Newsletter

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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
Website: www.cssf.lu/en/

HUMAN RESOURCES

CSSF staff evolution

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

Innovation, payments, markets infrastructures and governance

Maximilian WELSCH

UCI departments

Serigne LÔ

Sylvère RICHARD

On-site inspection

Isabelle KULCZYNSKI

Personnel, administration and finance

Jill POHL

Single Supervisory Mechanism (SSM)

Claire CHEVALLIER

Information systems of the CSSF (IT)

Andy CATANI

As at 15 May 2017, the CSSF counts 705 agents, of whom 374 are men and 331 are women.

NEWS

CSSF website

Update of the pages “Mission and competences” and “Governance”

The “Mission and competences” page now also includes the CSSF’s mission statement, resulting from participative discussions between the departments of the CSSF and its Executive Board. This text purports to summarise the missions, the prudential approach and the values of the CSSF.

The “Governance” page has been updated to reflect the amended organic law.

New section “Information systems of the supervised entities”

A new section titled “Information systems of the supervised entities” has been created on the CSSF’s website under the heading “Supervision”. This section provides supervised entities with information related to the supervision of their IT systems.

WARNINGS

Warning published by the CSSF

The CSSF published a warning concerning an entity named **Interinvest-Group** on its website on 10 May 2017 at:

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

Warnings published by IOSCO

Several warnings were published on IOSCO's website at:

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

NATIONAL REGULATION

Circular CSSF-CPDI 17/06

The aim of this circular is to inform the members of the Fonds de Garantie des Dépôts Luxembourg (FGDL) of the modalities regarding the collection of contributions for 2017.

Circular CSSF-CPDI 17/07

This circular concerns the survey carried out by the CSSF on the volume of covered claims (instruments and money) in relation to investment business of the members of the Système d'Indemnisation des Investisseurs Luxembourg.

Circular CSSF-CODERES 17/04

The purpose of the circular is to provide information on raising 2017 ex ante contributions for the Single Resolution Fund according to Articles 69 and 70 of Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014.

Circulars CSSF 17/654 - CSSF 17/655 - CSSF 17/656 and CSSF 17/657

Evolution of the regulatory framework relating to IT outsourcing

For more than a year now, the CSSF has been regularly requested to clarify its position on cloud outsourcing by financial institutions under its supervision or intending to establish in Luxembourg.

As a consequence of this urging market request, the CSSF decided to analyse in detail the functioning and the management of the cloud service offers of some major players in this area, including public clouds. The purpose of this work was to assess the risks which financial institutions face when using this type of outsourcing and, where needed, to develop the regulatory framework.

Overall, the risks identified showed that outsourcing on a cloud computing infrastructure requires specific attention and differs from traditional IT outsourcing, as currently regulated by Circulars CSSF 12/552 and 05/178. Therefore, an evolution of the regulatory framework was necessary to take these specificities into consideration. It should be noted that this evolution also includes the ongoing discussions at European level as regards cloud computing.

The regulatory framework regarding IT outsourcing is thus amended through:

1) the new Circular CSSF 17/654 on IT outsourcing relying on a cloud computing infrastructure;
2) the amendments to the following circulars, relating to traditional IT outsourcing (as opposed to cloud computing), notably to clarify the modified scope as a consequence of the new cloud computing circular and to "clean up" older texts;
   - amendment of Circular CSSF 12/552 applicable to credit institutions, investment firms and professionals performing lending operations, by Circular CSSF 17/655;
   - repeal and replacement of Circular CSSF 05/178 by the new Circular CSSF 17/656, applicable to payment institutions, electronic money institutions and to PFS other than investment firms;
   - amendment of Circular CSSF 06/240 applicable to all credit institutions and other professionals of the financial sector, as well as to payment institutions and electronic money institutions, by Circular CSSF 17/657.

BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM

Single Supervisory Mechanism - European Central Bank (ECB)

Publications and Consultations

April 2017 - ECB published information covering the procedures for the relocation of banks to the euro area in the context of Brexit

The ECB has announced that it is committed to provide information to banks and interested parties about its supervisory expectations. The information is especially relevant to those banks considering relocating banking activities to the euro area.

13 April 2017 - ECB issued one guideline and one recommendation on the exercise of some options and discretions by NCAs for less significant institutions (LSIs)

The ECB has published one guideline and one recommendation on the exercise of some options and discretions (ONDs) by NCAs for LSIs. The guideline covers general ONDs and aligns certain rules for LSIs with the ECB approach for significant institutions (SIs). It covers particular policies on own funds, capital requirements, large exposures, liquidity, and transitional provisions. The recommendation covers case-by-case ONDs as well as the cooperation between NCAs.

25 April 2017 - Methodological note for the publication of aggregated Supervisory Banking Statistics

The ECB has published a methodological note for the publication of aggregated Supervisory Banking Statistics which presents the main features of the publication of the *Supervisory Banking Statistics 2016 Q4* with respect to the scope and content of the data published, the methodology underlying data aggregation and the approach to applying confidentiality requirements. The sample of banks used for the Supervisory Banking Statistics comprises SIs which are directly supervised by the ECB.

28 April 2017 – ECB Banking Supervision issued decision on the total amount of annual supervisory fees for 2017

The ECB has published the Decision (EU) 2017/760 of the European Central Bank of 24 April 2017 on the total amount of annual supervisory fees for 2017. The ECB has estimated that the total costs associated with its prudential supervision of the banking system for 2017 will be €425 million, an increase of about 10% compared with 2016. Fees for SIs will amount to 92% of the total fees (€391,279,654); and the remaining 8% (€33,677,998) will be paid by the LSIs. Predominantly, the increase relates to work associated with the targeted review of internal models (TRIM). Fees also reflect an increase in the number of ECB staff members working on banking supervision in 2017. Fees for indirectly supervised banks are lower than what they were charged in 2016. Banks will receive their individual fee notices in October 2017.

Letters from the Chair of the Supervisory Board to members of the European Parliament

The ECB has published letters from the Chair of the Supervisory Board to members of the European Parliament in response to written requests in relation to supervision of individual institutions and in particular on the ECB's relation to national competent authorities.

Interviews and Speeches

18 April 2017 – Interview with Handelsblatt - Interview with Danièle Nouy, Chair of the Supervisory Board of the ECB

25 April 2017 – Public hearing on "Updating CRR, CRD, BRRD and SRMR: the new banking legislation package" in the ECON Committee of the European Parliament - Introductory statement by Danièle Nouy, Chair of the Supervisory Board of the ECB, Brussels

European Commission

Publications

PACKAGED RETAIL AND INSURANCE-BASED INVESTMENT PRODUCTS (PRIIPs) REGULATION

12 April 2017 – Publication of the Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents

SINGLE RESOLUTION MECHANISM (SRM) REGULATION

29 April 2017 – Publication of the Commission Delegated Regulation (EU) 2017/747 of 17 December 2015 supplementing Regulation (EU) No 806/2014 of the European Parliament and the Council with regard to the criteria relating to the calculation of ex ante contributions, and on the circumstances and conditions under which the payment of extraordinary ex post contributions may be partially or entirely deferred

EUROPEAN MARKET INFRASTRUCTURE REGULATION (EMIR)

29 April 2017 – Publication of the Commission Delegated Regulation (EU) 2017/751 of 16 March 2017 amending Delegated Regulations (EU) 2015/2205, (EU) 2016/592 and (EU) 2016/1178 as regards the deadline for compliance with clearing obligations for certain counterparties dealing with OTC derivatives

European Banking Authority (EBA)

Publications

CAPITAL REQUIREMENTS DIRECTIVE AND REGULATION

Supervisory Reporting

7 April 2017 - EBA issues amended technical standards on supervisory reporting for EU institutions

The European Banking Authority (EBA) has published its final draft Implementing Technical Standards (ITS) amending the European Commission's Implementing Regulation (EU) No 680/2014 on supervisory reporting so as to keep reporting requirements in line with changes in the regulatory framework and with the evolving needs for Supervisory Authorities' risk assessments. The updated ITS include (i) new information on sovereign exposures; (ii) changes to operational risk; (iii) changes to additional monitoring metrics for liquidity and (iv) changes based on Q&As issued by the EBA and other minor amendments. These changes form part of the EBA reporting framework version 2.7, which will be applicable for submissions of data as of March 2018.

11 April 2017 - EBA issued report highlighting that supervisory authorities have implemented robust IT systems and processes for supervisory reporting

The EBA has published a report on the peer review carried out on its ITS on supervisory reporting aimed at assessing how supervisory authorities have ensured its consistent and comprehensive implementation. The report summarises the outcomes of this assessment involving the supervisory authorities of all EU Member States, the ECB/SSM and the supervisory authorities of three European Free Trade Association (EFTA) countries (Iceland, Liechtenstein and Norway). Overall, the peer review concluded that most supervisory authorities have put in place robust processes and IT systems to ensure a timely, complete and correct data reporting.

27 April 2017 - EBA updates XBRL taxonomy 2.7 for 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 ITS on supervisory reporting. The revised taxonomy will be used for reference dates from 31 March 2018 onwards.

Others

3 April 2017 - EBA updated Risk Dashboard confirms that elevated non-performing loans (NPLs) and low profitability are the main challenges for the EU banking sector

The EBA has 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 Q4 2016.

