



# Newsletter

## No 202 - November 2017

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## NEWS

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### Single Resolution Board: sixth Industry Dialogue

The Single Resolution Board (SRB) has just organised its sixth Industry Dialogue, on 21 November 2017. It brought together representatives from EU-level and national banking federations from Banking Union countries, representatives from National Resolution Authorities, the European Commission, the European Parliament and the European Central Bank.

The presentations made during this event are available on the SRB website under: <https://srb.europa.eu/en/node/431>.

### Administrative sanctions: publication mode

The CSSF informs the interested persons that the administrative sanctions it imposes on certain actors of the Luxembourg financial centre following legal breaches will henceforth be published on the CSSF website in the dedicated sub-sections of the different sections under "Supervision" and will no longer be mentioned in the Newsletter.

It should be noted that the CSSF publishes sanctions on a named or anonymous basis, according to the applicable legislation. Therefore, in specific situations, in particular where the publication of personal data would be disproportionate, jeopardise the stability of the financial markets or an official ongoing investigation, respectively, or would cause a disproportionate damage to the parties concerned, the CSSF is authorised to proceed with an anonymous publication of the administrative measures and sanctions, to postpone their publication until these situations cease or even not to proceed with the publication.

The available sub-sections are available at the following address: <http://www.cssf.lu/en/documentation/penaltiessanctions/>.

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## HUMAN RESOURCES

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### CSSF staff evolution

Since the publication of the last Newsletter, the CSSF has recruited 13 new agents who were assigned to the following departments:

#### Personnel, Administration and Finance

Daniel LORIG  
Claude STOCKLAUSEN

#### UCI Departments

Amra DZOGOVIĆ  
Malgorzata MARCISZEWSKA  
Robert STAUTER

#### Banking Supervisory Policy and Single Supervisory Mechanism ("SSM")

Stephanie HECK

#### Information Systems of the CSSF (IT)

Franz FONTEYNE  
Nicolas REGHEM  
Sarah ZIMMERMANN

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

Christophe DAUDRIX

## **On-site Inspection**

Natacha SANTIN

## **Accounting, auditing and transparency**

Luc SCHAUS

## **Public oversight of the audit profession**

Frédéric RIBLER

Following the departure of three agents, the CSSF employs 756 agents of which 406 are men and 350 are women (2 November 2017).

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## **WARNINGS**

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

Since the publication of the last Newsletter, the CSSF published two warnings, one on an entity named Le Pay Bank and another on an entity named Crown Managers.

<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](http://www.iosco.org/investor_protection/?subsection=investor_alerts_portal).

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## **NATIONAL REGULATION**

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### **Circular CSSF 17/670**

Circular CSSF 17/670 follows Circular CSSF 17/655 on the ESMA Guidelines for the assessment of knowledge and competence within the framework of MiFID II. It aims at communicating the minimum criteria to be included in external training courses as regards knowledge and skills. Moreover, it provides clarification on the application for registration on the list published on the CSSF website to be submitted by undertakings that wish to propose such an external professional training.

### **Circular CSSF 17/671**

Circular CSSF 17/671 specifies the implementation of CSSF Regulation N° 16-07 of 26 October 2016 relating to the out-of-court resolution of complaints. This CSSF regulation takes into account the changes introduced by the Law of 17 February 2016 introducing alternative dispute resolution for consumer disputes into the Consumer Code.

### **Circular CSSF 17/672**

The purpose of Circular CSSF 17/672 is to inform the persons and entities supervised by the CSSF of the FATF statements issued during its Plenary of November 2017 concerning (i) jurisdictions whose anti-money laundering and combating the financing of terrorism regime has substantial and strategic deficiencies; (ii) 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 (iii) jurisdictions whose anti-money laundering and combating the financing of terrorism regime is not satisfactory.

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## *BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM*

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

#### **Publications and Consultations**

##### **4 October 2017 - [ECB reinforces its NPL guidance for banks](#)**

The ECB has launched a public consultation on a draft addendum to the ECB guidance on non-performing loans. The draft addendum is aimed to supplement the guidance which was published on 20 March 2017 and to reinforce the guidance with regard to fostering timely provisioning and write-off practices. The draft addendum specifies quantitative supervisory expectations for minimum levels of prudential provisions for new NPLs. The prudential provisioning expectations will apply to all exposures that are newly classified as non-performing in line with the EBA definition as of 1 January 2018. These take into account the length of time a loan has been non-performing and the extent and valuation of collateral.

The consultation period will run until 8 December 2017 and includes a public hearing on 30 November 2017.

##### **9 October 2017 - [ECB finds interest rate risk is well managed in most European banks](#)**

The ECB has published findings of a supervisory exercise in which it assumed various hypothetical interest rate changes. The ECB finds interest rate risk is well managed in most European banks. The results of the exercise were used in the yearly supervisory review and evaluation process (SREP).

##### **24 October 2017 - [ECB released a methodological note for the publication of aggregated Supervisory Banking Statistics - 2017](#)**

The ECB has published its Methodological note for the publication of aggregated Supervisory Banking Statistics - 2017. The note presents the main features of the publication *Supervisory Banking Statistics* with respect to the scope and content of the data published, the methodology underlying data aggregation and the approach to applying confidentiality requirements.

##### **24 October 2017 - [ECB released its Supervisory Banking Statistics, second quarter 2017](#)**

The ECB has published its Supervisory Banking Statistics for the second quarter 2017. It focuses on general statistics, describes the balance sheet composition and profitability, illustrates the capital adequacy, leverage and asset quality and finally focuses on funding, liquidity and data quality respectively.

##### **October 2017 - [Letters from the Chair of the Supervisory Board to members of the European Parliament](#)**

The ECB has published letters from the Chair of the Supervisory Board to members of the European Parliament in response to written requests, essentially in relation to the draft addendum to the ECB Guidance to banks on non-performing loans.

#### **Interviews and speeches**

**13 October 2017 - [“State of play in the European banking sector”](#)** – Speech by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, IIF Annual Meeting, Washington D.C.

**14 October 2017** - "[Is small beautiful? Supervision, regulation and the size of banks](#)" - Statement by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at an IMF seminar, Washington D.C.

**16 October 2017** - "[Dealing with a globalised banking sector](#)" - Statement by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at George Washington University Law School, Washington D.C.

**16 October 2017** - "[Danièle Nouy: Interview with Expansión](#) (Spanish Newsletter)" - Interview with Danièle Nouy, Chair of the Supervisory Board of the ECB.

**16 October 2017** - "[Danièle Nouy: Interview with Cyprus News Agency](#)" - Interview with Danièle Nouy, Chair of the Supervisory Board of the ECB.

**18 October 2017** - "[Regulatory and supervisory responses in Europe to the current financial environment](#)" - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, High-level meeting on global and regional supervisory priorities, Basel.

**23 October 2017** - "[Everything is connected - the international dimension of banking regulation and supervision](#)" - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, King's College, London.

## European Council

### Publication

**27 October 2017** - Publication of the [Corrigendum to Regulation \(EU\) No 600/2014](#) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.

## European Commission

### Publications

**26 October 2017** - Publications of the [Commission Delegated Decision \(EU\) 2017/1943 of 14 July 2016](#) supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on information and requirements for the authorisation of investment firms.

**26 October 2017** - Publications of the [Commission Implementing Decision \(EU\) 2017/1944 of 13 June 2017](#) laying down implementing technical standards with regard to standard forms, templates and procedures for the consultation process between relevant competent authorities in relation to the notification of a proposed acquisition of a qualifying holding in an investment firm in accordance with Directives 2004/39/EC and 2014/65/EU of the European Parliament and of the Council.

**26 October 2017** - Publication of the [Commission Implementing Regulation \(EU\) 2017/1945 of 19 June 2017](#) laying down implementing technical standards with regard to notifications by and to applicant and authorised investment firms according to Directive 2014/65/EU of the European Parliament and of the Council.

**26 October 2017** - Publication of the [Commission Delegated Regulation \(EU\) 2017/1946 of 11 July 2017](#) supplementing Directives 2004/39/EC and 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for an exhaustive list of information to be included by proposed acquirers in the notification of a proposed acquisition of a qualifying holding in an investment firm.

## European Banking Authority (EBA)

### Publications

#### **Capital Requirements Directive and Regulation**

**5 October 2017** - [EBA updated Risk Dashboard shows slight improvement of EU banks capital level but NPLs still affect their profitability](#)

The European Banking Authority (EBA) has published a periodical update of its Risk Dashboard summarising the main risks and vulnerabilities in the EU banking sector through a set of Risk Indicators in Q2 2017.

