Newsletter

No 203 - December 2017

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NEWS

SRB: 2017 policy statement

The Single Resolution Board (SRB) has published on 20 December its 2017 policy statement on the minimum requirement for own funds and eligible liabilities (MREL), which serves as a basis for setting consolidated MREL targets for banks under the remit of the SRB.

Thus, the SRB is moving from informative targets - communicated in the 2016 MREL policy - to bank-specific binding consolidated MREL targets for the majority of the largest and most complex banks under the SRB remit.

The 2017 SRB MREL policy is part of a multi-year approach for establishing final MREL targets.

Publication of penalties

The CSSF informs the interested persons that the measures it imposes on certain actors of the Luxembourg financial centre following legal breaches will henceforth be published on the CSSF website. In general, these publications will include information on the type and nature of the breach and the identity of the natural or legal person on whom the penalty is imposed. In specific situations, in particular where the publication of personal data would be disproportionate, jeopardise the stability of financial markets or an official ongoing investigation, respectively, or would cause 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 measures and administrative penalties published are available on the CSSF website at http://www.cssf.lu/en/documentation/penaltiessanctions/.

HUMAN RESOURCES

CSSF staff evolution

Since the publication of the last Newsletter, the CSSF has recruited 9 new agents who were assigned to the following departments:

Innovation, payments, markets infrastructures and governance

Elvira JÖRG

Amélie SOMMEN

Véronique POURTIER

Personnel, administration and finance

Patrick GARBI

Executive board secretariat

Sarah MAUS

Supervision of specialised PFS

Nathalie DARAIZE

On-site inspection

Daniela CHIRU

Stijn HUYSENTRUYT

Philippe LEDUR

Following the departure of one agent, the CSSF counts 764 agents of which 409 are men and 355 are women (1 December 2017).

WARNINGS

Warnings published by the CSSF

Since the publication of the last Newsletter, the CSSF published three warnings, one concerning an entity named Hush, another one concerning an entity named Cybertrust S.A. and the last one concerning an entity named Epargne Banque.

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 17/673

Circular CSSF 17/673 provides information on the EBA Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013 (CRR) which enter into force on 31 December 2017 and which the CSSF has committed to comply with in its capacity as national competent authority. Part Eight of the CRR defines the disclosure requirements that apply to credit institutions and investment firms.

Circular CSSF 17/674

Circular CSSF 17/674 implements the ESMA Guidelines on transaction reporting under Article 26 of MiFIR, order record keeping under Article 25 of MiFIR and clock synchronisation pursuant to Article 50 of MiFID II, into Luxembourg law. Moreover, the circular specifies the transaction reporting requirement provided for in Article 26 of MiFIR as regards transaction reporting involving branches and the arrangements to comply with to report transactions to the CSSF.

Circular CSSF-CPDI 17/10

The aim of this circular is to carry out a survey on deposits, and more particularly on covered deposits, as held by credit institutions incorporated under Luxembourg law, the POST Luxembourg for its provision of postal financial services, and Luxembourg branches of credit institutions having their head office in a third country, as at 31 December 2017. The collected data shall enable the Conseil de protection des déposants et des investisseurs (CPDI) to establish the 2018 target level of the Fonds de garantie des dépôts Luxembourg (FGDL).

CSSF Regulation N° 17-04 concerning systemically important institutions authorised in Luxembourg

The CSSF Regulation does not identify any global systemically important institution. However, it identifies four CRR institutions as other systemically important institutions based on their score, two CRR institutions as other systemically important institutions according to prudential ruling, and two CRR institutions as systemically important institutions according to prudential ruling based on an enriched methodology taking into account national specificities. Moreover, the regulation establishes the buffer rate for these other systemically important institutions. The regulation was published in the Official Journal (*Mémorial* A – N° 1056) of 14 December 2017.

Circular CSSF 17/675

This circular draws the banks' attention to the EBA Guidelines on the credit risk management practices and accounting for expected credit losses by credit institutions. The CSSF intends to comply with these guidelines in its capacity as competent authority.

Grand-ducal Regulation of 21 December 2017 relating to the fees to be levied by the Commission de Surveillance du Secteur Financier

The Grand-ducal regulation sets down the fees that the CSSF levies on the supervised entities to cover its personnel, financial and operating costs in accordance with Article 24 of the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"). The Grand-ducal regulation was published on 22 December 2017 in the Official Journal (Mémorial A - No 1121) and enters into force on 1 January 2018. The regulation repeals Grand-ducal Regulation of 28 October 2013 relating to the fees to be levied by the CSSF.

CSSF Regulation N° 17-05 on the setting of the countercyclical buffer rate for the first quarter of 2018

CSSF Regulation N° 17-05 sets the countercyclical buffer rate applicable to the relevant exposures in Luxembourg. This rate remains at 0% for the first quarter of 2018. The regulation enters into force on 1 January 2018.

BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM

(only in English)

Single Supervisory Mechanism - European Central Bank (ECB)

Publications

8 November 2017 - ECB released guide on the supervision of less significant institutions (LSIs) within the SSM

The ECB has published its guide on the supervision of LSIs within the SSM. The guide provides a picture of the framework for LSIs supervision, including of: (i) the organisation of banking supervision; (ii) the description of the LSI sector and recent developments; (iii) the challenges facing LSIs and the implications for the supervision; (iv) the main supervisory activities conducted on LSIs by NCAs; and (v) the promotion of the convergence of LSI supervision across the SSM.

15 November 2017 - Supervision Newsletter Autumn 2017

The ECB has published its Supervision Newsletter Autumn 2017 including the following contributions for November:

- Addressing future non-performing loans
- Recovery and resolution: banks need to be prepared
- Mapping the key risks to euro area banks for 2018
- Brexit: an ECB supervision perspective
- Fine-tuning licensing for fintech banks
- Dialogue: a cornerstone of supervision

24 November 2017 - ECB Banking Supervision released thematic review report on IFRS 9

The ECB has published the findings of a thematic review on International Financial Reporting Standard (IFRS) 9 which, as part of its supervisory priorities, assessed the preparedness of institutions for implementing the standard. The findings suggest that the impact of IFRS 9 on institutions applying the standardised approach for credit risk is likely to be greater than for institutions applying the internal ratings-based approach. The report also outlines key supervisory expectations for the ongoing implementation and application of IFRS 9. Banks in the euro area are currently working to implement this new accounting standard. Under the IFRS 9, which enters into force on 1 January 2018, financial institutions must recognise loan losses earlier than previously. Results of the thematic review were considered in the Supervisory Review and Evaluation Process (SREP) 2017.