11 April 2017 - EBA published opinions on introduction of waiver on covered bonds by the BaFin and the Polish FSA

The EBA has published an opinion addressed to the Polish Financial Supervision Authority (FSA) and an opinion addressed to the German Federal Financial Services Supervisory Authority (BaFin) following the competent authorities' notification of their intention to introduce a partial waiver of Article 129 (1)(c) of the CRR, which specifies the conditions for the eligibility of covered bonds in relation to risk weight preferential treatment. The EBA is of the opinion that the application of a partial waiver on covered bonds is adequately justified given the significant potential concentration problems in Germany and in Poland.

11 April 2017 - EBA outlines roadmap of its plan to update 2017-2018 SREP

The EBA has issued a roadmap outlining its plans to update the common European framework for the supervisory review and evaluation process (SREP) in 2017-2018. The roadmap explains the multi-stage approach the EBA intends to follow in updating the EU SREP framework in 2017-2018 and beyond, and summarises the ongoing policy initiatives affecting Pillar 2/SREP that will need to be reflected in the revised EBA guidelines on Pillar 2 topics.

BANKING RECOVERY AND RESOLUTION DIRECTIVE

5 April 2017 - EBA provides guidance on bail-in under the BRRD

The EBA has issued three sets of final guidelines on bail-in under the BRRD. These guidelines complement existing regulation and guidance to facilitate the use of the bail-in power as a way of absorbing losses and recapitalising banks in resolution. In particular the guidelines are aimed to clarify how valuation information should help determine the terms of bail-in.

European Supervisory Authorities (ESAs)

Publications

FOURTH ANTI-MONEY LAUNDERING DIRECTIVE

7 April 2017 - ESAs published official translations of final Guidelines on risk-based supervision under the Fourth Anti-Money Laundering (AML) Directive

The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) has published 22 language versions of the final Guidelines on the characteristics of a risk-based approach to anti-money laundering and terrorist financing supervision under Directive (EU) 2015/849 on preventing the use of the financial system for money laundering or terrorist financing (Fourth AML Directive). These guidelines specify the characteristics of a risk-based approach to anti-money laundering and countering the financing of terrorism supervision and set out what competent authorities should do to ensure that their allocation of supervisory resources is commensurate to the level of money laundering and terrorist financing risk associated with credit and financial institutions in their sector.

OTHERS

20 April 2017 - ESAs highlight main risks for the EU financial system

The Joint Committee of the ESAs has published its spring 2017 Report on risks and vulnerabilities in the European Union's financial system. The report highlights the risks to the stability of the European financial sector in an environment subject to political and economic uncertainties. In particular the protracted period of low profitability of banks and the difficulties faced by insurers to generate adequate returns to meet long-term liabilities in a low growth and low-yield environment remains, according to the report, a major challenge. In addition, the steepening of the yield curve may benefit earnings across all sectors but it also raises valuation concerns and, in the short term, may not be sufficient to alleviate the low profitability concerns. The report also highlights the high valuation risk linked to search for yield strategies and repricing of risk premia. Rising operational risks related to information and communication technologies are increasingly requiring supervisory attention.

Consultation

FOURTH ANTI-MONEY LAUNDERING DIRECTIVE

5 April 2017 - ESAs consult on draft Guidelines to prevent terrorist financing and money laundering in electronic fund transfers

The Joint Committee of the ESAs has launched a public consultation on draft guidelines that set out what payment service providers should do to detect and prevent the abuse of funds transfers for terrorist financing and money laundering purposes. These guidelines are part of the ESAs' wider work on fostering a common approach to Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) and promote a common understanding of payment service providers' obligations in this area.

The consultation will run until 5 June 2017.

European Systemic Risk Board (ESRB)

Publications

13 April 2017 – A review of Macroprudential Policy in the EU in 2016

This report gives an overview of the macroprudential measures adopted or planned in the EU in 2016. Two special topics are also examined. The first one is related to the assessment of vulnerabilities and policy stances in the residential real estate sector while the second one focuses on the ESRB's reciprocity framework which examines the cross-border dimension of macroprudential policy and the role of reciprocity.

21 April 2017 – Revision of the European Market Infrastructure Regulation

The ESRB has published a report related to the revision of the European Market Infrastructure Regulation (EMIR). The ESRB considers EMIR to be a milestone for making Europe's derivative market and the provision of central clearing services safer. The ESRB shares the Commission's assessment that no fundamental change to the EMIR core requirements is needed at this time, while seeing an opportunity to improve some aspects of the Regulation. In this view, this report provides a set of suggestions related several aspects of EMIR such as enhancing procyclicality-limiting tools, exemptions from central clearing or the potential use of margins and haircuts to meet macroprudential objectives.

Countercyclical Capital buffer (CCyB)

The CSSF set the CCyB for Luxembourg to 0% for the second quarter 2017 through its CSSF Regulation CSSF N° 17-01.

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 different from 0%:

Country	CCyB rate	Application date
Czech Republic	0.5%	01/04/2017
		01/07/2017
		01/01/2018
		01/04/2018
Norway	1.5%	31/03/2017
		30/06/2017
		30/09/2017
	2%	31/12/2017
Slovakia	0.5%	01/08/2017
		01/11/2017
		01/02/2018
		01/05/2018
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.

Basel Committee on Banking Supervision (BCBS)

Publications

4 April 2017 - BCBS released final guidance on prudential treatment of problem assets - definitions of non-performing exposures and forbearance

The BCBS has published final guidance on prudential treatment of problem assets – definitions of non performing exposures and forbearance. The definitions promote harmonisation in the measurement and application of two important measures of asset quality. These guidelines complement the existing accounting and regulatory framework for asset categorisation.

6 April 2017 - BCBS issued report identifying areas where central banks face common challenges in dealing with liquidity stress

The BCBS has published a report identifying areas where central banks face common challenges in dealing with liquidity stress. The report focuses on three issues in particular: (i) the provision of liquidity assistance (LA) to internationally active financial intermediaries; (ii) transparency about LA; and (iii) the provision of LA to a market. The overarching message is the need to prepare in calm times to be able to provide LA effectively in times of stress. A set of principles articulate this general message in the context of specific challenges.

6 April 2017 - BCBS published frequently asked questions (FAQs) on changes to lease accounting

The BCBS has issued responses to Frequently Asked Questions (FAQs) related to the changes to lease accounting promulgated by the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB).

6 April 2017 - BCBS released report on global repo markets in transition post-crisis

The BCBS has published its report on global repo markets in transition post-crisis. The report finds substantial differences in the way repo markets, which allow borrowers to pawn securities for short-term loans, work across countries. Markets are in a state of transition as borrowers and intermediaries adapt to the post-crisis economic and regulatory environment.

25 April 2017 - BCBS issued progress report on adoption of Basel standards

The BCBS has published its twelfth progress report on adoption of the Basel regulatory framework which sets out the adoption status of Basel III standards for each BCBS member jurisdiction as of end-March 2017. It updates the Committee's previous progress reports which have been published on a semi-annual basis since October 2011.

Financial Stability Board (FSB)

Consultation

6 April 2017 - FSB launched consultation on framework for post-implementation evaluation of the effects of the G20 financial regulatory reforms

The FSB has launched a consultation paper which sets out the main elements of a proposed framework for post-implementation evaluation of the effects of the G20 financial regulatory reforms. The proposed framework is intended to guide analyses of whether the G20 core financial reforms are achieving their intended outcomes, and to help to identify any material unintended consequences that may have to be addressed, without compromising on the objectives of the reforms.

Publications

28 April 2017 - FSB published thematic peer review on corporate governance

The FSB has published its peer review on corporate governance. The peer review takes stock of how FSB member jurisdictions have implemented the G20/OECD principles of corporate governance for publicly listed, regulated financial institutions. In so doing, it identifies effective practices and areas where good progress has been made while noting gaps and areas of possible weakness. The peer review proposes 12 recommendations to FSB member jurisdictions, standard-setting bodies and financial institutions.

10 May 2017 - FSB publishes Global Shadow Banking Monitoring Report 2016

The FSB has published the Global Shadow Banking Monitoring Report 2016. The report presents the results of the FSB's sixth annual monitoring exercise to assess global trends and risks in the shadow banking system, reflecting data up to the end of 2015. It covers 28 jurisdictions together accounting for about 80% of global GDP.

SANCTIONS

Undertakings for collective investment (UCIs)

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 the members of the Board of Directors of an investment company for non-filing of the management letter.

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 the members of the Board of Directors of an investment company for non-filing of the annual financial report.

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 the members of the Board of Directors of an investment firm for non-filing of the long form report of the UCI.

COMMUNIQUÉS

Profit and loss account of credit institutions as at 31 December 2016[1]

Press release 17/16 of 18 April 2017

The CSSF estimates profit before provisions of the Luxembourg banking sector at EUR 6,361 million for the year 2016. Compared to the same period in 2015, profit before provisions thus increased by 14.9%. The extent of this increase is exceptional; it reflects the proceeds from the disposal of a major holding by a bank of the Luxembourg financial centre.

In a context of low, or even negative, interest rates, the **interest-rate margin** recorded a year-on-year rise by 5.3%. This increase, split among slightly more than half of the Luxembourg credit institutions, representing 57% of the financial centre's banking income, results from volume and price effects. Consequently, 64% of these credit institutions saw an increase in their business volume and 65% in

[1] As the scope of reporting was amended in 2016, the figures now include the foreign branches of Luxembourg banks.

their average return on assets (33% of the banks benefited from the combined effect of these two factors). A certain number of banks also began applying negative interest rates to their institutional clients. Nevertheless, it has to be specified that the extent of the increase was limited to a restricted number of credit institutions.