**12 October 2017** - [EBA corrects portfolio identifiers for 2018 benchmarking exercise to ensure effective data validation](#)

The EBA has rectified Annex 1 of its Implementing Technical Standards (ITS) on benchmarking of internal approaches, which had been amended on 4 May 2017 to define the benchmarking portfolios for the 2018 benchmarking exercise. The corrections eliminate some duplicate portfolio identifiers (IDs) in Annex 1 of the ITS, which might lead to technical and practical problems for data validation and when mapping portfolio IDs to the relevant internal models applied by banks. These corrections do not entail any change to the policy or legal content of the technical standards but are aimed to facilitate effective data validation.

**18 October 2017** - [EBA updates list of public sector entities for the calculation of capital requirements](#)

The EBA has published an updated list of public sector entities (PSEs) that may be treated as regional governments, local authorities or central governments for the calculation of capital requirements, in accordance with the CRR. The EBA compiles these lists to supplement the requirements set out in Article 116 of the CRR, which specify the treatment of exposures to PSEs across the EU using the Standardised Approach.

**30 October 2017** - [EBA announces final timeline for the 2018 EU-wide stress test](#)

The exercise is expected to be launched at the beginning of 2018 and the results to be published by 2 November 2018. The EBA, in cooperation with competent authorities, is now in the process of finalising the methodology and templates with the objective of sharing them with participating banks ahead of the launch.

**30 October 2017** - [EBA provides overview of Competent Authorities implementation and transposition of the CRD IV package](#)

The EBA has updated all the information disclosed by EU competent authorities according to its ITS on supervisory disclosure, which has been developed in accordance with Article 143(1) of the CRD IV. This information, published in an aggregated format, provides an overview of the implementation and transposition of the CRD IV and CRR across the EU. It also provides a detailed picture of the use of options and national discretions by each competent authority as well as information on the general criteria and methodologies used for the purpose of the SREP.

## **Revised Payment Services Directive**

**13 October 2017** - [EBA publishes final Guidelines on procedures for complaints of alleged infringements of PSD2](#)

The EBA has published its final Guidelines on complaints procedures to be followed by competent authorities to ensure and monitor effective compliance by payment service providers (PSPs) with Directive (EU) 2015/2366 (the revised Payment Services Directive - PSD2). The final guidelines, which have been drafted in accordance with Article 100(6) of PSD2, govern the process through which payment service users and other interested parties can submit complaints to competent authorities about payment service providers' alleged infringements of PSD2.

## **Brexit**

**12 October 2017** - [EBA provides guidance to authorities and institutions on Brexit relocations](#)

The EBA has published an opinion on Brexit to ensure the consistent application of Union legislation to businesses seeking to establish or enhance their EU27 presence in order to retain access to the EU Single Market. The opinion aims at providing greater certainty to firms and ultimately at ensuring a level playing field. In the opinion, the EBA outlines a number of relevant policy topics relating to authorisations, the prudential regulation and supervision of investment firms, internal models, outsourcing, internal governance, risk transfers via back-to-back and intragroup operations, and resolution and deposit guarantee scheme issues.

## **Other**

**5 October 2017** - [EBA publishes work programme for 2018](#)

The EBA has published its detailed annual work programme for 2018, describing its specific activities and tasks for the coming year, as well as a multiannual work programme, highlighting the key strategic areas of work from 2018 to 2021.

## **Consultations**

### **Capital Requirements Directive and Regulation**

**31 October 2017** - [EBA launches consultations to strengthen the Pillar 2 framework](#)

The EBA launched a consultation to review three guidelines aimed at further enhancing institutions' risk management and supervisory convergence in the supervisory review and examination process (SREP). The revisions focus on stress testing, particularly its use in setting Pillar 2 capital guidance (P2G), as well as interest rate risk in the banking book (IRRBB).

The consultation will run until **31 January 2018**.

### **Banking Recovery and Resolution Directive**

**11 October 2017** - [EBA consults on reporting for resolution plans](#)

The EBA has launched a consultation to amend the ITS on the information which institutions must provide to resolution authorities for the purpose of drawing up and implementing resolution plans, which have been developed according to Article 11(3) of Directive 2014/59/EU (the Banking Recovery and Resolution Directive – BRRD). This review aims to update the framework taking into account the latest experience available in the areas of resolution planning and supervisory reporting.

The consultation will run until **11 December 2017**.

## **Revised Payment Services Directive**

**11 October 2017** - [EBA consults on requirements for home-host cooperation under PSD2](#)

The EBA has launched a public consultation on draft regulatory technical standards (RTS) specifying the framework for cooperation and the exchange of information between competent authorities under PSD2. The RTS, which have been drafted in accordance with Article 29(6) of PSD2, also clarify the type of information as well as the templates to be used by payment institutions when reporting to the competent authorities of the host Member States on the payment business activities carried out in their territories.

The consultation will run until **5 January 2018**.

## **Countercyclical Capital buffer (CCyB)**

- The CCyB rate for the fourth quarter of 2017 has been published on 27 September 2017 and is set at 0% ([CSSF Regulation N° 17-03](#))
- 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%:

<b>Country</b>	<b>CCyB rate</b>	<b>Application date</b>
<b>Czech Republic</b>	0.5%	01/07/2017
		01/01/2018
		01/04/2018
	1.0%	01/07/2018
		01/10/2018
<b>Iceland</b>	1.0%	05/07/2017
	1.25%	01/11/2017
		16/12/2017
		06/04/2018
		28/06/2018
<b>Norway</b>	1.5%	30/06/2017
		30/09/2017
	2.0%	31/12/2017
<b>Slovakia</b>	0.5%	01/08/2017
		01/11/2017
		01/02/2018
		01/05/2018
	1,25%	01/08/2018
<b>Sweden</b>	2.0%	19/03/2017
<b>United Kingdom</b>	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](#)



## Basel Committee of Banking Supervision (BCBS)

### Publications

**6 October 2017** - [BCBS provided update on implementation of net stable funding ratio \(NSFR\) and treatment of derivative liabilities](#)

The BCBS has provided an update on the implementation of the NSFR and the treatment of derivative liabilities and has agreed to allow national discretion for the NSFR's treatment of derivative liabilities. The NSFR assigns a 20% "required stable funding" factor to derivative liabilities. The BCBS agreed that, at national discretion, jurisdictions may lower the value of this factor, with a floor of 5%.

**18 October 2017** - [BCBS released assessment report on the implementation of the Liquidity Coverage Ratio \(LCR\) in several jurisdictions](#)

The BCBS has published assessment reports on the implementation of the LCR in Australia, Brazil, Canada and Switzerland, which were found to be "compliant" with the global Basel standards. With these publications, the BCBS has completed its review of the implementation of the LCR for all member jurisdictions. During the assessments, more than 200 deviations from the Basel LCR framework were identified, the vast majority of which have already been rectified.

**25 October 2017** - [BCBS issued final guidelines on identification and management of step-in risk](#)

The BCBS has published its final guidelines on identification and management of step-in risk which aim to mitigate significant step-in risk through a supervisory process built on reporting. Specifically, banks will be required to assess their step-in risk based on a wide range of indicators and a self-defined but transparent materiality policy. The guidelines do not prescribe any automatic Pillar 1 liquidity or capital charge, but rather rely on the application of existing prudential measures available to mitigate any significant step-in risk.

## Financial Stability Board (FSB)

### Publications and Consultations

**3 October 2017** - [FSB published consultation on unique product identifier \(UPI\) governance](#)

The consultation sets out proposals for the governance arrangements for a global UPI, as a key harmonised identifier designed to facilitate effective aggregation of transaction reports about over-the-counter (OTC) derivatives markets.

The consultation will run until **17 November 2017**.

**6 October 2017** - [FSB discussed next steps on evaluations of effects of reforms and review of global systemically important banks \(G-SIBs\) list](#)

The FSB has discussed the next steps on evaluations of effects of reforms and review of G-SIBs list and will undertake an evaluation of the effects of reforms on financial intermediation, to be carried out in coordination with the relevant standard-setting bodies under the FSB framework for post-implementation evaluation. The FSB also discussed, among other topics, the progress of the annual reviews of the lists of G-SIBs.

**10 October 2017** - [FSB released progress report on implementation of interbank offered rates \(IBOR\) reforms](#)

The FSB has released its progress report on the implementation of interbank of IBOR reforms. The progress report concludes that IBOR administrators have continued to make good progress in implementing the FSB's recommendations. However, in the case of some IBORs, such as LIBOR and EURIBOR, the FSB finds that the underlying reference transactions in some currency-tenor combinations are scarce. Therefore, submissions are still based on a mixture of factors including transactions and judgement by submitters.

**13 October 2017** - [FSB published stocktake on cybersecurity regulations, guidance and supervisory practices](#)

The FSB has published its stocktake on cybersecurity regulations, guidance and supervisory practices. The findings of the FSB stocktake include, among others: (i) jurisdictions reported that their regulatory schemes more commonly took a targeted approach to cybersecurity and/or IT risk and less commonly addressed operational risk; and (ii) there are a number of similarities across international guidance, with many of the same topics addressed, even though there are considerable differences in some technical details such as the scope of entities covered.

