging countries as well as the significant depreciation of some emerging currencies led to a steeper upward movement of bond yields of the emerging countries bonds. On such basis, this UCI category recorded price losses in the month under review.

Overall, fixed-income UCIs registered negative net capital investment during November.

**Development of fixed-income UCIs during the month of November 2016\***

	Market variation in %	Net issues in %
EUR money market	-0.03 %	1.67 %
USD money market	2.92 %	2.61 %
Global market money market	2.55 %	0.36 %
EUR-denominated bonds	-1.31 %	-0.38 %
USD-denominated bonds	-0.87 %	2.52 %
Global market bonds	-0.35 %	-0.07 %
Emerging market bonds	-2.32 %	-2.86 %
High Yield bonds	0.43 %	-1.56 %
Others	0.01 %	-0.40 %

\* 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:

**Development of diversified UCIs and funds of funds during the month of November 2016\***

	Market variation in %	Net issues in %
Diversified UCIs	0.53 %	-0.15 %
Funds of funds	0.69 %	-0.62 %

\* 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 €
30/11/2016	1,888	3,065.882 €	355	158.862 €	1,645	415.885 €	3,888	3,640.629 €

During the month under review, the following 27 undertakings for collective investment and specialised investment funds have been registered on the official list:

**1) UCITS Part I 2010 Law:**

- BANTLEON SELECT SICAV, 33A, avenue J-F Kennedy, L-1855 Luxembourg
- DEKA-MULTI ASSET ERTRAG, 5, rue des Labours, L-1912 Luxembourg
- FLOWERFIELD, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- GF INTERNATIONAL, 49, avenue J-F Kennedy, L-1855 Luxembourg
- HQT GLOBAL QUALITY DIVIDEND, 15, rue de Flaxweiler, L-6776 Grevenmacher
- ONE1797, 287, route d'Arlon, L-1150 Luxembourg
- TIBERIUS PANGEA, 2, place François-Joseph Dargent, L-1413 Luxembourg
- WERTE & SICHERHEIT NR. 2 – GLOBALE STABILITÄT, 4, rue Thomas Edison, L-1445 Strassen
- WR STRATEGIE, 4, rue Thomas Edison, L-1445 Strassen

**2) UCIs Part II Law 2010:**

- UBP PG, 287-289, route d'Arlon, L-1150 Luxembourg



**3) SIFs:**

- AB COMMERCIAL REAL ESTATE DEBT SECONDARY MARKET FUND III, SICAV-SIF S.C.SP., 2-4, rue Eugène Ruppert, L-2453 Luxembourg
- ALTIN2016 S.A., SICAV-FIS, 15, rue de Flaxweiler, L-6776 Grevenmacher
- APOLLO REAL ESTATE INVESTMENT, SICAV-SIF S.C.S., 1C, rue Gabriel Lippmann, L-5365 Munsbach
- BARINGS EUROPEAN CORE PROPERTY FUND SCSP SICAV-SIF, 19, rue Eugène Ruppert, L-2453 Luxembourg
- CARTESIAN RE ILS SICAV SIF, 412F, route d'Esch, L-1471 Luxembourg
- CHEYNE REAL ESTATE CREDIT (CRECH) FUND V - OPPORTUNISTIC SCS SICAV-SIF, 20, rue de la Poste, L-2346 Luxembourg
- CORPUS SIREO HEALTH CARE IV FEEDER SCA SICAV-FIS, 4A, rue Albert Borschette, L-1246 Luxembourg
- ELSINORE CREDIT INVESTMENT FUND I S.C.A. SICAV-SIF, 5, rue Guillaume Kroll, L-1882 Luxembourg
- ESPANTAXIN INVESTMENTS S.À R.L. - SIF, 68-70, boulevard de la Pétrusse, L-2320 Luxembourg
- MALUBI INVESTMENT FUND S.A., SICAV-SIF, 58, rue Charles Martel, L-2134 Luxembourg
- PARTNERS GROUP ACTIVE INCOME S.C.A., SICAV-SIF, 2, place François-Joseph Dargent, L-1413 Luxembourg
- PARTNERS GROUP CREDIT OPPORTUNITIES 2017 (EUR) S.C.A., SICAV-SIF, 2, rue Jean Monnet, L-2180 Luxembourg
- PARTNERS GROUP GLOBAL VALUE 2017 S.C.A., SICAV-SIF, 2, rue Jean Monnet, L-2180 Luxembourg
- PORTMAN SQUARE PRIVATE FUNDS SICAV-SIF, 15, avenue J-F Kennedy, L-1855 Luxembourg
- PRIDE FCP-SIF 2016-3, 5, rue Aldringen, L-1118 Luxembourg
- QS REAL ESTATE SELECT EUROPEAN OPPORTUNITIES SLP SICAV-SIF, 3, boulevard Royal, L-2449 Luxembourg
- VICTOR RESOURCES EUROPE S.À R.L, 49, avenue J-F Kennedy, L-1855 Luxembourg

The following 30 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:**

- ALIAS INVESTMENT, 5, allée Scheffer, L-2520 Luxembourg
- ALLIANZ PIMCO LAUFZEITFONDS EXTRA 2016, Bockenheimer Landstraße 42-44, D-60232 Frankfurt am Main
- ANIMA SICAV, 60, avenue J-F Kennedy, L-1855 Luxembourg
- BERENBERG GLOBAL EQUITY SELECTION PROTECT, 15, rue de Flaxweiler, L-6776 Grevenmacher
- DEKA-TOTALRETURN STRATEGIE 94, 5, rue des Labours, L-1912 Luxembourg
- JRS LUXEMBOURG UCITS, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- UNIGARANT: 3 CHANCEN (2016) II, 308, route d'Esch, L-1471 Luxembourg
- UNIGARANT: 3 CHANCEN (2016), 308, route d'Esch, L-1471 Luxembourg
- UNIGARANT: BEST OF WORLD (2016) II, 308, route d'Esch, L-1471 Luxembourg
- UNIGARANT: COMMODITIES (2016), 308, route d'Esch, L-1471 Luxembourg
- UNIGARANT: DEUTSCHLAND (2016) III, 308, route d'Esch, L-1471 Luxembourg
- UNIGARANT: EUROPA (2016) II, 308, route d'Esch, L-1471 Luxembourg
- USM, 15, rue de Flaxweiler, L-6776 Grevenmacher
- VERMÖGENSMANAGEMENT 2027 PLUS, Bockenheimer Landstraße 42-44, D-60232 Frankfurt am Main



