



Newsletter

No 197 - June 2017

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HUMAN RESOURCES

CSSF staff evolution

Since the publication of the last Newsletter, the CSSF has recruited 10 new agents who were assigned to the following departments:

UCI Departments

Christophe CARPENTIER
Daniel GODINHO FRAGOSO
Engin IRCAG
Matthieu PFEIFFER
Arnould STAS

On-site Inspection

Armelle KOUOKAP YOUNGANG

General Secretariat

Matthias SCHMIDT

Single Supervisory Mechanism (SSM)

Laurence VIVARIE

Supervision of Banks

Gilles KLEIN

Information Systems of the CSSF (IT)

Dirk VAEL

Following the departure of two agents, the CSSF employs 713 agents on 16 June 2017: 381 men and 332 women.

NEWS

Guidelines on correspondent banking services and "KYC utilities"

The CSSF would like to draw attention to the guidelines of the Basel Committee on Banking Supervision on sound management of risks related to money laundering and financing of terrorism (document published in 2014 cf. CSSF press release 14/05) whose annexes 2 (Correspondent banking) and 4 (General guide to account opening) have just been adapted in June 2017. These changes follow notably the publication by the Financial Action Task Force (FATF) of its guidance on correspondent banking services of October 2016 which can be consulted under: <http://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-Correspondent-Banking-Services.pdf>.

In essence, the reviews underline the application of a risk-based approach on correspondent banking, by acknowledging that not all correspondent banking relationships carry the same risk level. The risk factors listed in Annex 2 should thus help institutions to conduct their ML/FT risk assessment. These clarifications occur at the time when the international community is increasingly concerned about de-risking within the context of correspondent banking services.

New clarifications also aim to clarify, in particular, the expectations of the supervisory authorities as regards the quality of payment messages as well as conditions for external data use (utilities/registers) for Know Your Customer purposes (cf. in particular points 6a and 6b of Annex 4).

For further information, please refer to the following link: <http://www.bis.org/bcbs/publ/d405.pdf>.

WARNINGS

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 17/658

Circular CSSF 17/658 adopts the EBA guidelines on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013 (EBA/GL/2015/22). This circular repeals Circular CSSF 10/496.

Law of 13 June 2017

The Law of 13 June 2017 on payment accounts transposes into Luxembourg law Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features. Consequently, the law concerns payment accounts offered to consumers. The law was published in Mémorial A, No 559 of 14 June 2017.

Grand-ducal Regulation of 22 May 2017

The Grand-ducal Regulation of 22 May 2017 amending the Grand-ducal Regulation of 25 July 2015 implementing Article 4(1) of the Law of 25 July 2015 on e-archiving amends in full the annex of the Grand-ducal Regulation of 25 July 2015 implementing Article 4(1) of the Law of 25 July 2015 on e-archiving. The coordinated version of the Grand-ducal Regulation of 25 July 2015 is available on the CSSF website (<http://www.cssf.lu/en/supervision/pfs/support-pfs/regulation/laws-regulations-and-other-texts/>). The Grand-ducal Regulation of 22 May 2017 was published in Mémorial A, No 563 of 14 June 2017.

BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM

Single Supervisory Mechanism - European Central Bank (ECB)**Publications and Consultations**

15 May 2017 - [ECB guide clarifies supervisory criteria and process for determining suitability of banks' board members](#)

The European Central Bank (ECB) has published the ECB guide to fit and proper assessments. The guide explains how ECB Banking Supervision ensures consistency in the application of the fit and proper assessment criteria, with a view to establishing common supervisory practices for assessing the qualifications, skills and proper standing of a candidate for a position on a bank's board e.g. as a CEO or non-executive board member. The publication marks the end of a public consultation process, which, among other things, resulted in the guide providing further clarification on the experience and time commitment required of board members, as well as explaining potential conflicts of interest in more detail.

16 May 2017 - [ECB publishes guidance to banks on leveraged transactions](#)

The ECB has published its guidance on leveraged transactions. The guidance aims to establish sound origination and risk management practices. It also aims to facilitate the identification of leveraged transactions by means of an overarching definition encompassing all business units and geographical areas, so as to give senior management a comprehensive overview of banks' leveraged lending activities. The publication of the guidance marks the end of a public consultation process. It also outlines expectations regarding the risk management and reporting requirements for leveraged transactions.

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 e.g. [the survey design for less significant institutions](#) [the survey design for less significant institutions](#).

Interviews and Speeches

2 May 2017 – [“Risk and capital – a balancing act”](#) - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, at the Austrian Chamber of Commerce, Vienna

2 May 2017 – [“Banking union – safe and sound finance for Europe”](#) - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, at the RZB EU Sky Talk, Vienna

4 May 2017 – [“Some supervisory expectations for banks relocating to the euro area”](#) - Introductory remarks by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, Technical workshop for banks considering relocation in the context of Brexit, Frankfurt am Main

15 May 2017 – [“Regulation and supervision in Europe – can many cooks make a good broth?”](#) - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, at the “Banking Union Conference” organised by the Institute for Law and Finance (ILF) of Goethe University together with Freshfields Bruckhaus Deringer, Frankfurt am Main

15 May 2017 – [“Common challenges for banks, regulators and supervisors”](#) - Speech by Ignazio Angeloni, Member of the Supervisory Board of the ECB, at the Adam Smith Society, Milan

18 May 2017 – [“European banking supervision, global cooperation and challenges for banks”](#) - Presentation by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the Board Meeting of the International Banking Federation, Berlin

19 May 2017 – [Interview with Talouselämä](#) (Finnish financial and business magazine) - Interview with Danièle Nouy, Chair of the Supervisory Board of the ECB

31 May 2017 – [“3-6-3: Banks and change”](#) - Speech by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the Bankwirtschaftliche Tagung of the BVR, Berlin

European Council

Publications

19 May 2017 – Publication of the [Regulation \(EU\) 2017/826 of the European Parliament and the Council of 17 May 2017](#) on establishing a Union programme to support specific activities enhancing the involvement of consumers and other financial services end-users in Union policy-making in the area of financial services for the period of 2017-2020

19 May 2017 – Publication of the [Regulation \(EU\) 2017/827 of the European Parliament and the Council of 17 May 2017](#) amending Regulation (EU) No 258/2014 establishing a Union Programme to support specific activities in the field of financial reporting and auditing for the period of 2014-2020

European Commission

Publications

BREXIT

3 May 2017 - [European Commission released recommendation to the Council to open article 50 negotiations with the UK](#)

The European Commission has released a recommendation to the European Council to open negotiations with the UK based on the article 50 of the Treaty on European Union. The recommendation provides details to conduct the first phase of the negotiations. This reflects the two-phased approach put forward by the leaders of the 27 Member States and prioritises those matters which are necessary to ensure an orderly withdrawal of the UK from the Union.

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

11 May 2017 – Publication of the [Corrigendum to 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

ECONOMIC AND MONETARY UNION

31 May 2017 - [Commission published paper setting out possible ways forward for deepening the EMU](#)

The European Commission has published its paper setting out possible ways forward for deepening the EMU. The Commission’s paper states that moving ahead in the EMU would involve taking steps in three key areas: (i) completing a genuine Financial Union; (ii) achieving a more integrated Economic and Fiscal Union; and (iii) anchoring democratic accountability and strengthening euro area institutions. This reflection paper is the third in the five-part series of papers announced in the European Commission’s White Paper on the Future of Europe presented on 1st March 2017.

European Banking Authority (EBA)

Publications

CAPITAL REQUIREMENTS DIRECTIVE AND REGULATION

4 May 2017 - [EBA issued amended technical standards on benchmarking of internal approaches](#)

The EBA has published an amended version of its Implementing Technical Standards (ITS) on benchmarking of internal approaches which have been developed in accordance with article 78 CRD. These amendments aim at ensuring a better quality of the submitted data and, ultimately assisting the EBA and competent authorities in their 2018 assessment of internal approaches for credit and market risk. The EBA plans to annually update the ITS.

12 May 2017 - [EBA published final Guidelines on credit institutions credit risk management practices and accounting for expected credit losses](#)

The EBA has published its final Guidelines on credit institutions' credit risk management practices and accounting for expected credit losses. These guidelines aim at ensuring sound credit risk management practices associated with the implementation and on-going application of the accounting for expected credit losses. The guidelines are part of the EBA's work on the implementation of IFRS 9 and its interaction with prudential requirements and build on the global guidance on credit risk and accounting for expected credit losses published by the Basel Committee on Banking Supervision (BCBS) in December 2015.

