



Newsletter

No 198 - July 2017

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HUMAN RESOURCES

CSSF staff evolution

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

UCI departments

Jeff BREUSKIN
Cynthia CUESTA
Cédric DUHAUT
Thomas LOCKWOOD

Resolution

Eglantine FLORI

Innovation, payments, markets infrastructures and governance

Bastien RIO

Information systems of the CSSF (IT)

Stéphane RAPAILLE

Supervision of information systems and support PFS

Jean-Pierre BORSA

Following the departure of one agent, the CSSF employs 720 agents, 387 of whom are men and 333 are women (10 July 2017).

NEWS

Draft joint regulatory technical standards on the criteria for determining the circumstances in which the appointment of a central contact point pursuant to Article 45(9) of Directive (EU) 2015/849 is appropriate and the functions of the central contact point

The CSSF would like to draw the attention to the final report on the “Joint draft regulatory technical standards (RTS) on the criteria for determining the circumstances in which the appointment of a central contact point pursuant to Article 45(9) of Directive (EU) 2015/849 is appropriate and the functions of the central contact point” which has been published by the joint committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA) on 26 June 2017. The draft RTS, which have been submitted to the European Commission, shall provide guidance to the Member States in order to determine when payment service providers and electronic money issuers established on their territory, are required to appoint a central contact point (CCP) to support the fight against money laundering and terrorist financing (AML/CFT). For that purpose, the draft RTS contain, amongst others, a certain number of criteria which Member States have to take into consideration when they decide that foreign payment service providers and electronic money issuers should appoint a CCP. Moreover, the draft RTS enumerate the functions that CCP would then need to fulfil in order to ensure compliance with local AML/CFT requirements.

For further information, please refer to the RTS under the following link: <https://www.eba.europa.eu/documents/10180/1890699/Final+Draft+RTS+on+CCP+to+strengthen+fig+ht+against+financial+crime+%28JC+2017+08%29.pdf/dae7b11d-1c7c-4995-ae9d-b48bfb6e1048>.

Report on the money laundering and terrorism financing risks of the European Commission

On 26 June 2017, the European Commission published its report on the money laundering and terrorism financing risks on the internal market of the EU. This report identifies both risks and horizontal vulnerabilities which may affect certain sectors. Thus, it gathers under 7 specific sectors, including the financial sector, potential threats associated with certain activities (products or services) or professions. At the same time, it stresses the mitigation measures in place or already provided for, in particular, in the 4th AML/CFT Directive (including the proposal for amendment of this directive). Finally, the report also includes concrete recommendations to improve the AML/CFT measures based on the risks identified.

Please refer to the report and its annexes under: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=81272.

10 July 2017: ESMA consults on the draft Guidelines on internalised settlement reporting

In order to ensure the consistent application of Article 9 of Regulation (EU) No 909/2014 (CSDR), ESMA has decided to issue Guidelines on the reporting architecture and exchange of information between ESMA and the competent authorities regarding internalised settlement.

In particular, this consultation may be specifically of interest to settlement internalisers as defined in point (11) of Article 2(1) of Regulation (EU) No 909/2014 (CSDR).

The consultation is published under the following link: <https://www.esma.europa.eu/press-news/consultations/consultation-guidelines-internalised-settlement-reporting-under-article-9>.

It will be open until 14 September 2017.

WARNINGS

CSSF Warning

A warning concerning the activities of an entity named 1875-Finance Invest was published on 12 July 2017 on the CSSF website under:

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

Warnings published by IOSCO

Several warnings were published on IOSCO's website under:

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

NATIONAL REGULATION

Circular CSSF 17/659

The purpose of Circular CSSF 17/659 is to inform the persons concerned of the FATF statements issued during its Plenary of June 2017 concerning jurisdictions whose anti-money laundering and combating the financing of terrorism regime has substantial and strategic deficiencies, jurisdictions whose anti-money laundering and combating the financing of terrorism regime requires the application

of enhanced due diligence measures proportionate to the risks arising from these jurisdictions and jurisdictions whose anti-money laundering and combating the financing of terrorism regime is not satisfactory.

Circular CSSF 17/660

This circular draws the attention of the legal and natural persons supervised by the CSSF to the publication of Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds. This regulation shall be binding in its entirety and directly applicable in all Member States. This regulation ensures uniform implementation into the European Union of FATF Recommendation No 16 on wire transfers.

Circular CSSF-CPDI 17/08

This circular is addressed to members of the Fonds de garantie des dépôts Luxembourg (Deposit Guarantee Fund Luxembourg) and aims to collect information on deposits, in particular, on covered deposits, on 30 June 2017 from all Luxembourg credit institutions, POST Luxembourg for the financial services provided as well as from branches of credit institutions having their registered office in a third country.

BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM

Single Supervisory Mechanism - European Central Bank (ECB)

Publications

6 June 2017 - [ECB determined Banco Popular Español S.A. was failing or likely to fail](#)

The ECB has determined that Banco Popular Español S.A. was failing or likely to fail in accordance with Article 18 (1) of the Single Resolution Mechanism Regulation. The significant deterioration of the liquidity situation of the bank in recent days led to a determination that the entity would have, in the near future, been unable to pay its debts or other liabilities as they fell due. Consequently, the ECB determined that the bank was failing or likely to fail and duly informed the Single Resolution Board (SRB), which adopted a resolution scheme entailing the sale of Banco Popular Español S.A. to Banco Santander S.A.

30 June 2017 - [ECB's updated review of NPL regimes shows countries should be proactive and ensure NPL toolkits are fit-for-purpose](#)

The ECB has published its second stocktake of national supervisory practices and legal frameworks related to non-performing loans (NPLs) in the euro area. The stocktake now covers all euro area countries and contains updates on the eight countries included in the original stocktake published last year. The report provides a picture of the practices for treating NPLs in the euro area as at 31 December 2016.

Interviews and Speeches

1 June 2017 – [“Banking union in 2017 – How to supervise a €27tn banking sector?”](#) - Speech by Pentti Hakkarainen, Member of the Supervisory Board of the ECB, at the CIRSIF Annual International Conference, Lisbon

1 June 2017 – [“Banks business models: keeping pace?”](#) - Statement by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the Seventeenth Annual Conference on Policy Challenges for the Financial Sector, Washington D.C.

9 June 2017 – “[Interview with Bank|Wereld \(the Dutch Banking Association magazine\)](#)” - Interview with Danièle Nouy, Chair of the Supervisory Board of the ECB, following her visit to the Dutch Banking Association on 31 May 2017

13 June 2017 – “[Supervising banks - Four priorities](#)” - Statement by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the International Monetary Conference, London

19 June 2017 – “[Cyber resilience – A banking supervisor's view](#)” - Statement by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the High-Level Meeting on Cyber Resilience, Frankfurt am Main

19 June 2017 – “[First ordinary hearing in 2017 of the Chair of the ECB's Supervisory Board at the European Parliament's Economic and Monetary Affairs Committee](#)” - Introductory statement by Danièle Nouy, Chair of the Supervisory Board of the ECB, Brussels

22 June 2017 – “[Enhancing the environment for banking competition](#)” - Keynote address by Pentti Hakkarainen, Member of the Supervisory Board of the ECB, at the FIBI International Banking Conference 2017, Dublin

28 June 2017 – “[Harmonisation paves the way for a European banking market](#)” - Statement by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the Federal Financial Supervisory Authority 15th anniversary event, Bonn

28 June 2017 – “[Exchange of views on the banking reform package with the Finance and Treasury Standing Committee of the Senate of the Republic of Italy](#)” - Introductory statement by Ignazio Angeloni, Member of the Supervisory Board of the ECB, Finance and Treasury Standing Committee of the Senate of the Republic of Italy, Rome

29 June 2017 – “[Crisis management in the banking union: overview and early experience](#)” - Speech by Ignazio Angeloni, Member of the Supervisory Board of the ECB, at the European University Institute “Financing Banking Resolution” Executive Seminar, Florence

30 June 2017 – “[Banks and Brexit – the clock is ticking](#)” - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, at a technical workshop on Brexit organised by the ECB, Frankfurt am Main

30 June 2017 – “[Stability and growth in the euro area – who plays the leading role?](#)” - Speech by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, IEP Mittagsgespräch

Regulatory developments

Framework for delegating decision-making powers for legal instruments related to supervisory tasks of the ECB:

1 June 2017 – Publication of the [Decision \(EU\) 2017/933 of the European Central Bank of 16 November 2016](#) on a general framework for delegating decision-making powers for legal instruments related to supervisory tasks (ECB/2016/40)

1 June 2017 – Publication of the [Decision \(EU\) 2017/934 of the European Central Bank of 16 November 2016](#) on the delegation of decisions on the significance of supervised entities (ECB/2016/41)

1 June 2017 – Publication of the [Decision \(EU\) 2017/937 of the European Central Bank of 23 May 2017](#) nominating heads of work units to adopt delegated decisions on the significance of supervised entities (ECB/2017/17)

1 June 2017 – Publication of the [Decision \(EU\) 2017/935 of the European Central Bank of 16 November 2016](#) on delegation of the power to adopt fit and proper decisions and the assessment of fit and proper requirements (ECB/2016/42)

1 June 2017 – Publication of the [Decision \(EU\) 2017/936 of the European Central Bank of 23 May 2017](#) nominating heads of work units to adopt delegated fit and proper decisions (ECB/2017/16)

1 June 2017 – Publication of the [Decision \(EU\) 2017/937 of the European Central Bank of 23 May 2017](#) nominating heads of work units to adopt delegated decisions on the significance of supervised entities (ECB/2017/17)