Net commissions received declined by 2.3% over a year. The drop in net commissions received, which mainly results from asset management activities on behalf of private and institutional clients, is linked to the less favourable stock market environment as compared to the previous year, mostly as concerns the first half of the year. This negative impact could only be partially offset by the positive development of financial markets as from the third quarter of 2016. The decrease in net commissions received concerned more than half of the banks in Luxembourg.

Other net income recorded a significant growth (+33.9%) compared to the same period last year. This item is, in itself, very volatile and typically influenced by non-recurring factors, specific to a restricted number of banks of the financial centre. This is especially the case for the year 2016 due to an exceptional transaction performed by one bank of the financial centre. The capital gain on the disposal of a major holding recorded by this bank alone accounts for 97% of the total growth of the “other net income” item over one year. If the aggregate profit and loss account was adjusted without considering this transaction, the “other net income” item would have grown by 1.1% only in 2016. **General expenses** rose by 1.2% over a year. While staff costs remained stable (+0.1%), the other general expenses increased by 2.4% compared to last year. The increment in other general expenses affects most of the banks of the financial centre and reflects not only the investments in new technical infrastructures but also the expenses to be borne by banks in order to comply with a more complex and onerous regulatory framework.

Due to the above-mentioned developments, the profit before provisions increased by 14.9% year-on-year. Excluding the exceptional effect of the above disposal, the increase in the result before provisions would have been limited to 1.5%.

Profit and loss account as at 31 December 2016

Items in million EUR	December 2015	December 2016	%
Interest-rate margin	4,495.6	4,733.8	5.3%
Net commissions received	4,720.0	4,612.6	-2.3%
Other net income	2,261.8	3,028.6	33.9%
Banking income	**11,477.5**	**12,375.0**	**7.8%**
Staff costs	3,064.8	3,068.4	0.1%
Other general expenses	2,877.6	2,945.9	2.4%
General expenses	**5,942.5**	**6,014.3**	**1.2%**
Profit before provisions	**5,535.0**	**6,360.7**	**14.9%**

Suspension of a financial instrument issued by Albertis Infraestructuras S.A.

Press release 17/17 of 18 April 2017

The Commission de Surveillance du Secteur Financier (CSSF) has been informed by the Comisión Nacional del Mercado de Valores (CNMV), the competent authority of Spain, about the suspension of the financial instrument Abertis Infraestructuras 3,125% 19/03/2024 from trading on Mercado de Renta FIJA on 18 April 2017. Therefore, the CSSF has required, in accordance with Article 9(3) of the Law of 13 July 2007 on markets in financial instruments, the suspension of the said financial instrument from trading on the regulated market of the Luxembourg Stock Exchange with immediate effect as of this afternoon until the market has been duly informed.

Global situation of undertakings for collective investment at the end of February 2017

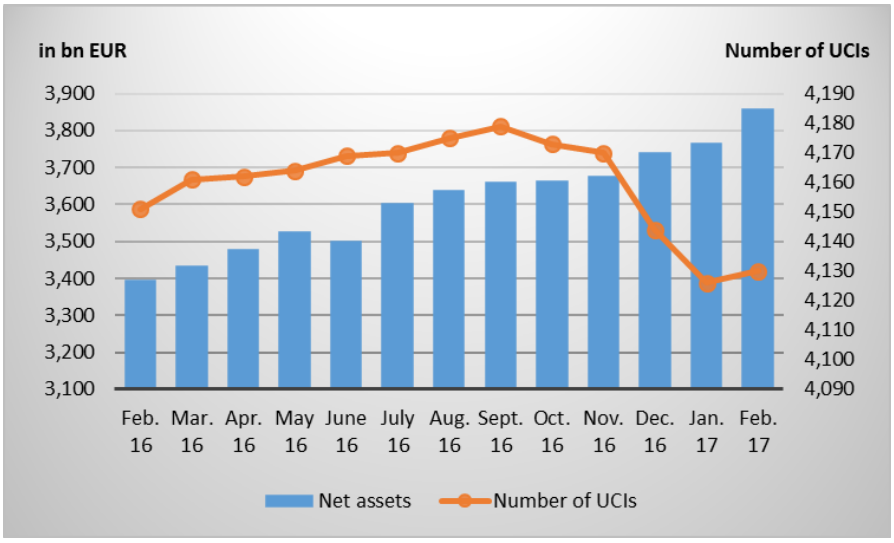
Press release 17/18 of 8 May 2017

I. Overall situation

As at 28 February 2017, total net assets of undertakings for collective investment, which includes UCIs subject to the Law of 2010, specialised investment funds and SICARs, reached EUR 3,860.317 billion compared to EUR 3,767.387 billion as at 31 January 2017, i.e. a 2.47% growth over one month. Over the last twelve months, the volume of net assets rose by 13.68%.

The Luxembourg UCI industry thus registered a positive variation amounting to EUR 92.930 billion in February. This increase represents the balance of positive net issues of EUR 19.505 billion (0.52%) and a positive development in financial markets amounting to EUR 73.425 billion (1.95%).

The development of undertakings for collective investment is as follows[2]:



The number of undertakings for collective investment (UCIs) taken into consideration totals 4,130 as against 4,126 in the previous month. A total of 2,649 entities have adopted an umbrella structure, which represents 13,072 sub-funds. When adding the 1,481 entities with a traditional structure to that figure, a total of 14,553 fund units are active in the financial centre.

As regards, on the one hand, the impact of financial markets on the main categories of undertakings for collective investment and, on the other hand, the net capital investment in these UCIs, the following can be said about February:

All equity UCI categories registered a positive performance during the month under review.

As far as developed countries are concerned, the favourable economic indicators on both sides of the Atlantic are the driving force behind the price increases for European and American equity UCI categories, despite continuing political uncertainties in Europe. The Japanese equity market having sparsely evolved during the month under review, the appreciation of the JPY against the EUR explains the positive performance of Japanese equity UCIs.

As far as emerging markets are concerned, the Asian equity UCI category's appreciation is notably linked to a buoyant global economy and good economic figures in several Asian countries. This general upward trend in financial markets sustained Eastern European and Latin American equity UCI

[2] Since the statistical data of SICARs were published on an annual basis only before December 2016, the chart includes the number and net assets of SICARs as at 31 December 2015 for the previous months, resulting in constant figures until November 2016 for these vehicles.

categories; this growth was less accentuated for Eastern European equity UCIs due to the decrease in oil prices and the appreciation of the rouble which affected the Russian domestic stock markets.

In February, the equity UCI categories registered an overall slightly positive net capital investment.

Development of equity UCIs during the month of February 2017*

	Market variation in %	Net issues in %
Global market equities	3.45%	0.81%
European equities	2.26%	-0.81%
US equities	4.85%	-0.45%
Japanese equities	2.77%	-0.32%
Eastern European equities	0.49%	-0.14%
Asian equities	4.80%	0.14%
Latin American equities	4.89%	-0.23%
Other equities	3.22%	-0.08%

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

As far as bond markets are concerned, the returns decreased on both sides of the Atlantic.

In Europe, the continuity of the ECB's asset buy back policy and the ongoing political uncertainties, despite positive economic data, implied a decrease in government and corporate bond yields supporting the valorisation of EUR-denominated bond UCI categories.

Despite the likelihood of an increase in key interest rates by the US Federal Reserve, considering the improving economic climate in the US, the lack, in particular, of visibility in the expansionary fiscal measures announced by the new US president implied a minor decline in USD-denominated bond yields. Together with a USD vs. EUR appreciation, USD-denominated bond UCIs registered a positive performance during the month under review.

The marginal yield decreases in the United States, the movements of capital towards emerging countries, the stabilisation of the prices of some raw materials as well as the tightening of risk premiums on emerging countries' bonds allowed emerging market bond UCIs to develop positively.

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

Development of fixed-income UCIs during the month of February 2017*

	Market variation in %	Net issues in %
EUR money market	-0.01%	-0.39%
USD money market	1.49%	0.74%
Global market money market	0.51%	-1.44%
EUR-denominated bonds	0.86%	-0.46%
USD-denominated bonds	1.64%	2.76%
Global market bonds	1.53%	0.42%
Emerging market bonds	2.59%	3.04%
High Yield bonds	1.82%	0.99%
Others	1.36%	0.28%

** 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 February 2017*

	Market variation in %	Net issues in %
Diversified UCIs	1.84%	0.84%
Funds of funds	1.77%	1.34%

** 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, respectively, of the 2010 Law and of SIFs according to the 2007 Law