**2) UCIs Part II Law 2010:**

- FRANKLIN TEMPLETON SELECTED MARKETS FUNDS, 8A, rue Albert Borschette, L-1246 Luxembourg
- PUILAETCO DEWAAY SELECTION, 11, rue Aldringen, L-1118 Luxembourg

**3) SIFs:**

- 1. SIF-SCS, 3, boulevard Royal, L-2449 Luxembourg
- ABX, 4, rue Peternelchen, L-2370 Howald
- ACRON REAL ESTATE PORTFOLIO SICAV-FIS, 121, avenue de la Faïencerie, L-1511 Luxembourg
- ALLIANZ TOTAL RETURN PLUS, 6B, route de Trèves, L-2633 Senningerberg
- AQUANTUM GLOBAL FUTURES FCP-SIF, 15, rue de Flaxweiler, L-6776 Grevenmacher
- BM FUND COMPANY, 28-32, place de la Gare, L-1616 Luxembourg
- DBM BALANCED INVEST, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- ENHANCED LOAN INVESTMENT STRATEGY, 49, avenue J-F Kennedy, L-1855 Luxembourg
- GLOBAL OPPORTUNITIES SICAV-FIS, 1C, rue Gabriel Lippmann, L-5365 Munsbach
- IPC-PORTFOLIO INVEST VII, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- IPC-PORTFOLIO INVEST VIII, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- IPC-PORTFOLIO INVEST XIX, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- LOGOS VENTURES, 75, Parc d'activités, L-8308 Capellen
- MSK SICAV-SIF, 2, rue Jean Monnet, L-2180 Luxembourg

## **Audit regulators in Australia and Luxembourg enter into Cooperative Agreement**

### **Communiqué of 6 February 2017**

The Australian Securities and Investments 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 fifth cooperative agreement with an audit regulator outside of the European Union.

Similar arrangements with other jurisdictions are under negotiation.

## **ESMA has issued an Opinion on share classes of UCITS**

### **Press release 17/06 of 13 February 2017**

On 30 January 2017, ESMA has issued an Opinion, addressed to national regulators in order to ensure a harmonised approach across the EU, in which it sets out the following four high-level principles which UCITS must follow when setting up different share classes:

- common investment objective;
- non-contagion;
- pre-determination; and

- transparency.

It should be noted that ESMA considers that hedging arrangements at share class level – with the exception of currency risk hedging – are not compatible with the requirement for a fund to have a common investment objective.

In order to mitigate the impact on investors in share classes established prior to the issuance of this Opinion which do not comply with these principles, ESMA is of the view that they should be allowed to continue to operate. However, such share classes should be closed for investment by new investors until 30 July 2017 at the latest, and for additional investment by existing investors until 30 July 2018.

As a consequence, the CSSF expects UCITS to take the necessary measures to comply with the transitional provisions set forth in the ESMA Opinion. Furthermore, new share classes do henceforth have to comply with the common principles for setting up share classes in UCITS funds.

ESMA's press release and the Opinion can be found on ESMA's website at the following addresses:

[https://www.esma.europa.eu/sites/default/files/library/opinion\\_on\\_ucits\\_share\\_classes\\_press\\_release.pdf](https://www.esma.europa.eu/sites/default/files/library/opinion_on_ucits_share_classes_press_release.pdf)

[https://www.esma.europa.eu/sites/default/files/library/opinion\\_on\\_ucits\\_share\\_classes.pdf](https://www.esma.europa.eu/sites/default/files/library/opinion_on_ucits_share_classes.pdf).

## **Introduction of a new form “Application questionnaire to setup a SIF or UCI Part II or SICAR” in order to submit an application for approval of a new SIF, UCI Part II or SICAR**

### **Press release 17/07 of 15 February 2017**

The CSSF would like to inform you that the current forms “UCI-PART II/SIF Application questionnaire to set up an undertaking for collective investment” and “SICAR - Information request for authorisation” on its web site will be replaced from 15 February 2017 by a new form “[Application questionnaire to set up a SIF or UCI Part II or SICAR](#)” (in English only) to be used for submitting an application for approval to setup a SIF, UCI Part II or SICAR to the CSSF.

Similarly to the previous ones, this application form aims at collecting the full information required by the CSSF to open and examine the file for approval of a new SIF, UCI Part II or SICAR in accordance with the relevant Luxembourg laws.

The new application questionnaire is an Excel spreadsheet where all the topics to be analysed during the examination phase are compiled in different tabs, each tab offering a series of footnotes and drop-down lists to assist the applicant with accurately filling-in the required information. Applicants are advised to file the application only once all components of the project are fully available and stable. The transmission of a partial (incomplete) application may prevent either the start or the swift progress of the approval process and cause further delays.

The procedure for submitting application files by electronic means (secure channels or e-mail at the [setup.uci@cssf.lu](mailto:setup.uci@cssf.lu) address) is still the same, except for applications filed via e-mail for which a nomenclature specified in the “Documents” tab of the application file must be followed to name the e-mail and documents in attachment.

The new process is immediately applicable; nevertheless any request in preparation using the previous application form will be accepted until 15 March 2017. After this date, the use of the new application form is mandatory.

## Press release regarding Orco Property Group S.A.

### Press release 17/08 of 16 February 2017

#### 1. Purpose and context

The present press release refers to an investigation carried out by the CSSF in relation to the potential existence of an undisclosed concert action with respect to Orco Property Group S.A.<sup>4</sup> (“**OPG**”) that would be in breach of the Law of 19 May 2006 transposing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids (the “**Takeover Law**”).

The purpose of this press release is to inform third parties whose own rights and interests may be affected by the decisions that the CSSF intends to take in the context of the aforementioned investigation (the “**Contemplated Decisions**”):

- (i) the CSSF intends to declare the existence of an undisclosed concert action with respect to OPG in breach of Article 3 (a) and (d) and Article 5(1) and (3) of the Takeover Law on the basis of the findings of the investigation; and
- (ii) the CSSF consequently intends not to approve the offer document in the mandatory bid (the “**Mandatory Takeover Offer**”) announced on 8 June 2016 by CPI Property Group<sup>5</sup> (“**CPI Property Group**”) on behalf of its wholly owned subsidiary Nukasso Holdings Limited<sup>6</sup> (“**Nukasso**”) for all the shares of OPG (ISIN: LU0122624777) on the basis of the aforementioned breaches of Article 3(a) and (d) and Article 5(1) and (3) of the Takeover Law and the provisions of Article 13(a) of the Takeover Law.