Others

7 June 2017 – Publication of the [Opinion of the European Central Bank of 7 June 2017](#) on macroprudential measures to limit systemic risks (CON/2017/21)

7 June 2017 – Publication of the [Opinion of the European Central Bank of 7 June 2017](#) on a proposal for a directive of the European Parliament and of the Council on preventive restructuring frameworks, second chance and measures to increase the efficiency of restructuring, insolvency and discharge procedures and amending Directive 2012/30/EU (CON/2017/22)

8 June 2017 – Publication of the [Opinion of the European Central Bank of 8 June 2017](#) on a new category of debt instruments, new macroprudential tool, the creation of a new category of settlement institution and the exclusion of set-off rights (CON/2017/23)

European Council

Publications

30 June 2017 – Publication of the [Regulation \(EU\) 2017/1129 of the European Parliament and the Council](#) of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC

30 June 2017 – Publication of the [Regulation \(EU\) 2017/1131 of the European Parliament and the Council of 14 June 2017](#) on money market funds

European Commission

Publications

MiFID II

7 June 2017 – Publication of the [Commission Implementing Regulation \(EU\) 2017/953 of 6 June 2017](#) laying down implementing technical standards with regard to the format and the timing of position reports by investment firms and market operators of trading venues pursuant to Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments

10 June 2017 – Publication of the [Commission Implementing Regulation \(EU\) 2017/980 of 7 June 2017](#) laying down implementing technical standards with regard to standard forms, templates and procedures for cooperation in supervisory activities, for on-site verifications, and investigations and exchange of

information between competent authorities in accordance with Directive 2014/65/EU of the European Parliament and of the Council

10 June 2017 – Publication of the [Commission Implementing Regulation \(EU\) 2017/981 of 7 June 2017](#) laying down implementing technical standards with regard to standard forms, templates and procedures for the consultation of other competent authorities prior to granting an authorisation in accordance with Directive 2014/65/EU of the European Parliament and of the Council

16 June 2017 – Publication of the [Commission Implementing Regulation \(EU\) 2017/1005 of 15 June 2017](#) laying down implementing technical standards with regard to the format and timing of the communications and the publication of the suspension and removal of financial instruments pursuant to Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments

17 June 2017 – Publication of the [Commission Delegated Regulation \(EU\) 2017/1018 of 29 June 2016](#) supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards specifying information to be notified by investment firms, market operators and credit institutions

21 June 2017 – Publication of the [Commission Implementing Regulation \(EU\) 2017/1093 of 20 June 2017](#) laying down implementing technical standards with regard to the format of position reports by investment firms and market operators

23 June 2017 – Publication of the [Commission Implementing Regulation \(EU\) 2017/1110 of 22 June 2017](#) laying down implementing technical standards with regard to the standard forms, templates and procedures for the authorisation of data reporting services providers and related notifications pursuant to Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments

23 June 2017 – Publication of the [Commission Implementing Regulation \(EU\) 2017/1111 of 22 June 2017](#) laying down implementing technical standards with regard to procedures and forms for submitting information on sanctions and measures in accordance with Directive 2014/65/EU of the European Parliament and of the Council

CRR/EMIR

7 June 2017 – Publication of the [Commission Implementing Regulation \(EU\) 2017/954 of 6 June 2017](#) on the extension of the transitional periods related to own funds requirements for exposures to central counterparties set out in Regulations (EU) No 575/2013 and (EU) No 648/2012 of the European Parliament and of the Council

10 June 2017 – Publication of the [Commission Delegated Regulation \(EU\) 2017/979 of 2 March 2017](#) amending Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to the list of exempted entities

BRRD

20 June 2017 – Publication of the [Corrigendum to Commission Delegated Regulation \(EU\) 2015/63 of 21 October 2014](#) supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to ex ante contributions to resolution financing arrangements

BENCHMARKS REGULATION

29 June 2017 – Publication of the [Commission Implementing Regulation \(EU\) 2017/1147 of 28 June 2017](#) amending Implementing Regulation (EU) 2016/1368 establishing a list of critical benchmarks used

in financial markets pursuant to Regulation (EU) 2016/1011 of the European Parliament and of the Council

European Banking Authority (EBA)

Publications

CAPITAL REQUIREMENTS DIRECTIVE AND REGULATION

7 June 2017 - [EBA issues 2018 EU-wide stress test methodology for discussion](#)

The European Banking Authority (EBA) has published its 2018 EU-wide stress test draft methodology and templates for discussion with the industry. The exercise will cover 70% of the EU banking sector and will assess EU banks' ability to meet relevant supervisory capital ratios during an adverse economic shock. The methodology covers all relevant risk areas and, for the first time, will incorporate IFRS 9 accounting standards. The results are aimed to inform the 2018 Supervisory Review and Evaluation Process (SREP), challenging banks' capital plans and leading to relevant supervisory outcomes. The exercise is also aimed to provide enhanced transparency and to allow market participants to compare and assess the resilience of EU banks on a consistent basis.

9 June 2017 - [EBA issues revised list of ITS validation rules](#)

The EBA has issued a revised list of validation rules in its Implementing Technical Standards (ITS) on supervisory reporting, highlighting those which have been deactivated either due to inaccuracies or IT problems.

21 June 2017 - [EBA launches 2016 CVA risk monitoring exercise](#)

The EBA has announced that it has put on hold its draft Guidelines on the treatment of credit valuation adjustment (CVA) risk under SREP until further notice, due to continued developments in the CVA risk framework at international level. However, monitoring work continues with the EBA's 2016 CVA risk monitoring exercise. The 2016 CVA risk monitoring will be based on data with reference date of 31 December 2016. The EBA expects institutions to complete the exercise by 14 September 2017.

In the same line, the EBA has also published, in accordance with Article 383(7) of the CRR, [draft amending technical standards on CVA proxy spread](#).

FINTECH

15 June 2017 - [EBA responds to the European Commission public consultation on FinTech](#)

The EBA has submitted its response to the European Commission's Public Consultation on FinTech: In the response, the EBA conveys its views on a subset of the Commission's questions, and focuses on the work the EBA has done so far on FinTech. Separately, the EBA is currently developing a Discussion Paper on FinTech issues and will publish its views in the coming months.

PAYMENT SERVICES DIRECTIVE 2

29 June 2017 - [EBA publishes its Opinion in response to the European Commission intention to amend the EBA Technical Standards for open and secure electronic payments under the PSD2](#)

The EBA has published an opinion responding to the European Commission's intention to amend the EBA's draft regulatory technical standards (RTS) on strong customer authentication and common and secure communication, which have been developed in accordance with Article 98 of the Directive (EU) 2015/2366 (Revised Payment Services Directive - PSD2).

OTHERS

15 June 2017 - [EBA publishes its 2016 Annual Report](#)

The EBA has published its 2016 Annual Report, which provides a detailed account of all the work it achieved in the past year and anticipates the key areas of focus in the coming years.

28 June 2017 - [EBA publishes 2017 consumer trends report](#)

The EBA has published its annual consumer trends report for 2017. The report covers the retail banking products that fall in the EBA's consumer protection mandate, including mortgages, personal loans, deposits, payment accounts, payment services and electronic money. The report also provides an overview of the topical issues identified in 2017 that may impact consumers and other market participants, namely indebtedness, banking fees and costs, selling practices, innovation in payments, foreign currency loans, alternative financial services providers, and innovative uses of consumer data.

28 June 2017 - [EBA publishes Report on consumer data and identifies a number of applicable requirements under EU law](#)

The EBA has published its Report on innovative uses of consumer data by financial institutions. The report looks at both the risks and potential benefits of this innovation and identifies a number of requirements under EU law applying to financial institutions, which mitigate many of the risks identified by the EBA. The report concludes that no additional, industry-specific legislative or regulatory requirements are needed at present, but the EBA will continue to monitor closely this innovation. The report encourages cooperation between supervisory authorities across all relevant policy areas.

Consultations

CAPITAL REQUIREMENTS DIRECTIVE AND REGULATION

22 June 2017 - [EBA publishes Discussion Paper on the treatment of structural FX](#)

The EBA has launched a Discussion Paper on the application of the structural FX provision. The current treatment for the structural FX provision is established in Article 352(2) of the CRR. The paper outlines the rationale behind the treatment of structural positions as well as broader issues related to the structural FX concept, such as the actual nature of FX risk, considering both the accounting and regulatory perspectives. It also examines in greater detail the potential inconsistencies in the articulation of the FX requirements, both in the current CRR as well as in the CRR2 proposal for institutions applying the standardised and internal model approaches.

The consultation will run until 22 September 2017.

PAYMENT SERVICES DIRECTIVE 2

29 June 2017 - [EBA consults on central contact points under the revised Payment Services Directive \(PSD2\)](#)

The EBA has launched a public consultation on draft RTS on the criteria for determining the circumstances in which the appointment of a central contact point pursuant to Article 29(4) of the PSD2 and the functions of those central contact points. These RTS, which have been developed in accordance with Article 29(5) of the PSD2, specify the criteria for determining when the appointment of a central contact point under the PSD2 is appropriate and the functions that these contact points should have.

The consultation will run until 29 September 2017.