	PART I UCITS		PART II UCIs		SIFs		SUB-TOTAL (without SICARs)		SICARs[3]		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)	NUMBER	NET ASSETS (in bn EUR)	NUMBER	NET ASSETS (in bn EUR)
31/12/2014	1,893	2,578.423 €	422	168.915 €	1,590	347.649 €	3,905	3,094.987 €	288	32.732 €	4,193	3,127.719 €
31/01/2015	1,896	2,734.590 €	412	178.286 €	1,577	364.137 €	3,885	3,277.013 €	288	32.732 €	4,173	3,309.745 €
28/02/2015	1,896	2,851.312 €	409	181.463 €	1,588	371.091 €	3,893	3,403.866 €	288	32.732 €	4,181	3,436.598 €
31/03/2015	1,891	2,955.916 €	405	186.664 €	1,592	382.213 €	3,888	3,524.793 €	288	32.732 €	4,176	3,557.525 €
30/04/2015	1,895	2,970.878 €	403	185.177 €	1,596	382.531 €	3,894	3,538.586 €	288	32.732 €	4,182	3,571.318 €
31/05/2015	1,900	3,027.262 €	401	187.084 €	1,600	387.179 €	3,901	3,601.525 €	288	32.732 €	4,189	3,634.257 €
30/06/2015	1,903	2,962.778 €	399	182.163 €	1,599	383.190 €	3,901	3,528.131 €	288	32.732 €	4,189	3,560.863 €
31/07/2015	1,901	3,015.582 €	392	181.228 €	1,602	386.300 €	3,895	3,583.110 €	288	32.732 €	4,183	3,615.842 €
31/08/2015	1,899	2,871.083 €	391	173.038 €	1,601	378.866 €	3,891	3,422.987 €	288	32.732 €	4,179	3,455.719 €
30/09/2015	1,900	2,820.370 €	391	169.729 €	1,603	376.727 €	3,894	3,366.826 €	288	32.732 €	4,182	3,399.558 €
31/10/2015	1,903	2,952.296 €	391	173.421 €	1,607	387.676 €	3,901	3,513.393 €	288	32.732 €	4,189	3,546.125 €
30/11/2015	1,895	3,019.572 €	386	175.406 €	1,613	394.693 €	3,894	3,589.671 €	288	32.732 €	4,182	3,622.403 €
31/12/2015	1,892	2,946.860 €	384	169.896 €	1,602	389.445 €	3,878	3,506.201 €	282	37.430 €	4,160	3,543.631 €
31/01/2016	1,903	2,819.861 €	378	164.531 €	1,596	386.607 €	3,877	3,370.999 €	282	37.430 €	4,159	3,408.429 €
29/02/2016	1,904	2,813.421 €	373	157.278 €	1,592	387.785 €	3,869	3,358.484 €	282	37.430 €	4,151	3,395.914 €
31/03/2016	1,905	2,847.418 €	371	157.047 €	1,603	390.939 €	3,879	3,395.404 €	282	37.430 €	4,161	3,432.834 €
30/04/2016	1,904	2,888.262 €	370	159.477 €	1,606	394.341 €	3,880	3,442.080 €	282	37.430 €	4,162	3,479.510 €
31/05/2016	1,902	2,928.461 €	371	159.174 €	1,609	400.345 €	3,882	3,487.980 €	282	37.430 €	4,164	3,525.410 €
30/06/2016	1,899	2,906.498 €	367	156.893 €	1,621	398.513 €	3,887	3,461.904 €	282	37.430 €	4,169	3,499.334 €
31/07/2016	1,892	2,997.551 €	365	159.356 €	1,631	408.849 €	3,888	3,565.756 €	282	37.430 €	4,170	3,603.186 €
31/08/2016	1,894	3,033.413 €	363	159.141 €	1,636	409.608 €	3,893	3,602.162 €	282	37.430 €	4,175	3,639.592 €
30/09/2016	1,891	3,051.016 €	362	159.088 €	1,644	411.825 €	3,897	3,621.929 €	282	37.430 €	4,179	3,659.359 €
31/10/2016	1,893	3,053.246 €	356	159.320 €	1,642	413.932 €	3,891	3,626.498 €	282	37.430 €	4,173	3,663.928 €
30/11/2016	1,888	3,065.882 €	355	158.862 €	1,645	415.885 €	3,888	3,640.629 €	282	37.430 €	4,170	3,678.059 €
31/12/2016	1,869	3,116.104 €	353	160.578 €	1,639	424.394 €	3,861	3,701.076 €	283	40.254 €	4,144	3,741.330 €
31/01/2017	1,869	3,138.701 €	351	160.967 €	1,623	427.236 €	3,843	3,726.904 €	283	40.483 €	4,126	3,767.387 €
28/02/2017	1,880	3,217.837 €	351	164.858 €	1,617	436.203 €	3,848	3,818.898 €	282	41.419 €	4,130	3,860.317 €

[3] *Before 31 December 2016, the statistical data of SICARs were only published on an annual basis.*

During the month under review, the following 19 undertakings for collective investment have been registered on the official list:

1) UCITS Part I 2010 Law:

- COMMERZBANK FLEXIBLE VOLATILITY STRATEGY FUND, 25, rue Edward Steichen, L-2540 Luxembourg
- CS INVESTMENT FUNDS 6, 5, rue Jean Monnet, L-2180 Luxembourg
- DEGROOF PETERCAM FRANCE SICAV, 12, rue Eugène Ruppert, L-2453 Luxembourg
- ETHNA SICAV, 16, rue Gabriel Lippmann, L-5365 Munsbach
- FRANKLIN TEMPLETON OPPORTUNITIES FUNDS, 8A, rue Albert Borschette, L-1246 Luxembourg
- HARVEST GLOBAL FUNDS, 16, boulevard d'Avranches, L-1160 Luxembourg
- PI INVESTMENT FUNDS, 8-10, rue Jean Monnet, L-2180 Luxembourg
- SASFIN WEALTH SICAV, 49, avenue J-F Kennedy, L-1855 Luxembourg
- SENTIMENT SICAV, 17, rue de Flaxweiler, L-6776 Grevenmacher
- UNIINSTITUTIONAL MULTI CREDIT, 308, route d'Esch, L-1471 Luxembourg

2) UCIs Part II Law 2010:

- BLACKPOINT, 5, allée Scheffer, L-2520 Luxembourg
- NEMROD DIVERSIFIED, 5, allée Scheffer, L-2520 Luxembourg

3) SIFs:

- 2XIDEAS SICAV-SIF, 2, rue d'Alsace, L-1122 Luxembourg
- ASSENAGON GLOBAL VOLATILITY, 1B, Heienhaff, L-1736 Senningerberg
- BRIGHT STARS SICAV-SIF, 33A, avenue J-F Kennedy, L-1855 Luxembourg
- CHEYNE REAL ESTATE CREDIT (CRECH) FUND IV – LOANS SCS SICAV-SIF, 20, rue de la Poste, L-2346 Luxembourg
- PIATTAFORMA FONDAZIONI S.C.A. SICAV-SIF, 412F, route d'Esch, L-2086 Luxembourg
- RESA FONDS, 15, rue de Flaxweiler, L-6776 Grevenmacher
- RV AIP S.C.S. SICAV-SIF, 60, avenue J-F Kennedy, L-1855 Luxembourg

4) SICARs:

- -

The following 14 undertakings for collective investment have been withdrawn from the official list during the month under review:

1) UCITS Part I 2010 Law:

- COSMOS FUNDS, 14, rue Bergère, F-75009 Paris
- VOGELANDFRIENDS INVEST, 1C, rue Gabriel Lippmann, L-5365 Munsbach

2) UCIs Part II Law 2010:

- HASPA PB HBSF, 15, rue de Flaxweiler, L-6776 Grevenmacher
- HSBC QUANT ALTERNATIVE FUNDS, 5, allée Scheffer, L-2520 Luxembourg

3) SIFs:

- ALPINA REAL ESTATE FUND II (LUX), 13, rue Aldringen, L-1118 Luxembourg
- ANTON INVEST, 12, rue Eugène Ruppert, L-2453 Luxembourg
- AVON LIFE SETTLEMENT SIF, 5, allée Scheffer, L-2520 Luxembourg
- CC GLOBAL INVESTMENTS MASTER FUND, 42, rue de la Vallée, L-2661 Luxembourg
- CC GLOBAL INVESTMENTS, 42, rue de la Vallée, L-2661 Luxembourg
- CS STRATEGIC PARTNERS V FEEDER S.C.A., SICAV-FIS, 47, avenue J-F Kennedy, L-1855 Luxembourg

- LOGAXES FUND, 2, rue du Fort Bourbon, L-1249 Luxembourg
- MORETON SICAV-FIS, 1, place de Metz, L-1930 Luxembourg
- PROPULSE FUND, 11, rue Aldringen, L-1118 Luxembourg
- THE FIVE, 33A, avenue J-F Kennedy, L-1855 Luxembourg

4) SICARs :

- -

EMIR – Obligations of non-financial counterparties to derivative contracts – CSSF measures and priorities

Communiqué of 11 May 2017

The CSSF considers appropriate to remind non-financial counterparties (NFCs) that they have to comply with the obligations provided under the Regulation (EU) No 648/2012 ('EMIR') on OTC[4] derivatives, central counterparties (CCPs) and trade repositories (TRs). In particular the CSSF intends to remind to those NFCs not prudentially supervised by the CSSF that they fall in scope of the obligations introduced by EMIR as soon as they conclude derivative transactions.