Interviews and speeches

3 November 2017 - "Ignazio Angeloni: Interview with Il Sole 24 Ore (Italian Newsletter)" - Interview with Ignazio Angeloni, Member of the Supervisory Board of the ECB

3 November 2017 - "Ignazio Angeloni: Interview with Handelsblatt (German Newsletter)" - Interview with Ignazio Angeloni, Member of the Supervisory Board of the ECB

7 November 2017 - "Sabine Lautenschläger: European banks – The quest for the best business model"- Speech by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, ECB Forum on Banking Supervision, Frankfurt

8 November 2017 - "Danièle Nouy: Interview with Class CNBC (American Newsletter)" - Interview with Danièle Nouy, Chair of the Supervisory Board of the ECB

9 November 2017 - "Danièle Nouy: Second 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

9 November 2017 - "Sabine Lautenschläger: Pro-cyclicality and interconnectedness in the financial sector – the European perspective" - Presentation by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the "Monetary, Financial, and Prudential Policy Interactions in the Post-Crisis World" conference organised by BoE/HKMA/IMF in Washington D.C.

14 November 2017 - "Danièle Nouy: Banking union – Forging a European banking market" - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, at the Frankfurt 120 Round Table, Frankfurt am Main

14 November 2017 - "Sabine Lautenschläger: Banking supervision - What next? " - Speech by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, Banking Supervision, Resolution and Risk Management Conference during 20th Euro Finance Week, Frankfurt

15 November 2017 - "Ignazio Angeloni: "We need to seize the opportunities to adjust to changes in banking"" - Interview with Ignazio Angeloni, Member of the Supervisory Board of the ECB, Supervision Newsletter (Autumn 2017)

20 November 2017 - "Sabine Lautenschläger: The European banking sector - the big challenges" - Speech by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, IIF European Chief Risk Officer Forum, Frankfurt

21 November 2017 - "Pentti Hakkarainen: Internal Auditors – Key figures within a stable European banking sector" - Speech by Pentti Hakkarainen, Member of the Supervisory Board of the ECB, at the ECIIA Conference, Frankfurt am Main

24 November 2017 - "Danièle Nouy: Progress and developments in European banking supervision - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, 18. Handelsblatt Jahrestagung on European Banking Regulation, Frankfurt

30 November 2017 - "Introductory remarks to the public hearing on the draft addendum to the ECB guidance to banks on non-performing loans" - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, and Sharon Donnery, Chair of the ECB's High Level Group on NPLs, Frankfurt am Main

30 November 2017 - "Danièle Nouy: The time is ripe to clean up euro zone banks' bad loans" - Opinion piece by Danièle Nouy, Chair of the Supervisory Board of the ECB, published in the Financial Times

Regulatory developments

8 November 2017 - Publication of the Opinion of the European Central Bank of 8 November 2017 on amendments to the Union framework for capital requirements of credit institutions and investment firms (CON/2017/46)

8 November 2017 - Publication of the Opinion of the European Central Bank of 8 November 2017 on revisions to the Union crisis management framework (CON/2017/47)

9 November 2017 - Publication of the Opinion of the European Central Bank of 9 November 2017 on support to home loan borrowers in a difficult financial situation and support for the voluntary restructuring of home loans denominated or indexed in a foreign currency (CON/2017/48).

European Commission

Publications

10 November 2017 - Publication of the Corrigendum to 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

11 November 2017 - Publication of Commission Delegated Regulation (EU) 2017/2055 of 23 June 2017 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for the cooperation and exchange of information between competent authorities relating to the exercise of the right of establishment and the freedom to provide services of payment institutions

21 November 2017 - Publication of Commission Delegated Regulation (EU) 2017/2154 of 22 September 2017 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on indirect clearing arrangements

21 November 2017 - Publication of Commission Delegated Regulation (EU) 2017/2155 of 22 September 2017 amending Delegated Regulation (EU) No 149/2013 with regard to regulatory technical standards on indirect clearing arrangements

25 November 2017 - Publication of Commission Delegated Regulation (EU) 2017/2188 of 11 August 2017 amending Regulation (EU) No 575/2013 of the European Parliament and of the Council as regards the waiver on own funds requirements for certain covered bonds

28 November 2017 - Publication of Commission Delegated Regulation (EU) 2017/2194 of 14 August 2017 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to package orders.

European Banking Authority (EBA)

Publications

Capital Requirements Directive and Regulation

1 November 2017 - EBA publishes final guidance on supervision of significant branches

The European Banking Authority (EBA) has published its final Guidelines on the supervision of significant branches. Prompted by the increasing demand to establish branches across the European Union, these guidelines are designed to facilitate cooperation and coordination between the competent authorities involved in the prudential supervision of significant branches of EU institutions established in another Member State. They provide a framework for the identification of "significant-plus" branches through a common assessment carried out by home and host competent authorities of the branches' relevance to the institution or the financial stability in the host Member State. Furthermore, the final guidelines aim to outline a coordinated approach to their supervision and the assessment of recovery planning facilitated through the framework of colleges of supervisors.

9 November 2017 - EBA publishes an Opinion and Report on regulatory perimeter issues relating to the CRDIV/CRR

The EBA has published an opinion and a report addressed to the European Parliament, Council and European Commission, on matters relating to the regulatory perimeter under the CRDIV/CRR (the OFI Report). These include the use of Articles 2(5) and 9(2) of CRDIV and the interpretation of the terms 'financial institution' and 'ancillary services undertaking' as defined in the CRR. The opinion is based on the results of a detailed assessment across the EU of the prudential treatment of 'other financial intermediaries' (OFIs), i.e. those entities carrying out credit intermediation activities that are not credit institutions nor other specified types of financial entity. The results of this assessment are included in the report.