**It shall be noted that the Contemplated Decisions are not final, meaning that they have not yet been taken by the CSSF. In accordance with Luxembourg administrative law, the presumed concert parties and third parties whose rights and interests may be affected have the right to submit their observations to the CSSF until 31 March 2017 before the CSSF takes any final decision.**

#### 2. Undisclosed Concert Action with respect to OPG under the Takeover Law

The CSSF has conducted an investigation relating to a potential undisclosed concert action with respect to OPG (the “**Investigation**”) between certain persons (each a “**Concert Party**” and together the “**Concert Parties**”) as detailed in the corresponding investigation report. The Investigation covers the period from 1 September 2012 to 30 June 2016 (the “**Period Under Investigation**”). Each of the Concert Parties sold the OPG shares directly or indirectly held by it on or around 8 June 2016 to

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<sup>4</sup> Orco Property Group is a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 40, rue de la Vallée, L-2661 Luxembourg and registered in Luxembourg under B44996.

<sup>5</sup> CPI Property Group is a public limited company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 40, rue de la Vallée, L-2661 Luxembourg and registered in Luxembourg under B102254.

<sup>6</sup> Nukasso Holdings Limited is a limited liability company incorporated under the laws of Cyprus with its registered office at Akropolis, 59-61, 3rd floor, Flat/office 301, Strovolos, 2012, Nicosia, Cyprus and registered in Cyprus under HE 350294.

Nukasso at a price or implied value per OPG share of EUR 0.28/share, which triggered the latter's obligation to launch the Mandatory Takeover Offer over the shares of OPG.

## 2.1 Main Concert Parties

The Investigation concludes that the main shareholder (the "**Shareholder 1**"), acting directly and indirectly, together with the founding shareholder of OPG (the "**Shareholder 2**") were persons secretly acting in concert with respect to OPG within the meaning of Article 2, paragraph 1, subparagraph (d) of the Takeover Law during the Period Under Investigation.

According to the Investigation and, as a result of the aggregation of the holdings in OPG shares of Shareholder 1 with the holdings of OPG shares held by Shareholder 2, Shareholder 1 acquired the control over OPG within the meaning of Article 5(3) of the Takeover Law on 10 and 11 January 2013 but failed in that context to comply with his obligation to launch a mandatory takeover bid over OPG as required by Article 5(1) of the same law.

The conclusions of the Investigation as regards the existence of an undisclosed concert action between Shareholder 1 and Shareholder 2 as main concert parties are based on a body of serious, precise and consistent elements (*faisceau d'indices graves, précis et concordants*).

## 2.2 Secondary Concert Parties

The Investigation also concludes on the basis of a body of serious, precise and consistent elements (*faisceau d'indices graves, précis et concordants*) that various other legal persons and their beneficial owners acted as secondary concert parties during the Period Under Investigation in order to facilitate and/or further strengthen the acquisition of control by Shareholder 1 over OPG.

## 3. Impact on Mandatory Takeover Offer

The CSSF has the intention not to approve the offer document in the context of the Mandatory Takeover Offer which, as a result of the pre-existing control of Shareholder 1 over OPG since 10 and 11 January 2013 and based upon the violations of Article 3(a) and (d), Article 5(1) and (3) and the provisions of Article 13(a) of the Takeover Law, should be considered as null and void.

## 4. Suspension from trading

The CSSF has required, in accordance with Article 31 of the Law of 13 July 2007 on markets in financial instruments, the suspension of the OPG shares from trading on the regulated market of the Luxembourg Stock Exchange until the time a definitive decision by the CSSF on this concert action related matter is adopted. The OPG shares were already subject to a suspension on the regulated market of the Luxembourg Stock Exchange based upon a decision of the Luxembourg Stock Exchange dated 9 June 2016, which is superseded and replaced by this CSSF decision to suspend the OPG shares from trading.

## 5. Practical information for third parties

This press release is made pursuant to inter alia, Article 5 of the Grand-ducal Regulation of 8 June 1979 ("*règlement grand-ducal du 8 juin 1979 relatif à la procédure à suivre par les administrations relevant de l'Etat et des communes*"). Third parties whose rights and interests may be affected by Contemplated Decisions can submit their observations to the CSSF by writing to the following address: [takeover@cssf.lu](mailto:takeover@cssf.lu) and/or by certified mail with acknowledgement of receipt. When submitting observations to the CSSF, third parties are invited to specify the capacity in which the observations are submitted and to join documentary evidence of their identity and, as the case may be, of the OPG

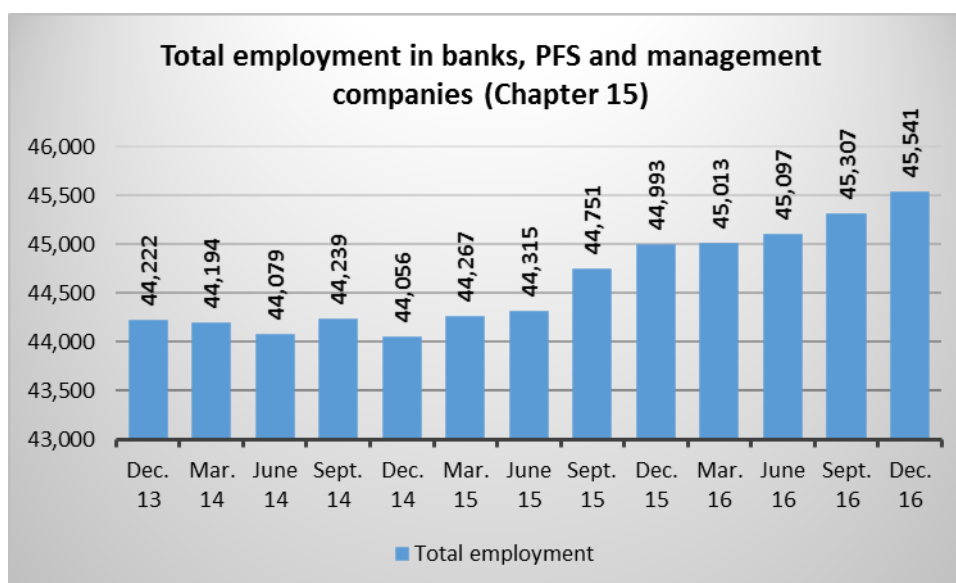
financial instruments held by them. In case of legal persons, satisfactory documentary evidence of the existence of the legal person in question and of the identity and the powers the persons allowed to represent it should also be included.