General provisions of EMIR

EMIR introduced for counterparties to a derivative contract a set of obligations in order to reduce the risk of the derivatives markets and to improve transparency. These obligations, modulated in different ways depending on the nature of counterparties to a derivative contract (e.g. financial counterparties (FCs), NFCs above the clearing threshold, NFCs below the clearing threshold), are set out below:

1. *Clearing obligation*[5]: obligation to centrally clear certain classes of OTC derivative contracts through CCPs that have been authorised (for European CCPs) or recognised (for non-EU CCPs) under the EMIR framework. Classes of OTC derivative contracts in scope of the clearing obligation are those that have certain characteristics in terms of standardisation, liquidity and availability of reliable price, and have been identified by ESMA to be in scope of such obligation;
2. *Obligation to apply risk mitigation techniques*[6]: obligation to apply to all non-centrally cleared OTC derivative contracts alternative measures of risk mitigation, such as:
   i) Timely confirmation: the timely confirmation of the terms of the contracts;
   ii) Portfolio reconciliation: the (periodic) reconciliation of portfolios;
   iii) Dispute resolution: the detection and early resolution of disputes;
   iv) Portfolio compression: the evaluation to carry out a compression of the portfolio;
   v) Daily valuation (mark-to-market): monitoring of the current value of the existing contracts;
   vi) Exchange of collateral: the exchange of collateral in a timely and accurate manner;
3. *Reporting obligation*[7]: obligation to report all concluded derivative contracts (i.e. OTC or ETD[8]), to the TRs, registered or recognised by ESMA;
4. *Additional requirements for NFCs*:
   i) To monitor their derivative transactions,
   ii) To verify if their positions exceed the clearing threshold, and

[4] Over-the-counter.
[5] Cf. Articles 4 and 5 of EMIR, and Chapters II, III, IV of Commission Delegated Regulation (EU) No 149/2013.
[6] Cf. Article 11 of EMIR and Chapter VIII of Commission Delegated Regulation (EU) No 149/2013.
[7] Cf. Article 9 of EMIR and Commission Delegated Regulation (EU) No 148/2013.
[8] Exchange Trade Derivative.

iii) To notify ESMA and the competent authority when they exceed the clearing threshold and when they no longer exceed it[9].

EMIR entered into force on 16 August 2012 and was followed by a series of technical standards that specify the obligations mentioned above (all together hereafter called 'EMIR legislation') and that have provided effective dates deferred for each of them.

In addition to the NFCs prudentially supervised by the CSSF, pursuant to Article 1(2) of the Law of 15 March 2016[10] the CSSF is also responsible for ensuring the compliance with EMIR obligations by those NFCs which are not supervised.

Compliance by NFCs with the regulatory framework of EMIR

With this Communication, which does not introduce any further obligations with respect to the existing regulatory framework, the CSSF intends to remind the NFCs to a timely and comprehensive application of all EMIR obligations applicable to them.

With the aim to accelerate the process of full compliance of the NFCs with the applicable regulatory measures, the CSSF believes that the following measures have to be implemented by NFCs in order to fully comply with the EMIR legislation:

a) Identification of an organisational unit and/or responsible person (according to the size of the entity) who is responsible for ensuring the on-going compliance with the EMIR legislation (i.e. points 1.-4. above);
b) Adoption of procedures formalising functional activities in compliance with the EMIR requirements applicable to the entity;
c) Adoption of control tools on the quality of data reported to the TRs, either directly or through delegation to a third party.

The CSSF also recommends the active involvement of the administrative body in the management process, including the monitoring and control of risks arising from derivatives contract entered by the company, and an increased focus of the control body (where applicable) on the adequacy of the company's organisational structure to comply with the EMIR rules.

Supervisory activities to be taken by the CSSF in 2017

The CSSF intends to strengthen the supervision of the NFCs operating in the derivatives market. In particular, for the year 2017 EMIR supervisory activities will include the following three areas:

Priority 1 - The quality of the data reported to the TRs

Notifications received from TRs related to rejected reports by counterparties will be monitored and counterparties with a higher number of rejected reports reported by the TRs as well as counterparties with a higher number of unreconciled trades will be subject to reviews and controls. In this context, the adequacy of the measures adopted to control and ensure the quality of the reported data will be verified.

Priority 2 - The monitoring of derivative transactions entered into for hedging purposes

Policies adopted by NFCs to monitor (i) the clearing threshold and (ii) the factors taken into account to measure the ability of the OTC derivative contracts to reduce risks directly relating to the commercial activity or treasury financing activity of the NFC or of that group will, in selected cases, be collected by the CSSF. Policy compliance with the regulatory framework of reference and information provided by ESMA in the Q&A on EMIR (Questions and Answers regarding the Implementation of the Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories) might be verified on a sample basis.

Priority 3 - The monitoring of risk mitigation techniques

Policies and procedures adopted by NFCs to ensure the compliance with risk mitigation techniques applicable to them will, in certain selected cases, be collected. Policy compliance with the regulatory

[9] Cf. Article of 10 EMIR and Chapter VII of Commission Delegated Regulation (EU) No 149/2013.
[10] http://www.cssf.lu/fileadmin/files/Lois_reglements/Legislation/Lois/L_150316_EMIR.pdf.

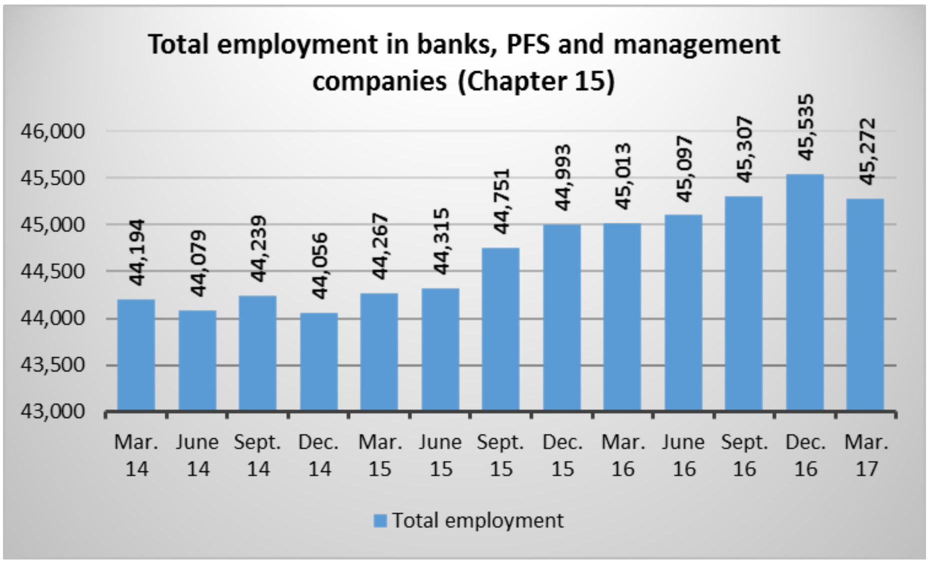
framework of reference and information provided by ESMA in the Q&A on EMIR (Questions and Answers regarding the Implementation of the Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories) might be verified on a sample basis.

Furthermore, in accordance with Article 2(1) of the Law of 15 March 2016, the CSSF requires all NFCs who conclude derivative transactions to provide the CSSF, within 30 days of publication of this notice with the name, email address and telephone number of the person responsible for the organisational unit referred to in point (a), NFCs not prudentially supervised shall send information to nfc.nps@cssf.lu.

STATISTICS

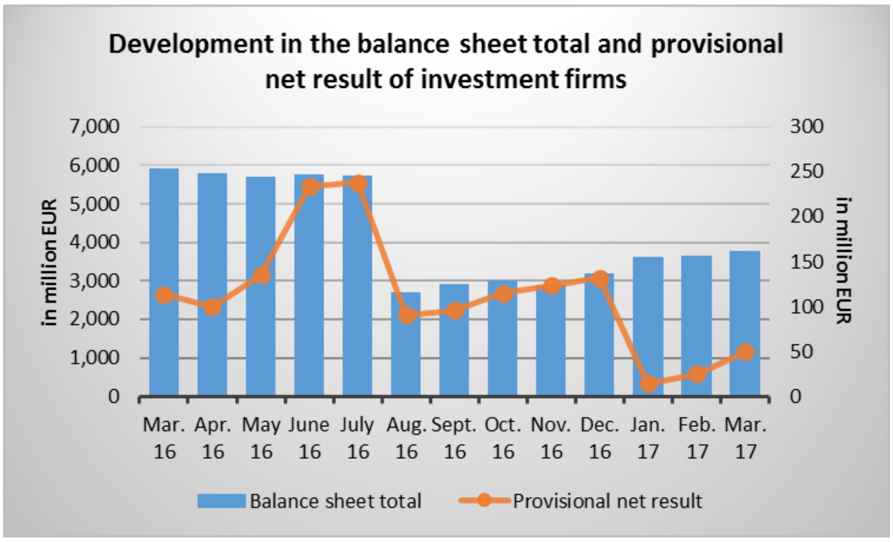
Total employment in banks, PFS and management companies