23 May 2017 - [EBA published an Opinion on own funds in the context of the CRD CRR review proposal](#)

The European Banking Authority (EBA) has published an opinion addressed to the EU institutions expressing its views on a number of aspects related to own funds in the context of the European Commission's proposal to amend the CRR and CRD. In the opinion, the EBA calls, in particular, for a possible strengthening of its role in assessing issuances of Common Equity Tier 1 (CET1) instruments. In addition, the opinion elaborates on restrictions on distributions in the context of capital conservation measures and suggests introducing a general anti-circumvention principle.

23 May 2017 - [EBA updated on monitoring of CET1 instruments](#)

The EBA has published, in accordance with Article 26(3) CRR, its fifth updated list of capital instruments that Competent Supervisory Authorities (CAs) across the EU have classified as CET1. In this new update, two new forms of CET1 instrument in Austria have been assessed and evaluated as compliant with the CRR and added to the CET1 list. There has been no update for Luxembourg. The list is for the first time accompanied by a report, which includes additional information on the underlying objectives of the monitoring update as well as on the consequences of including or excluding instruments in or from the list. The EBA intends to update this report on a regular basis to give account of new developments in CET1 issuances and market practices.

25 May 2017 - [EBA announced details of its 2017 EU-wide transparency exercise](#)

The EBA has announced that it will publish data for its fourth annual EU-wide transparency exercise in December 2017 together with the Risk Assessment Report (RAR). Nearly 600000 data points in total on more than 130 banks will be released, covering all key balance sheet items.

PAYMENTS ACCOUNTS DIRECTIVE

5 May 2017 - [EBA published final draft Technical Standards under the Payment Accounts Directive to enhance transparency and comparison of payment account fees](#)

The EBA has published its final draft Technical Standards setting out the standardised terminology for services linked to a payment account, and the standardised formats and common symbol of the fee information document (FID) and the Statement of Fees (SoF). These technical standards, which have been developed in accordance with Articles 3(4), 4(6) and 5(4) of the Directive 2014/92/EU (Payment

Accounts Directive – PAD), are aimed at contributing to enhance comparability of fees, through standardised terminology and disclosure documents across the European Union.

BANKING RECOVERY AND RESOLUTION DIRECTIVE

23 May 2017 - [EBA publishes final technical standards on valuation in resolution](#)

The EBA has published its final draft Regulatory Technical Standards (RTS) on valuation in resolution. These draft RTS, which have been developed according to Articles 36 and 74 of the BRRD, aim to provide the independent valuer with common criteria for the valuation, which will inform the decisions made by resolution authorities, thus promoting a consistent approach to such valuations across the EU.

OTHERS

25 May 2017 - [EBA welcomed enhanced FX Global Code](#)

The EBA, like the Bank for International Settlements (BIS), has welcomed the enhancement of the FX Global Code (the Code) and the publication of its May 2017 update and has expressed its strong commitment to supporting and promoting adherence to the Code. The objective of the Code is to promote a robust, fair, liquid, open, and transparent market underpinned by high ethical standards, which shall benefit all wholesale FX market participants.

31 May 2017 - [EBA published Opinion on EU Commission consultation on the operation of the ESAs](#)

The EBA has published an opinion in response to the European Commission's public consultation on the operation of the European Supervisory Authorities (ESAs). The opinion welcomes the public consultation and points to a possible way forward to confirm its role as guardian of the Single Rulebook and to increase its effectiveness in ensuring supervisory convergence across the EU. Finally, it suggests how the EBA's role with regards to supervisory reporting could be strengthened and improved.

Consultations

CAPITAL REQUIREMENTS DIRECTIVE AND REGULATION

25 May 2017 - [EBA consulted on scope of its draft guidelines on connected clients](#)

The EBA has launched a consultation focusing on the scope of its draft Guidelines on connected clients, on which it had already sought the stakeholders' views in July 2016. In the new consultation, the EBA is proposing to extend the scope of these draft guidelines. The extension would cover the remaining aspects of the CRR, the EBA technical standards, and the EBA guidelines where the concept of group of connected client is relevant.

The consultation will run until 26 June 2017.

BANKING RECOVERY AND RESOLUTION DIRECTIVE

8 May 2017 - [EBA launched public consultation on draft standards on the eligibility criteria for granting simplified obligations for recovery and resolution planning](#)

The EBA has launched a public consultation on its draft RTS further specifying the eligibility criteria to determine whether institutions should be subject to simplified obligations when drafting their recovery and resolution plans.

The consultation will run until 8 August 2017.

PAYMENT SERVICES DIRECTIVE 2

5 May 2017 - [EBA consulted on Guidelines on security measures for operational and security risks under the PSD2](#)

The EBA has launched a consultation on its draft Guidelines on security measures for operational and security risks under the revised Payment Services Directive (PSD2). The guidelines, which have been prepared in accordance with Article 95(3) of the Directive (EU) 2015/2366 (Revised Payment Services Directive - PSD2), have been developed in close cooperation with the ECB, and are in support of the

objectives of PSD2, such as strengthening the integrated payments market in the EU, mitigating the increased security risks arising from electronic payments, and promoting equal conditions for competition.

The consultation will run until 7 August 2017.

OTHERS

18 May 2017 - [EBA consulted on its guidance for the use of cloud computing](#)

The EBA has launched a consultation setting out the guidance it has developed on its own initiative concerning the use of cloud service providers by financial institutions. The EBA recommendations intend to clarify the EU-wide supervisory expectations if institutions intend to adopt cloud computing, so as to allow them to leverage the benefits of using cloud services, while ensuring that any related risks are adequately identified and managed. This guidance, builds on the existing Guidelines on outsourcing developed by the Committee of European Banking Supervisors (CEBS).

The consultation will run until 18 August 2017.

European Supervisory Authorities (ESAs)

Consultations

FOURTH ANTI MONEY LAUNDERING DIRECTIVE

31 May 2017 - [ESAs consulted on technical standards to strengthen group-wide money laundering and terrorist financing risk management](#)

The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) has launched a public consultation on draft RTS specifying how credit and financial institutions should manage money laundering and terrorist financing (ML/TF) risks where a third country's law prevents the implementation in their branches or majority-owned subsidiaries of group-wide policies and procedures on anti-money laundering and countering the financing of terrorism (AML/CFT).

The consultation will run until 11 July 2017.

European Systemic Risk Board (ESRB)

Publication

29 May 2017 – [ESRB published second EU Shadow Banking Monitor report](#)

The European Systemic Risk Board (ESRB) has published the second EU Shadow Banking Monitor. The report complements the initiatives at the global level by providing EU-wide view of shadow banking entities and activities. It provides an overview of developments in the European shadow banking system with a view to identifying risks to financial stability. The assessment presented in this year's report shows that the growth in broad EU shadow banking assets slowed markedly in 2016. In addition, the report highlights several risks and vulnerabilities which need to be monitored in the EU shadow banking system.

Comité du risque systémique (CdRS)

Publication

April 2017 - [Analysis of the Shadow Banking Content of Captive Financial Companies in Luxembourg](#)

The macroprudential authority in Luxembourg, i.e. the Comité du risque systémique (CdRS) has issued a report on the shadow banking system. It investigates the shadow banking content of captive financial companies in Luxembourg using the entity-based approach developed by the FSB and the granular data collected by the Banque Centrale du Luxembourg (BCL). The preliminary findings show that only 43 entities with a total balance sheet of EUR 50.9 billion qualify as shadow banking entities.

Financial Stability Board (FSB)

Publications

10 May 2017 - [FSB published Global Shadow Banking Monitoring Report 2016](#)

The Financial Stability Board (FSB) has published its 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.

23 May 2017 - [FSB released report to strengthen governance frameworks to mitigate misconduct risks](#)

The FSB has released its report to strengthen governance frameworks to mitigate misconduct risks. This report sets out next steps in the FSB's work to consider the role governance frameworks have to play in reducing misconduct and includes an international stocktake of activities already underway in this area. The FSB's workplan to reduce misconduct risk consists of three elements: (i) examining whether reforms to incentives are having sufficient effect on reducing misconduct; (ii) improving global standards of conduct in the fixed income, commodities and currency markets; and (iii) reforming major financial benchmarks.