With respect to the interpretation of the terms 'financial institution' and 'ancillary services undertaking', which are crucial for the purposes of establishing the scope of prudential consolidation under the CRR, the OFI Report should be read in conjunction with the public consultation on draft regulatory technical standards (RTS) on methods of prudential consolidation (see below under Consultations) as well as the corresponding CSSF press release of 10 November 2017 (refer to: http://www.cssf.lu/fileadmin/files/Publications/Communiques/Communiques_2017/C_RTS_prudential_consolidation_101117.pdf).

14 November 2017 - EBA publishes final guidance on connected clients

The EBA has published its final Guidelines on the treatment of connected clients as defined in the CRR, aiming at supporting institutions in identifying all possible connections among their clients, in particular when control relationships or economic dependency should lead to the grouping of clients because they constitute a single risk. The guidelines apply to all areas of the CRR where the concept of 'group of connected client' is used, including the EBA technical standards and the EBA guidelines that refer to that concept. These guidelines replace the 2009 CEBS 'Guidelines on the implementation of the revised large exposures regime' issued on 11 December 2009.

14 November 2017 - EBA releases its annual assessment of the consistency of internal model outcomes

The EBA has published two reports on the consistency of risk weighted assets (RWAs) across all EU institutions authorised to use internal approaches for the calculation of capital requirements. The reports, which are part of the EBA's annual assessment of the consistency of internal model outcomes, cover credit risk for large corporate, institutions, and sovereign portfolios (collectively referred to as "low default portfolios" - LDP), as well as market risk. The EBA suggests that the results confirm previous findings, with the majority of risk-weights (RWs) variability explained by fundamentals.

15 November 2017 - EBA observes good level of compliance with its guidelines on O-SIIs

The EBA has published a report on the peer review carried out to evaluate the implementation of its Guidelines on the criteria for the assessment and identification of other systemically important institutions (O-SIIs) across the EU. Overall, the peer review concluded that the majority of the authorities are compliant with the EBA Guidelines.

15 November 2017 - EBA acknowledges the Commission adoption of amended supervisory reporting standards

The EBA has acknowledged the adoption by the European Commission of the Implementing Act amending Regulation (EU) No 680/2014 (Implementing Technical Standards on Supervisory Reporting) with regard to amendments to COREP and Additional Monitoring Metrics for liquidity as well as other amendments. The Implementing Act was adopted by the Commission on 9 November 2017. Its publication in the EU Official Journal is still pending. The amended requirements will apply as of 1 March 2018 (reporting framework v2.7).

15 November 2017 - EBA republishes DPM and XBRL taxonomy 2.7 for remittance of supervisory reporting

The EBA has published a corrective update (2.7.0.1) to the XBRL taxonomy that competent authorities shall use for the remittance of data under the EBA Implementing Technical Standards (ITS) on supervisory reporting. The revised taxonomy will be used for the first report of Financial Reporting (FinRep) requirements compiled under IFRS 9.

17 November 2017 - EBA updates list of CET1 instruments

The EBA has published its sixth updated list of capital instruments that competent authorities across the European Union have classified as Common Equity Tier 1 (CET1). Since the publication of the previous update in May 2017, some new CET1 instruments have been assessed and evaluated as compliant with the CRR. The list will be maintained and updated on a regular basis.

17 November 2017 - EBA publishes methodology for the 2018 EU-wide stress test

The EBA has published its final methodology for the 2018 EU-wide stress test, following a discussion with industry in summer 2017. The methodology covers all relevant risk areas and, for the first time, incorporates IFRS 9 accounting standards. The stress test exercise will be formally launched in January 2018 and the results will be published by 2 November 2018.

20 November 2017 - EBA publishes final Guidelines on the estimation of risk parameters under the IRB Approach

The EBA has published its final Guidelines on the estimation of risk parameters for non-defaulted exposures - namely of the probability of default (PD) and the loss given default (LGD), and on the treatment of defaulted exposures under the advanced IRB Approach, including estimation of parameters such as ELBE and LGD in-default.

21 November 2017 - EBA released third annual report on convergence of supervisory practices across the EU

The EBA has published its third annual Report on the convergence of supervisory practices across the EU. The report reviews consistency in the application of the Supervisory Review and Evaluation Process (SREP) in order to promote comparable supervisory approaches and consistency in supervisory outcomes across the single market. The EBA observes good progress in implementation of SREP Guidelines but considers that challenges remain in convergence of capital adequacy assessments and determination of Pillar 2 requirements.

24 November 2017 - [EBA sees a more resilient EU banking sector but challenges in NPLs, IT security and long-term profitability remain]

The EBA has published its tenth report on risks and vulnerabilities in the EU banking sector. The report is accompanied by the 2017 EU-wide transparency exercise, which aims to provide key data in a comparable and accessible format for 132 banks across the EU. The data shows a more resilient EU banking sector amid a benign macroeconomic and financial environment, with an additional strengthening of the capital position, an improvement of asset quality and a slight increase of profitability. However, further progress on NPLs is needed whilst the long-term sustainability of prevailing business models remains a challenge.

27 November 2017 - [EBA formally repeals its Guidelines on retail deposits subject to different outflows for the purpose of liquidity reporting]

On 10 February 2016, the European Commission adopted Regulation (EU) 2016/322 (ITS on reporting on Liquidity Coverage Ratio – LCR), which has become applicable as of September 2016 and adapted to the Commission LCR Delegated Regulation. As a result, the EBA decided to formally repeal its guidelines setting out the criteria for identifying retail deposits subject to different outflows for the purpose of liquidity reporting, issued in December 2013, as they have been superseded by the LCR Delegated Regulation and are no longer applicable for liquidity reporting purposes.

Banking Recovery and Resolution Directive

1 November 2017 - [EBA recommends proportionate approach in coverage of entities in banking group recovery plans]

The EBA has published its final Recommendation on the coverage of entities in banking group recovery plans. This recommendation, addressed to both competent authorities and institutions, aims at defining common criteria to identify entities that need to be covered in group recovery plans, as well as the extent of such coverage. These criteria are aimed at helping institutions to avoid a fragmented approach in providing information in recovery plans and gain a better understanding of the relevant supervisory expectations.