Decrease in total employment as at 31 March 2017



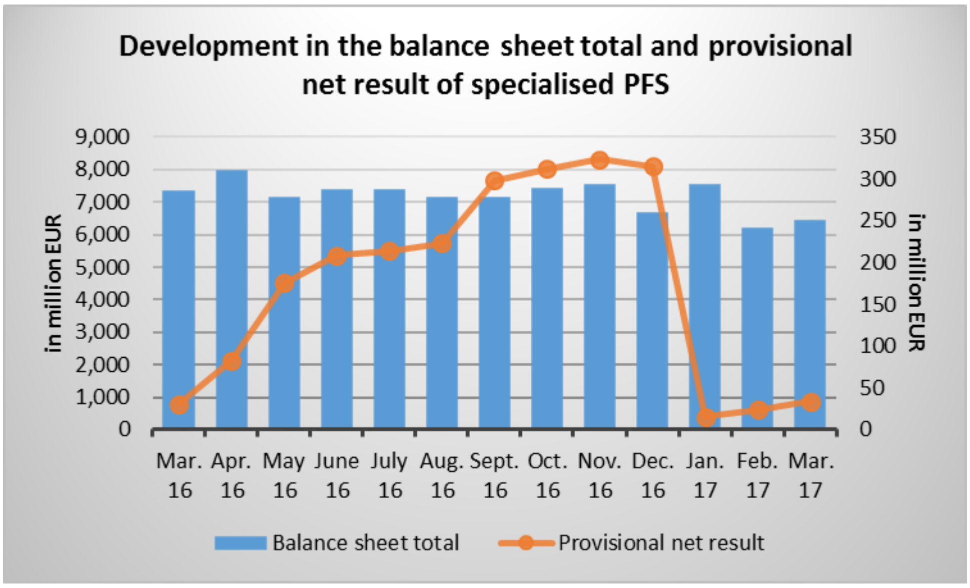
Investment firms

Increase in the investment firms' balance sheet total as at 31 March 2017



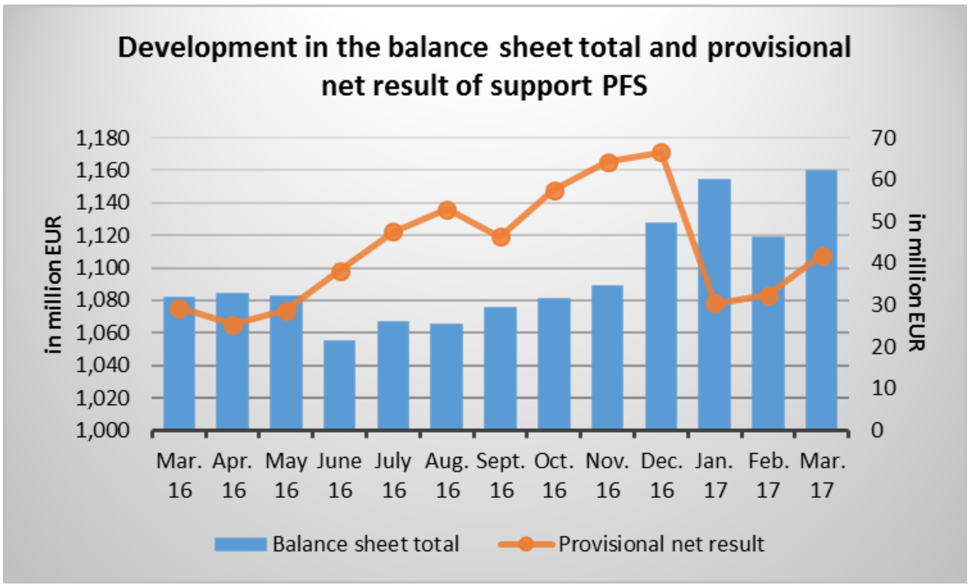
Specialised PFS

Increase in the specialised PFS' balance sheet total as at 31 March 2017



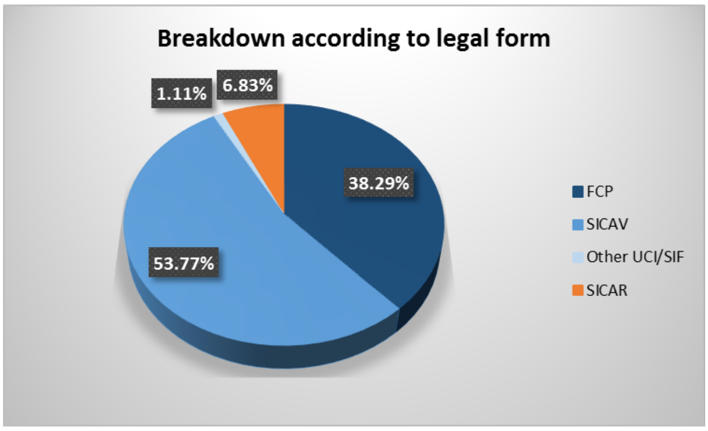
Support PFS

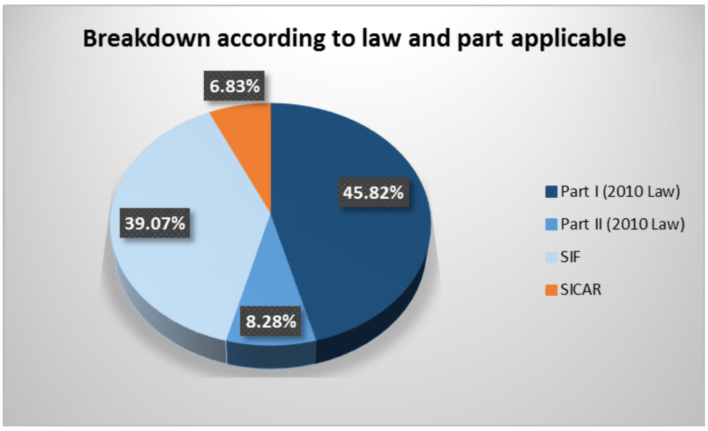
Increase in the support PFS' balance sheet total as at 31 March 2017



UCIs (Situation as at 28 February 2017)

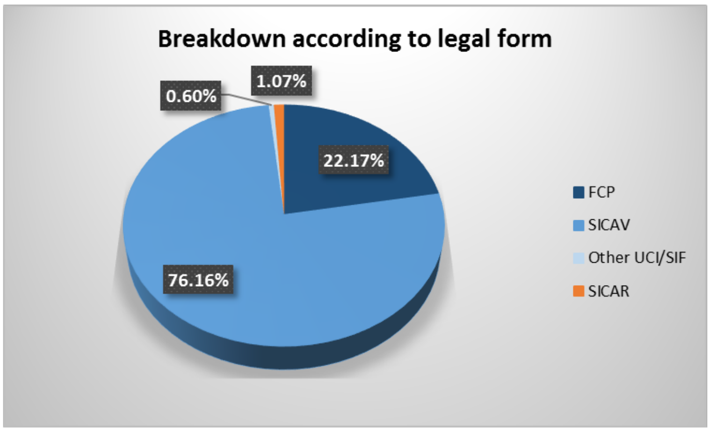
Number of UCIs

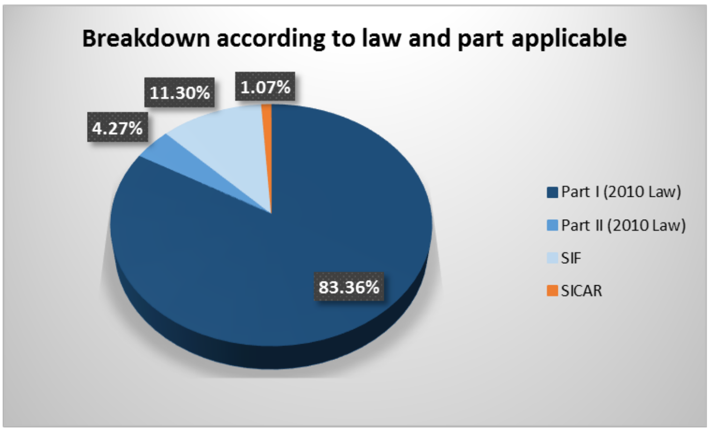




Law, part/legal form	FCPs	SICAVs	Other UCIs/SIFs	SICARs	TOTAL
Part I (2010 Law)	1,007	873	0	0	**1,880**
Part II (2010 Law)	178	170	3	0	**351**
SIFs	394	1,180	43	0	**1,617**
SICARs	0	0		282	**282**
TOTAL	**1,579**	**2,223**	**46**	**282**	**4,130**

Net assets of UCIs





Law, Part/legal form (in bn EUR)	FCPs	SICAVs	Others	SICARs	TOTAL
Part I (2010 Law)	630.262	2,587.575	0.000	**0.000**	**3,217.837**
Part II (2010 Law)	61.082	103.268	0.508	**0.000**	**164.858**
SIFs	164.337	249.195	22.671	**0.000**	**436.203**
SICARs	0.000	0.000	0.000	**41.419**	**41.419**
TOTAL	**855.681**	**2,940.038**	**23.179**	**41.419**	**3,860.317**

Breakdown by investment policy

Breakdown according to investment policy	Net assets (in bn €)	Number of fund units[11]
Fixed-income transferable securities	1,165.204	3,108
Variable-yield transferable securities	1,128.164	3,744
Mixed transferable securities	825.196	4,019
Funds of funds	226.009	2,136
Money market instruments and other short-term securities	331.974	249
Cash	2.174	21
Private equity	26.684	183
Venture capital	1.537	31
Real estate	51.948	333
Futures and/or options	14.032	131
Other assets	45.976	214
Public-to-Private	0.095	3
Mezzanine	2.431	11
Venture capital (SICAR)	7.099	90
Private equity (SICAR)	31.794	280
Total	**3,860.317**	**14,553**