European Supervisory Authorities (ESAs)

Publications

FOURTH ANTI MONEY LAUNDERING DIRECTIVE

26 June 2017 - [ESAs publish central contact point standards in fight against financial crime](#)

The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) has published draft RTS on Central Contact Point (CCP) to strengthen fight against financial crime. These RTS, which have been drafted in accordance with Article 45(10) of Directive (EU) 2015/849 on preventing the use of the financial system for money laundering or terrorist financing (Fourth AML Directive), set out the criteria Member States must consider when deciding whether foreign payment service providers and electronic money issuers should appoint a CCP to support the fight against money laundering and terrorist financing, and list the functions this CCP will have to discharge its role effectively.

26 June 2017 - [ESAs publish AML/CFT guidelines](#)[ESAs publish AML/CFT guidelines](#)

The Joint Committee of the ESAs has published its final Guidelines on anti-money laundering and countering the financing of terrorism (AML/CFT). The guidelines aim to promote a common understanding of the risk-based approach to AML/CFT and set out how it should be applied. They also aim to provide credit and financial institutions with the tools to make informed, risk-based decisions on the effective management of individual business relationships and occasional transactions for AML/CFT purposes.

European Systemic Risk Board (ESRB)

Publications

29 June 2017 – [ESRB Risk Dashboard \(Issue 20\)](#)

The ESRB has issued its 20th risk dashboard which provides an overview of potential sources of systemic risk in the EU financial system. This risk dashboard is a compilation of a series of qualitative and quantitative indicators of systemic risk within specific risk categories comprising measures of risk in the non-banking sector, market risk, macroeconomic risk, credit risk, and solvency and profitability risk in the banking sector.

The ESRB risk dashboard is published on a quarterly basis.

The following documents are attached to the risk dashboard: 1) [Overview note](#); 2) [Annex I](#); 3) [Annex II](#).

29 June 2017 – [Opinion of the European Systemic Risk Board of 13 March 2017 regarding Belgian notification of a stricter national measure based on Article 458 of the CRR \(ESRB/2017/1\)](#)

In accordance with Article 458 CRR, the ESRB provided the Council, the European Commission and in this case, Belgium, with an opinion regarding the notified macroprudential measure. The proposed measure by the National Bank of Belgium (NBB) consists of an additional macroprudential buffer calculated on the basis of an increase in risk weighted assets (RWA) consisting of two components, i.e. a general risk weight add-on of 5% on mortgage exposures secured by residential real estate for banks using the internal ratings based (IRB) approach and a higher LGD floor that targets aforementioned exposures with an LTV higher than 80%. The ESRB is of the opinion that the proposed stricter national measure is justified, proportionate, effective and efficient, but flags a number of issues that the NBB is recommended to further follow-up.

The [accompanying report](#) provides further information on the ESRB's assessment which primarily focuses on the net benefits of NBB's macroprudential measure for maintaining financial stability.

Financial Stability Board (FSB)

Publications

27 June 2017 - [FSB issued a report on the financial stability implications from FinTech](#)

The FSB has released its report on the financial stability implications from FinTech. The report notes the need for the official and private sectors to improve data on FinTech applications, and for regulators to understand how businesses and the market structure are changing. In particular, international bodies and national authorities should take FinTech into account in their risk assessments and regulatory frameworks.

29 June 2017 - [FSB Task Force published recommendations on climate-related financial disclosures](#)

The FSB Task Force on Climate-related Financial Disclosures developed four recommendations on climate-related financial disclosures that are applicable to organisations across sectors and jurisdictions. The recommendations are structured around four thematic areas: (i) governance; (ii) strategy; (iii) risk management; and (iv) metrics and targets.

Consultations

20 June 2017 - [FSB released consultation on the use of compensation tools to address misconduct](#)

The FSB has published supplementary guidance to the FSB Principles and Standards on Sound Compensation Practices. The text reviews the use of compensation tools to address misconduct. Once finalised, the guidance will provide firms and supervisors with a framework to consider how compensation practices and tools can be used to reduce misconduct risk and address misconduct incidents.

The deadline for the submission of comments is 30 August 2017.

Basel Committee of Banking Supervision (BCBS)

Publications

8 June 2017 - [BCBS published a second set of FAQs on the Liquidity Coverage Ratio](#)

The BCBS has published a second set of FAQs on the Liquidity Coverage Ratio (LCR). These FAQs respond to a number of interpretation questions received by the BCBS related to the January 2013 publication of the LCR standard. The questions and answers published are combined with those published in April 2014 and are grouped according to the paragraph number of the related issue within the LCR framework.

22 June 2017 - [BCBS published analysis on practices in implementing the countercyclical capital buffer \(CCyB\)](#)

The BCBS has published its analysis on practices in implementing the countercyclical capital buffer (CCyB). The analysis examines how a range of jurisdictions have implemented their CCyB policies. The text finds that the CCyB policy frameworks differ markedly with respect to: (i) their governance structures; (ii) the number of indicators used to identify periods of excess credit and systemic risk; (iii) the degree of reliance on formal versus judgmental approaches in making CCyB decisions; and (iv) their communication and reciprocity practices.

25 June 2017 - [BCBS published its 87th Annual Report](#)

The BCBS has published its 87th Annual Report. In the report, the BCBS examines, among others, the disconnection between low financial market volatility and heightened policy uncertainty and the remaining challenges in banking sector adjustment. The report also shows how the interaction between banks' internal capital allocation and regulatory standards can affect market functioning.

Consultations

7 June 2017 - [BCBS launched consultation on a simplified alternative to the market risk standardised approach](#)

The BCBS has launched its consultation on a simplified alternative to the standardised approach to measuring market risk capital requirements for banks other than those that are large and internationally active. The document sets out a simplified alternative to the sensitivities-based method (SbM) and proposes a reduced sensitivities-based method that would: (i) remove capital requirements for vega and curvature risks; (ii) simplify the basis risk calculation; and (iii) reduce risk factor granularity and the correlation scenarios to be applied in the associated calculations.

The deadline for the submission of comments is 27 September 2017.

28 June 2017 - [BCBS launched consultation on a guidance for supervisory stress testing of central counterparties \(CCPs\)](#)

As part of the joint CCP workplan for identifying and addressing gaps and potential stability risks relating to CCPS that are systemic across multiple jurisdictions and for helping to enhance their resolvability, the BCBS has launched its consultation on a draft guidance for supervisory stress testing of CCPs. The report provides a framework for authorities to evaluate the collective response of a set of CCPs to one or more financial stresses. In particular, conducting stress tests of this type could help authorities better understand the impact on the broader economy of a common stress event affecting multiple CCPs, as well as the implications of interdependencies between markets, CCPs, and other entities.

The deadline for the submission of comments is 22 September 2017.

Countercyclical Capital buffer (CCyB)

The CSSF set the CCyB for Luxembourg to 0% for the third quarter 2017 through its [CSSF Regulation N° 17-02](#). The CCyB rate for the last quarter of 2017 will be published on October, 1st 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
		01/07/2018
Norway	1.5%	30/06/2017
		30/09/2017
	2.0%	31/12/2017
Slovakia	0.5%	01/08/2017
		01/11/2017
		01/02/2018
		01/05/2018
Sweden	2.0%	19/03/2017
United Kingdom	0.5%	29/03/2017
		27/06/2018

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

SANCTIONS

Issuers of securities

Since the publication of the last Newsletter, the CSSF imposed administrative fines on two issuers which failed to act in response to an order of the CSSF as regards the publication of their financial reports under the Law of 11 January 2008 on transparency requirements for issuers of securities ("Transparency Law").

COMMUNIQUÉS

Application for suspension of payments: Obsieger Capital Management S.A.

Press release 17/22 of 21 June 2017

In accordance with Article 122 of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms and following the withdrawal of the authorisation of Obsieger Capital Management S.A. by the Minister of Finance on 15 June 2017, a request for the suspension of payments of Obsieger Capital Management S.A. has been filed by the CSSF with the *Tribunal d'arrondissement de et à Luxembourg* (Luxembourg District Court) dealing with commercial matters, on 20 June 2017.

The decision of the Minister of Finance to withdraw the authorisation of Obsieger Capital Management S.A. may be referred to the *Tribunal administratif* (Administrative Tribunal) by an attorney-at-law (*avocat à la Cour*) registered either with the Bar of Luxembourg or with the Bar of Diekirch. The case must be filed within one month from the date of notification of the decision to withdraw the authorisation, or else shall be time-barred.

Obsieger Capital Management S.A. is an investment firm within the meaning of Article 1(9a) of the Law of 5 April 1993 on the financial sector and carries out activities as investment adviser, broker in financial instruments, commission agent and private portfolio manager pursuant to Articles 24, 24-1, 24-2 and 24-3 of this law.

The notification of the CSSF's application to Obsieger Capital Management S.A. by way of a bailiff's writ dated 20 June 2017 will automatically operate to bring about, in favour of Obsieger Capital Management S.A. and pending a final decision on the request, a suspension of all payments by Obsieger Capital Management S.A. and the prohibition, on pain of nullification, of all acts other than precautionary and protective measures unless authorised by the CSSF or by any contrary legal provision.

The CSSF imposes an administrative sanction on Edmond de Rothschild (Europe)

Communiqué of 22 June 2017

In fulfilling its statutory tasks of supervisory authority, the CSSF imposed an administrative sanction in the form of a fine amounting to EUR 8,985,000 on Edmond de Rothschild (Europe) on 21 June 2017.

The fine was imposed based on first, third, fourth and sixth indents of Article 63(1) and third indent of Article 63(2) of the Law of 5 April 1993 on the financial sector as well as based on Article 63-2(1)(d) and (2)(e) of the aforementioned law due to non-compliance with the requirement to put a robust internal governance system in place, which notably covers the compliance policy and the compliance with the AML/CFT professional obligations.