FSB and BCBS

Publication

22 May 2017 - [FSB and BCBS issued report on FinTech credit market](#)

The FSB and BCBS have issued the report on FinTech credit market, which analyses the nature of FinTech credit and finds wide variation in the business models of the electronic platforms involved. Platforms facilitate various forms of credit, including consumer and business lending, lending against real estate and business invoice financing. The profile of investors, which platforms match to borrowers, also differs across countries.

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 CCyB rate for the third quarter of 2017 will be published on 1 July 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 different from 0%:

Country	CCyB rate	Application date
Czech Republic	0.5%	01/07/2017
		01/01/2018
		01/04/2018
Norway	1.5% 2.0%	30/06/2017
		30/09/2017
		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](#).

COMMUNIQUÉS

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

Press release 17/19 of 19 May 2017

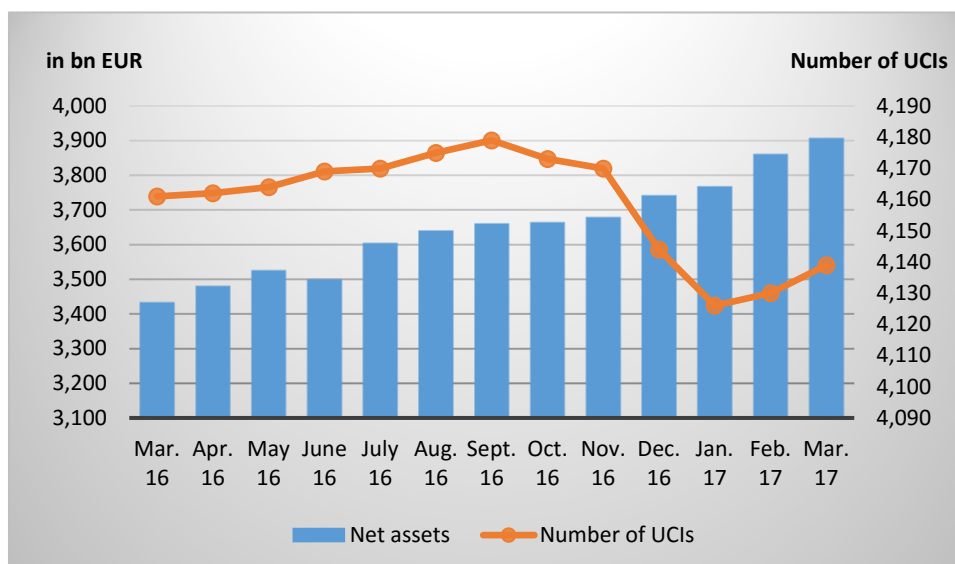
I. Overall situation

As at 31 March 2017, total net assets of undertakings for collective investment, including UCIs subject to the 2010 Law, specialised investment funds and SICARs amounted to EUR 3,906.027 billion compared to EUR 3,860.317 billion as at 28 February 2017, i.e. a 1.18% increase over one month. Over the last twelve months, the volume of net assets rose by 13.78%.

The Luxembourg UCI industry thus registered a positive variation amounting to EUR 45.710 billion in March. This increase represents the balance of positive net issues amounting to EUR 31.804 billion (0.82%) and a positive development in financial markets amounting to EUR 13.906 billion (0.36%).

The development of undertakings for collective investment is as follows¹:

¹ Since the statistical data of SICARs were published on an annual basis 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.



The number of undertakings for collective investment (UCIs) taken into consideration totals 4,139 as against 4,130 in the previous month. A total of 2,650 entities have adopted an umbrella structure, which represents 13,097 sub-funds. When adding the 1,489 entities with a traditional structure to that figure, a total of 14,586 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 March.

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

As far as developed countries are concerned, the European equity UCIs registered high price increases in a context of continuing economic recovery in the euro area, reduction of political risks in Europe and maintenance of the monetary policy accommodation by the European Central Bank. US equity experienced sideways movements in relation to uncertainties as to the implementation of the expansive tax measures announced by the president of the United States, while the USD vs. EUR depreciation made US equity UCIs finish the month negatively. In view of mixed economic indicators in Japan and the YEN vs. EUR depreciation, the Japanese equity UCIs recorded price decreases.

As far as emerging countries are concerned, the Asian equity UCI category ended with price increases notably in a context of an improvement in the global economic climate. A predominantly negative development of the stock markets of Eastern Europe countries was more than offset by the appreciation of the main currencies of this region against the EUR, so that the Eastern European equity UCIs appreciated. Against the background of widely divergent developments of the stock markets and currencies of various South American countries, the Latin American equity UCIs closed the month with a slight overall increase.

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

Development of equity UCIs during the month of March 2017*

	Market variation in %	Net issues in %
Global market equities	0.61%	0.91%
European equities	3.01%	-0.39%
US equities	-0.69%	-1.25%
Japanese equities	-1.33%	-1.17%
Eastern European equities	1.17%	-1.66%
Asian equities	2.98%	0.09%
Latin American equities	0.28%	-0.68%
Other equities	1.98%	0.12%

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

In Europe, the favourable economic environment as well as the reduction of political risks brought the US government bond yields slightly up while, at the same time, yield differences among euro area countries decreased. Yields of corporate bonds followed that trend, entailing price decreases of EUR-denominated bond UCIs.

In the United States, the key interest rate rise by the US Federal Reserve as well as the positive economic data were counterbalanced by uncertainties surrounding the implementation of the stimulus measures planned by the president of the United States so that, all in all, the USD-denominated bond market showed little change. As a result of the USD vs. EUR depreciation, USD-denominated bond UCIs turned loss-making.

The strong demand from investors for emerging countries bonds, offset by the rise of bond issues and the oil price reduction, resulted in an almost status quo for emerging countries' bond UCIs.

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

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

	Market variation in %	Net issues in %
EUR money market	-0.04%	2.20%
USD money market	-0.87%	2.95%
Global market money market	-0.27%	0.72%
EUR-denominated bonds	-0.33%	-0.96%
USD-denominated bonds	-0.76%	6.24%
Global market bonds	-0.08%	1.74%
Emerging market bonds	-0.05%	2.96%
High Yield bonds	-0.81%	-1.32%
Others	-0.28%	0.23%

* 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 March 2017*

	Market variation in %	Net issues in %
Diversified UCIs	0.23%	0.92%
Funds of Funds	0.50%	1.84%

* 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 ²		TOTAL	
	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)
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 €
31/03/2017	1,895	3,257.773 €	346	165.780 €	1,618	440.288 €	3,859	3,863.841 €	280	42.186 €	4,139	3,906.027 €

² Before 31 December 2016, the statistical data of SICARs were only published on an annual basis.

During the month under review, the following 29 undertakings for collective investment have been registered on the official list:

1) UCITS Part I 2010 Law:

- ADRIZA INVESTMENT FUND, 6A, rue Gabriel Lippmann, L-5365 Munsbach
- ALPHA (LUX) GLOBAL FUNDS, 25-29, Karneadou Street, Lemou Building, GR - Athens 10675³
- BOSS CONCEPT 2, 4, rue Thomas Edison, L-1445 Strassen
- CLAY FUNDS, 5, allée Scheffer, L-2520 Luxembourg
- HARMONIUM SICAV, 12, rue Eugène Ruppert, L-2453 Luxembourg
- UNIFAVORIT: AKTIEN EUROPA, 308, route d'Esch, L-1471 Luxembourg
- UNIGLOBAL DIVIDENDE, 308, route d'Esch, L-1471 Luxembourg
- UNIPACIFIC AKTIEN, 308, route d'Esch, L-1471 Luxembourg
- UNIPREMIUM EVOLUTION 100, 308, route d'Esch, L-1471 Luxembourg
- UNIPREMIUM EVOLUTION 25, 308, route d'Esch, L-1471 Luxembourg
- UNIRAK NACHHALTIG KONSERVATIV, 308, route d'Esch, L-1471 Luxembourg
- UNIRAK NORDAMERIKA, 308, route d'Esch, L-1471 Luxembourg
- UNIRENT EUROPA, 308, route d'Esch, L-1471 Luxembourg
- UNIRENT GLOBAL, 308, route d'Esch, L-1471 Luxembourg
- UNIRENT MÜNDEL FLEX, 308, route d'Esch, L-1471 Luxembourg
- UNIRENT MÜNDEL, 308, route d'Esch, L-1471 Luxembourg
- UNIRENTEURO MIX, 308, route d'Esch, L-1471 Luxembourg
- UNIRENTEURO STAATSANLEIHEN FLEX, 308, route d'Esch, L-1471 Luxembourg

2) UCIs Part II Law 2010:

- -

3) SIFs:

- AQR LUX FUNDS II, 33, rue de Gasperich, L-5826 Hesperange
- BARGELLA REAL ESTATE S.A., SICAV-FIS, 4, rue Thomas Edison, L-1445 Strassen
- CONFLUENCE CAPITAL, 5, allée Scheffer, L-2520 Luxembourg
- ELUXEM SICAV-SIF S.A., 25A, boulevard Royal, L-2449 Luxembourg
- INDUSTRIAL PRIVATE MARKETS SCS SICAV-FIS, 5, Heienhaff, L-1736 Senningerberg
- INVESCO GLOBAL DIRECT REAL ESTATE FEEDER FUND S.À R.L. SICAV-SIF, 37A, avenue J-F Kennedy, L-1855 Luxembourg
- INVESCO GLOBAL DIRECT REAL ESTATE FUND FCP-SIF, 37A, avenue J-F Kennedy, L-1855 Luxembourg
- PENSIONS SCSP - SICAV-SIF, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- PRIVATE MARKET OPPORTUNITIES FUND OPEN-ENDED SICAV SIF S.A., 56, rue d'Anvers, L-1130 Luxembourg
- THE DIVERSIFIED RISK PREMIA FUND SICAV FIS, 2, boulevard Konrad Adenauer, L-1115 Luxembourg

4) SICARs:

- WAGNER CAPITAL S.A. SICAR, 2-4, avenue Marie-Thérèse, L-2132 Luxembourg

The following 21 undertakings for collective investment have been deregistered from the official list during the month under review:

1) UCITS Part I 2010 Law:

- ANLAGESTRUKTUR, 25, rue Edward Steichen, L-2540 Luxembourg
- BOSS CONCEPT IPC SICAV, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- DEKA-EUROCASH, 5, rue des Labours, L-1912 Luxembourg
- TOWER FUND, 31, Z.A. Bourmicht, L-8070 Bertrange

2) UCIs Part II Law 2010:

- ECAN GLOBAL OPPORTUNITIES, 534, rue de Neudorf, L-2220 Luxembourg

³ Undertaking for collective investment for which the designated management company was authorised by the competent authorities of another Member State in accordance with Directive 2009/65/EC.

- KEOPS OPPORTUNITIES FUND, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- LYXOR SYNOPSIS FUND, 28-32, place de la Gare, L-1616 Luxembourg
- MULTI OPPORTUNITY SICAV, 33A, avenue J-F Kennedy, L-1855 Luxembourg
- MUWM PRIVATE FUND, 287-289, route d'Arlon, L-1150 Luxembourg

3) SIFs:

- EUROPE LOGISTICS VENTURE 1, FCP-FIS, 34-38, avenue de la Liberté, L-1930 Luxembourg
- I.D.S. UMBRELLA FUND S.A. SIF-SICAV, 33A, avenue J-F Kennedy, L-1855 Luxembourg
- MUGC/WA U.S. HIGH YIELD CREDIT FUND, 287-289, route d'Arlon, L-1150 Luxembourg
- PIONEER INSTITUTIONAL SOLUTIONS, 8-10, rue Jean Monnet, L-2180 Luxembourg
- SK PROPERTY FUND SICAV-SIF, 5, rue Guillaume Kroll, L-1882 Luxembourg
- UGA (QII) US CORPORATE 1-5 YEAR BOND FUND, 287-289, route d'Arlon, L-1150 Luxembourg
- VANDERBILT S.C.A. SICAV-SIF, 2, boulevard de la Foire, L-1528 Luxembourg
- WT 9 - SICAV-FIS, 26, avenue de la Liberté, L-1930 Luxembourg

4) SICARs:

- ABN AMRO CONVERGING EUROPE INVESTMENTS, S.C.A., SICAR, 20, rue de la Poste, L-2346 Luxembourg
- AZTIQ PHARMA PARTNERS S.C.A., SICAR, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- ICG MINORITY PARTNERS FUND 2008 S.A. SICAR, 5, allée Scheffer, L-2520 Luxembourg
- JILIN S.C.A., SICAR, 1C, rue Gabriel Lippmann, L-5365 Munsbach

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

Press release 17/20 of 7 June 2017

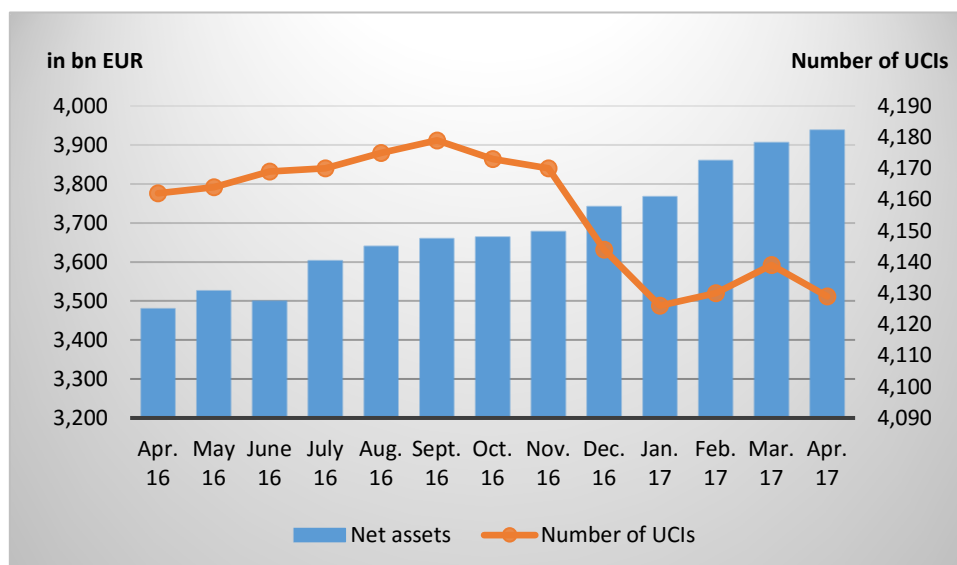
I. Overall situation

As at 30 April 2017, total net assets of undertakings for collective investment, including UCIs subject to the 2010 Law, specialised investment funds and SICARs amounted to EUR 3,937.907 billion compared to EUR 3,906.027 billion as at 31 March 2017, i.e. a 0.82% increase over one month. Over the last twelve months, the volume of net assets rose by 13.17%.

Consequently, the Luxembourg UCI industry registered a positive variation of EUR 31.880 billion in April. This increase represents the balance of positive net issues amounting to EUR 31.731 billion (0.81%) and a positive development in financial markets amounting to EUR 0.149 billion (0.01%).

The development of undertakings for collective investment is as follows⁴:

⁴ Since the statistical data of SICARs were published on an annual basis 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.



The number of undertakings for collective investment (UCIs) taken into consideration totals 4,129 as against 4,139 in the previous month. A total of 2,645 entities have adopted an umbrella structure, which represents 13,099 sub-funds. When adding the 1,484 entities with a traditional structure to that figure, a total of 14,583 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 within these UCIs, the following can be said about April.

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

As far as developed countries are concerned, the European equity UCIs recorded price increases within the context of continued economic growth in the euro area, sound corporate results, ongoing accommodating monetary policy by the European Central Bank and a reduction of the political risks in Europe following the results of the first round of the French presidential elections. While US equity prices also increased due to results of corporates which exceeded expectations, US equity UCIs closed the month in negative territory against the USD vs. EUR depreciation. Despite the positive performance of the stock exchange in Japan linked to the recovery of foreign trade of Japan and positive economic indicators, Japanese equity UCIs recorded a fall in prices relating to the YEN vs. EUR depreciation.

As far as emerging countries are concerned, the Asian positive economic data and the favourable global economic context are attributable to the appreciation of Asian equity UCIs. Eastern European equity UCIs also developed positively, largely because of the positive evolution of the main stock exchanges and the improvement in the growth figures in Russia, whereas Latin American equity UCIs made a downward move due to the depreciation of the main currencies of the region.

In April, equity UCI categories registered an overall positive net capital investment.

Development of equity UCIs during the month of April 2017*

	Market variation in %	Net issues in %
Global market equities	-0.11%	0.41%
European equities	2.38%	0.36%
US equities	-0.65%	-0.54%
Japanese equities	-0.54%	0.40%
Eastern European equities	1.78%	-0.81%
Asian equities	0.35%	2.88%
Latin American equities	-2.20%	-0.21%
Other equities	0.20%	-0.24%

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

The continuity of the accommodative monetary policy by the European Central Bank in a context of decline in inflation and easing of political tensions in Europe resulted in a decrease in government and corporate bond yields, enabling EUR-denominated bond UCIs to end the month up.