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*COMMUNIQUÉS*

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**Suspension of the financial instrument Abertis Infraestructuras, S.A. 3,125% 19/03/2024 (ISIN: ES0211845278)**

**Press release 17/35 of 18 October 2017**

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

**The inspections sub-group of the CEAOB has dialogue with EY European representatives and, jointly with the international auditing standards sub-group of the CEAOB, meets with representatives of the IAASB and IESBA**

**Communiqué of 30 October 2017**

The 3<sup>rd</sup> meeting of the Inspections Sub-Group (ISG) of the CEAOB was hosted by the Irish Auditing & Accounting Supervisory Authority (IAASA) in Dublin from 11 to 13 October 2017. The meeting was chaired by the French Haut Conseil du Commissariat aux Comptes (H3C).

**Highlights of the meeting include:**

**Dialogue with the European leadership of EY**

The ISG members met with European representatives of EY to discuss the firms' initiatives in continue improving the quality of its audits, including the use of new tools and policies to enhance the effectiveness of those initiatives.

**Meeting with representatives of IAASB and IESBA**

In a joint meeting with the International Auditing Standards Sub-Group of the CEAOB, the members met representatives of the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA).

The IAASB and IESBA updated the participants on the progress of key projects. The CEAOB members presented an update on common inspection findings on International Standard on Quality Control (ISQC1) and the main issues identified within the CEAOB inspection findings database. Discussion with IESBA focused on ethical requirements relevant for auditors.

**ISG work programme for 2018**

The ISG Organising Committee presented the work programme for years 2018 – 2019 which was supported by the members.

### College activities and work plan for 2018

The four College facilitators updated the group on College activities in 2017 and introduced work plans for 2018. A common approach has been adopted for the four Colleges on several areas of focus for 2018.

### Update on Common Audit Inspection Methodology (CAIM)

The ISG received an update on the development of a revenue work programme due for completion in June 2018, including details of a pilot phase over the next few months.

### Implementation of two additional ISG task forces

Several member countries of the ISG expressed an interest in joining a smaller regulators task force or supporting it with resources (experts, training, secondments). A presentation was made of the achievements since the ISG Prague meeting and the way forward was agreed.

The ISG Organising Committee also suggested the implementation of an information technology task force with a presentation of the objectives and proposed activities which have been approved by the members.

### Presentation of detailed inspection approach

The ISG commenced a series of presentations by individual members of their inspection approach. A member of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB) presented the approach adopted in Greece.

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### About the CEAOB and the Inspections Sub-Group

The Committee of European Auditing Oversight Bodies (CEAOB) is the framework for co-operation between national audit oversight bodies at an EU level. Its role is to strengthen EU-wide audit oversight. By facilitating supervisory convergence, the CEAOB contributes to the effective and consistent application of the new EU audit legislation throughout the EU. The CEAOB is composed of representatives of the national audit oversight bodies of the EU and the European Securities and Markets Authority (ESMA).

The purpose of the CEAOB Inspections Sub-Group is to further enhance the cooperation and consistency among CEAOB members on the subject of inspection activity and to have effective communication with the audit firms and other third parties, with the aim of supporting the objective of the CEAOB to improve audit quality and confidence in audits.

Further information about the CEAOB can be found on its website ([https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-reforms-and-their-progress/regulatory-process-financial-services/expert-groups-comitology-and-other-committees/committee-european-auditing-oversight-bodies\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-reforms-and-their-progress/regulatory-process-financial-services/expert-groups-comitology-and-other-committees/committee-european-auditing-oversight-bodies_en)).

### About Colleges of audit regulators

Colleges of regulators have been set up in accordance with Article 32 of the EU Audit Regulation (No 537/2014) to encourage increased co-operation between certain EU competent authorities for audit in respect of quality assurance monitoring activities. Currently four Colleges are in place, one for each of the four largest audit firm networks, each led by a College facilitator.

For further information about the CSSF please visit ([www.cssf.lu](http://www.cssf.lu)).

For further information about this communiqué, please contact:

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## **Regulation (EU) 2016/1011 on indices used as benchmarks**

### **Press release 17/36 of 30 October 2017**

The CSSF would like to remind that the provisions of Regulation (EU) 2016/1011 on indices used as benchmarks (the "Regulation") will be applicable as from 1 January 2018.

This Regulation mainly targets three types of market participants, i.e.:

- benchmark administrators;
- contributors providing input data for benchmarks and
- supervised entities that use benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

As regards the use of benchmarks by supervised entities, the CSSF wishes to draw the attention of supervised entities in particular to certain provisions that will have an impact on them if they fall within the scope of their provisions.

In accordance with the provisions of Article 29(1) of the Regulation, a supervised entity as defined in point (17) of Article 3(1) may use a benchmark or a combination of benchmarks in the Union that falls within the scope of the Regulation, if the benchmark is provided by an administrator located in the Union and included in the public register of administrators and benchmarks established and maintained by ESMA and referred to in Article 36 of the Regulation (the "Register"), or any other benchmark included in this Register.

In this respect, it should be noted that said article provides that the registration on the Register is reserved for:

- (i) a natural or legal person located in the Union that intends to act as an administrator and that has received an authorisation or registration in this respect in accordance with the provisions of Article 34 of the Regulation; and
- (ii) a benchmark or a combination of benchmarks provided by an administrator located in a third country as well as the administrator in question provided that:
  - a. the European Commission has adopted an equivalence decision for the third country in question as provided for by the provisions of Article 30 of the Regulation;
  - b. the administrator in question has obtained prior recognition by the competent authority of its Member State of reference in accordance with the provisions of Article 32 of the Regulation; or
  - c. the benchmark or the combination of benchmarks in question has been subject to endorsement as provided for in Article 33 of the Regulation.

In order to avoid disruption of markets, Article 51 of the Regulation provides for, in limited circumstances, a transitional regime of two years as from its entry into application.

As regards the documentation used by the supervised entities, it should be noted that, in accordance with the provisions of Article 29(2) of the Regulation, where a prospectus to be published in accordance with Directive 2003/71/EC or Directive 2009/65/EC relates to transferable securities or any other investment product based on a benchmark, the issuer, offeror or person asking for admission to trading on a regulated market must ensure that the prospectus also includes information stating clearly and

prominently whether or not the benchmark is provided by an administrator registered in the Register. In this context, it should be noted that the prospectuses for securities must include this information as from 1 January 2018. As regards prospectuses relating to UCITS approved prior to 1 January 2018 and using a benchmark, the underlying documents must be updated as soon as possible or within twelve months from this date at the latest.

In this context, reference should be made to Article 28(2) of the Regulation which provides that the supervised entities that use a benchmark must produce and maintain robust written plans setting out the actions they would take in the event of changes to or cessation of a benchmark. These entities must reflect these plans in the contractual relationship with their clients.

Any questions in relation to the application of this Regulation can be addressed by e-mail to [benchmark@cssf.lu](mailto:benchmark@cssf.lu).

## **Global situation of undertakings for collective investment at the end of September 2017**

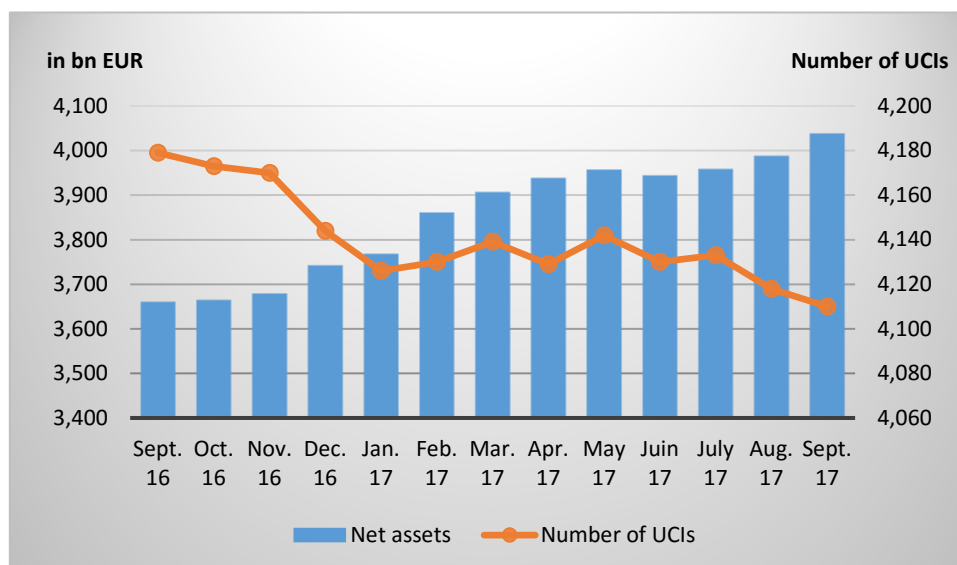
**Press release 17/37 of 31 October 2017**

### **I. Overall situation**

As at 30 September 2017, total net assets of undertakings for collective investment, including UCIs subject to the 2010 Law, specialised investment funds and SICARs amounted to EUR 4,037.140 billion compared to EUR 3,987.328 billion as at 31 August 2017, i.e. a 1.25% increase over one month. Over the last twelve months, the volume of net assets rose by 10.32%.