The aforementioned sanction has been decided after an in-depth investigation and an on-site inspection carried out by the CSSF throughout 2016. Following the communication of the analysis and the grievances of the CSSF, at the end of 2016, it has received the observations of Edmond de Rothschild (Europe) in March 2017, including, in particular, a remediation plan in order to respond to the grievances identified by the CSSF on which the aforementioned administrative sanction is based. The CSSF noticed that Edmond de Rothschild (Europe) strengthened and substantially changed its management teams, as from June 2016, and launched a process of compliance of its internal governance, as described in its remediation plan. These positive initiatives of Edmond de Rothschild (Europe) have been taken into account by the CSSF when determining the amount of the fine.

The CSSF would like to remind that the management of each authorised institution is in charge of establishing a compliance policy, ensuring its compliance and informing the Board of Directors of its sound implementation and that the Board of Directors is in charge of supervising the application of sound internal governance and, in particular, the management of the compliance risk and monitoring its implementation on a regular basis.

The CSSF, as supervisory authority, will ensure that Edmond de Rothschild (Europe) complies, on an ongoing basis, with the regulations in force and implements the measures of the remediation plan and their proper application in practice.

This publication is made in accordance with Article 63-3(1) of the Law of 5 April 1993 on the financial sector.

Suspension of payments: Obsieger Capital Management S.A. - appointment of an administrator

Press release 17/23 of 27 June 2017

This press release follows Press release 17/22 of the CSSF dated 21 June 2017.

Following the withdrawal of the authorisation of Obsieger Capital Management S.A. by the Minister of Finance on 15 June 2017, a request for the suspension of payments of Obsieger Capital Management S.A. has been filed by the CSSF with the *Tribunal d'arrondissement de et à Luxembourg* (Luxembourg District Court) dealing with commercial matters, on 20 June 2017.

In accordance with Article 122 of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms, the Luxembourg *Tribunal d'arrondissement de et à Luxembourg* (Luxembourg District Court) dealing with commercial matters, decided, at its public hearing of 27 June 2017, to allow Obsieger Capital Management S.A. to qualify under the suspension of payments procedure.

By the same judgment, the Commission de Surveillance du Secteur Financier was appointed as administrator to control the management of the assets of Obsieger Capital Management S.A.

This reorganisation regime implies the suspension of all payments by this company and the prohibition, on pain of nullification, of all acts other than precautionary and protective measures, unless authorised by the administrator.

First CBRC-CSSF supervisory banking dialogue

Communiqué of 29 June 2017

On 27 June 2017, a delegation of the CSSF (Claude Marx, Claude Simon, Frank Bisdorff and Nico Gaspard) met with 9 high representatives of the China Banking Regulatory Commission (CBRC) in Beijing. The Chinese delegation was led by Mr Wang Xhaoxing, Vice Chairman of the CBRC.

Several topics were discussed during this First CBRC-CSSF Supervisory Banking Dialogue, including recent macro-economic developments in Luxembourg and in China, and an update on Chinese banks in Luxembourg.

Both authorities have agreed to meet on a regular basis, given the importance of the relationship between the two countries in the financial sector. At present, six Chinese banks are already established in Luxembourg, and further banks have applied for a licence or shown interest in a presence.

Money Market Fund Regulation published in the Official Journal of the EU

Press release 17/24 of 5 July 2017

The CSSF wishes to inform that on 30 June 2017, Regulation (EU) 2017/1131 of the European Parliament and the Council of 14 June 2017 on money market funds was published in the Official Journal of the EU. This regulation will enter into force on 20 July 2017. It will apply from 21 July 2018, with the exception of certain provisions which will apply from 20 July 2017.

The various language versions of the regulation can be found here:

http://eur-lex.europa.eu/legal-content/FR/TXT/?uri=uriserv%3AOJ.L_.2017.169.01.0008.01.ENG&toc=OJ%3AL%3A2017%3A169%3ATOC.

ESMA seeks volunteers for its field tests with regard to the European Single Electronic Format (ESEF)

Communiqué of 7 July 2017

The CSSF draws your attention to a press release of the European Securities and Markets Authority (ESMA) which is seeking volunteers to take part in its field tests with regard to the European Single Electronic Format (ESEF).

ESMA is specifying the electronic format in which annual financial reports from 2020 will have to be prepared. In order to assess whether the draft rules are practicable and to determine to which extent they have to be improved, ESMA is organising field tests with interested stakeholders.

The target group of these field tests are issuers on European regulated markets from all industries preparing IFRS consolidated financial statements in accordance with the Transparency Directive as well as software vendors.

The deadline for applications is 14 July 2017. The final decision on a participation of stakeholders in the field tests lies with ESMA and will be communicated shortly after the deadline of application.

The press release is available on ESMA's website at: <https://www.esma.europa.eu/press-news/esma-news/esma-seeks-volunteers-field-tests-european-single-electronic-format-esef>.

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

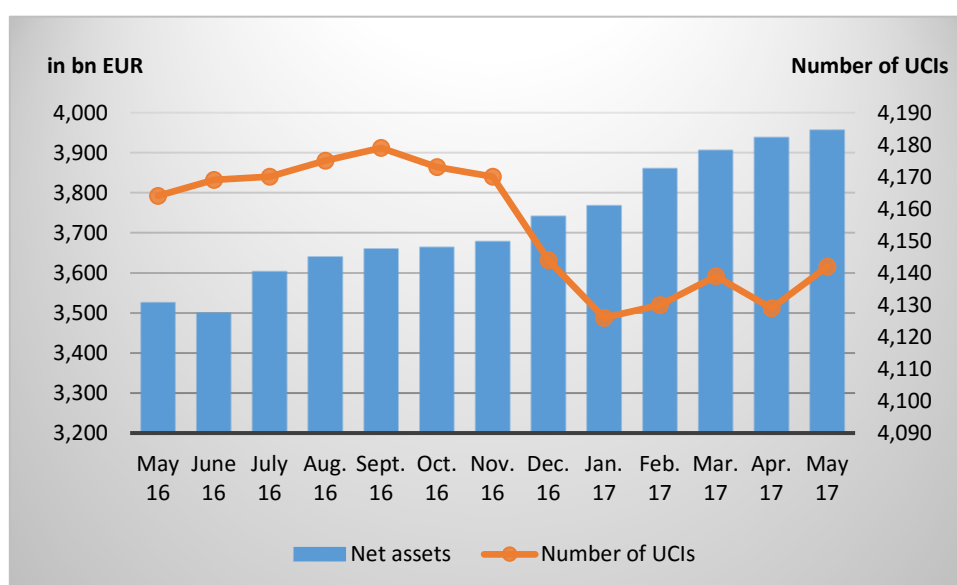
Press release 17/25 of 11 July 2017

I. Overall situation

As at 31 May 2017, total net assets of undertakings for collective investment, including UCIs subject to the 2010 Law, specialised investment funds and SICARs reached EUR 3,956.348 billion compared to EUR 3,937.907 billion as at 30 April 2017, i.e. a 0.47% growth over one month. Over the last twelve months, the volume of net assets rose by 12.22%.

The Luxembourg UCI industry thus registered a positive variation amounting to EUR 18.441 billion in May. This increase represents the balance of positive net issues of EUR 23.987 billion (0.61%) and a negative development in financial markets amounting to EUR -5.546 billion (-0.14%).

The development of undertakings for collective investment is as follows¹:



The number of undertakings for collective investment (UCIs) taken into consideration totals 4,141 against 4,129 in the previous month. A total of 2,651 entities have adopted an umbrella structure, which represents 13,166 sub-funds. When adding the 1,490 entities with a traditional structure to that figure, a total of 14,656 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 May.

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

As regards developed countries, European equity UCIs registered price increases within the context of corporate earnings exceeding anticipations, continued economic growth in the euro area, an ongoing accommodating monetary policy by the European Central Bank and a reduction of political risks in Europe. While US equity prices slightly increased within a context of higher-than-expected corporate earnings, despite political uncertainties in the United States, the approximately 2.6% depreciation of the USD against the EUR made the US equity UCIs end in negative territory. The sound growth figures in Japan explain the positive performance of Japanese equity UCIs.

As for emerging countries, Asian equity UCIs recorded a positive performance in a global favourable environment and in view of the stable economic data in China. The losses recorded by the Eastern European equity UCIs is due to the drop in oil prices and geopolitical issues in the region, despite an

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.

improvement of growth figures in Russia and certain other Eastern European countries. The category of Latin American equity UCIs experienced a downward trend following the persisting political problems in different countries of the region and the depreciation of the main South American currencies.

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

Development of equity UCIs during the month of May 2017*

	Market variation in %	Net issues in %
Global market equities	-0.37%	0.27%
European equities	1.46%	1.03%
US equities	-1.55%	-1.04%
Japanese equities	0.77%	-0.33%
Eastern European equities	-1.94%	-2.61%
Asian equities	0.62%	-0.87%
Latin American equities	-3.81%	0.97%
Other equities	0.11%	0.25%

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

The results of the French presidential election resulted in a decline of government bonds and in rate spreads between the high-rated countries and low-rated countries in the euro area. Corporate bonds followed the downward trend in yields, which enabled EUR-denominated bond UCIs to close the month with a slightly positive performance.

The delay in the tax reforms announced and the political uncertainties in the United States explain the fall in long-term bond yields which resulted in overall price increases of USD-denominated bond UCIs. However, these price increases have been more than offset by the depreciation of the USD against the EUR.