Consultation

Capital Requirements Directive and Regulation

9 November 2017 - [EBA launches consultation on technical standards specifying the methods of prudential consolidation]

The EBA has launched a consultation on draft Regulatory Technical Standards (RTS) specifying the different methods of prudential consolidation, which can be applied when certain conditions and criteria are met. The aim of these draft RTS, which have been developed according to Article 18(7) of the CRR, is to ensure that the appropriate method of prudential consolidation is applied for the calculation of the CRR requirements on a consolidated basis.

The consultation on the draft RTS specifying the different methods of prudential consolidation should be read in conjunction with the EBA Opinion and Report on regulatory perimeter issues relating to the CRDIV/CRR (see above under Publications) as well as the corresponding CSSF press release of 10 November 2017 (refer to: http://www.cssf.lu/fileadmin/files/Publications/Communiques/Communiques_2017/C_RTS_prudential_consolidation_101117.pdf).

The consultation will run until **9 February 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%:

Country	CCyB rate	Application date
Czech Republic	0.5%	01/07/2017
		01/01/2018
		01/04/2018
	1.0%	01/07/2018
		01/10/2018
Iceland	1.0%	05/07/2017
	1.25%	01/11/2017
		16/12/2017
		06/04/2018
		28/06/2018
		17/10/2018
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
	1,25%	01/08/2018
		01/11/2018
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.]()

Financial Stability Board (FSB)

Publication and Consultations

21 November 2017 - FSB published the 2017 global systemically important banks (G-SIB) list

The FSB has published the 2017 global systemically important banks (G-SIB) list. The list comprises 30 banks. One bank (Royal Bank of Canada) has been added to the list of G-SIBs identified in 2016 and one bank (Groupe BPCE) has been removed. In connection with this publication, the BCBS has published further details on the assessment of G-SIBs.

30 November 2017 - FSB launched consultations on proposed guidance to support resolution planning and promote resolvability

The FSB has issued for consultation two proposals for global systemically important banks (G-SIBs): (i) the consultation on principles to assist authorities to operationalise G-SIB resolution strategies; and (ii) the consultation on guidance to support the development of plans for G-SIB funding in resolution.

The consultations will run until **2 February 2018**.

COMMUNIQUES

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

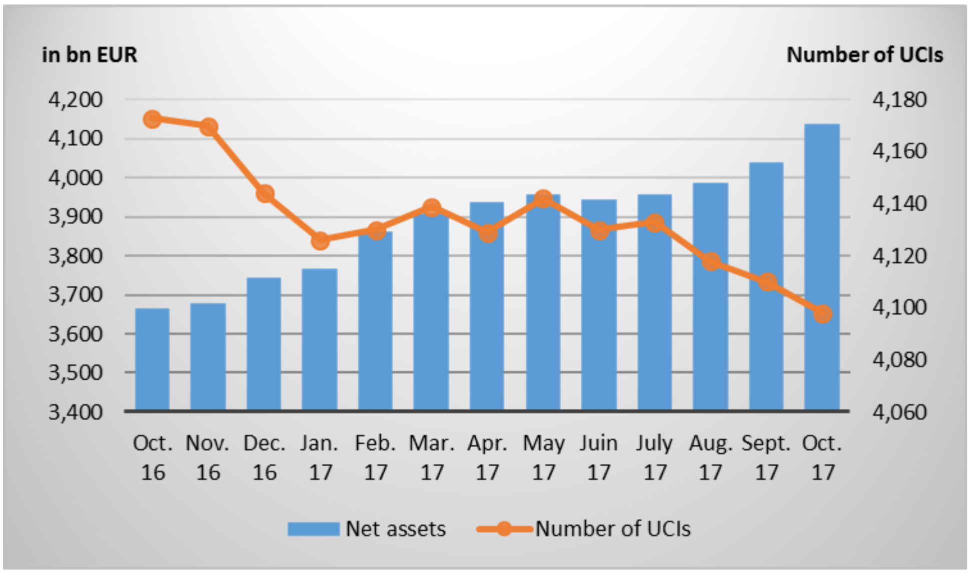
Press release 17/39 of 4 December 2017

I. Overall situation

As at 31 October 2017, total net assets of undertakings for collective investment, including UCIs subject to the 2010 Law, specialised investment funds and SICARs amounted to EUR 4,135.695 billion compared to EUR 4,037.140 billion as at 30 September 2017, i.e. a 2.44% increase over one month. Over the last twelve months, the volume of net assets rose by 12.88%.

Consequently, the Luxembourg UCI industry registered a positive variation amounting to EUR 98.555 billion in October. This increase represents the balance of positive net issues amounting to EUR 35.619 billion (0.88%) and a positive development in financial markets amounting to EUR 62.936 billion (1.56%).

The development of undertakings for collective investment is as follows[1]:



The number of undertakings for collective investment (UCIs) taken into consideration totals 4,098 as against 4,110 in the previous month. A total of 2,626 entities have adopted an umbrella structure, which represents 13,239 sub-funds. When adding the 1,472 entities with a traditional structure to that figure, a total of 14,711 fund units are active in the financial centre.

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

The prices of all the equity UCI categories rose, except for the category of Latin American equity UCIs.

As regards developed countries, European equity UCIs performed positively in a context of dynamic economic growth in the euro area and the continuation of the ECB's buy-back programme. Sound corporate results and the prospect of a tax reform in the United States bolstered the prices of American equity UCIs. The category of Japanese equity UCIs also ended the month in positive territory owing, notably, to a globally favourable economic environment and the possible continuation of the expansive monetary and tax policy following the re-election of the Japanese Prime Minister.

As far as emerging countries are concerned, the Asian equity UCI category progressed as a result mainly of stable economic figures in China and a favourable global economic environment. Sound economic figures in several Eastern European countries and the rise in oil prices explain the positive performance of the Eastern equity UCI category, while the Latin American UCI category suffered price losses owing to political and commercial uncertainties.

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

[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.