Observations may be provided by third parties to the CSSF until 31 March 2017.

## STATISTICS

### Total employment in banks, PFS and management companies (Chapter 15)

#### Increase in total employment as at 31 December 2016

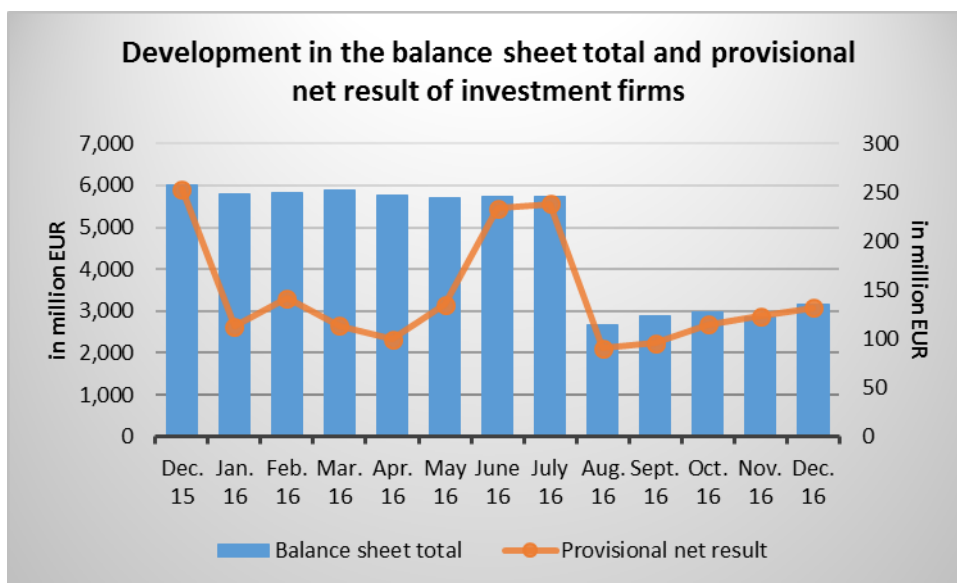


### Banks

The statistics on banks were not available at the time of the drawing-up of the Newsletter. They will be available shortly on the CSSF website at: <http://www.cssf.lu/en/supervision/banks/statistics/>.