Despite a persistent demand from investors for emerging countries bonds and the consolidation in the main commodity prices, the emerging countries bond UCIs recorded a negative performance, notably due to the political crisis in Brazil and the depreciations of the main emerging currencies against the EUR.

In May, fixed-income UCIs registered an overall positive net capital investment.

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

	Market variation in %	Net issues in %
EUR money market	-0.02%	-2.06%
USD money market	-2.58%	-0.82%
Global market money market	-1.79%	-0.39%
EUR-denominated bonds	0.05%	-0.41%
USD-denominated bonds	-1.12%	1.14%
Global market bonds	-0.67%	1.22%
Emerging market bonds	-0.95%	2.84%
High Yield bonds	-0.90%	0.94%
Others	-0.48%	1.09%

* 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 May 2017*

	Market variation in %	Net issues in %
Diversified UCIs	-0.11%	1.08%
Funds of Funds	3.04%	1.14%

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

II. Breakdown of the number and net assets of UCIs

	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 €

² Avant le 31 décembre 2016, les données statistiques pour les SICAR n'étaient

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 €
31/05/2017	1,895	3,297.804 €	342	162.813 €	1,620	453.326 €	3,857	3,913.943 €	284	42.405 €	4,141	3,956.348 €

During the month under review, the following 30 undertakings for collective investment have been registered on the official list:

1) UCITS Part I 2010 Law:

- A&G FLOTA, 6A, rue Gabriel Lippmann, L-5365 Munsbach
- APS FUND SICAV, 106, route d'Arlon, L-8210 Mamer
- FLOSSBACH VON STORCH II, 6, avenue Marie-Thérèse, L-2132 Luxembourg
- FT ALPHA GLOBAL MARKET NEUTRAL, 534, rue de Neudorf, L-2220 Luxembourg
- HBM UCITS (LUX) FUNDS, 15, avenue J-F Kennedy, L-1855 Luxembourg
- INDEXIQ, 49, avenue J-F Kennedy, L-1855 Luxembourg
- KERSIO LUX, 35A, avenue J-F Kennedy, L-1855 Luxembourg
- LAFFITTE FUNDS, 5, allée Scheffer, L-2520 Luxembourg
- MACRO NAVIGATION FUND, 4, rue Thomas Edison, L-1445 Strassen
- MULTIFACTORFLEX, 18, boulevard de la Foire, L-1528 Luxembourg
- PWM FUNDS, 15, avenue J-F Kennedy, L-1855 Luxembourg
- UNIRENT KURZ URA, 308, route d'Esch, L-1471 Luxembourg

2) UCIs Part II Law 2010:

- OAKTREE (LUX.) III, 49, avenue J-F Kennedy, L-1855 Luxembourg
- THOMASLOYD CLEANTECH INFRASTRUCTURE FUND SICAV, 5, allée Scheffer, L-2520 Luxembourg

3) SIFs:

- BOUWFONDS COMMUNICATION INFRASTRUCTURE FUND II, SICAV-FIS, 2, place François-Joseph Dargent, L-1413 Luxembourg
- CS ILS SICAV-SIF, 5, rue Jean Monnet, L-2180 Luxembourg
- ESJ S.C.A. SICAV SIF, 412F, route d'Esch, L-1471 Luxembourg
- EUROZONE LOGISTICS FUND S.C.S. SICAV-FIS, 44, avenue J-F Kennedy, L-1855 Luxembourg
- GLOBAL VALUE PROPERTY FUND, 11, rue Beaumont, L-1219 Luxembourg
- IMMO CB SCS, SICAV-FIS, 15, rue de Flaxweiler, L-6776 Grevenmacher
- INTERNOS HOTEL IMMOBILIENFONDS II SCS, 20, rue de la Poste, L-2346 Luxembourg
- PARTNERS GROUP DIRECT EQUITY ELTIF S.C.A., SICAV-SIF, 60, avenue J-F Kennedy, L-1855 Luxembourg
- PRIVATE EQUITY SCS SICAV-SIF, 308, route d'Esch, L-1471 Luxembourg
- QUADRIGA FUNDS S.C.A., SICAV SIF, 28-32, place de la Gare, L-1616 Luxembourg
- SILEX FUND S.C.A., SICAV-SIF, 2, rue d'Alsace, L-1122 Luxembourg
- SUEBIA S.C.S., SICAV-FIS, 15, rue de Flaxweiler, L-6776 Grevenmacher

4) SICARs:

- AMETHIS FUND II, S.C.A., SICAR, 9-13, rue Jean Fischbach, L-3372 Luxembourg
- HELVETIA VENTURE FUND S.A., SICAR, 1c, rue Gabriel Lippmann, L-5365 Munsbach
- MULTRANS INVEST SICAR, 42, rue de la Vallée, L-2661 Luxembourg
- NORAX GREEN CAPITAL (SCA) SICAR, 12, rue Eugène Ruppert, L-2453 Luxembourg

The following 18 undertakings for collective investment have been deregistered from the official list during the month under review:

1) UCITS Part I 2010 Law:

- ABARIS, 5, rue Jean Monnet, L-2180 Luxembourg
- ASHMORE SICAV 3, 6, rue Lou Hemmer, L-1748 Senningerberg
- COLORS INVESTMENT, 42, rue de la Vallée, L-2661 Luxembourg
- EURIZON FOCUS CAPITALE PROTETTO, 8, avenue de la Liberté, L-1930 Luxembourg
- GENERALI VERMÖGENSSTRATEGIE, 4, rue Jean Monnet, L-2180 Luxembourg
- GREIFF, 6, rue Gabriel Lippmann, L-5365 Munsbach
- HPWM FUNDS, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- LUX LION, 15, rue de Flaxweiler, L-6776 Grevenmacher
- UNIINSTITUTIONAL GLOBAL BONDS SELECT, 308, route d'Esch, L-1471 Luxembourg

2) UCIs Part II 2010 Law:

- CANDRIAM LIFE EQUITIES, 69, route d'Esch, L-1470 Luxembourg
- UNIGARANT: COMMODITIES (2017), 308, route d'Esch, L-1471 Luxembourg

3) SIFs:

- ALL SEASONS INVESTMENTS, 6, rue Eugène Ruppert, L-2453 Luxembourg
- DEDICATED MAP MAXQ FUND, 28-32, place de la Gare, L-1616 Luxembourg
- DIRECTORS DEALINGS FUND (DD FUND), 2, boulevard de la Foire, L-1528 Luxembourg
- DUMAS REAL ESTATE SICAV-SIF S.A., 14, rue de Strassen, L-2555 Luxembourg
- THE SMALL ENTERPRISE IMPACT INVESTING FUND (SEIIF) S.A., SICAV-SIF, 5, allée Scheffer, L-2520 Luxembourg

4) SICAR:

- ABACUS INVEST S.C.A., SICAR, 16, rue Jean l'Aveugle, L-1148 Luxembourg
- TERRA VENTURE PARTNERS S.C.A., SICAR, 30, boulevard Royal, L-2449 Luxembourg

Publication of a new prospectus regulation

Press release 17/26 of 13 July 2017

Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC was published in the Official Journal of the European Union on 30 June 2017.

The regulation enters into force on the 20th day following its publication in the Official Journal of the European Union. It will apply as from 21 July 2019, with the exception of certain provisions relating to the obligation to publish a prospectus, as set forth in Article 49 of said regulation, which will apply as from 20 July 2017 and 21 July 2018, respectively.

This regulation is binding in its entirety and directly applicable in all Member States. It is available on the CSSF website (<http://www.cssf.lu/en/supervision/securities-markets/prospectus/new-prospectus-regulation/>)

In this respect, the European Securities and Markets Authority (ESMA) published three consultation papers relating to the draft technical advice requested by the European Commission on the format and content of a prospectus, on the EU growth prospectus and on scrutiny and approval criteria of a prospectus. The documents concerned are available on the CSSF website (<http://www.cssf.lu/en/supervision/securities-markets/prospectus/new-prospectus-regulation/>). Draft technical advice may be transmitted directly to ESMA until 28 September 2017.

Any questions in relation to the application of this regulation can be addressed by e-mail to prospectus.help@cssf.lu.

ESMA issues sector-specific principles on relocations from the UK to the EU27

Communiqué of 14 July 2017

The European Securities and Markets Authority (ESMA) has published three Opinions setting out sector-specific principles in the areas of investment firms, investment management and secondary markets, aimed at fostering consistency in authorisation, supervision and enforcement related to the relocation of entities, activities and functions from the United Kingdom.

The CSSF supports the efforts undertaken by ESMA to avoid regulatory arbitrage and the establishment of letterbox entities. The principles laid down by ESMA in those three Opinions are in line with the CSSF's practice.