The Luxembourg UCI industry thus registered a positive variation amounting to EUR 49.812 billion in September. This increase represents the balance of positive net issues amounting to EUR 13.887 billion (0.35%) and a positive development in financial markets amounting to EUR 35.925 billion (0.90%).

The development of undertakings for collective investment is as follows<sup>1</sup>:



The number of undertakings for collective investment (UCIs) taken into consideration totals 4,110 as against 4,118 in the previous month. A total of 2,628 entities have adopted an umbrella structure, which represents 13,230 sub-funds. When adding the 1,482 entities with a traditional structure to that figure, a total of 14,712 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 September.

Most categories of equity UCIs developed positively during the month under review.

As regards developed countries, European equity UCIs realised a positive performance in a context of the sound economic data in the euro area and the result of the German elections. As a result mainly of the expectations linked to the tax reforms announced by the White House and the robust growth figures in the United States, US equity UCIs also ended the month in positive territory. Japanese equity UCIs developed positively owing to an overall favourable macroeconomic environment and the depreciation of the YEN against the USD and the EUR favouring Japan's foreign trade.

As far as emerging countries are concerned, the Asian equity UCI category recorded slight price decreases notably due to a mild slowdown in growth in China. Against the background of divergent developments of the stock markets in the different Eastern European countries, Eastern European equity UCIs showed almost no change during the month under review. The sound economic figures in Brazil, the stable economic indicators in Mexico as well as the bullish trend in the main commodity prices explain the positive performance of US equity UCIs.

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

**Development of equity UCIs during the month of September 2017\***

	Market variation in %	Net issues in %
Global market equities	1.58%	0.58%
European equities	3.50%	0.60%

<sup>1</sup> 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.

US equities	2.33%	-0.71%
Japanese equities	3.28%	1.30%
Eastern European equities	-0.01%	0.79%
Asian equities	-0.42%	-0.27%
Latin American equities	2.48%	1.84%
Other equities	1.00%	0.39%

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

In Europe, the yields of government bonds increased in a context of sound macroeconomic figures and the yield spreads between high-rated and lower-rated countries of the euro area generally narrowed. In the wake of the increase in government bonds, the corporate bonds recorded small price decreases so that EUR-denominated bond UCIs slightly depreciated during the month under review.

In the United States, the announcement by the US Federal Reserve of balance sheet cutbacks and a possible increase of the key interest rates in December of this year led to higher US government bond yields. Corporate bond yields followed that trend, entailing price decreases of USD-denominated bond UCIs.

Bond UCIs of emerging countries stagnated during the month under review, due to the impact, on the one hand, of globally stable economic fundamentals and the positive development of the main commodity prices and, on the other hand, the rise in the US interest rates and the USD appreciation.

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

#### Development of fixed-income UCIs during the month of September 2017\*

	Market variation in %	Net issues in %
EUR money market	-0.02%	-3.04%
USD money market	0.18%	0.56%
Global market money market	1.72%	-3.42%
EUR-denominated bonds	-0.25%	0.70%
USD-denominated bonds	-0.30%	-3.24%
Global market bonds	0.18%	0.68%
Emerging market bonds	0.08%	2.25%
High Yield bonds	0.38%	-0.15%
Others	0.08%	1.02%

\* 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 September 2017\*

	Market variation in %	Net issues in %
Diversified UCIs	0.96%	0.43%
Funds of Funds	1.18%	0.55%

\* 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 <sup>2</sup>		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 €
31/05/2017	1,895	3,297.803 €	342	162.813 €	1,620	453.326 €	3,857	3,913.943 €	285	42.923 €	4,142	3,956.366 €
30/06/2017	1,887	3,288.338 €	338	160.634 €	1,618	451.703 €	3,843	3,900.675 €	287	42.923 €	4,130	3,943.598 €
31/07/2017	1,885	3,307.103 €	338	159.097 €	1,619	448.554 €	3,842	3,914.754 €	291	42.827 €	4,133	3,957.581 €
31/08/2017	1,876	3,328.865 €	337	156.448 €	1,615	458.911 €	3,828	3,944.224 €	290	43.104 €	4,118	3,987.328 €
30/09/2017	1,880	3,380.943 €	332	154.308 €	1,608	459.079 €	3,820	3,994.330 €	290	42.810 €	4,110	4,037.140 €

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



During the month under review, the following 18 undertakings for collective investment have been registered on the official list:

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

- BERENBERG EUROPEAN FOCUS FUND, 15, rue de Flaxweiler, L-6776 Grevenmacher
- BERENBERG EUROPEAN MICRO CAP, 15, rue de Flaxweiler, L-6776 Grevenmacher
- BERENBERG EUROPEAN SMALL CAP, 15, rue de Flaxweiler, L-6776 Grevenmacher
- BERENBERG EUROZONE FOCUS FUND, 15, rue de Flaxweiler, L-6776 Grevenmacher
- FFPB MULTITREND FLEX, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- POSTBANK SICAV, 4, rue Jean Monnet, L-2180 Luxembourg
- THEME INVESTING, 534, rue de Neudorf, L-2220 Luxembourg
- UNIINSTITUTIONAL EUROPEAN BONDS: DIVERSIFIED, 308, route d'Esch, L-1471 Luxembourg
- UNIINSTITUTIONAL EUROPEAN BONDS: GOVERNMENTS PERIPHERIE, 308, route d'Esch, L-1471 Luxembourg
- VIVACITY FUNDS, 4, rue Jean Monnet, L-2180 Luxembourg

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

- L/S ABSOLUTE RETURN FONDS, 26, avenue de la Liberté, L-1930 Luxembourg
- SELECT PORTFOLIO, 12, rue Eugène Ruppert, L-2453 Luxembourg

**3) SIFs:**

- COLOGNE ALTERNATIVE ASSETS SICAV-SIF SCA, 2, place François-Joseph Dargent, L-1413 Luxembourg
- DESCOPIEDIA S.C.A., SICAV-SIF, 5, rue Heienhaff, L-1736 Senningerberg
- GII FUNDS SICAV SIF, 1B, rue Jean Piret, L-2350 Luxembourg
- PATRIZIA VALUE ADD HP SICAV-FIS, 2-4, rue Beck, L-1222 Luxembourg
- SWISS LIFE LOAN FUND (LUX) S.A., SICAV-SIF, 4A, rue Albert Borschette, L-1246 Luxembourg

**4) SICARs:**

- OXO CEE ANGEL SCSP SICAR, 44, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg

The following 26 undertakings for collective investment have been deregistered from the official list during the month under review:

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

- 1. SICAV, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- CANDRIAM TOTAL RETURN, 136, route d'Arlon, L-1150 Luxembourg
- CME GOLD & SILVER EQUITY FUND, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- GPI FONDS, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- ISTANBUL EQUITY FUND, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- UNIINSTITUTIONAL EUROPEAN MIXED TREND, 308, route d'Esch, L-1471 Luxembourg
- VICTOIRE BRASIL INVESTMENT FUNDS, 42, rue de la Vallée, L-2661 Luxembourg

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

- ALBATROS PERFORMANCE, 60, avenue J-F Kennedy, L-1855 Luxembourg
- CAPITAL GESTION, 9, boulevard Prince Henri, L-1724 Luxembourg
- CRONOS INVEST, 12, rue Eugène Ruppert, L-2453 Luxembourg
- DB PLATINUM II, 11-13, boulevard de la Foire - Centre Etoile, L-1528 Luxembourg
- EUROCASH-FUND, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- FOS OP GLOBAL STRATEGIC, 2, boulevard Konrad Adenauer, L-1115 Luxembourg