Development of equity UCIs during the month of October 2017*

	Market variation in %	Net issues in %
Global market equities	2.20%	0.71%
European equities	1.99%	1.09%
US equities	3.52%	-0.09%
Japanese equities	5.81%	0.06%
Eastern European equities	0.37%	-0.47%
Asian equities	5.75%	0.50%
Latin American equities	-2.67%	-0.87%
Other equities	3.24%	0.88%

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

In Europe, bond yields fell slightly due to the prolongation of the ECB's asset buy-back programme. In addition, the rate spreads between high rated and lower rated countries narrowed. Yields of corporate bonds followed that trend, entailing price increases of EUR-denominated bond UCIs.

While USD-denominated bond yields rose owing notably to higher than expected economic indicators and the possible tax reform, the appreciation of the USD against the EUR made the US equity UCIs finish the month positively.

The strong influx of capital in emerging market bonds and the rise in commodity prices were offset by the prospects of a less expansive future monetary policy in Europe and in the United States, so that the category of emerging countries UCIs changed only slightly in the month under review.

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

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

	Market variation in %	Net issues in %
EUR money market	-0.01%	-0.70%
USD money market	1.46%	4.25%
Global market money market	0.07%	-0.61%
EUR-denominated bonds	0.64%	0.60%
USD-denominated bonds	0.83%	0.30%
Global market bonds	0.59%	1.35%
Emerging market bonds	0.01%	1.71%
High Yield bonds	0.78%	0.76%
Others	0.93%	0.21%

** 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 October 2017*

	Market variation in %	Net issues in %
Diversified UCIs	1.47%	0.61%
Funds of funds	1.57%	1.42%

** 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 €
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 €

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

	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 €)
31/05/2017	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 €
31/10/2017	1,871	3,470.456 €	325	155.929 €	1,612	466.213 €	3,808	4,092.598 €	290	43.097 €	4,098	4,135.695 €

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

1) UCITS Part I 2010 Law:

- (TLF), 2, rue Jean Monnet, L-2180 Luxembourg
- AQC 1 SICAV, 287-289, route d'Arlon, L-1150 Luxembourg
- FELS TOP 35+ AKTIEN EUROPA, 15, rue de Flaxweiler, L-6776 Grevenmacher
- INTERMONTE SICAV, 5, allée Scheffer, L-2520 Luxembourg

2) SIFs:

- AIS DIRECT INVESTMENT FUND, 42, rue de la Vallée, L-2661 Luxembourg
- AIS STRATEGIC INVESTMENT FUND, 42, rue de la Vallée, L-2661 Luxembourg
- AMUNDI PLANET, SICAV-SIF, 5, allée Scheffer, L-2520 Luxembourg
- AXA IM ANDANTE, 2-4 rue Eugène Ruppert, L-2453 Luxembourg
- CENTENNIAL ARBITRAGE S.A. SICAV-SIF, 11, rue Aldringen, L-1118 Luxembourg
- CENTRE LANE CREDIT PARTNERS, SLP - SIF, 40, avenue Monterey, L-2163 Luxembourg
- IVANHOÉ CAMBRIDGE SICAV-SIF, 60, avenue J-F Kennedy, L-1855 Luxembourg
- LO CO-INVESTMENT FUND, 291, route d'Arlon, L-1150 Luxembourg
- MERCER PRIVATE INVESTMENT PARTNERS V SICAV-SIF, 5, rue Guillaume Kroll, L-1413 Luxembourg
- ROUND HILL REAL ESTATE PARTNERS SCSP, 7, rue du Fort Rheinsheim, L-2419 Luxembourg

3) SICARs:

- PRONIA HEALTH SCA SICAR, 5, rue Jean Monnet, L-2180 Luxembourg

The following 27 undertakings for collective investment have been deregistered from the official list during the month under review:

1) UCITS Part I 2010 Law:

- ALLIANZ FINANZPLAN 2015, Bockenheimer Landstraße 42-44, D-60232 Frankfurt am Main[3]
- CANDRIAM LIFE BONDS, 136, route d'Arlon, L-1150 Luxembourg
- CASTELL, 534, rue de Neudorf, L-2220 Luxembourg
- FFPB WERT, 2, boulevard Konrad Adenauer, L-1115 Luxembourg

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

- FUNDQUEST INTERNATIONAL, 10, rue Edward Steichen, L-2540 Luxembourg
- GERLACHUS FUND, 15, rue de Flaxweiler, L-6776 Grevenmacher
- GOTTEX GLOBAL FUND, 15, avenue J-F Kennedy, L-1855 Luxembourg
- NV STRATEGIE, 2, place François-Joseph Dargent, L-1413 Luxembourg
- OCP INTERNATIONAL OP, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- RED ARC GLOBAL INVESTMENTS (LUXEMBOURG) SICAV, 31, Z.A. Bourmicht, L-8070 Bertrange
- TELL SICAV-UCITS, 33A, avenue J-F Kennedy, L-1855 Luxembourg
- UNIGARANT: BRIC (2017) II, 308, route d'Esch, L-1471 Luxembourg
- UNIGARANT: BRIC (2017), 308, route d'Esch, L-1471 Luxembourg

2) UCIs Part II 2010 Law:

- D&R INVEST, 14, rue Gabriel Lippmann, L-5365 Munsbach
- DER ERNEUERBARE, 21, avenue de la Liberté, L-1931 Luxembourg
- GUADARRAMA, SICAV, 15, avenue J-F Kennedy, L-1855 Luxembourg
- TIBERIUS ACTIVE COMMODITY OP, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- UNIGARANT: COMMODITIES (2017) III, 308, route d'Esch, L-1471 Luxembourg
- UNIGARANT: COMMODITIES (2017) IV, 308, route d'Esch, L-1471 Luxembourg
- UNIGARANT: COMMODITIES (2017) V, 308, route d'Esch, L-1471 Luxembourg

3) SIFs:

- BLME SHARIA'A UMBRELLA FUND SICAV-SIF, 2, place de Metz, L-1930 Luxembourg
- INSITOR IMPACT FUND S.C.A. SICAV-SIF, 18, rue de l'Eau, L-1449 Luxembourg
- KGAL REAL ESTATE DEBT FUND SICAV-SIF S.C.S., 1C, rue Gabriel Lippmann, L-5365 Munsbach
- MODERATO, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- NAI SECURITE PROTEGE, 5, allée Scheffer, L-2520 Luxembourg
- SHARD CAPITAL FUNDS, 20, boulevard Emmanuel Servais, L-2535 Luxembourg