An inflation below expectations, the delays in implementing the tax reform and a less positive than expected economic situation in the United States bolstered the US bond market where government bonds were particularly sought in a context of geopolitical uncertainties. However, consecutive price increases have been more than offset by the USD vs. EUR depreciation, so that USD-denominated bonds ended the month with a loss.

The negative performance of emerging market bond UCIs is mainly due to the depreciation of the main currencies of this region against the EUR, despite the appreciation of the prices of emerging market bonds linked to the net flows of positive capital to emerging countries, the overall favourable economic situation as well as a growing world trade.

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

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

	Market variation in %	Net issues in %
EUR money market	-0.02%	-1.39%
USD money market	-2.17%	2.16%
Global market money market	0.06%	2.27%
EUR-denominated bonds	0.21%	0.47%
USD-denominated bonds	-0.99%	1.58%
Global market bonds	-0.14%	1.08%
Emerging market bonds	-0.44%	2.81%
High Yield bonds	-0.40%	0.13%
Others	-0.08%	0.22%

* 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 April 2017*

	Market variation in %	Net issues in %
Diversified UCIs	0.02%	1.00%
Funds of Funds	0.57%	1.01%

* 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 ⁵		TOTAL	
	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)
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 €
31/03/2017	1,895	3,257.773 €	346	165.780 €	1,618	440.288 €	3,859	3,863.841 €	280	42.186 €	4,139	3,906.027 €
30/04/2017	1,892	3,286.525 €	342	164.471 €	1,613	444.874 €	3,847	3,895.870 €	282	42.037 €	4,129	3,937.907 €

⁵ Before 31 December 2016, the statistical data of SICARs were only published on an annual basis.

During the month under review, the following 29 undertakings for collective investment have been registered on the official list:

1) UCITS Part I 2010 Law:

- 1ST SICAV, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- CRUX GLOBAL FUND, 49, avenue J-F Kennedy, L-1855 Luxembourg
- DKO-FONDS, 2, place François-Joseph Dargent, L-1413 Luxembourg
- EUROSWITCH ABSOLUTE RETURN, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- RV BOND SELECT, 1C, rue Gabriel Lippmann, L-5365 Munsbach
- UNIINSTITUTIONAL EM HIGH YIELD BONDS, 308, route d'Esch, L-1471 Luxembourg

2) UCIs Part II Law 2010:

- PARTNERS GROUP GLOBAL REAL ESTATE FCP, 2, place François-Joseph Dargent, L-1413 Luxembourg

3) SIFs:

- BAYVK P4-FONDS, 15, rue de Flaxweiler, L-6776 Grevenmacher
- BLUEORANGE SUSTAINABLE CAPITAL SICAV-SIF SCS, 5, allée Scheffer, L-2520 Luxembourg

4) SICARs:

- HEALTH FOR LIFE CAPITAL S.C.A. SICAR, 5, allée Scheffer, L-2520 Luxembourg
- WAGNER CAPITAL S.A. SICAR, 2-4, avenue Marie-Thérèse, L-2132 Luxembourg

The following 21 undertakings for collective investment have been deregistered from the official list during the month under review:

1) UCITS Part I 2010 Law:

- ARCOBALENO FUND, 11, rue Aldringen, L-1118 Luxembourg
- CHARTERED INVESTMENTS FUND UI SICAV, 18-20, rue Gabriel Lippmann, L-5365 Munsbach
- DANSKE INVEST, 13, rue Edward Steichen, L-2540 Luxembourg
- DEKA-BF EURORENTEN TOTAL RETURN, 5, rue des Labours, L-1912 Luxembourg
- DEKA-EUROGARANT 1, 5, rue des Labours, L-1912 Luxembourg
- HAIG GLOBAL CONCEPT FONDS, 1C, rue Gabriel Lippmann, L-5365 Munsbach
- TIBERIUS INTERBOND OP, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- UNIPROFIANLAGE (2017/6J), 308, route d'Esch, L-1471 Luxembourg
- VITREO, 15, rue de Flaxweiler, L-6776 Grevenmacher

2) UCIs Part II Law 2010:

- BG DRAGON CHINA, 5, allée Scheffer, L-2520 Luxembourg
- DEKA-ZINSBUCH PLUS, 5, rue des Labours, L-1912 Luxembourg
- FUNDO, 14, boulevard Royal, L-2449 Luxembourg
- MUWM PRIVATE PLACEMENT FUND, 287-289, route d'Arlon, L-1150 Luxembourg
- SBI GLOBAL SELECTION FUND, 5, allée Scheffer, L-2520 Luxembourg

3) SIFs:

- DEDICATED MAP SIERRA EUROPE FUND, 28-32, place de la Gare, L-1616 Luxembourg
- EFG MULTISTRATEGY (LUXEMBOURG) FUND, 56, Grand-rue, L-1660 Luxembourg
- IFA STIFTUNGSFONDS, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- JUBA GLOBAL FCP-FIS, 26, avenue de la Liberté, L-1930 Luxembourg
- MEAC-FONDS, 15, rue de Flaxweiler, L-6776 Grevenmacher
- SAVILLS IM GERMAN RETAIL FUND FCP-FIS, 10, rue C-M Spoo, L-2546 Luxembourg
- VIRTUS SICAV-SIF S.A., 5, rue Heienhaff, L-1736 Senningerberg

4) SICARs:

- -

Profit and loss account of credit institutions as at 31 March 2017⁶

Press release 17/21 of 7 June 2017

The CSSF estimates profit before provisions of the Luxembourg banking sector at EUR 1,407 million for the first three months of 2017. Compared to the same period in 2016, profit before provisions thus increased by 7.3%.

The positive development of the profit before provisions of credit institutions in Luxembourg results from the substantial rise in the banking income (+6.3%) which allowed offsetting the continuing escalation in general costs. This positive aggregated development is, however, divided heterogeneously among credit institutions in Luxembourg. Indeed, on 31 March 2017, 33% of the banks (representing 9% of the banking income) recorded a cost-to-income ratio exceeding 80%.

The increase of the aggregated banking income is due to a favourable development of all its components. The **interest-rate margin** increased by 2.6% despite the low or even negative interest rates. The interest-rate margin of more than half of the Luxembourg credit institutions developed positively. This favourable development is linked, among others, to two major phenomena: (i) a growth in business volume, and (ii) an impact of negative interest rates by certain banks vis-à-vis their institutional customers.

The increase in **net commissions received** was observed in over half of the banks in Luxembourg. The rise in these net commissions received, which mainly result from asset management activities on behalf of private and institutional customers, is linked to the very favourable stock market environment year-on-year, which however contributed to investment funds showing highly positive trends during the same period. **Other net income** recorded a significant increase (+22.3%) as compared to the same period last year. This item is very volatile due to its composition. The rise recorded over the three first months of 2017 as against the same period in 2016 is mainly attributable to non-recurring factors specific to a limited number of banks of the financial centre.

General expenses rose by 5.5% over a year. This increase is linked to the other general expenses (+10.5%), whereas staff costs only rose by 0.9% over a year. This increase in other general expenses concerns most of the banks of the financial centre and reflects the investments in new technical infrastructures, charges due to extraordinary events as well as costs to be borne by banks in order to comply with a wider and more complex regulatory framework.

As a result of the above-mentioned developments, profit before provisions increased by 7.3% year-on-year.