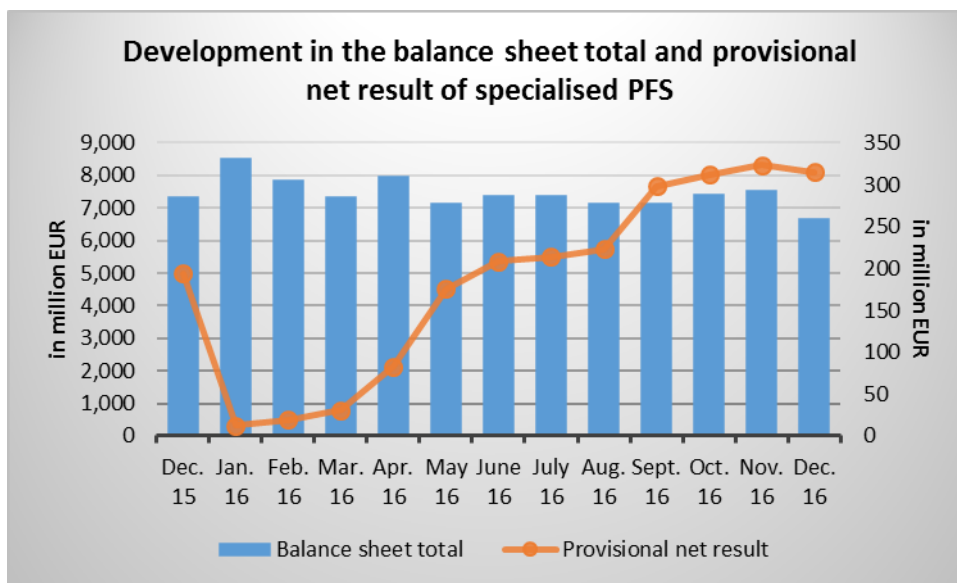
### Investment firms

Increase in the investment firms' balance sheet total as at 31 December 2016



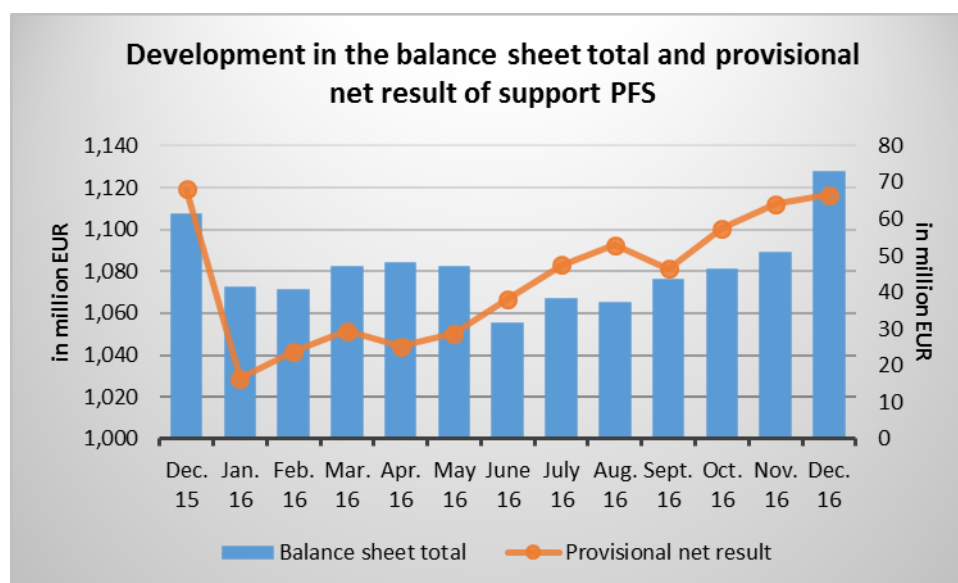
### Specialised PFS

Decrease in the specialised PFS' balance sheet total as at 31 December 2016



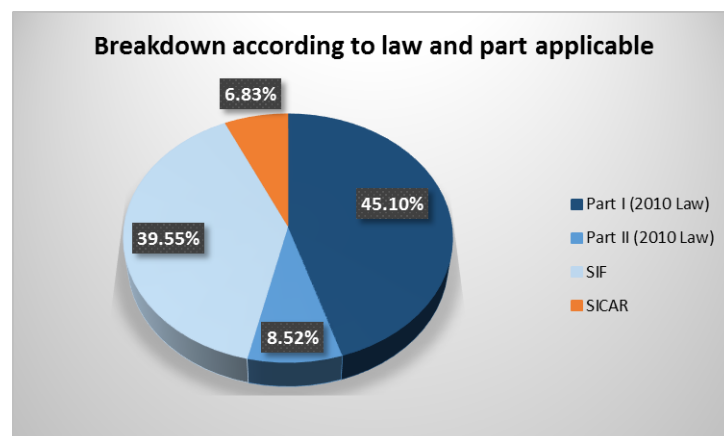
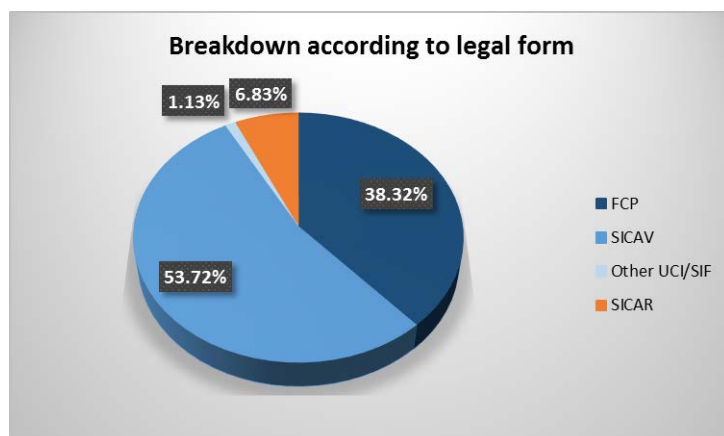
## Support PFS

### Increase in the support PFS' balance sheet total as at 31 December 2016



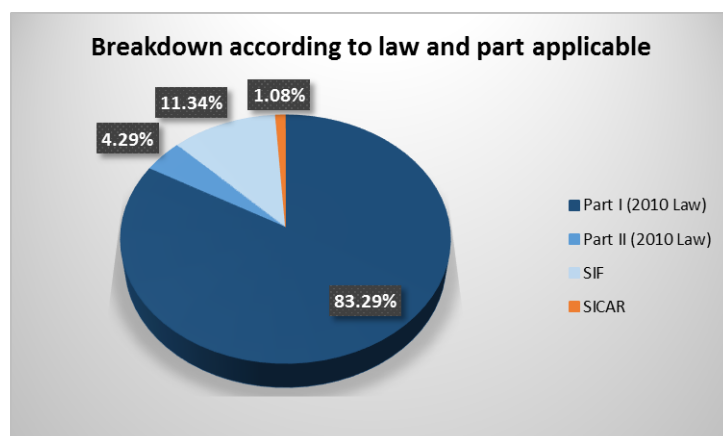
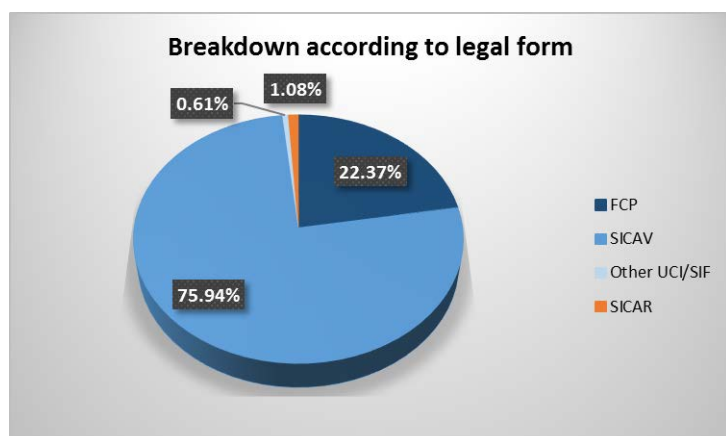
## UCIs (Situation as at 31 December 2016)

### Number of UCIs



Law, part/legal form	FCPs	SICAVs	Other UCIs/SIFs	SICARs	Total
Part I (2010 Law)	1,009	860	0		1,869
Part II (2010 Law)	180	170	3		353
SIFs	399	1,196	44		1,639
SICARs	0	0	0	283	283
<b>TOTAL</b>	<b>1,588</b>	<b>2,226</b>	<b>47</b>	<b>283</b>	<b>4,144</b>

## Net assets of UCIs



Law, part/legal form (in bn EUR)	FCPs	SICAVs	Other UCIs/SIFs	SICARs	Total
<b>Part I (2010 Law)</b>	616.595	2,499.509	0.000	0.000	<b>3,116.104</b>
<b>Part II (2010 Law)</b>	60.538	99.550	0.490	0.000	<b>160.578</b>
<b>SIFs</b>	159.972	241.957	22.465	0.000	<b>424.394</b>
<b>SICARs</b>	0.000	0.000	0.000	40.254	<b>40.254</b>
<b>TOTAL</b>	<b>837.105</b>	<b>2,841.016</b>	<b>22.955</b>	<b>40.254</b>	<b>3,741.330</b>

## Breakdown according to investment policy

Breakdown according to investment policy	Net assets (in bn EUR)	Number of fund units <sup>7</sup>
Fixed-income securities	1,135.109	3,100
Variable-yield transferable securities	1,080.430	3,762
Mixed transferable securities	797.985	4,066
Funds of funds	218.789	2,116
Money market instruments and other short-term securities	332.470	251
Cash	2.040	22
Private equity	26.097	182
Venture capital	1.506	31
Real estate	50.590	334
Futures and/or options	13.427	134
Other assets	42.633	213
Public-to-Private	0.082	3
Mezzanine	1.456	8

<sup>7</sup> "Fund units" refers to both traditionally structured UCIs and sub-funds of umbrella funds.