**3) SIFs:**

- AKROS GLOBAL OPPORTUNITIES S.A., SICAV-FIS, 2, boulevard de la Foire, L-1528 Luxembourg
- ALTERA INVESTMENT FUND SICAV-SIF, 14, rue Edward Steichen, L-2540 Luxembourg
- DAO FUND SICAV-SIF, 2, boulevard de la Foire, L-1528 Luxembourg
- DEDICATED MAP QUANTMETRICS FUND, 28-32, place de la Gare, L-1616 Luxembourg
- DGA, 6, avenue Marie-Thérèse, L-2132 Luxembourg
- FUND HOUSE FCP-SIF, 6, route de Trèves, L-2633 Senningerberg
- GAIN CAPITAL S.A., SICAV-FIS, 5, avenue Gaston Diderich, L-1420 Luxembourg
- HSBC SPECIALIST FUNDS, 16, boulevard d'Avranches, L-1160 Luxembourg
- IMG FUND SCA, SICAV-SIF, 20, rue de la Poste, L-2346 Luxembourg
- IPC-PORTFOLIO INVEST IX, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- JMH ABSOLUTE RETURN SICAV SIF, 15, avenue J-F Kennedy, L-1855 Luxembourg
- SOFINA MULTI STRATEGY, 8A, boulevard Joseph II, L-1840 Luxembourg

**4) SICARs:**

- MEZZANOVE CAPITAL (SCA) SICAR, 23, avenue Monterey, L-2163 Luxembourg

## **EBA launches a public consultation on draft regulatory technical standards (RTS) on methods of prudential consolidation**

### **Communiqué of 10 November 2017**

The European Banking Authority (EBA) launched on 9 November 2017 a public consultation on draft RTS specifying the different methods of prudential consolidation, which can be applied when certain conditions and criteria are met. The draft RTS are developed according to Article 18(7) of Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR) and aim, among other things, to ensure that the appropriate method of prudential consolidation is applied in the context of the CRR requirements on a consolidated basis.

According to the CRR, the entities included in the scope of prudential consolidation are institutions (i.e. credit institutions and investment firms), financial institutions and, when consolidated supervision is required, ancillary services undertakings. In this respect, the EBA has published in parallel an **Opinion and a Report on the prudential treatment of other financial intermediaries (OFIs) and regulatory perimeter issues**, highlighting the diversity in terms of application of the definition of “financial institution” and “ancillary services undertaking”, which currently exists. As these terms are crucial for the purposes of establishing the scope of prudential consolidation, the Consultation Paper on these draft RTS also seeks feedback on this issue.

The consultation, which is available at the following link, runs until **9 February 2018**: [https://www.eba.europa.eu/news-press/calendar?p\\_p\\_id=8&\\_struts\\_action=%2Fcalendar%2Fview\\_event&\\_eventId=2019691](https://www.eba.europa.eu/news-press/calendar?p_p_id=8&_struts_action=%2Fcalendar%2Fview_event&_eventId=2019691).

The Opinion and the Report on the prudential treatment of other financial intermediaries (OFIs) and regulatory perimeter issues are available at: <http://www.eba.europa.eu/-/eba-publishes-an-opinion-and-report-on-regulatory-perimeter-issues-relating-to-the-crdv-crr>

A public hearing will take place at the EBA premises on **22 January 2018** from **13.30 to 15.30 UK time**.

## ESMA issues a statement on risks of ICOs for investors

Press release 17/38 of 16 November 2017

The CSSF informs investors and other market participants that the European Securities and Markets Authority (ESMA) has issued a statement on Initial Coin Offerings (ICOs) setting out risks of so-called ICOs for investors.

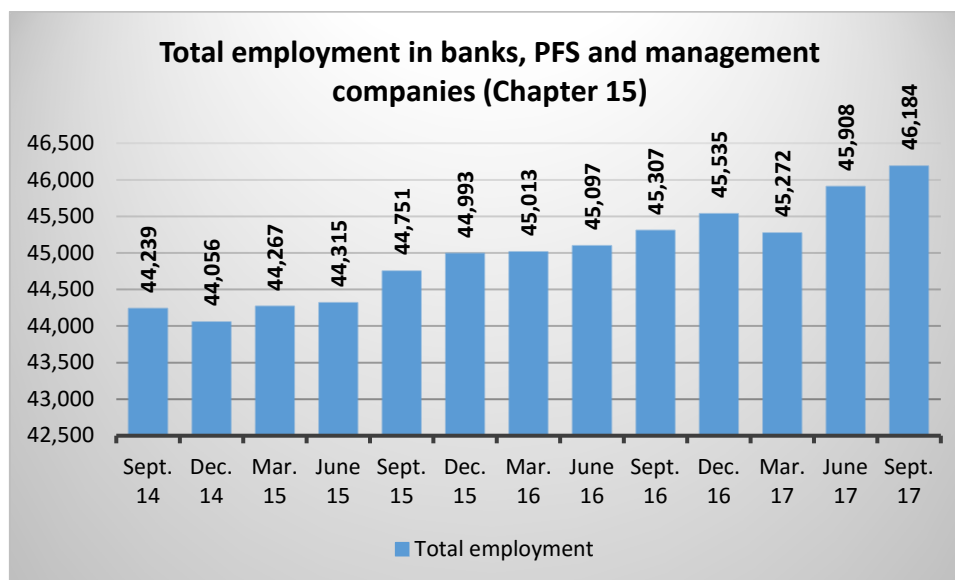
Please find below a link to the document:

[https://www.esma.europa.eu/sites/default/files/library/esma50-157-829\\_ico\\_statement\\_investors.pdf](https://www.esma.europa.eu/sites/default/files/library/esma50-157-829_ico_statement_investors.pdf).

### STATISTICS

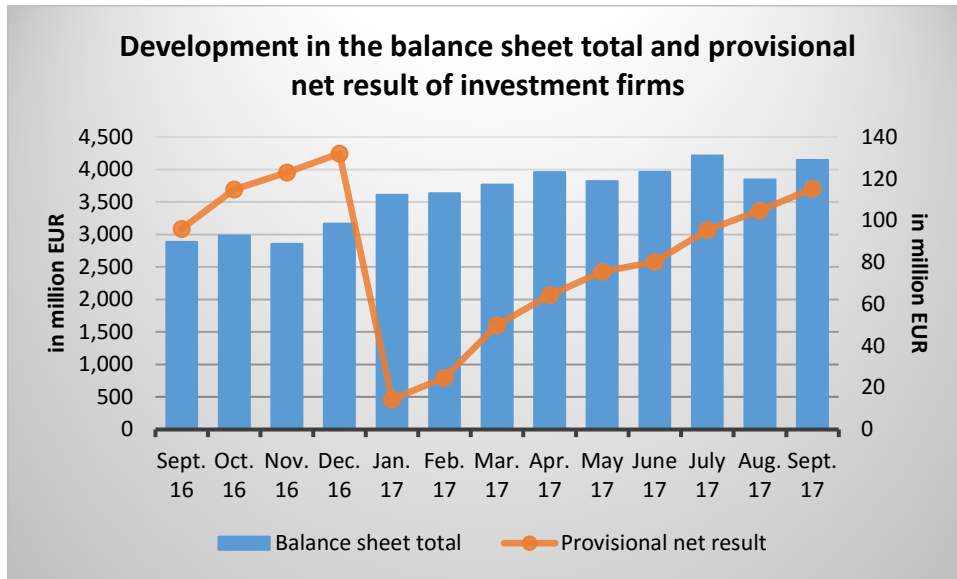
#### Total employment in banks, PFS and management companies (Chapter 15)