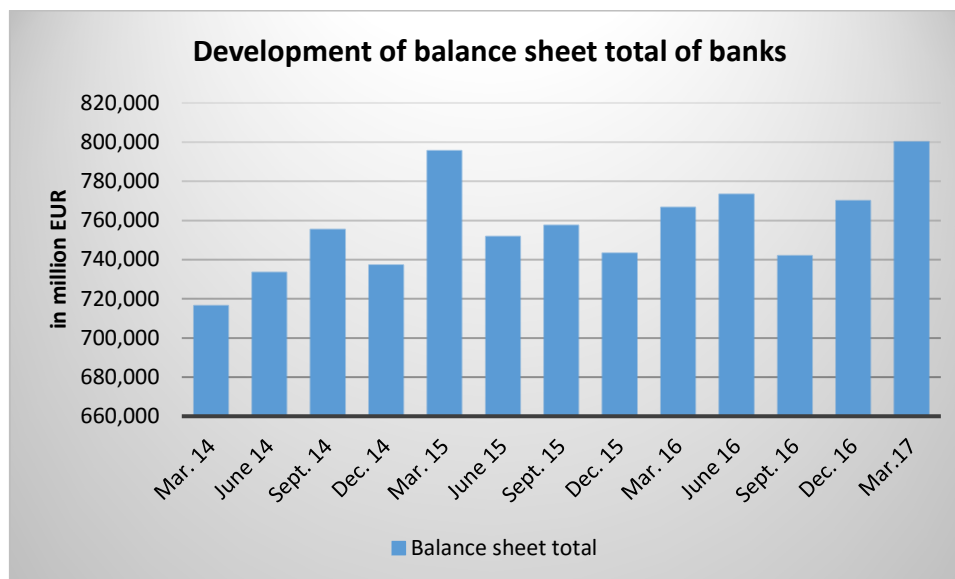
Please find below a link to these documents:

- [ESMA35-43-762 Opinion to support supervisory convergence in the area of investment firms in the context of the United Kingdom withdrawing from the European Union.](#)
- [ESMA35-45-344 Opinion to support supervisory convergence in the area of investment management in the context of the United Kingdom withdrawing from the European Union.](#)
- [ESMA70-154-270 Opinion to support supervisory convergence in the area of secondary markets in the context of the United Kingdom withdrawing from the European Union.](#)

STATISTICS

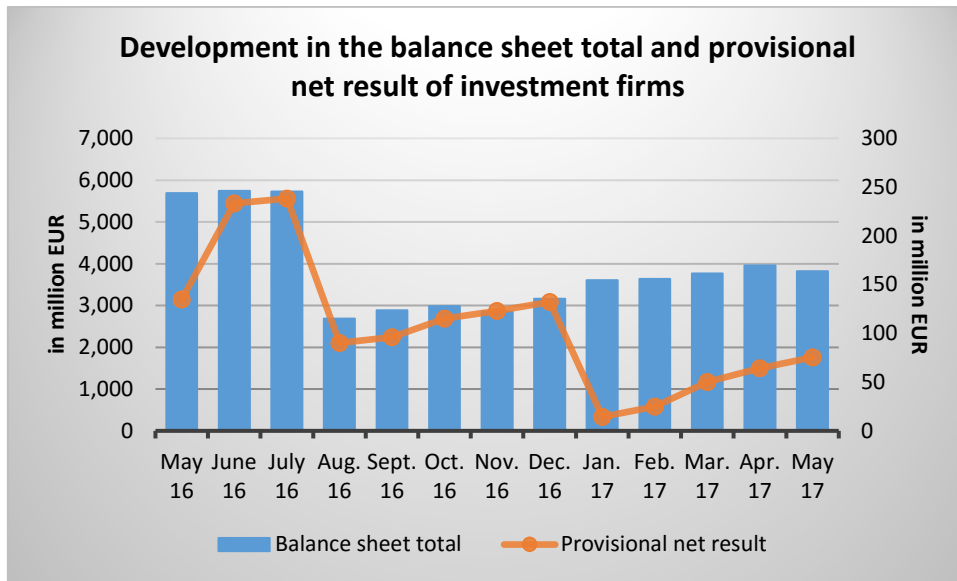
Banks

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



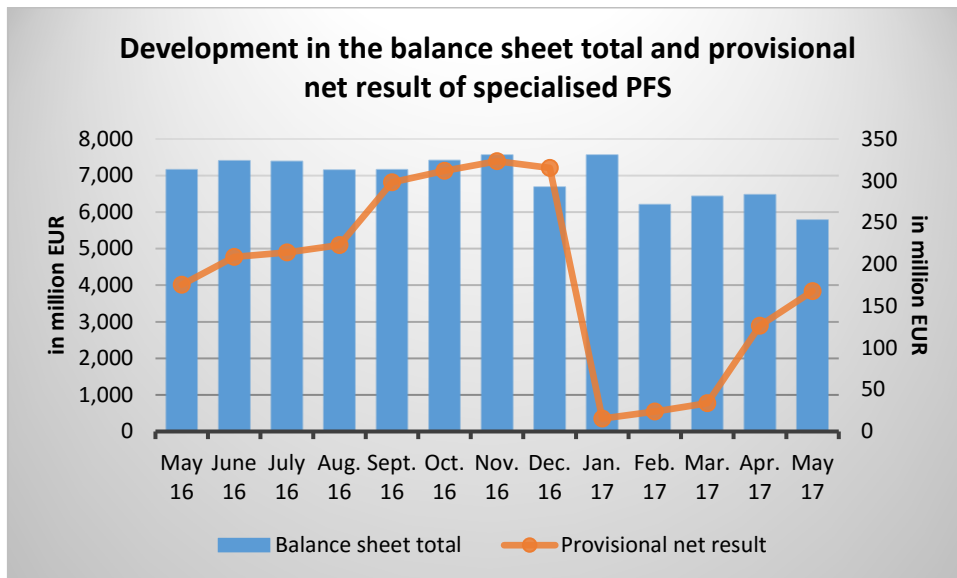
Investment firms

Decrease in the investment firms' balance sheet total as at 31 May 2017



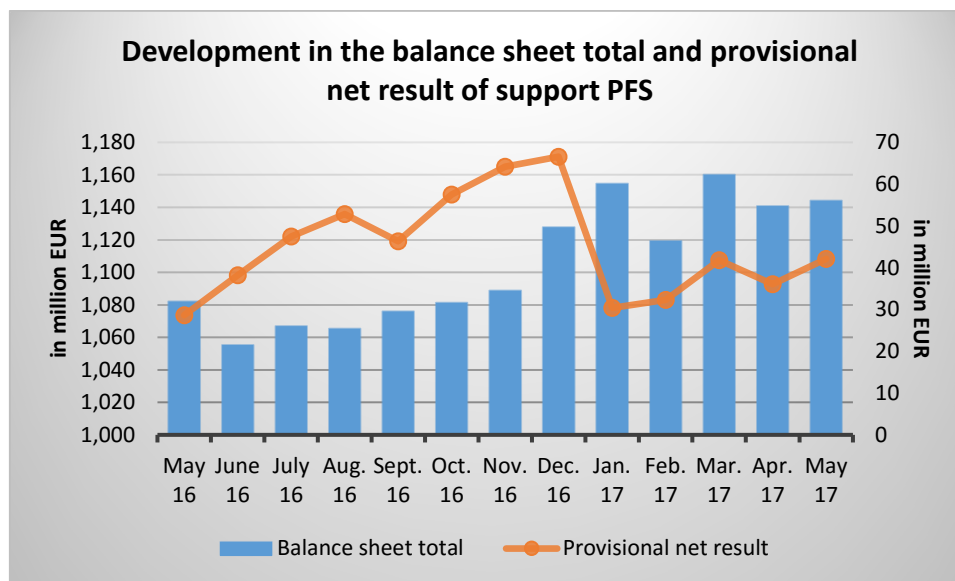
Specialised PFS

Decrease in the specialised PFS' balance sheet total as at 31 May 2017



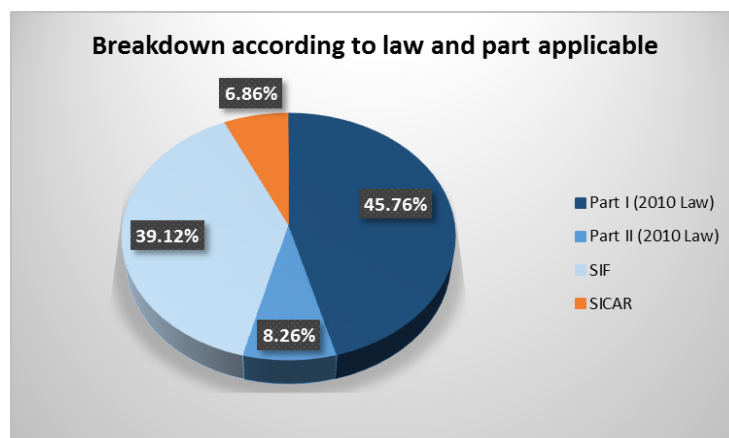
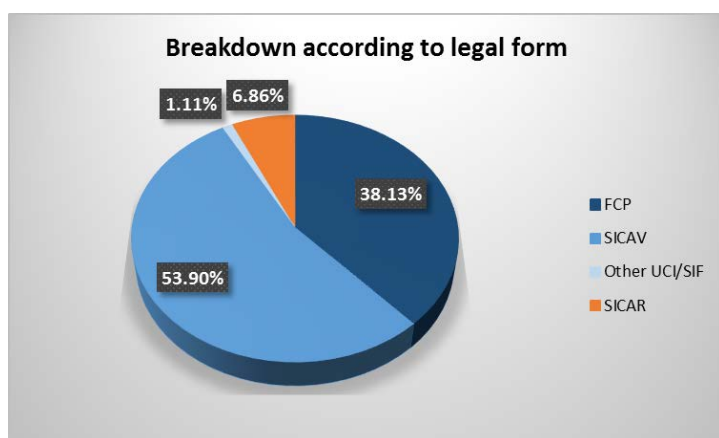
Support PFS