Profit and loss accounts as at 31 March 2017

Items in million EUR	March 2016	March 2017	%
Interest-rate margin	1,224	1,256	2.6%
Net commissions received	1,195	1,250	4.6%
Other net income ⁷	413	505	22.3%
Banking income	2,832	3,011	6.3%
Staff costs	795	802	0.9%
Other general expenses	726	802	10.5%
General expenses	1,521	1,604	5.5%
Profit before provisions	1,311	1,407	7.3%

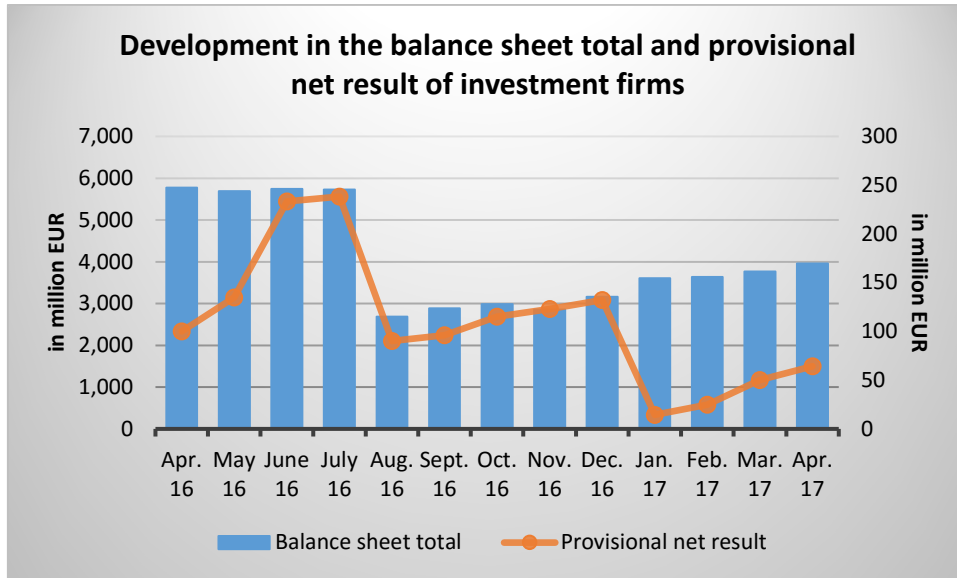
⁶ Due to major changes in the banking prudential reporting in 2016, the aggregation scope has been adapted to better reflect the evolution of the profit and loss accounts of Luxembourg banks. Consequently, the figures for March 2016 have been readjusted to reflect a larger aggregation scope which is similar to the new reporting of March 2017.

⁷ Including dividends received.

STATISTICS

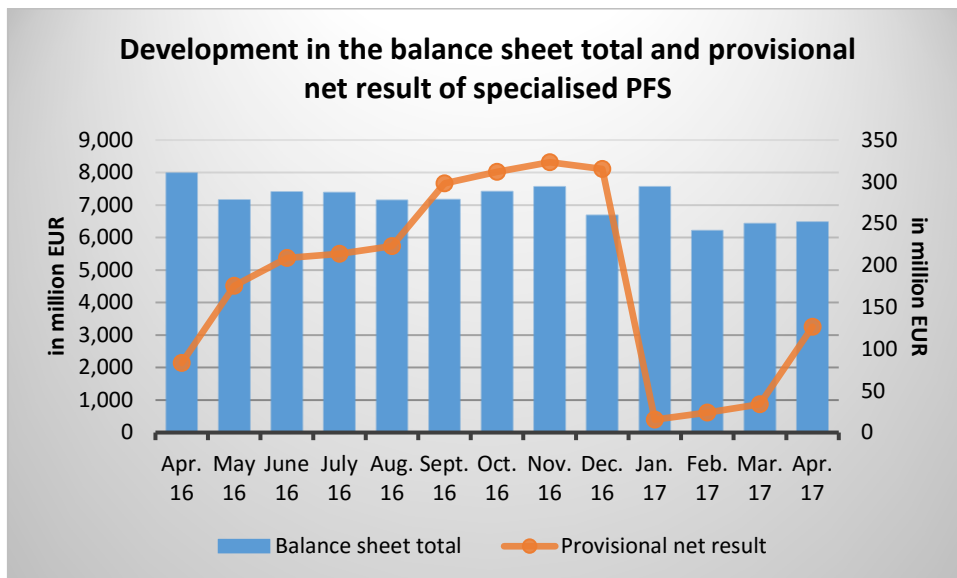
Investment firms

Increase in the investment firms' balance sheet total as at 30 April 2017



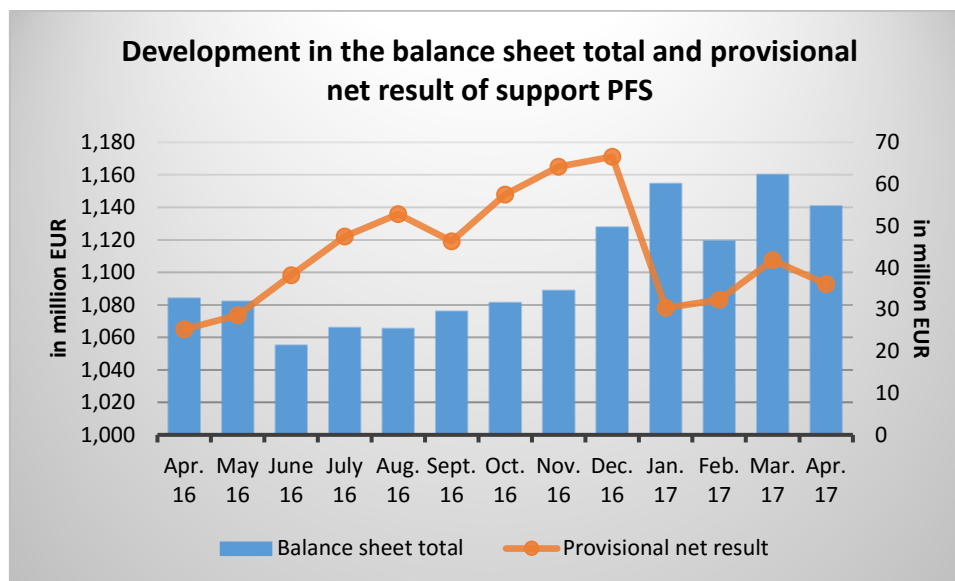
Specialised PFS

Slight increase in the specialised PFS' balance sheet total as at 30 April 2017



Support PFS

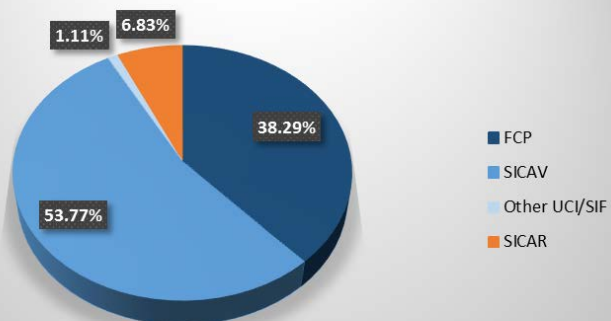
Decrease in the support PFS' balance sheet total as at 30 April 2017



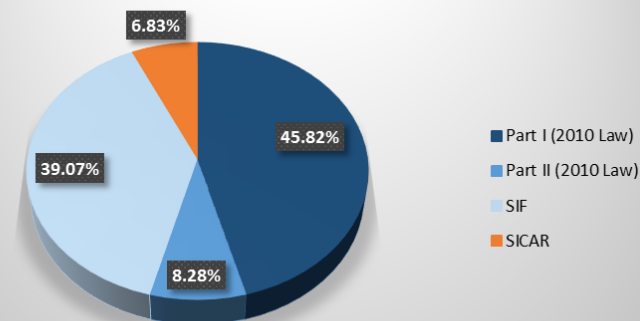
UCIs (Situation as at 30 April 2017)

Number of UCIs

Breakdown according to legal form



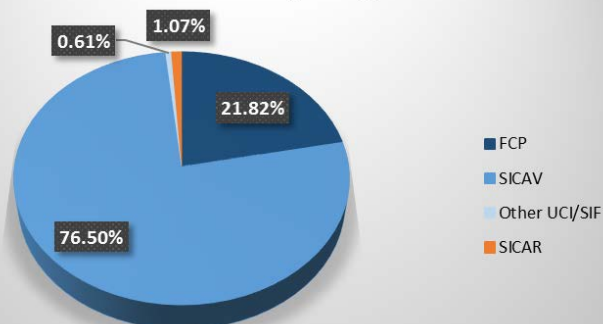
Breakdown according to law and part applicable



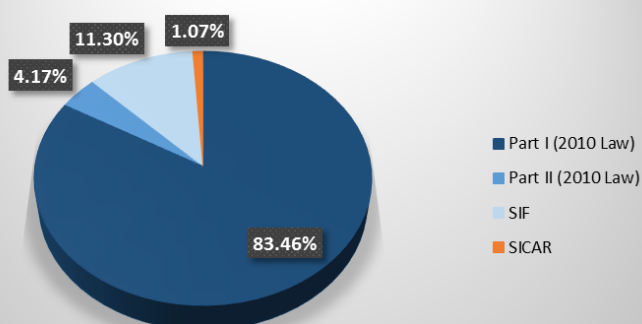
Law, part/legal form	FCPs	SICAVs	Other UCIs/SIFs	SICARs	TOTAL
Part I (2010 Law)	1,019	873	0	0	1,892
Part II (2010 Law)	174	165	3	0	342
SIFs	388	1,182	43	0	1,613
SICARs	0	0	0	282	282
TOTAL	1,581	2,220	46	282	4,129