4) SICARs:

- 2BCAPITAL LUXEMBOURG S.C.A. SICAR, 6A, rue Gabriel Lippmann, L-5365 Munsbach

Press release regarding Orco Property Group S.A. (ISIN LU0122624777)

Press release 17/40 of 8 December 2017

1. Purpose and Context

This press release follows the CSSF Press Release 17/08 dated 16 February 2017 whereby the CSSF informed interested third parties of its intention to take certain decisions (the "**Contemplated Decisions**") regarding Orco Property Group S.A. ("**OPG**") within the context of an investigation carried out by the CSSF in relation to the potential existence of an undisclosed concert action with respect to OPG in breach of the Law of 19 May 2006 transposing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids (the "**Takeover Law**").

The purpose of this press release is to inform third parties whose own rights and interests may be affected thereby of the following decisions that the CSSF has taken in this matter (the "**CSSF Decisions**"):

(i) The CSSF has found the existence of an undisclosed concert action with respect to OPG in breach of Article 3(a) and (d) and Article 5(1) and (3) of the Takeover Law as further described under point 2. below (the "**First CSSF Decision**"); and

(ii) As a consequence of the First CSSF Decision, the CSSF has decided not to approve the offer document in the mandatory bid (the "**Mandatory Takeover Offer**") announced on 8 June 2016 by CPI Property Group SA ("**CPI Property Group**") on behalf of its wholly owned subsidiary Nukasso Holdings Limited ("**Nukasso**") for all the shares of OPG (ISIN: LU0122624777) as further described under point 3. below (the "**Second CSSF Decision**").

The CSSF Decisions have been taken on the basis of an investigation report dated 19 January 2017 relating to the existence of an undisclosed concert action with respect to OPG between certain concert parties and covering the period from 1 September 2012 until 30 June 2016. Before the CSSF Decisions were taken, each concert party had the possibility to submit its observations on, or in relation to, the Contemplated Decisions, including the investigation report, which was communicated to the concert parties together with the annexes thereto, and all concert parties have done so to varying degrees and on various procedural and substantive grounds. Following the aforementioned CSSF Press Release 17/08 dated 16 February 2017, interested third parties also had the possibility to submit their observations to the CSSF in relation to the Contemplated Decisions. The CSSF has received observations from over forty third parties. Following the analysis of the observations submitted by the concert parties and by third parties, the CSSF has considered that the investigation report dated 19 January 2017 did not need to be changed in material respects.

It should be noted that the CSSF Decisions are final. They may, however, be challenged before the Luxembourg administrative courts within a period of three months in accordance with applicable provisions of Luxembourg law.

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

2.1. Main Concert Parties

The First CSSF Decision finds the existence of an undisclosed concert action between Mr. Radovan Vitek acting directly and indirectly (in particular through Crestline Ventures Corp. and Gamala Limited, CPI Property Group S.A. ("**CPIPG**") and Nukasso Holdings Limited ("**Nukasso**") and Mr. Jean-François Ott (as sole shareholder of Stationway Properties Limited and incidentally in his functions as CEO and chairman of OPG's board of directors until his respective removal and resignation from these positions on 18 March 2014 and 27 March 2014) as main concert parties with respect to OPG in breach of Article 3(a) and (d) and Article 5(1) and (3) of the Takeover Law on the basis of the investigation report, which covers the period from 1 September 2012 to 30 June 2016. The CSSF considers that, as a result of the aggregation of the holdings of OPG shares by Mr. Radovan Vitek with the holdings of OPG shares by Mr. Jean-François Ott, the former acquired control over OPG within the meaning of Article 5(3) of the Takeover Law on 10 and 11 January 2013 but failed in that context to comply with his obligation to launch a mandatory takeover bid for the shares of OPG as required by Article 5(1) of the same law.

2.2. Secondary Concert Parties

The First CSSF Decision furthermore finds that the undisclosed concert action mentioned above and creeping acquisition of control related manoeuvers over OPG also involved certain secondary concert parties, including the beneficial owners of three legal entities incorporated in Cyprus which notably acquired OPG shares prior to the general meeting of OPG of 6 January 2014 which led to the removal with immediate effect of certain OPG directors and the beneficial owners of three other legal entities incorporated in Cyprus and in the British Virgin Islands that were acquired by Nukasso ahead of its announced Mandatory Takeover Offer over OPG.

3. Impact on Mandatory Takeover Offer

By the Second CSSF Decision, and as a consequence of the First Decision, the CSSF has decided not to approve the offer document in the context of the Mandatory Takeover Offer which, as a result of the pre-existing control over OPG of Mr. Radovan Vitek acting in concert with Mr. Jean-François Ott since 10 and 11 January 2013 and based upon the violations of Article 3(a) and (d) and Article 5(1) and (3) of the Takeover Law should be considered as null and void in accordance with the provisions of Article 13(a) of the Takeover Law.

4. Suspension from Trading

The OPG shares have been suspended from trading on the regulated market of the Luxembourg Stock Exchange based upon a decision of the Luxembourg Stock Exchange dated 9 June 2016, which has been superseded and replaced by a decision of the CSSF dated 16 February 2017.

The CSSF considers that the suspension from trading on the regulated market of the Luxembourg Stock Exchange can be lifted with effect as from 15 December 2017. Consequently, trading in OPG shares on the regulated market of the Luxembourg Stock Exchange can resume on 15 December 2017 (subject to any further decisions of the CSSF and/or of the Luxembourg Stock Exchange that may be necessary in the future and of which the public will be informed by CSSF press release and/or by stock exchange notice).

5. Practical Information for Third Parties

Third parties whose rights and interests may be affected by the above CSSF Decisions and who wish to receive legal advice are invited to consult with their lawyer.