Breakdown of net assets according to investment policy

Breakdown by investment policy	NET ASSETS (in bn €)	NUMBER OF FUND UNITS	SUBSCRIPTIONS (in bn €)	REDEMPTIONS (in bn €)	NET SUBSCRIPTIONS (in bn €)
PART I					
Fixed-income transferable securities	1,050.243	2,461	49.220	42.394	6.826
Variable-yield transferable securities	1,063.871	3,349	44.232	43.552	0.680
Mixed transferable securities	647.924	2,764	26.438	19.197	7.241
Funds of funds	133.054	983	3.509	2.823	0.686
Money market instruments and other short-term securities	310.366	188	110.472	111.361	-0.889
Cash	1.481	10	0.274	0.075	0.199
Futures and/or options	7.405	58	0.641	0.276	0.365
Other assets	3.493	10	0.242	0.114	0.128
TOTAL PART I:	**3,217.837**	**9,823**	**235.028**	**219.792**	**15.236**
PART II					
Fixed-income transferable securities	26.942	125	1.498	0.712	0.786
Variable-yield transferable securities	16.487	73	0.077	0.286	-0.209
Mixed transferable securities	57.137	248	1.595	1.644	-0.049
Funds of funds	33.232	334	0.790	0.584	0.206

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

Money market instruments and other short-term securities	18.077	51	1.030	1.014	0.016
Cash	0.675	9	0.012	0.022	-0.010
Private equity	4.166	15	0.170	0.052	0.118
Venture capital	0.022	2	0.000	0.003	-0.003
Real estate	1.171	19	0.000	0.000	0.000
Futures and/or options	3.582	30	0.040	0.059	-0.019
Other assets	3.367	13	0.306	0.163	0.143
TOTAL PART II:	**164.858**	**919**	**5.518**	**4.539**	**0.979**
SIFs					
Fixed-income transferable securities	88.019	522	2.402	1.849	0.553
Variable-yield transferable securities	47.806	322	0.328	0.413	-0.085
Mixed transferable securities	120.135	1,007	1.706	2.181	-0.475
Funds of funds	59.723	819	1.736	0.588	1.148
Money market instruments and other short-term securities	3.531	10	0.339	0.178	0.161
Cash	0.018	2	0.000	0.000	0.000
Private equity	22.518	168	0.074	0.003	0.071
Venture capital	1.515	29	0.010	0.000	0.010
Real estate	50.777	314	0.813	0.075	0.738
Futures and/or options	3.045	43	0.033	0.026	0.007
Other assets	39.116	191	1.424	0.236	1.188
TOTAL SIFs:	**436.203**	**3,427**	**8.865**	**5.549**	**3.316**
SICARs					
Public-to-Private	0.095	3	0.000	0.000	0.000
Mezzanine	2.431	11	0.000	0.000	0.000
Venture Capital	7.099	90	0.000	0.166	-0.166
Private Equity	31.794	280	0.177	0.037	0.140
TOTAL SICARs	**41.419**	**384**	**0.177**	**0.203**	**-0.026**
TOTAL LUXEMBOURG UCIs	**3,860.317**	**14,553**	**249.588**	**230.083**	**19.505**

Origin of the initiators of Luxembourg UCIs

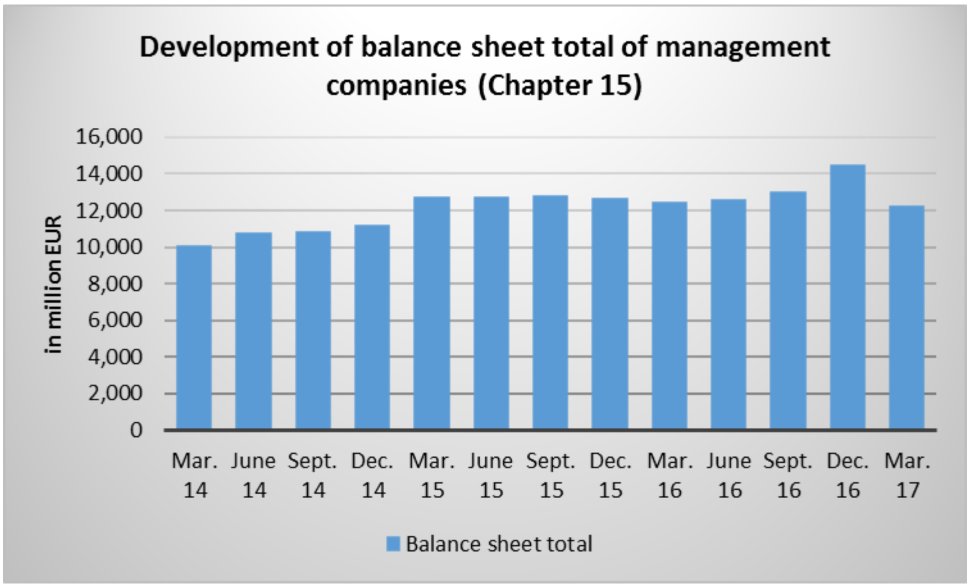
Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
United States	808.521	20.9%	183	4.4%	1,060	7.3%
United Kingdom	664.999	17.2%	281	6.8%	1,542	10.6%
Germany	545.408	14.1%	1,424	34.5%	2,724	18.7%
Switzerland	522.710	13.5%	580	14.1%	2,737	18.8%
Italy	334.474	8.7%	158	3.8%	1,247	8.6%
France	321.016	8.3%	330	8.0%	1,385	9.5%
Belgium	163.870	4.3%	174	4.2%	988	6.8%
Netherlands	91.477	2.4%	52	1.3%	239	1.6%
Luxembourg	79.606	2.1%	232	5.6%	628	4.3%
Denmark	76.681	2.0%	25	0.6%	181	1.3%
Others	251.555	6.5%	691	16.7%	1,822	12.5%
Total	**3,860.317**	**100.0%**	**4,130**	**100.0%**	**14,553**	**100.0%**

Breakdown of Luxembourg UCI fund units by reference currency

Currency	Net assets (in bn EUR)	in %	Number of fund units	in %
AUD	6.281	0.163%	29	0.199%
CAD	1.890	0.049%	26	0.178%
CHF	54.414	1.409%	306	2.103%
CNH	1.521	0.039%	19	0.130%
CNY	0.085	0.002%	3	0.021%
CZK	1.311	0.034%	63	0.433%
DKK	3.073	0.080%	10	0.069%
EUR	2,085.377	54.021%	9,317	64.021%
GBP	103.134	2.672%	329	2.261%
HKD	4.580	0.119%	10	0.069%
HUF	0.297	0.008%	34	0.233%
ILS	0.002	0.000%	1	0.007%
JPY	68.573	1.776%	212	1.457%
NOK	4.558	0.118%	25	0.172%
NZD	0.829	0.021%	5	0.034%
PLN	0.684	0.018%	24	0.165%
RON	0.499	0.013%	6	0.041%
SEK	49.208	1.275%	184	1.264%
SGD	0.478	0.012%	3	0.021%
TRY	0.057	0.001%	3	0.021%
USD	1,473.436	38.169%	3,942	27.087%
ZAR	0.030	0.001%	2	0.014%
Total	**3,860.317**	**100.000%**	**14,553**	**100.000%**

Management companies authorised according to Chapter 15 of the 2010 Law

Decrease in the balance sheet total of management companies (Chapter 15) as at 31 March 2017



Pension funds

As at 10 May 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.

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 **18**.

Securitisation undertakings

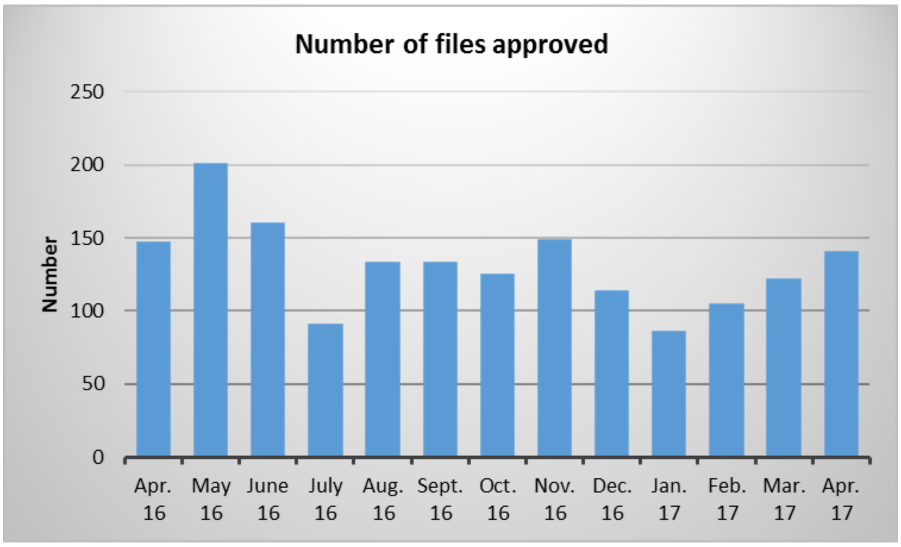
The number of **securitisation undertakings authorised** by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **34** entities as at 8 May 2017.