Net assets of UCIs

Breakdown according to legal form



Breakdown according to law and part applicable



Law, Part/legal form (in bn EUR)	FCPs	SICAVs	Others	SICARs	TOTAL
Part I (2010 Law)	632.492	2,654.033	0.000	0.000	3,286.525
Part II (2010 Law)	59.335	104.623	0.513	0.000	164.471
SIFs	167.388	253.803	23.683	0.000	444.874
SICARs	0.000	0.000	0.000	42.037	42.037
TOTAL	859.215	3,012.459	24.196	42.037	3,937.907

Breakdown according to investment policy

Breakdown according to investment policy	Net assets (in bn EUR)	Number of fund units ⁸
Fixed-income securities	1,181.863	3,127
Variable-yield transferable securities	1,153.175	3,751
Mixed transferable securities	843.526	4,023
Funds of funds	232.301	2,138
Money market instruments and other short-term securities	339.012	246
Cash	1.832	20
Private equity	27.230	188
Venture capital	1.593	30
Real estate	53.837	331
Futures and/or options	13.564	129
Other assets	47.937	214
Public-to-Private	0,096	3
Mezzanine	2.249	10
Venture Capital (SICARs)	7.072	90
Private Equity (SICARs)	32.620	283
TOTAL	3,937.907	14,583

⁸ "Fund units" refers to both traditionally structured UCIs and sub-funds of umbrella funds.

Breakdown of net assets according to investment policy and (part of) their law

Breakdown according to investment policy	NET ASSETS (in bn EUR)	NUMBER OF FUND UNITS	SUBSCRIPTIONS (in bn EUR)	REDEMPTIONS (in bn EUR)	NET SUBSCRIPTIONS (in bn EUR)
PART I					
Fixed-income transferable securities	1,066.582	2,493	48.955	38.069	10.886
Variable-yield transferable securities	1,088.996	3,359	42.011	37.809	4.202
Mixed transferable securities	663.780	2,781	25.189	17.169	8.020
Funds of funds	137.166	988	3.012	2.041	0.971
Money market instruments and other short-term securities	317.985	187	119.129	114.259	4.870
Cash	1.194	9	0.040	0.039	0.001
Futures and/or options	7.206	57	0.242	0.440	-0.198
Other assets	3.616	10	0.058	0.062	-0.004
TOTAL PART I:	3,286.525	9,884	238.636	209.888	28.748
PART II					
Fixed-income transferable securities	26.927	118	0.758	0.855	-0.097
Variable-yield transferable securities	15.528	68	0.111	0.217	-0.106
Mixed transferable securities	58.652	243	1.674	1.486	0.188
Funds of funds	33.055	319	0.623	0.626	-0.003
Money market instruments and other short-term securities	17.354	49	0.749	0.895	-0.146
Cash	0.621	9	0.010	0.032	-0.022
Private equity	4.291	15	0.044	0.036	0.008
Venture capital	0.003	1	0.000	0.019	-0.019
Real estate	1.175	19	0.007	0.002	0.005
Futures and/or options	3.311	30	0.029	0.090	-0.061
Other assets	3.554	12	0.217	0.026	0.191
TOTAL PART II:	164.471	883	4.222	4.284	-0.062
SIFs					
Fixed-income transferable securities	88.354	516	1.323	1.383	-0.060
Variable-yield transferable securities	48.651	324	0.302	0.558	-0.256
Mixed transferable securities	121.094	999	2.023	1.705	0.318
Funds of funds	62.080	831	1.316	0.514	0.802
Money market instruments and other short-term securities	3.673	10	0.596	0.444	0.152
Cash	0.017	2	0.000	0.000	0.000
Private equity	22.939	173	0.248	0.033	0.215
Venture capital	1.590	29	0.002	0.000	0.002
Real estate	52.662	312	1.127	0.086	1.041
Futures and/or options	3.047	42	0.116	0.017	0.099
Other assets	40.767	192	1.000	0.276	0.724
TOTAL SIFs:	444.874	3,430	8.053	5.016	3.037
SICARs					
Public-to-Private	0.096	3	0.000	0.000	0.000
Mezzanine	2.249	10	0.000	0.004	-0.004
Venture capital	7.072	90	0.014	0.000	0.014
Private equity	32.620	283	0.013	0.015	-0.002
TOTAL SICARs	42.037	386	0.027	0.019	0.008
TOTAL LUXEMBOURG UCIs	3,937.907	14,583	250.938	219.207	31.731

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	823.462	20.9%	183	4.4%	1,070	7.3%
United Kingdom	684.726	17.4%	283	6.9%	1,549	10.6%
Germany	556.623	14.1%	1,430	34.6%	2,735	18.8%
Switzerland	533.638	13.6%	578	14.0%	2,726	18.7%
Italy	339.120	8.6%	156	3.8%	1,259	8.6%
France	329.367	8.4%	330	8.0%	1,389	9.5%
Belgium	166.875	4.2%	176	4.3%	978	6.7%
Netherlands	92.149	2.3%	51	1.2%	238	1.6%
Luxembourg	83.046	2.1%	231	5.6%	641	4.4%
Denmark	78.374	2.0%	24	0.6%	181	1.3%
Others	250.527	6.4%	687	16.6%	1,817	12.5%
TOTAL	3,937.907	100.0%	4,129	100.0%	14,583	100.0%

Breakdown of UCI fund units registered in Luxembourg by reference currency

Currency	Net assets (in bn EUR)	in %	Number of fund units	in %
AUD	5.897	0.150%	29	0.199%
CAD	1.593	0.040%	26	0.178%
CHF	53.342	1.355%	297	2.037%
CNH	1.500	0.038%	20	0.137%
CNY	0.076	0.002%	3	0.021%
CZK	1.297	0.033%	64	0.439%
DKK	3.156	0.080%	10	0.068%
EUR	2,132.161	54.144%	9,340	64.047%
GBP	109.675	2.785%	331	2.270%
HKD	4.615	0.117%	10	0.069%
HUF	0.318	0.008%	33	0.226%
JPY	66.854	1.698%	211	1.447%
NOK	4.544	0.115%	26	0.178%
NZD	0.789	0.020%	5	0.034%
PLN	0.695	0.018%	23	0.158%
RON	0.504	0.013%	6	0.041%
SEK	49.473	1.256%	185	1.268%
SGD	0.465	0.012%	3	0.021%
TRY	0.065	0.002%	3	0.021%
USD	1,500.858	38.113%	3,956	27.127%
ZAR	0.030	0.001%	2	0.014%
TOTAL	3,937.907	100.000%	14,583	100.000%

Pension funds

As at 9 June 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

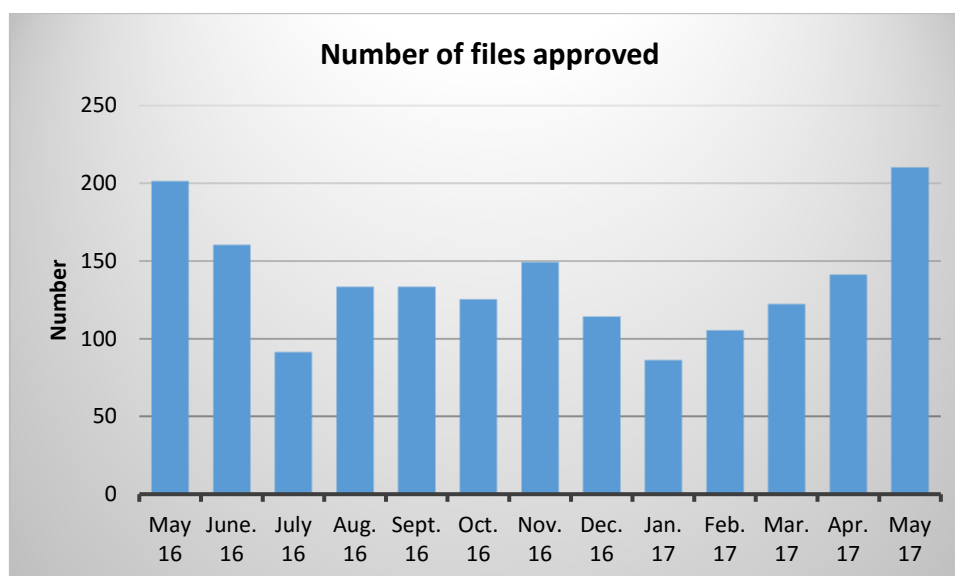
The number of **securitisation undertakings authorised** by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **34** entities as at 9 June 2017.