Communications to the CSSF can be sent electronically to: takeover@cssf.lu

Administrative fine imposed by the CSSF for market manipulation infringements in relation to the shares of Orco Property Group S.A. (ISIN LU0122624777)

Press release 17/41 of 8 December 2017

The CSSF, as competent authority to supervise the application of the provisions of the Law of 9 May 2006 on market abuse (the "**Market Abuse Law**"), has sanctioned the ultimate and indirect controlling shareholder (the "**Sanctioned Person**") of Orco Property Group S.A. (the "**Issuer**") for market manipulations on the shares of the Issuer (ISIN LU0122624777) in accordance with the provisions of the aforementioned law.

The CSSF has, more particularly, concluded that the omissions and/or misstatements in the Crestline Ventures Corp. and Gamala Limited's press release of 18 October 2012 ("Crestline Ventures Corp. and Gamala Ltd. Together Acquire a 20.69 % Interest in Orco Property Group") qualify as market manipulation under Article 1(2)(c) of the Market Abuse Law and that such infringement is imputable to the Sanctioned Person as the beneficial owner of the above-mentioned entities.

The CSSF has also concluded that the use of Aspley Ventures Limited, Fetumar Development Limited and Jagapa Limited (each a "**30% SPV**") for subscribing in aggregate to 1.2 billion new shares of the Issuer in November 2014 and in May 2016 and the subsequent disposal of the 30% SPVs (including the Issuer's shares held by them) on or around 8 June 2016 qualify as market manipulation under Article 1(2)(b) of the Market Abuse Law and that these market manipulation instances are imputable to the Sanctioned Person as the person whose identity the use of the colluding 30% SPVs and their respective beneficial owners purported to conceal.

In connection with the above-mentioned infringements of Article 11 of the Market Abuse Law and pursuant to Article 33(1) of the Market Abuse Law, the CSSF has decided to impose an administrative fine on the Sanctioned Person for market manipulations on the Issuer's shares.

It should be noted that the above-mentioned decision of the CSSF to impose an administrative fine for market manipulations on the Sanctioned Person is final. Such decision, however, may be challenged before the Luxembourg administrative courts within a period of three months in accordance with applicable provisions of Luxembourg law.

This administrative fine is made public in accordance with Article 33(6) of the Market Abuse Law.

The EBA publishes its standardised data templates as a step to reduce NPLs

Press release 17/42 of 14 December 2017

The CSSF informs that the European Banking Authority (EBA) published today data templates that will create the foundation for NPL transactions across the EU.

Please find below a link to the document:

http://www.eba.europa.eu/-/eba-publishes-its-standardised-data-templates-as-a-step-to-reduce-npls.

Enforcement of the 2017 financial information published by issuers subject to the Transparency Law

Press release 17/43 of 15 December 2017

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

In this context, the CSSF draws the attention of issuers and auditors on identified financial reporting topics they should particularly consider when preparing and auditing, respectively, the International Financial Reporting Standards (hereafter referred to as "IFRS") financial statements for the year ending 31 December 2017.

As in previous years, the European Securities and Markets Authority (hereafter referred to as "ESMA"), together with the European national accounting enforcers (hereafter referred to as "enforcers"), including the CSSF, identified common enforcement priorities for the 2017 financial statements to which particular attention will be paid when monitoring and assessing the application of all IFRS requirements[4].

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

- the importance and relevance of these topics for issuers under the CSSF's direct supervision;
- the importance of judgements and assumptions to be made by issuers in dealing with these topics; and
- the experience and issues encountered by the CSSF during previous campaigns.

The campaign will thus be governed by the following priorities:

Disclosure of the expected impact of implementation of major new IFRS standards in the period of their initial application

ESMA highlights the need for high-quality implementation of the new IFRS standards, and communication of their expected impact on the financial statements in the period of their initial application, as required by IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. This is likely to be particularly relevant for IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*, which become applicable as of 1 January 2018 and IFRS 16 *Leases* which becomes applicable as of 1 January 2019, with early application allowed.

In 2017, ESMA has undertaken a fact-finding exercise on the 2016 annual financial statements and 2017 interim financial statements to assess the information issuers provided to users concerning the

[4] ESMA 32-63-340

implementation of IFRS 9 and IFRS 15[5]. While ESMA and the CSSF, for whom this was one of its 2017 enforcement campaign priorities, have noted that practice has varied concerning the specificity of the information provided, a number of informative qualitative disclosures on the implementation of the new standards have been identified.

Therefore, ESMA and the CSSF expect that the impacts of the initial application of the new standards will be known or reasonably estimable at the time of the preparation of the 2017 accounts. The CSSF will monitor that such disclosures are done with adequate qualitative and quantitative data.

Specific measurement and disclosure issues stemming from IFRS 3 *Business Combinations*

During its 2017 campaign, the CSSF already put a special focus on the key aspects of accounting for a business combination under IFRS 3, in particular on the recognition and measurement of assets acquired and liabilities assumed, implying the identification of intangible assets previously not recognised, and their measurement at fair value in accordance with IFRS 13 *Fair Value Measurement*.

This topic has been relayed at the European level as ESMA set it as one of its priorities for 2018. More particularly, ESMA urges issuers to ensure consistency between the assumptions used to measure intangible assets at fair value for the purpose of a purchase price allocation in a business combination and the assumptions applied for any impairment testing as well as for determining useful lives used for amortisation.

ESMA also draws the attention of issuers to certain requirements of IFRS 3, notably on (i) the adjustments to fair value during the measurement period where issuers have to disclose that fact and provide provisional amounts, but also the nature and amount of any measurement period adjustments recognised during the reporting period; (ii) the situations related to the existence of a bargain purchase, and the steps that need to be performed before a such gain can be recognised; and (iii) the analysis needed to identify whether part of the consideration received in a business combination qualifies as contingent consideration or as remuneration for post-combination services.

Accordingly, the CSSF will continue to monitor the compliance with these significant aspects of IFRS 3, including but not limited to judgements and estimates made by management and the most meaningful disclosures.

Specific issues of IAS 7 *Statement of Cash Flows*

The amendments to IAS 7 which are effective for annual periods beginning on or after 1 January 2017, require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash and non-cash transactions. Such information should present, when necessary, changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effects of changes in foreign exchange rates and in fair values as well as other changes.