Increase in total employment as at 30 September 2017



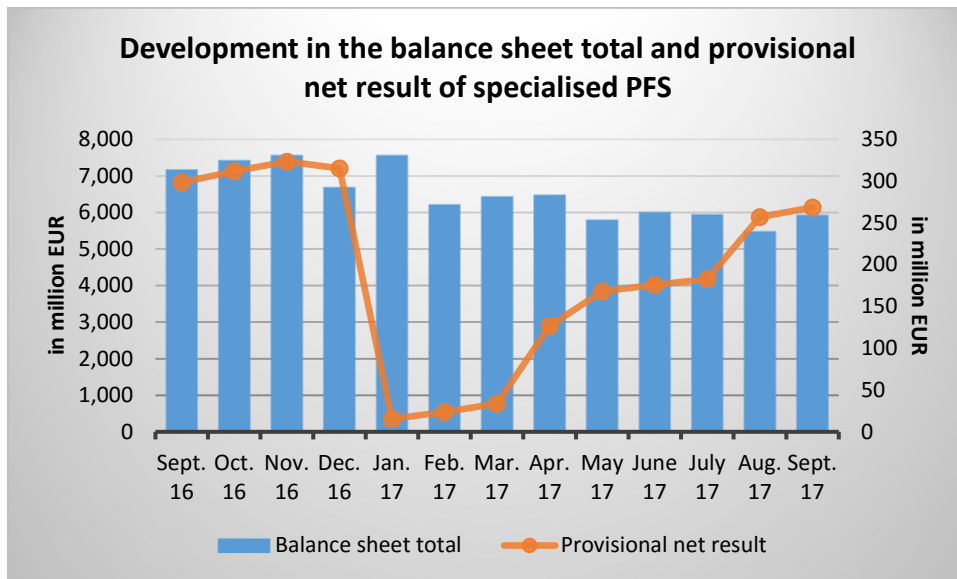
### Investment firms

#### Increase in balance sheet total as at 30 September 2017



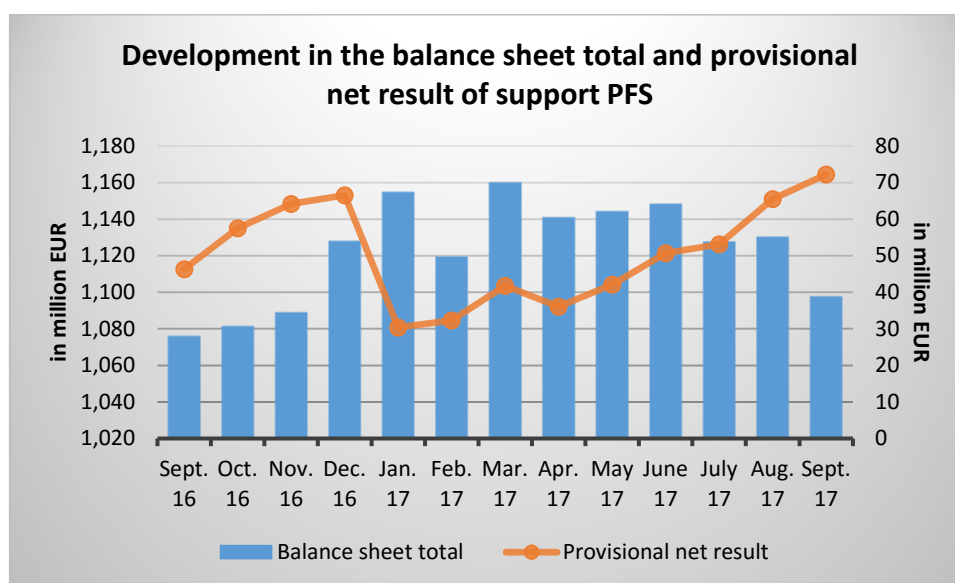
### Specialised PFS

#### Increase in the balance sheet total as at 30 September 2017



## Support PFS

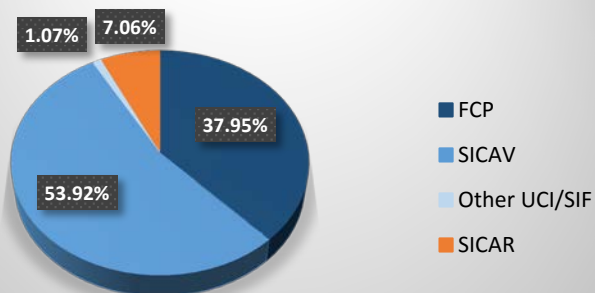
### Decrease in the balance sheet total as at 30 September 2017



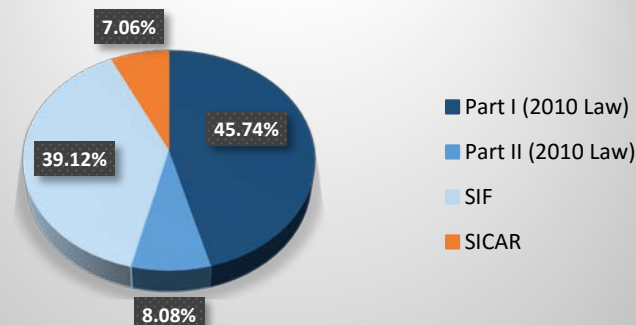
## UCIs (Situation as at 30 September 2017)

### Number of UCIs

#### Breakdown according to legal form



#### Breakdown according to law and part applicable

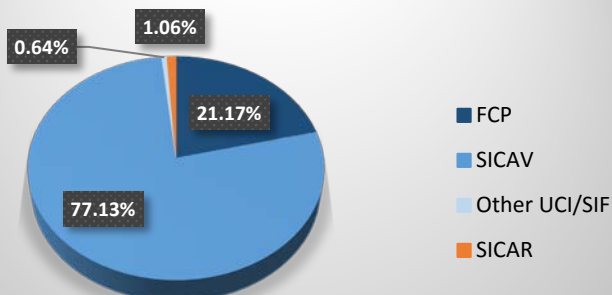


Law, part/legal form	FCPs	SICAVs	Other UCIs/SIFs	SICARs	Total
Part I (2010 Law)	1,007	873	0	0	<b>1,880</b>
Part II (2010 Law)	170	159	3	0	<b>332</b>
SIFs	383	1,184	41	0	<b>1,608</b>

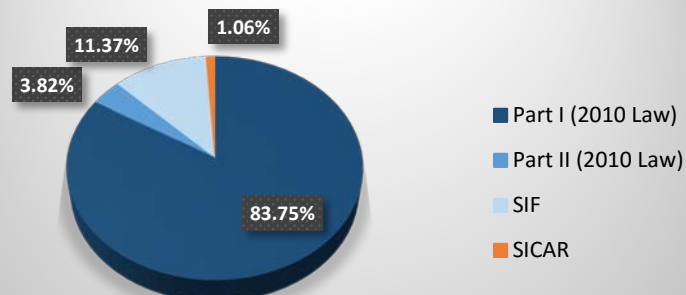
<b>SICARs</b>	0	0	0	290	<b>290</b>
<b>TOTAL</b>	<b>1,560</b>	<b>2,216</b>	<b>44</b>	<b>290</b>	<b>4,110</b>

### 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	Other UCIs/SIFs	SICARs	Total
<b>Part I (2010 Law)</b>	638.566	2,742.377	0.000	0.000	<b>3,380.943</b>
<b>Part II (2010 Law)</b>	54.055	99.605	0.648	0.000	<b>154.308</b>
<b>SIFs</b>	162.114	271.959	25.006	0.000	<b>459.079</b>
<b>SICARs</b>	0.000	0.000	0.000	42.810	<b>42.810</b>
<b>TOTAL</b>	<b>854.735</b>	<b>3,113.941</b>	<b>25.654</b>	<b>42.810</b>	<b>4,037.140</b>

### Breakdown according to investment policy

Breakdown according to investment policy	Net assets (in bn EUR)	Number of fund units <sup>3</sup>
Fixed-income securities	1,216.671	3,145
Variable-yield transferable securities	1,178.261	3,797
Mixed transferable securities	875.215	4,029
Funds of funds	245.869	2,163
Money market instruments and other short-term securities	324.115	240
Cash	1.733	20
Private equity	29.292	195
Venture capital	1.651	29
Real estate	57.097	337
Futures and/or options	13.054	124

<sup>3</sup> "Fund units" refers to both traditionally structured UCIs and sub-funds of umbrella funds.

Other assets	51.372	228
Public-to-Private	0.096	3
Mezzanine	2.508	13
Venture Capital (SICARs)	7.029	89
Private Equity (SICARs)	33.177	300
<b>TOTAL</b>	<b>4,037.140</b>	<b>14,712</b>

### Breakdown of net assets according to investment policy

Breakdown according to investment policy	NET ASSETS (in bn EUR)	NUMBER OF FUND UNITS	SUBSCRIPTIONS (in bn EUR)	REDEMPTIONS (in bn EUR)	NET SUBSCRIPTIONS (in bn EUR)
<b>PART I</b>					
Fixed-income transferable securities	1,109.332	2,523	45.406	33.933	11.473
Variable-yield transferable securities	1,116.234	3,413	39.669	34.689	4.980
Mixed transferable securities	698.149	2,832	22.383	17.591	4.792
Funds of funds	141.135	998	2.434	2.582	-0.148
Money market instruments and other short-term securities	304.179	183	121.147	125.786	-4.639
Cash	1.161	10	0.031	0.051	-0.020
Futures and/or options	7.196	57	0.594	0.167	0.427
Other assets	3.557	10	0.065	0.055	0.010
<b>TOTAL PART I:</b>	<b>3,380.943</b>	<b>10,026</b>	<b>231.729</b>	<b>214.854</b>	<b>16.875</b>
<b>PART II</b>					
Fixed-income transferable securities	25.146	111	0.542	1.124	-0.582
Variable-yield transferable securities	14.182	65	0.095	0.233	-0.138
Mixed transferable securities	55.474	207	1.239	2.220	-0.981
Funds of funds	30.823	298	0.338	0.496	-0.158
Money market instruments and other short-term securities	15.661	46	0.665	0.778	-0.113
Cash	0.556	8	0.014	0.009	0.005
Private equity	4.633	15	0.084	0.030	0.054
Venture capital	0.003	1	0.000	0.000	0.000
Real estate	1.469	21	0.170	0.000	0.170
Futures and/or Options	2.862	28	0.027	0.052	-0.025
Other assets	3.499	13	0.051	0.018	0.033
<b>TOTAL PART II:</b>	<b>154.308</b>	<b>813</b>	<b>3.225</b>	<b>4.960</b>	<b>-1.735</b>
<b>SIFs</b>					