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 31 May 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)

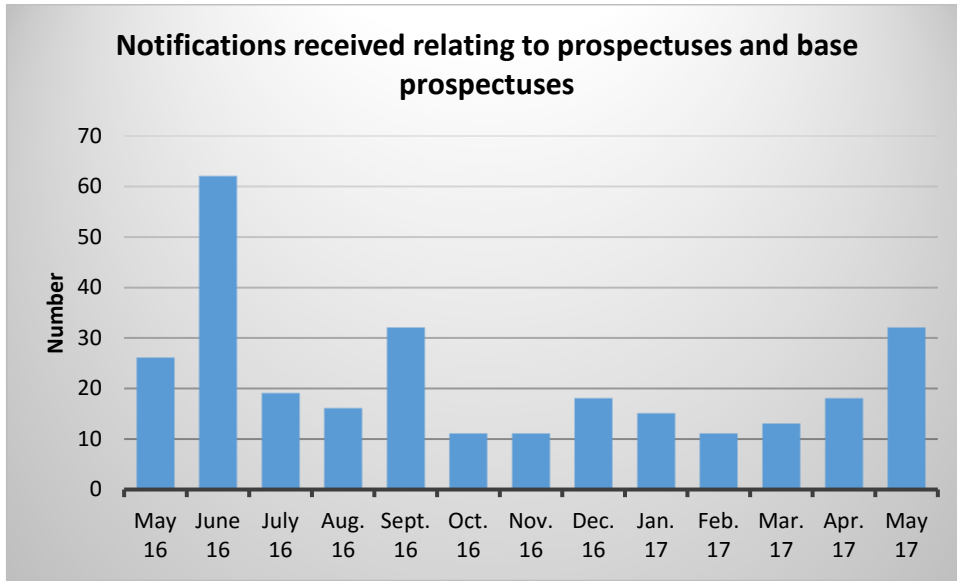
CSSF approvals



In May 2017, the CSSF approved a total of 210 documents pursuant to the Prospectus Law, which break down as follows:

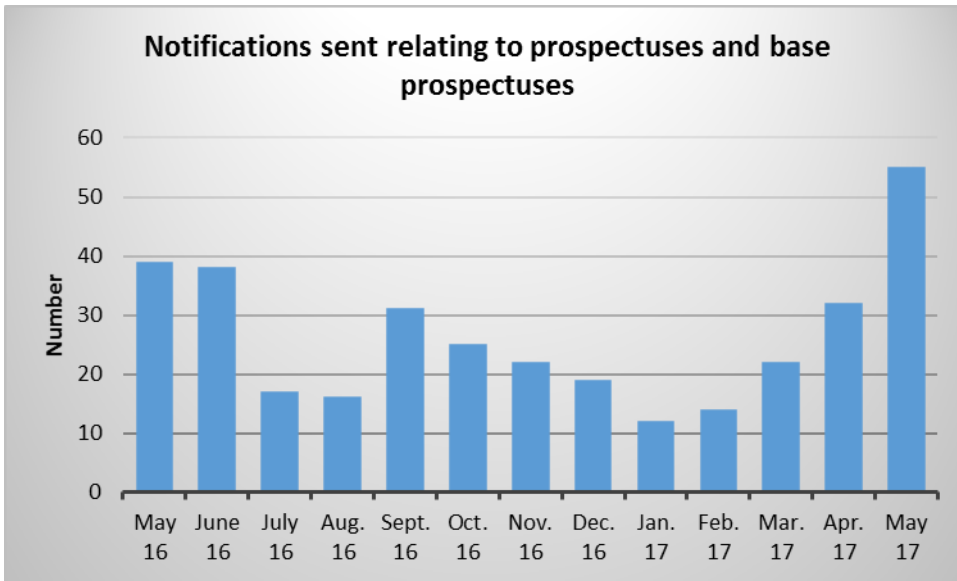
base prospectuses:	58	(27.62%)
other prospectuses:	37	(17.62%)
supplements:	115	(54.76%)

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



In May 2017, the CSSF received 32 notifications relating to prospectuses and base prospectuses and 102 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 May 2017, the CSSF sent 55 notifications relating to prospectuses and base prospectuses and 79 notifications relating to supplements⁹ to the competent authorities of other EEA Member States.

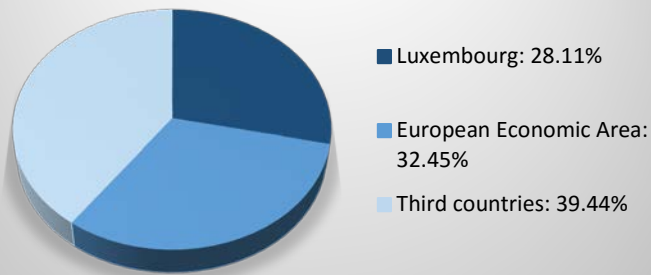
⁹ These figures are the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications were sent at different dates and/or in several Member States, only the first notification is included in the statistical calculation. Each document 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")

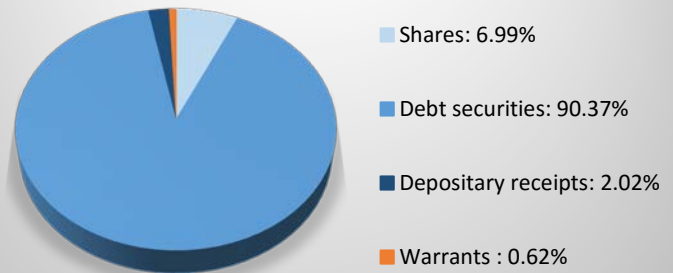
Since 10 May 2017, 2 issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, 15 issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 8 June 2017, 644 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



FINANCIAL CENTRE

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (20/06/2017)	141 ¹⁰	↘ 2 entities
	Balance sheet total (31/12/2016)	EUR 770.076 bn	↗ EUR 26.879 bn
	Profit before provisions (31/03/2017)	EUR 1.407 bn	↗ EUR 102 m
Payment institutions	Number (20/06/2017)	9	↘ 1 entity
Electronic money institutions	Number (20/06/2017)	4	no variation
UCIs	Number (19/06/2017)	Part I 2010 Law: 1,984	↗ 81 entities
		Part II 2010 Law: 340	↘ 31 entities
		SIFs: 1,621	↗ 10 entities
		TOTAL: 3,945	↗ 60 entities
		SICARs: 285	no variation
	Total net assets (30/04/2017)	EUR 3,937.907 bn	↗ EUR 458.397 bn
Management companies (Chapter 15)	Number (31/05/2017)	204	↗ 3 entities
	Balance sheet total (31/03/2017) ¹¹	EUR 12.230 bn	↘ 261 m
Management companies (Chapter 16)	Number (31/05/2017)	169	↘ 1 entity
AIFMs	Number (15/05/2017)	223	↗ 17 entities
Pension funds	Number (09/06/2017)	14	no variation
Authorised securitisation undertakings	Number (09/06/2017)	34	↗ 2 entities
Investment firms	Number (20/06/2017)	107 of which 9 branches	no variation
	Balance sheet total (30/04/2017)	EUR 3.986 bn	↘ EUR 1.789 bn
	Provisional net profit (30/04/2017)	EUR 64.35 m	↘ EUR 35.53 m
Specialised PFS	Number (20/06/2017)	114	↘ 12 entities
	Balance sheet total (30/04/2017)	EUR 6.470 bn	↘ EUR 1.516 bn
	Provisional net profit (30/04/2017)	EUR 126.647 m	↗ EUR 43.427 m
Support PFS	Number (20/06/2017)	77	↘ 2 entities
	Balance sheet total (30/04/2017)	EUR 1.141 bn	↗ EUR 57 m
	Provisional net profit (30/04/2017)	EUR 36.04 m	↗ EUR 10,78 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (08/06/2017)	644	↗ 72 entities
Public oversight of the audit profession	Number (31/05/2017)	58 <i>cabinets de révision agréés</i>	↘ 8 entities
		290 <i>réviseurs d'entreprises agréés</i>	↗ 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 ¹²

¹⁰ 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.

¹¹ Preliminary figures.

¹² 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.