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



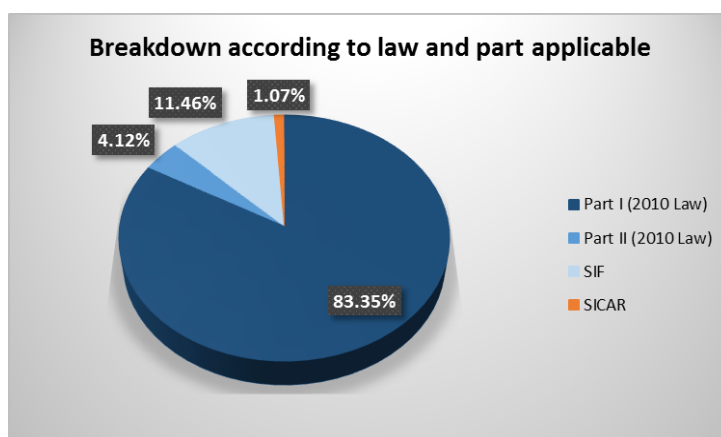
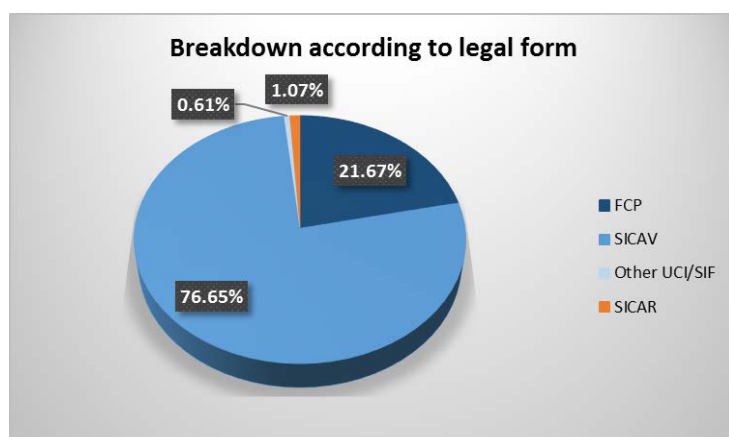
UCIs (Situation as at 31 May 2017)

Number of UCIs



Law, part/legal form	FCPs	SICAVs	Other UCIs/SIFs	SICARs	TOTAL
Part I (2010 Law)	1,019	876	0	0	1,895
Part II (2010 Law)	172	167	3	0	342
SIFs	388	1,189	43	0	1,620
SICARs	0	0	0	284	284
TOTAL	1,579	2,232	46	284	4,141

Net assets of UCIs



Law, part/legal form (in bn EUR)	FCPs	SICAVs	Other UCIs/SIFs	SICARs	TOTAL
Part I (2010 Law)	632.698	2,665.106	0.000	0.000	3,297.804
Part II (2010 Law)	58.350	103.947	0.516	0.000	162.813
SIFs	166.199	263.309	23.818	0.000	453.326
SICARs	0.000	0.000	0.000	42.405	42.405
TOTAL	857.247	3,032.362	24.334	42.405	3,956.348

Breakdown according to investment policy

Breakdown according to investment policy	Net assets (in bn EUR)	Number of fund units ³
Fixed-income securities	1,189.046	3,156
Variable-yield transferable securities	1,156.392	3,766
Mixed transferable securities	850.685	4,035
Funds of funds	241.635	2,146
Money market instruments and other short-term securities	329.713	245
Cash	1.771	19
Private equity	27.609	190
Venture capital	1.592	29
Real estate	53.945	333
Futures and/or Options	13.029	129
Other assets	48.526	218
Public-to-Private	0.094	3
Mezzanine	2.611	12
Venture Capital (SICAR)	6.276	83
Private Equity (SICAR)	33.424	292
TOTAL	3.956,348	14.656

³ "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	1,074.399	2,517	53.066	41.682	11.384
Variable-yield transferable securities	1,092.814	3,369	46.534	44.061	2.473
Mixed transferable securities	671.303	2,792	27.830	19.292	8.538
Funds of funds	138.445	987	4.317	2.471	1.846
Money market instruments and other short-term securities	309.332	186	121.503	124.337	-2.834
Cash	1.197	9	0.097	0.094	0.003
Futures and/or options	6.795	56	0.245	0.616	-0.371
Other assets	3.519	10	0.088	0.125	-0.037
TOTAL PART I:	3,297.804	9,926	253.680	232.678	21.002
PART II					
Fixed-income transferable securities	26.636	119	0.535	0.433	0.102
Variable-yield transferable securities	15.186	69	0.061	0.356	-0.295
Mixed transferable securities	58.792	242	1.624	1.548	0.076
Funds of funds	32.690	314	0.353	0.534	-0.181
Money market instruments and other short-term securities	16.619	48	0.922	1.335	-0.413
Cash	0.557	8	0.009	0.067	-0.058
Private equity	4.401	15	0.142	0.027	0.115
Venture capital	0.003	1	0.000	0.000	0.000
Real estate	1.175	19	0.000	0.000	0.000
Futures and/or options	3.191	30	0.027	0.071	-0.044
Other assets	3.563	13	0.053	0.029	0.024
TOTAL PART II:	162.813	878	3.726	4.400	-0.674
SIFs					
Fixed-income transferable securities	88.011	520	3.135	1.836	1.299
Variable-yield transferable securities	48.392	328	1.131	1.296	-0.165
Mixed transferable securities	120.590	1,001	1.932	2.166	-0.234
Funds of funds	70.500	845	2.538	1.042	1.496
Money market instruments and other short-term securities	3.762	11	0.722	0.649	0.073
Cash	0.017	2	0.000	0.000	0.000
Private equity	23.208	175	0.364	0.073	0.291
Venture capital	1.589	28	0.008	0.004	0.004
Real estate	52.770	314	0.921	0.809	0.112
Futures and/or options	3.043	43	0.120	0.032	0.088
Other assets	41.444	195	1.182	0.496	0.686
TOTAL SIFs:	453.326	3,462	12.053	8.403	3.650
SICARs					
Public-to-Private	0.094	3	0.000	0.000	0.000
Mezzanine	2.611	12	0.000	0.000	0.000
Venture Capital	6.276	83	0.001	0.018	-0.017
Private Equity	33.424	292	0.030	0.004	0.026
TOTAL SICAR	42.405	390	0.031	0.022	0.009
TOTAL LUXEMBOURG UCIs	3,956.348	14,656	269.490	245.503	23.987

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	817.887	20.7%	185	4.5%	1,066	7.3%
United Kingdom	685.682	17.3%	285	6.9%	1,554	10.6%
Germany	569.380	14.4%	1,434	34.6%	2,754	18.8%
Switzerland	537.641	13.6%	578	14.0%	2,741	18.7%
Italy	339.158	8.6%	152	3.7%	1,261	8.6%
France	333.759	8.4%	331	8.0%	1,394	9.5%
Belgium	168.207	4.3%	176	4.2%	982	6.7%
Netherlands	92.102	2.3%	51	1.2%	237	1.6%
Luxembourg	84.096	2.1%	232	5.6%	649	4.4%
Denmark	79.005	2.0%	24	0.6%	183	1.3%
Others	249.431	6.3%	693	16.7%	1,835	12.5%
TOTAL	3,956.348	100.0%	4,141	100.0%	14,656	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	5.721	0.145%	29	0.198%
CAD	1.616	0.041%	26	0.178%
CHF	53.049	1.341%	295	2.013%
CNH	1.473	0.037%	20	0.136%
CNY	0.074	0.002%	3	0.020%
CZK	1.374	0.035%	66	0.450%
DKK	3.236	0.082%	11	0.075%
EUR	2,158.546	54.559%	9,384	64.028%
GBP	108.777	2.749%	330	2.252%
HKD	4.547	0.115%	10	0.068%
HUF	0.330	0.008%	34	0.232%
JPY	66.456	1.680%	212	1.447%
NOK	4.741	0.120%	26	0.178%
NZD	0.807	0.020%	5	0.034%
PLN	0.581	0.015%	23	0.157%
RON	0.513	0.013%	6	0.041%
SEK	49.357	1.247%	186	1.269%
SGD	0.470	0.012%	3	0.020%
TRY	0.084	0.002%	3	0.020%
USD	1,494.566	37.776%	3,982	27.170%
ZAR	0.030	0.001%	2	0.014%
TOTAL	3,956.348	100.000%	14,656	100.000%

Pension funds

As at 10 July 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

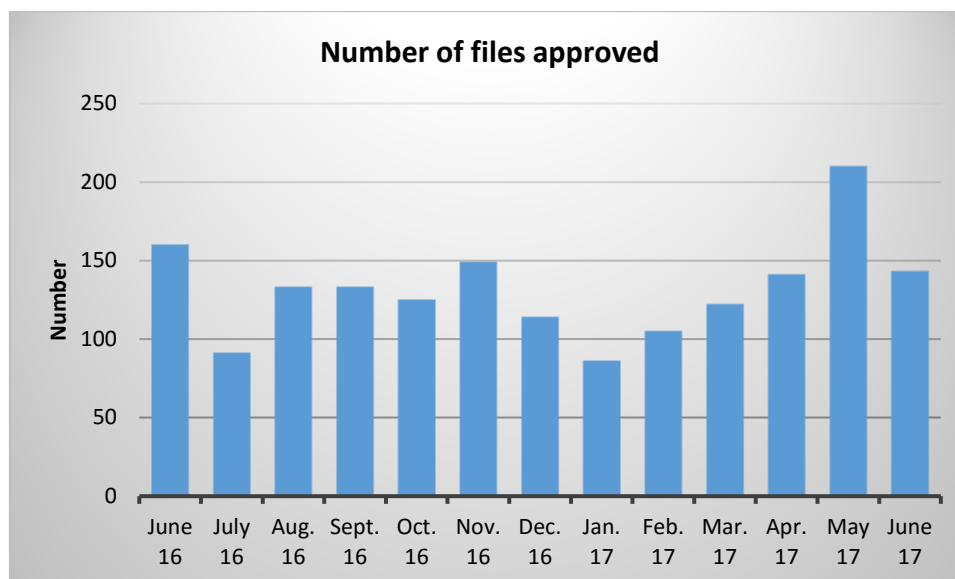
The number of **securitisation undertakings authorised** by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **34** entities as at 10 July 2017.