Venture capital	7.079	89
Private equity	31.637	284
<b>Total</b>	<b>3,741.330</b>	<b>14,595</b>

### Breakdown of net assets according to investment policy

Breakdown by investment policy	NET ASSETS (in bn EUR)	NUMBER OF FUND UNITS	SUBSCRIPTIONS (in bn EUR)	REDEMPTIONS (in bn EUR)	NET SUBSCRIPTIONS (in bn EUR)
<b>PART I</b>					
Fixed-income transferable securities	1,024.900	2,440	50.046	51.864	-1.818
Variable-yield transferable securities	1,018.063	3,356	49.279	48.523	0.756
Mixed transferable securities	623.208	2,780	25.515	25.346	0.169
Funds of funds	127.717	962	3.304	2.864	0.440
Money market instruments and other short-term securities	310.722	189	160.253	158.060	2.193
Cash	1.322	11	0.086	0.135	-0.049
Futures and/or options	6.707	57	0.640	0.472	0.168
Other assets	3.465	10	0.075	0.131	-0.056
<b>TOTAL PART I:</b>	<b>3,116.104</b>	<b>9,805</b>	<b>289.198</b>	<b>287.395</b>	<b>1.803</b>
<b>PART II</b>					
Fixed-income transferable securities	24.818	129	0.713	0.466	0.247
Variable-yield transferable securities	16.626	77	0.052	0.477	-0.425
Mixed transferable securities	55.734	254	1.995	2.193	-0.198
Funds of funds	32.794	335	0.355	0.586	-0.231
Money market instruments and other short-term securities	18.341	51	1.293	1.558	-0.265
Cash	0.700	9	0.026	0.029	-0.003
Private equity	3.874	15	0.445	0.100	0.345
Venture capital	0.025	2	0.000	0.001	-0.001
Real estate	0.993	19	0.000	0.000	0.000
Futures and/or options	3.579	33	0.078	0.069	0.009
Other assets	3.094	13	0.093	0.025	0.068
<b>TOTAL PART II:</b>	<b>160.578</b>	<b>937</b>	<b>5.050</b>	<b>5.504</b>	<b>-0.454</b>
<b>SIFs</b>					
Fixed-income transferable securities	85.391	531	4.450	1.250	3.200
Variable-yield transferable securities	45.741	329	0.655	0.877	-0.222
Mixed transferable securities	119.043	1,032	2.254	3.883	-1.629
Funds of funds	58.278	819	0.860	0.982	-0.122
Money market instruments and other short-term securities	3.407	11	0.529	0.419	0.110
Cash	0.018	2	0.000	0.000	0.000
Private equity	22.223	167	0.563	0.235	0.328
Venture capital	1.481	29	0.071	0.003	0.068
Real estate	49.597	315	0.834	0.131	0.703
Futures and/or options	3.141	44	0.132	0.163	-0.031
Other assets	36.074	190	1.030	0.235	0.795
<b>TOTAL SIFs:</b>	<b>424.394</b>	<b>3,469</b>	<b>11.378</b>	<b>8.178</b>	<b>3.200</b>

<b>SICARs</b>						
Public-to-Private	0.082	3	0.000	0.000	0.000	0.000
Mezzanine	1.456	8	0.000	0.000	0.000	0.000
Venture Capital	7.079	89	0.092	0.016	0.076	0.076
Private Equity	31.637	284	1.037	0.259	0.778	0.778
<b>TOTAL SICARs</b>	<b>40.254</b>	<b>384</b>	<b>1.129</b>	<b>0.275</b>	<b>0.854</b>	<b>0.854</b>
<b>TOTAL LUXEMBOURG UCIs</b>	<b>3,741.330</b>	<b>14,595</b>	<b>306.755</b>	<b>301.352</b>	<b>5.403</b>	<b>5.403</b>

### Origin of the initiators of Luxembourg UCIs

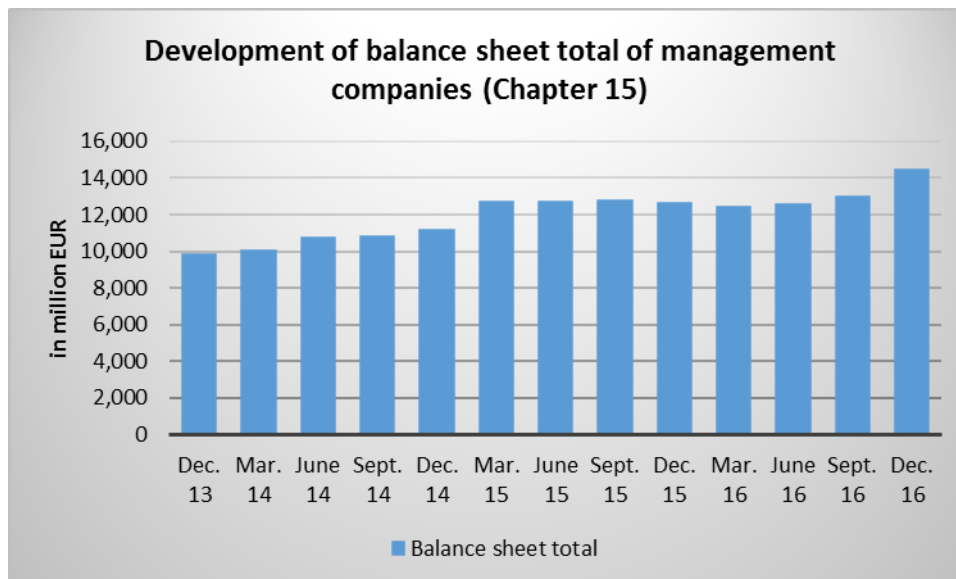
<b>Country</b>	<b>Net assets (in bn EUR)</b>	<b>in %</b>	<b>Number of UCIs</b>	<b>in %</b>	<b>Number of fund units</b>	<b>in %</b>
United States	782.314	20.9%	187	4.5%	1,065	7.3%
United Kingdom	639.380	17.1%	284	6.9%	1,542	10.6%
Germany	530.479	14.2%	1,428	34.4%	2,729	18.7%
Switzerland	507.444	13.5%	580	14.0%	2,734	18.7%
Italy	329.133	8.8%	157	3.8%	1,257	8.6%
France	309.105	8.2%	331	8.0%	1,395	9.6%
Belgium	160.114	4.3%	176	4.2%	991	6.8%
Netherlands	88.302	2.4%	53	1.3%	242	1.7%
Luxembourg	78.660	2.1%	231	5.6%	629	4.3%
Denmark	73.801	2.0%	25	0.6%	181	1.2%
Others	242.598	6.5%	693	16.7%	1,830	12.5%
<b>Total</b>	<b>3,741.330</b>	<b>100.0%</b>	<b>4,145</b>	<b>100.0%</b>	<b>14,595</b>	<b>100.0%</b>