Fixed-income transferable securities	82.193	511	2.100	5.749	-3.649
Variable-yield transferable securities	47.845	319	0.350	0.791	-0.441
Mixed transferable securities	121.592	990	1.520	1.153	0.367
Funds of funds	73.911	867	2.262	0.571	1.691
Money market instruments and other short-term securities	4.275	11	0.326	0.311	0.015
Cash	0.016	2	0.000	0.000	0.000
Private equity	24.659	180	0.436	0.557	-0.121
Venture capital	1.648	28	0.039	0.012	0.027
Real estate	55.628	316	0.965	0.299	0.666
Futures and/or options	2.996	39	0.025	0.021	0.004
Other assets	44.316	205	0.768	0.392	0.376
<b>TOTAL SIFs:</b>	<b>459.079</b>	<b>3,468</b>	<b>8.791</b>	<b>9.856</b>	<b>-1.065</b>
<b>SICARs</b>					
Public-to-Private	0.096	3	0.000	0.000	0.000
Mezzanine	2.508	13	0.000	0.000	0.000
Venture capital	7.029	89	0.001	0.001	0.000
Private equity	33.177	300	0.051	0.239	-0.188
<b>TOTAL SICARs</b>	<b>42.810</b>	<b>405</b>	<b>0.052</b>	<b>0.240</b>	<b>-0.188</b>
<b>TOTAL LUXEMBOURG UCIs</b>	<b>4,037.140</b>	<b>14,712</b>	<b>243.797</b>	<b>229.910</b>	<b>13.887</b>

### Origin of the initiators of Luxembourg UCIs

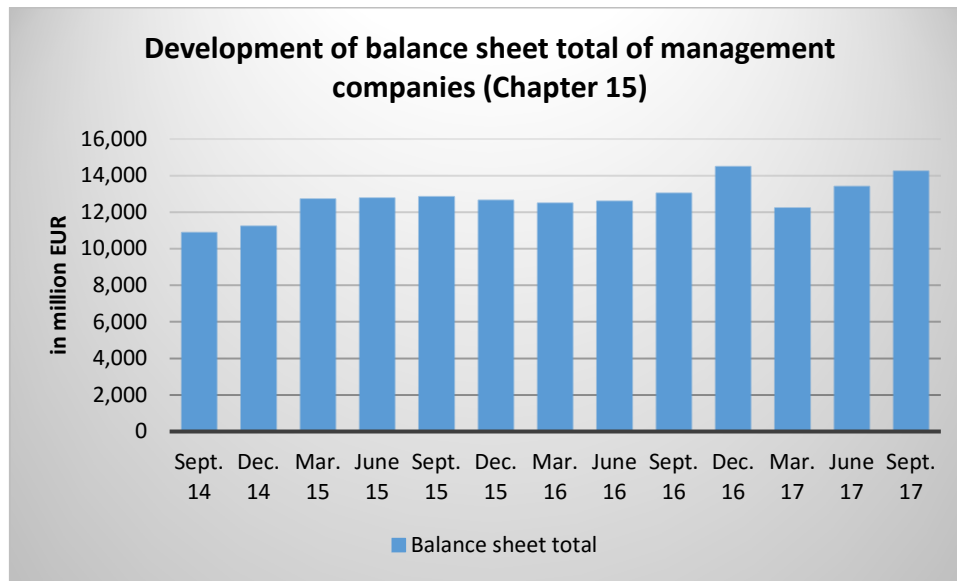
Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
United States	832.078	20.6%	182	4.4%	1,061	7.2%
United Kingdom	700.424	17.4%	280	6.8%	1,567	10.6%
Germany	583.949	14.5%	1,419	34.5%	2,727	18.5%
Switzerland	550.207	13.6%	581	14.1%	2,769	18.8%
France	346.636	8.6%	331	8.1%	1,429	9.7%
Italy	342.968	8.5%	149	3.6%	1,256	8.5%
Belgium	170.977	4.2%	171	4.2%	967	6.6%
Netherlands	94.494	2.3%	50	1.2%	244	1.7%
Luxembourg	84.932	2.1%	234	5.7%	657	4.5%
Denmark	80.129	2.0%	24	0.6%	185	1.3%
Others	250.346	6.2%	689	16.8%	1,850	12.6%
<b>TOTAL</b>	<b>4,037.140</b>	<b>100.0%</b>	<b>4,110</b>	<b>100.0%</b>	<b>14,712</b>	<b>100.0%</b>



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

Currency	Net assets (in bn EUR)	in %	Number of fund units	in %
AUD	5.346	0.132%	29	0.197%
CAD	1.689	0.042%	26	0.177%
CHF	50.142	1.242%	292	1.985%
CNH	1.606	0.040%	25	0.170%
CNY	0.087	0.002%	3	0.020%
CZK	1.359	0.034%	62	0.421%
DKK	2.060	0.051%	12	0.082%
EUR	2,213.493	54.828%	9,413	63.982%
GBP	108.709	2.693%	332	2.257%
HKD	4.604	0.114%	10	0.068%
HUF	0.322	0.008%	34	0.231%
JPY	65.127	1.613%	214	1.455%
MXN	0.017	0.000%	1	0.007%
NOK	5.099	0.126%	30	0.204%
NZD	0.720	0.018%	5	0.034%
PLN	0.464	0.011%	22	0.149%
RON	0.511	0.013%	5	0.034%
SEK	48.927	1.212%	183	1.244%
SGD	0.390	0.010%	3	0.020%
TRY	0.077	0.002%	3	0.020%
USD	1,526.364	37.808%	4,006	27.229%
ZAR	0.027	0.001%	2	0.014%
<b>TOTAL</b>	<b>4,037.140</b>	<b>100.000%</b>	<b>14,712</b>	<b>100.000%</b>

## Management companies authorised according to Chapter 15 of the 2010 Law Increase in the balance sheet total as at 30 September 2017



### Pension funds

As at 10 November 2017, **13 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

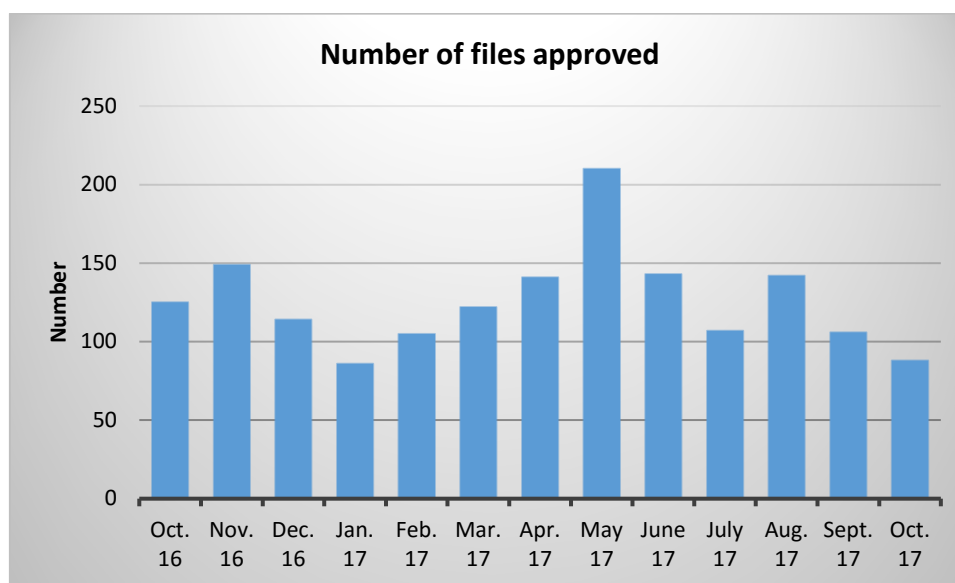
The number of **securitisation undertakings authorised** by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **34** entities as at 10 November 2017.