Public oversight of the audit profession

The public oversight of the audit profession covered **60 cabinets de révision agréés** (approved audit firms) and **291 réviseurs d'entreprises agréés** (approved statutory auditors) as at 30 June 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)

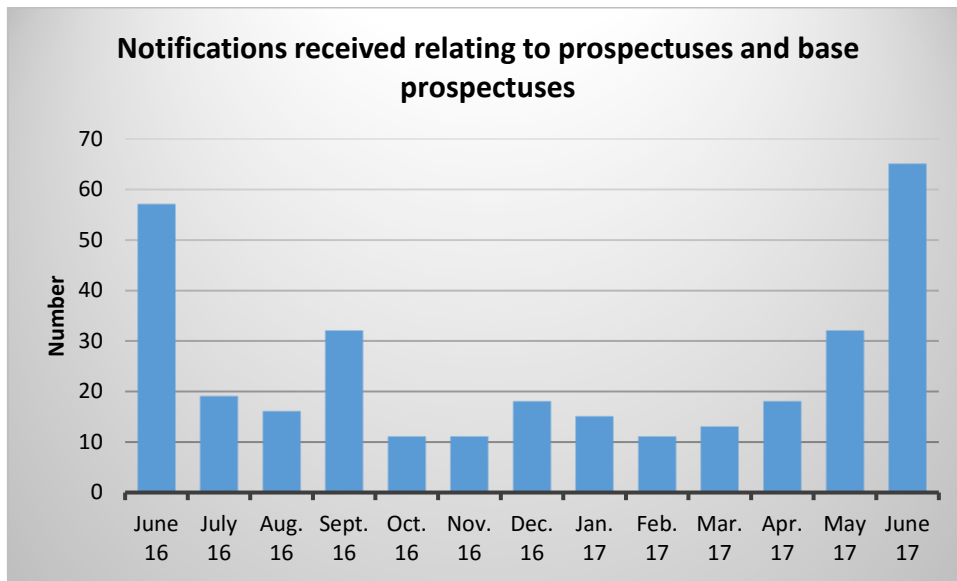
CSSF approvals



In June 2017, the CSSF approved a total of 143 documents pursuant to the Prospectus Law, which break down as follows:

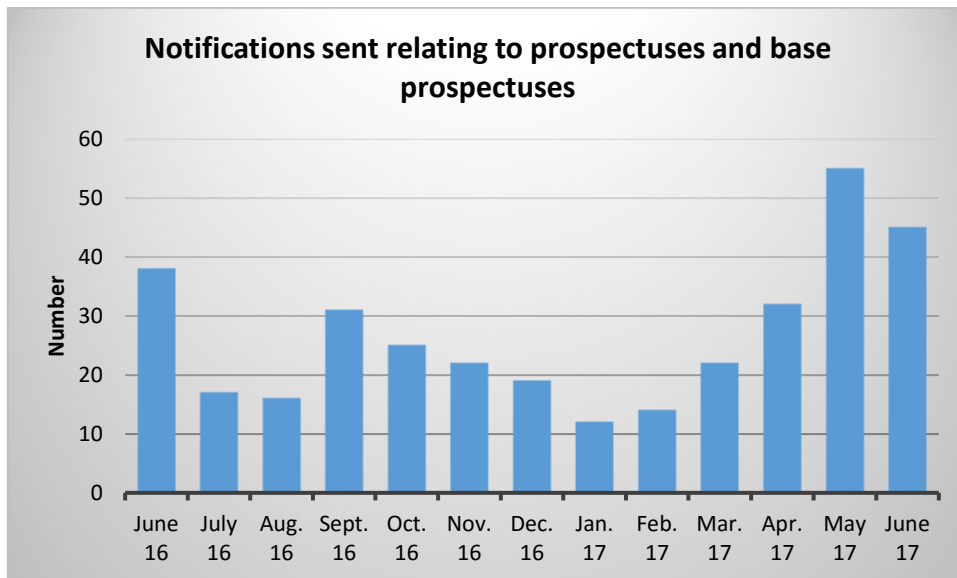
base prospectuses:	51	(35.67%)
other prospectuses:	38	(26.57%)
registration documents:	1	(0.70%)
supplements:	53	(37.06%)

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



In June 2017, the CSSF received 65 notifications relating to prospectuses and base prospectuses and 50 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 June 2017, the CSSF sent 45 notifications relating to prospectuses and base prospectuses and 45 notifications relating to supplements to the competent authorities of other EEA Member States⁴.

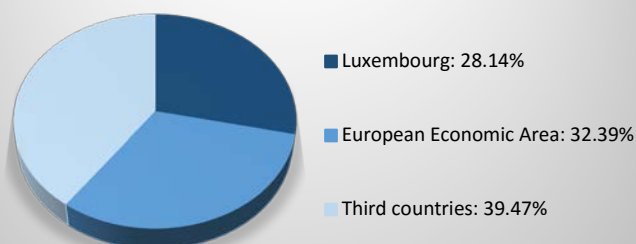
⁴ These figures reflect the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications were sent at different dates and/or in several Member States, only the first notification is included in the statistical calculation. Each document notified in one or several Member States is thus only counted once.

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

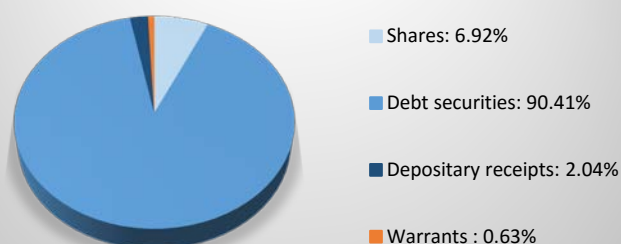
Since 8 June 2017, one issuer has chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, nine issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 10 July 2017, 636 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



WITHDRAWAL DECIDED BY THE CSSF

Following the CSSF's decision to withdraw the specialised investment fund **1. SIF-SCS** from the official list of specialised investment funds, the VIth Chamber of the Luxembourg *Tribunal d'arrondissement de et à Luxembourg* (Luxembourg District Court), dealing with commercial matters, per judgement on 15 June 2017, pronounced the dissolution and ordered the liquidation of the specialised investment fund 1. SIF-SCS. The same judgement has appointed Mr Joe Zeimetz as reporting judge and Mr Laurent Lenert as liquidator.

FINANCIAL CENTRE

Main updated figures regarding the financial centre:

			Annual comparison
Banks	Number (14/07/2017)	141 ⁵	↘ 2 entities
	Balance sheet total (31/03/2017)	EUR 800.138 bn	↗ EUR 33.496 bn
	Profit before provisions (31/03/2017)	EUR 1.407 bn	↗ EUR 102 m
Payment institutions	Number (14/07/2017)	9	↘ 1 entity
Electronic money institutions	Number (14/07/2017)	4	no variation
UCIs	Number (14/07/2017)	Part I 2010 Law: 1,888	↘ 10 entities
		Part II 2010 Law: 338	↘ 30 entities
		SIFs: 1,619	↘ 7 entities
		TOTAL: 3,845	↘ 47 entities
	Number (30/06/2017)	SICAR: 287	↗ 6 entities
	Total net assets (31/05/2017)	EUR 3,956.348 bn	↗ EUR 430.938 bn
Management companies (Chapter 15)	Number (30/06/2017)	204	↗ 3 entities
	Balance sheet total (31/03/2017) ⁶	EUR 12.230 bn	↘ 261 m
Management companies (Chapter 16)	Number (30/06/2017)	170	no variation
AIFMs	Number (15/05/2017)	225	↗ 16 entities
Pension funds	Number (10/07/2017)	14	↘ 1 entity
Authorised securitisation undertakings	Number (10/07/2017)	34	↗ 2 entities
Investment firms	Number (14/07/2017)	107 of which 9 branches	no variation
	Balance sheet total (31/05/2017)	EUR 3.824 bn	↘ EUR 1.866 bn
	Provisional net profit (31/05/2017)	EUR 75.56 m	↘ EUR 56.401 m
Specialised PFS	Number (14/07/2017)	114	↘ 13 entities
	Balance sheet total (31/05/2017)	EUR 5.784 bn	↘ EUR 1.37 bn
	Provisional net profit (31/05/2017)	EUR 168.091 m	↘ EUR 7.64 m
Support PFS	Number (14/07/2017)	77	↘ 2 entities
	Balance sheet total (31/05/2017)	EUR 1.144 bn	↗ EUR 62 m
	Provisional net profit (31/05/2017)	EUR 42.14 m	↗ EUR 13.5 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (10/07/2017)	636	↗ 63 entities
Public oversight of the audit profession	Number (30/06/2017)	60 <i>cabinets de révision agréés</i>	↘ 6 entities
		291 <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 ⁷

⁵ 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.

⁶ Preliminary figures.

⁷ 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.