## Breakdown of UCI fund units registered in Luxembourg by reference currency

Currency	Net assets (in bn EUR)	in %	Number of fund units	in %
AUD	5.979	0.160%	29	0.199%
CAD	1.932	0.052%	27	0.185%
CHF	53.404	1.427%	306	2.097%
CNH	1.484	0.040%	19	0.130%
CNY	0.086	0.002%	3	0.021%
CZK	1.275	0.034%	61	0.418%
DKK	3.079	0.082%	10	0.069%
EUR	2,047.512	54.727%	9,348	64.049%
GBP	100.917	2.697%	325	2.227%
HKD	4.422	0.118%	10	0.069%
HUF	0.274	0.007%	32	0.219%
ILS	0.001	0.000%	1	0.007%
ISK	0.012	0.000%	1	0.007%
JPY	66.787	1.785%	214	1.466%
NOK	4.313	0.115%	27	0.185%
NZD	0.807	0.022%	5	0.034%
PLN	0.606	0.016%	25	0.171%
RON	0.486	0.013%	6	0.041%
SEK	47.400	1.267%	186	1.274%
SGD	0.478	0.013%	4	0.027%
TRY	0.029	0.001%	3	0.021%
USD	1,400.018	37.420%	3,951	27.071%
ZAR	0.029	0.001%	2	0.014%
<b>Total</b>	<b>3,741.330</b>	<b>100.000%</b>	<b>14,595</b>	<b>100.000%</b>

## Management companies authorised according to Chapter 15 of the 2010 Law

### Increase in the balance sheet total of management companies (Chapter 15) as at 31 December 2016



## Pension funds

As at 13 February 2017, **14 pension funds** in the form of pension savings companies with variable capital (SEPCAVs) and pension savings associations (ASSEPs) were registered on the official list of pension funds subject to the Law of 13 July 2005.

Since the publication of the last Newsletter, the following **liability manager** was **registered** on the official list of professionals authorised to act as liability manager for pension funds subject to the Law of 13 July 2005:

- TOWERS WATSON NV, Av. E. Van Nieuwenhuysse 2, 1160 Bruxelles.

As at 13 February 2017, **18** professionals were authorised to act as liability managers for pension funds subject to the Law of 13 July 2005.

## Securitisation undertakings

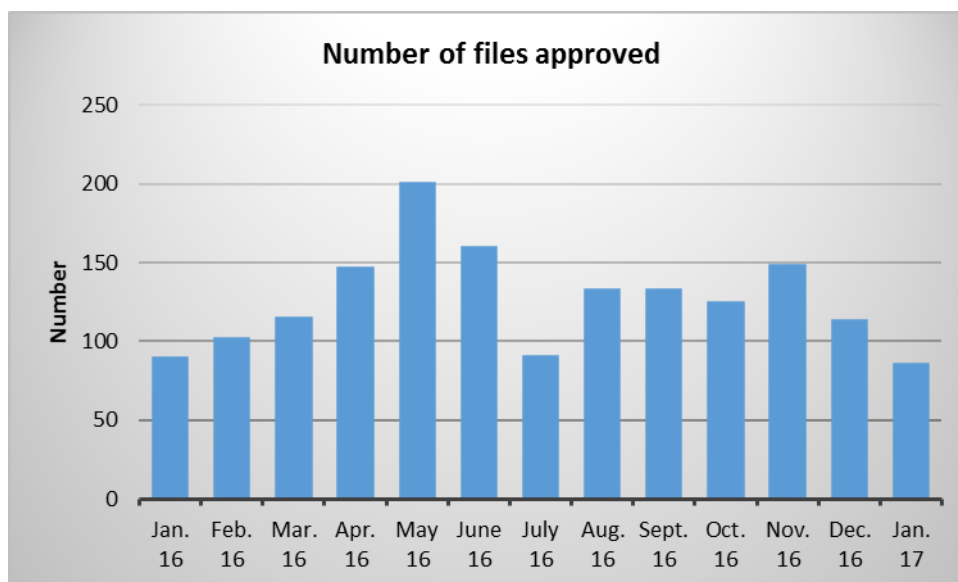
The number of **securitisation undertakings authorised** by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **34** entities as at 9 February 2017.

## Public oversight of the audit profession

The public oversight of the audit profession covered **59 cabinets de révision agréés** (approved audit firms) and **291 réviseurs d'entreprises agréés** (approved statutory auditors) as at 31 January 2017. 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)**

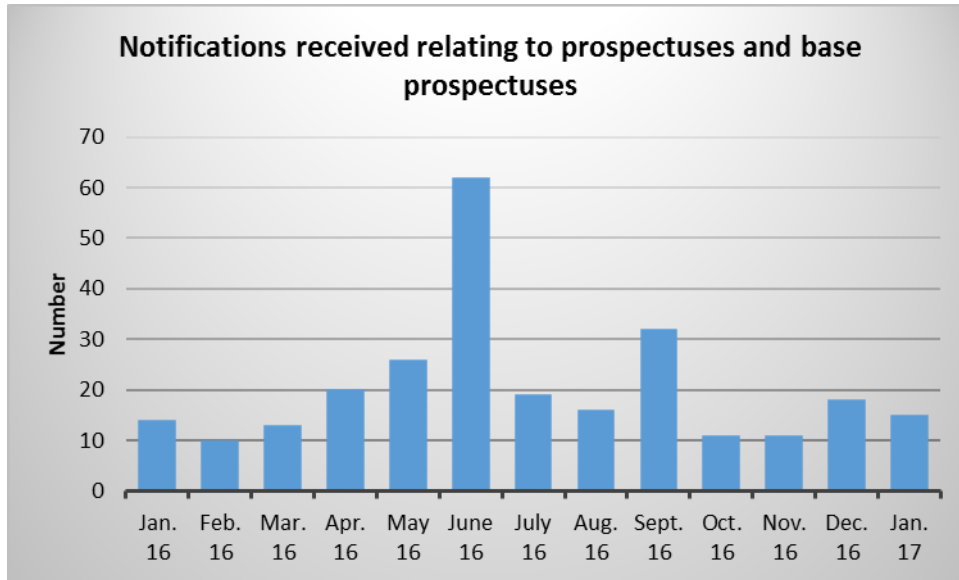
**CSSF approvals**



In January 2017, the CSSF approved a total of 86 documents pursuant to the Prospectus Law, which break down as follows:

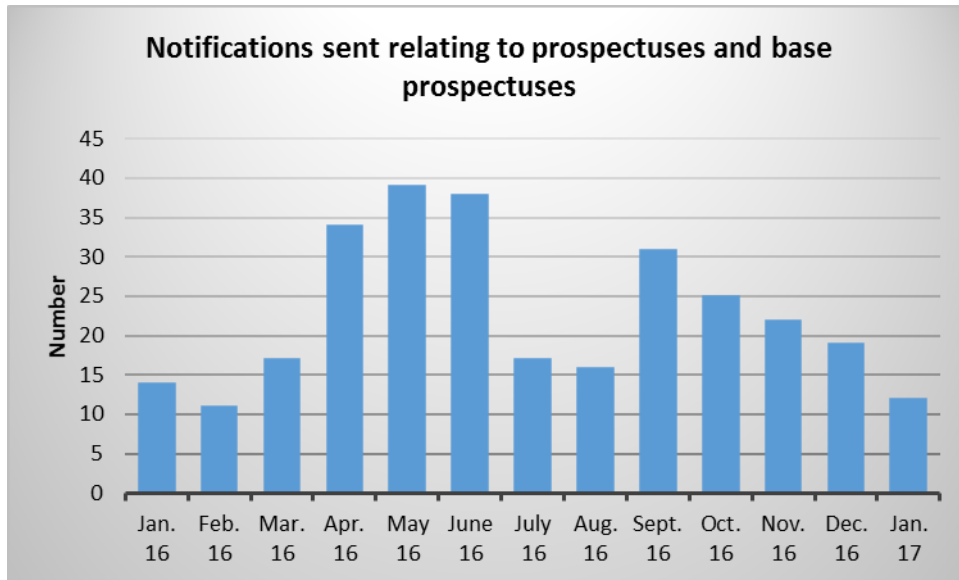
base prospectuses:	10	(11.63 %)
other prospectuses:	18	(20.93 %)
supplements:	58	(67.44 %)

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



In January 2017, the CSSF received 15 notifications relating to prospectuses and base prospectuses and 48 notifications relating to supplements from competent authorities of other EEA Member States.

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



In January 2017, the CSSF sent 12 notifications relating to prospectuses and base prospectuses and 43 notifications relating to supplements to competent authorities of other EEA Member States<sup>8</sup>.

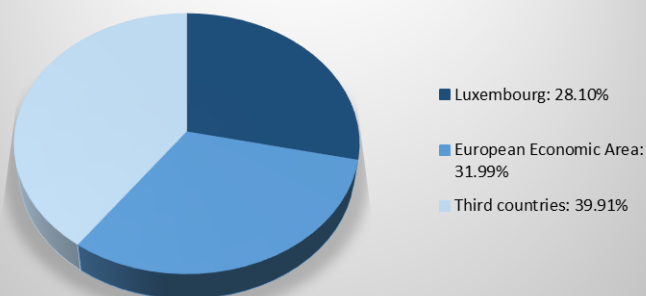
<sup>8</sup> These figures reflect the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications were sent at different dates and/or in several Member States, only the first notification is included in the statistical calculation. Each document notified in one or several Member States is thus only counted once.

## 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")

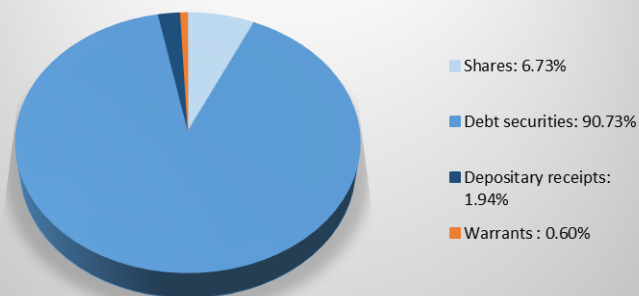
Since 11 January 2017, **three** issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, **three** issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 10 February 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**




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### *WITHDRAWAL DECIDED BY THE CSSF*

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A decision to withdraw the specialised investment fund **MENFI ASSETS FUND SICAV - SIF** from the official list of specialised investment funds was taken by the CSSF on 2 January 2017.

## FINANCIAL CENTRE

## Main updated figures regarding the financial centre:

			Annual comparison
Banks	Number (22/02/2017)	142 <sup>9</sup>	↘ 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 (22/02/2017)	9	no change
Electronic money institutions	Number (22/02/2017)	4	↘ 1 entity
UCIs	Number (22/02/2017)	Part I 2010 Law: 1,872	↘ 33 entities
		Part II 2010 Law: 351	↘ 26 entities
		SIFs: 1,624	↗ 31 entities
		TOTAL: 3,847	↘ 28 entities
	Total net assets (31/12/2016)	EUR 3,741.330 bn	↗ EUR 235.129 bn
Management companies (Chapter 15)	Number (31/01/2017)	201	↘ 1 entity
	Balance sheet total (31/12/2016) <sup>10</sup>	EUR 14.475 bn	↗ 1.839 million
Management companies (Chapter 16)	Number (31/01/2017)	168	↘ 6 entities
AIFMs	Number (22/02/2017)	220	↗ 18 entities
SICARs	Number (08/02/2017)	278	↘ 4 entities
Pension funds	Number (13/02/2017)	14	no change
Authorised securitisation undertakings	Number (09/02/2017)	34	↗ 2 entities
Investment firms	Number (22/02/2017)	108 of which 10 branches	↗ 1 entity
	Balance sheet total (31/12/2016)	EUR 3.174 bn	↘ EUR 2.825 bn
	Provisional net profit (31/12/2016)	EUR 131.787 m	↘ EUR 121.559 m
Specialised PFS	Number (22/02/2017)	117	↘ 8 entities
	Balance sheet total (31/12/2016)	EUR 6.680 bn	↘ EUR 656 m
	Provisional net profit (31/12/2016)	EUR 315.290 m	↗ EUR 121.152 m
Support PFS	Number (22/02/2017)	76	↘ 2 entities
	Balance sheet total (31/12/2016)	EUR 1.128 bn	↗ EUR 21 bn
	Provisional net profit (31/12/2016)	EUR 66.57 m	↘ EUR 1.55 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (10/02/2017)	669	↗ 95 entities
Public oversight of the audit profession	Number (31/01/2017)	59 <i>cabinets de révision agréés</i>	↘ 9 entities
		291 <i>réviseurs d'entreprises agréés</i>	↗ 13 people
		43 third-country auditors and audit firms	no change
Employment (31/12/2016)	Banks	26,060 people	↗ 122 people
	Management companies (Chapter 15)	4,039 people <sup>10</sup>	↗ 271 people
	Investment firms	2,285 people	↗ 7 person
	Specialised PFS	3,972 people	↗ 185 people
	Support PFS	9,185 people	↘ 33 people
	Total	45,541 people	↗ 618 people <sup>11</sup>

<sup>9</sup> 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.

<sup>10</sup> Preliminary figures.

<sup>11</sup> 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.