## Public oversight of the audit profession

The public oversight of the audit profession covered **56 *cabinets de révision agréés*** (approved audit firms) and **307 *réviseurs d'entreprises agréés*** (approved statutory auditors) as at 31 October 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)

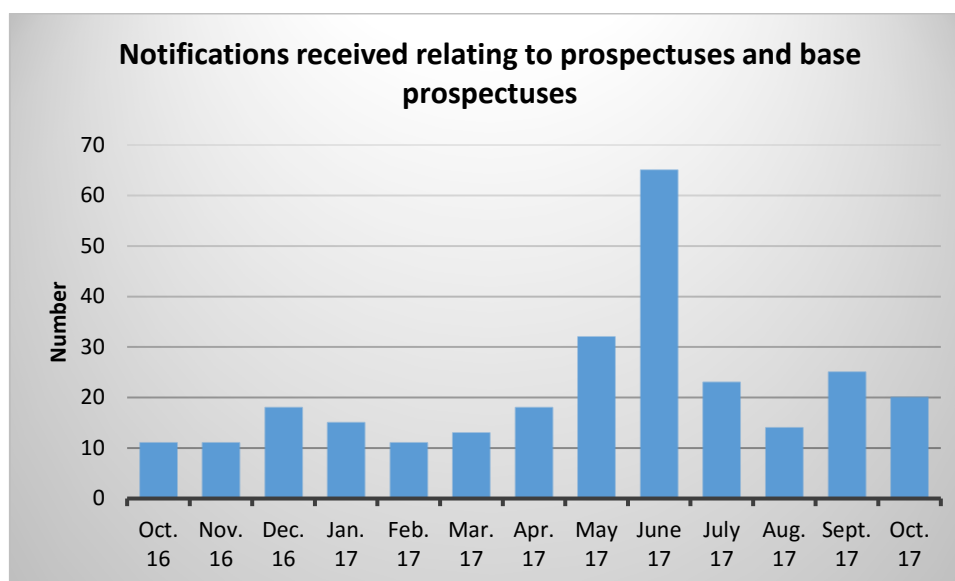
### CSSF approvals



In October 2017, the CSSF approved a total of 88 documents pursuant to the Prospectus Law, which break down as follows:

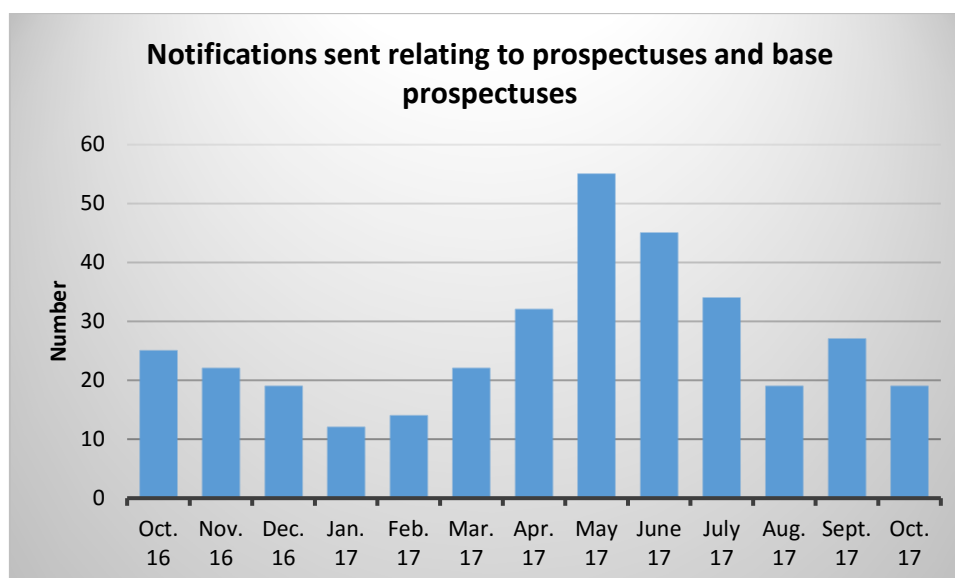
base prospectuses:	17	(19.32%)
other prospectuses:	21	(23.86%)
supplements:	50	(56.82%)

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



In October 2017, the CSSF received 20 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 competent authorities of other EEA Member States



In October 2017, the CSSF sent 19 notifications relating to prospectuses and base prospectuses and 29 notifications relating to supplements to the competent authorities of other EEA Member States<sup>4</sup>.

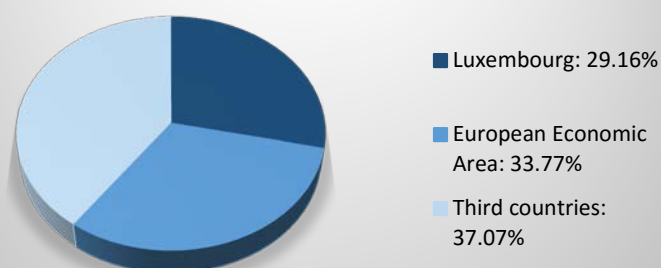
<sup>4</sup> These figures reflect the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications were sent at different dates and/or in several Member States, only the first notification is included in the statistical calculation.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

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

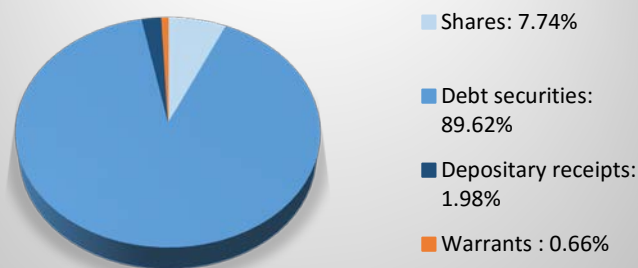
Since 10 October 2017, four issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, 11 issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 10 November 2017, 607 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 FENICE SICAV-SIF SCA from the official list of specialised investment funds, the VIth Chamber of the *Tribunal d'arrondissement de et à Luxembourg* (Luxembourg District Court), dealing with commercial matters, per judgment on 9 November 2017, pronounced the dissolution and ordered the liquidation of FENICE SICAV-SIF SCA. The same judgment has appointed Ms Jackie Mores as reporting judge and Mr Cédric Schirrer as liquidator.

## FINANCIAL CENTRE

### Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (10/11/2017)	141 <sup>5</sup>	no variation
	Balance sheet total (30/06/2017)	EUR 763.446 bn	↘ EUR 9.821 bn
	Profit before provisions (30/06/2017)	EUR 3.028 bn	↘ EUR 25 mio
Payment institutions	Number (10/11/2017)	9	↘ 1 entity
Electronic money institutions	Number (10/11/2017)	5	↗ 1 entity
UCIs	Number (13/11/2017)	Part I 2010 Law: 1,870	↘ 25 entities
		Part II 2010 Law: 325	↘ 30 entities
		SIFs: 1,611	↘ 36 entities
		TOTAL: 3,806	↘ 91 entities
	Number (09/11/2017)	SICARs: 290	↗ 9 entities
	Total net assets (30/09/2017)	EUR 4,037.140 bn	↗ EUR 377.781 bn
Management companies (Chapter 15)	Number (31/10/2017)	201	↘ 3 entities
	Balance sheet total (30/09/2017) <sup>6</sup>	EUR 14.233 bn	↗ EUR 1.211 bn
Management companies (Chapter 16)	Number (31/10/2017)	171	no variation
AIFMs	Number (13/11/2017)	227	↗ 13 entities
Pension funds	Number (10/11/2017)	13	↘ 2 entities
Authorised securitisation undertakings	Number (10/11/2017)	34	no variation
Investment firms	Number (10/11/2017)	104 of which 7 branches	↘ 5 entities
	Balance sheet total (30/09/2017)	EUR 4.145 bn	↗ EUR 1.258 bn
	Provisional net profit (30/09/2017)	EUR 115.284 m	↗ EUR 19.204 m
Specialised PFS	Number (10/11/2017)	113	↘ 12 entities
	Balance sheet total (30/09/2017)	EUR 5.919 bn	↘ EUR 1.24 bn
	Provisional net profit (30/09/2017)	EUR 268.484 m	↘ EUR 29.845 m
Support PFS	Number (10/11/2017)	78	↗ 1 entity
	Balance sheet total (30/09/2017)	EUR 1.098 bn	↗ EUR 23 m
	Provisional net profit (30/09/2017)	EUR 72.21 m	↗ EUR 25.88 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (10/11/2017)	607	↘ 64 entities
Public oversight of the audit profession	Number (31/10/2017)	56 <i>cabinets de révision agréés</i>	↘ 10 entities
		307 <i>réviseurs d'entreprises agréés</i>	↗ 15 people
		40 third-country auditors and audit firms	↘ 1 entity
Employment ( )	Banks	26,030 people	↘ 102 people
	Management companies (Chapter 15)	4,275 people	↗ 310 people
	Investment firms	2,288 people	↗ 14 people
	Specialised PFS	4,124 people	↗ 174 people
	Support PFS	9,467 people	↗ 481 people
	Total	46,184 people	↗ 877 people <sup>7</sup>

<sup>5</sup> A difference with the number stated in the application "Supervised Entities" may occur. This difference is due to the fact that the list in the application includes the banks that are already closed, but whose closure has not yet been confirmed by the ECB.

<sup>6</sup> Preliminary figures

<sup>7</sup> This development does not mean a net creation or loss of jobs, but includes the transfer of existing jobs from the non-financial sector to the financial sector and vice versa.