Public oversight of the audit profession

The public oversight of the audit profession covered **58 *cabinets de révision agréés*** (approved audit firms) and **290 *réviseurs d'entreprises agréés*** (approved statutory auditors) as at 30 April 2017. The oversight also included **40 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)

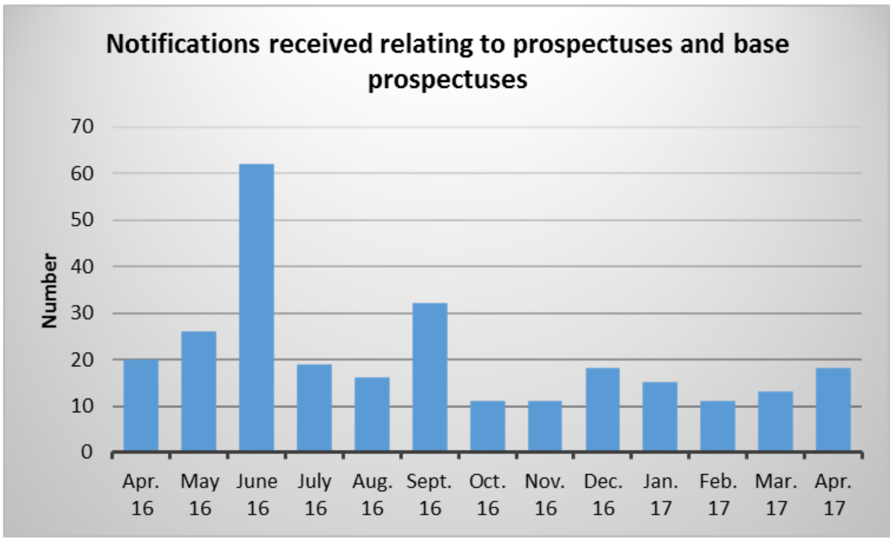
CSSF approvals



In April 2017, the CSSF approved a total of 141 documents pursuant to the Prospectus Law, which break down as follows:

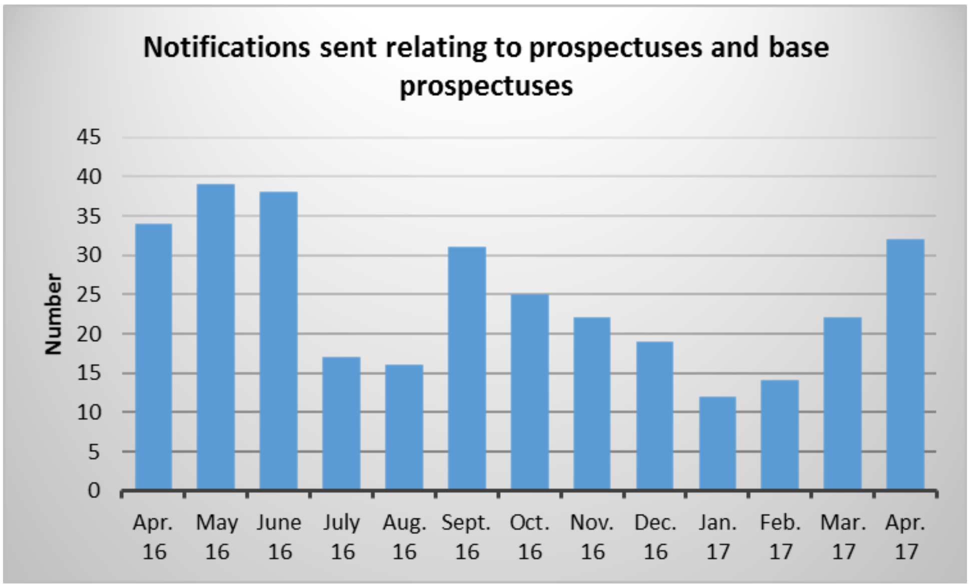
base prospectuses:	28	(19.86 %)
other prospectuses:	31	(21.98 %)
registration documents:	4	(2.84 %)
supplements:	78	(55.32 %)

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



In April 2017, the CSSF received 18 notifications relating to prospectuses and base prospectuses and 63 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



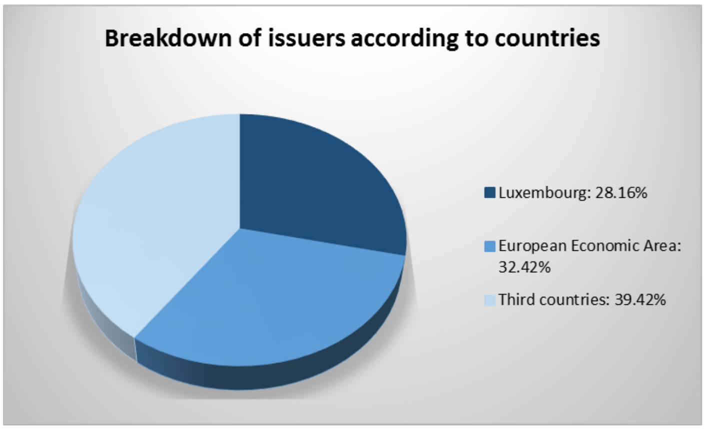
In April 2017, the CSSF sent 32 notifications relating to prospectuses and base prospectuses and 62 notifications relating to supplements to the competent authorities of other EEA Member States[12].

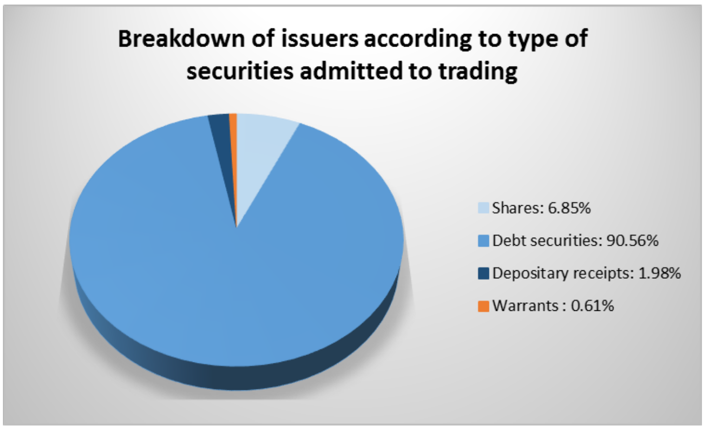
[12] These figures are the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications were sent at different dates and/or in several Member States, only the first notification is included in the statistical calculation. Each document 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 of securities (the "Transparency Law")

Since 10 April 2017, 4 issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, 10 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 May 2017, 657 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.





Withdrawal decided by the CSSF

EQUI SICAV SIF SCA

Following the CSSF's decision to withdraw the specialised investment fund EQUI SICAV SIF SCA from the official list of specialised investment funds, the VIth Chamber of the Luxembourg District Court, dealing with commercial matters, per judgement on 27 April 2017, pronounced the dissolution and ordered the liquidation of the specialised investment fund EQUI SICAV SIF SCA. The same judgment has appointed Ms Nadine Walch as official receiver (juge-commissaire) and Me Philippe Thiebaud as liquidator.

FINANCIAL CENTRE

Main updated figures regarding the financial centre:

			Annual comparison
Banks	Number (15/05/2017)	141[13]	↘ 2 entities
	Balance sheet total (31/12/2016)	EUR 770.076 bn	↗ EUR 26.879 bn
	Profit before provisions (31/12/2016)	EUR 6.361 bn	↗ EUR 826 m
Payment institutions	Number (15/05/2017)	9	↘ 1 entity
Electronic money institutions	Number (15/05/2017)	4	no variation
UCIs	Number (15/05/2017)	Part I 2010 Law: 1,894	↘ 8 entities
		Part II 2010 Law: 341	↘ 30 entities
		SIFs: 1,615	↗ 6 entities
		TOTAL: 3,850	↘ 32 entities
	Number (05/05/2017)	SICARs: 282	no variation
	Total net assets (28/02/2017)	EUR 3,860.317 bn	↗ EUR 464.403 bn
Management companies (Chapter 15)	Number (30/04/2017)	204	↗ 3 entities
	Balance sheet total (31/03/2017)[14]	EUR 12.230 bn	↘ 261 million
Management companies (Chapter 16)	Number (30/04/2017)	167	↘ 5 entities
AIFMs	Number (15/05/2017)	223	↗ 18 entities
Pension funds	Number (10/05/2017)	14	no variation
Authorised securitisation undertakings	Number (08/05/2017)	34	↗ 2 entities
Investment firms	Number (15/05/2017)	106 of which 9 branches	↘ 1 entity
	Balance sheet total (31/03/2017)	EUR 3.769 bn	↘ EUR 2.124 bn
	Provisional net profit (31/03/2017)	EUR 49.98 m	↘ EUR 63.407 m
Specialised PFS	Number (15/05/2017)	114	↘ 13 entities
	Balance sheet total (31/03/2017)	EUR 6.429 bn	↘ EUR 916 m
	Provisional net profit (31/03/2017)	EUR 33.70 m	↗ EUR 2,78 m
Support PFS	Number (15/05/2017)	77	↘ 2 entities
	Balance sheet total (31/03/2017)	EUR 1.160 bn	↗ EUR 78 m
	Provisional net profit (31/03/2017)	EUR 41.80 m	↗ EUR 12.45 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (10/05/2017)	657	↗ 83 entities
Public oversight of the audit profession	Number (30/04/2017)	56 *cabinets de révision agréés*	↘ 10 entities
		290 *réviseurs d'entreprises agréés*	↗ 12 people
		40 third-country auditors and audit firms	↘ 5 entities
Employment (31/03/2017)	Banks	26,144 people	↗ 35 people
	Management companies (Chapter 15)	4,096 people	↗ 271 people
	Investment firms	2,273 people	↘ 18 people
	Specialised PFS	4,049 people	↗ 269 people
	Support PFS	8,710 people	↘ 298 people
	Total	45,272 people	↗ 259 people[15]

[13] 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.

[14] Preliminary figures.

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