The CSSF's examination in this priority will focus primarily on the respect of these additional presentation requirements.

Fair value measurement and disclosure requirements provided for by IFRS 13

At the end of 2016, ESMA launched a thematic study on IFRS 13 with the purpose of gathering evidence on the implementation of IFRS 13 in order to feed the International Accounting Standards Board's (hereafter referred to as "IASB") process on the post implementation review of IFRS 13.

This ESMA thematic review has been undertaken in the first quarter of 2017 through both the identification of enforcement actions taken by enforcers and detailed information on the application of IFRS 13 on the basis of a desktop review of the 2015 financial statements of a sample of 78 European issuers. This review addressed the following key topics: (i) fair value disclosures, (ii) unit of account, (iii) impact of a decrease in market activity on the assessment of an active market and orderly transactions; and (iv) valuation adjustments to measure fair value of derivative positions.

[5] ESMA 32-63-364

ESMA published the results of its review in a report in July 2017[6]. While overall, the results show that the requirements of IFRS 13 have generally been well incorporated in the financial statements, there is room for improvement in the level of compliance and comparability in the application of its requirements. The main breaches and omissions that have been noted are to be found in the following areas:

- Disclosure effectiveness: Issuers generally comply with the minimum specified disclosure requirements but tend to provide either too generic and boilerplate or insufficiently disaggregated information;
- Application of the unit of account: Issuers should provide more entity-specific disclosure on how they estimate fair value and explain the rationale for their approach;
- Level of market activity and fair value: ESMA encourages issuers to disclose the processes followed and the specific situations where they have concluded that quoted prices or transaction prices, further to a decrease in the level of market activity, did not represent fair value; and
- Valuation adjustments for derivatives: While issuers widely provide information on Credit Value Adjustment ("CVA"), some issuers fail to comply with the appropriate level of information on Debit Value Adjustment ("DVA") and Funding Value Adjustment ("FVA"). Furthermore, information on inputs and methodologies used to calculate these adjustments is provided in limited cases.

In order to address an appropriate follow-up of this thematic study, and to ensure that the requirements of IFRS 13 are well incorporated in the 2017 annual financial statements, the CSSF will continue to monitor the progress on those subjects and take appropriate enforcement actions whenever material misstatements are identified.

Actions from the post-implementation of IFRS 8 *Operating Segments*

In July 2013, the IASB completed the post-implementation review of IFRS 8. The final report concluded that the benefits of applying the standard were as expected and that the overall standard achieved its objectives and has improved financial reporting.

However, the IASB identified a number of issues that could be considered for improvement, and released in March 2017 an Exposure Draft on Improvements to IFRS 8[7] which provides further guidance and clarification on the application of this standard. Separately, as a result of its previous enforcement reviews, the CSSF is still observing differences between operating segments identified by issuers in a same industry or sector. This could affect the comparability and the IFRS convergence in Europe.

For these reasons, the CSSF will particularly scrutinise this area during its 2018 enforcement examination campaign and will, if necessary, take actions to improve the quality of disclosures.

[6] ESMA 32-67-284
[7] ED/2017/2

Disclosure of non-financial and diversity information in the management report

Since 1 January 2017, the requirements of the Law of 23 July 2016 on disclosure of non-financial and diversity information for certain large undertakings and groups, implementing the European Directive[8], entered into force and require some issuers to provide additional disclosures including:

- A non-financial statement containing information on environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters; and
- A description of the diversity policy applied in relation to an entity's administrative, management and supervisory bodies with regard to aspects such as, for instance, age, gender, or educational and professional backgrounds.

While different national and international frameworks exist, the European Commission further released in June 2017 the Guidelines on non-financial reporting[9], a non-binding methodology with a view of facilitating relevant, useful, and comparable disclosure of non-financial information by undertakings.

There is actually no imposed way to comply with these requirements and it is the responsibility of issuers to identify, based on their business model, what is relevant to understand their developments in that field. Therefore, the CSSF will ensure that concerned issuers provide information which is useful and meaningful to users of financial statements and will monitor in general how issuers adapt consistently to this new legislation.

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

Panama Papers: results of the CSSF's analysis and subsequent enforcement procedures

Press release 17/44 of 20 December 2017

In fulfilling its statutory tasks of supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF) verifies on a continuous basis compliance by supervised entities with Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) laws and regulations through a number of ways, including off-site (desk-based) reviews, external auditors performing an annual audit and reporting to the CSSF by way of a long-form report, including a chapter on AML/CFT, reports by compliance officers and internal auditors, and on-site inspections carried out by the CSSF. The CSSF has been conducting AML/CFT on-site missions within the financial sector on a regular basis since 2000. Since 2010 alone, the CSSF AML/CFT on-site-team has conducted 252 specific AML/CFT missions, and imposed sanctions in case of serious breaches of AML/CFT rules and/or deficient controls in this area.

The CSSF took note of the so-called "Panama Papers", published in April 2016, and started to perform a comprehensive review of corporate accounts, whether or not related to Mossack Fonseca or Panama, and more particularly to verify the respect of "know your customer" and "know your transaction" obligations. This specific review primarily covered a large number of banks and was broadened in 2017 to also include investment firms and other professionals in the financial sector. More specifically, the CSSF decided in 2016 to appoint external auditors to carry out procedures in relation to offshore structures in a large number of banks. More specifically, the CSSF decided in 2016 to appoint external auditors to carry out procedures in relation to offshore structures in a large number of banks. Further to a desk-based review of the responses, an on-site review was performed at the 30 banks holding 80%

[8] Directive 2014/95/EU
[9] 2017/C215/01

of all corporate accounts related to offshore structures. Further to a desk-based review of the responses, an on-site review was performed at the 30 banks holding 80% of all corporate accounts related to offshore structures.

The on-site review procedures concerning banks were initially performed by the external auditors in order to enable the CSSF to identify non-compliance with the requirements of the Law of 12 November 2004 on the fight against money laundering and financing of terrorism, the Grand-ducal regulation of 1 February 2010 providing details on certain provisions of the Law of 12 November 2004 and the CSSF Regulation 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, as applicable. The review procedures mainly covered the four following aspects:

1. Due diligence procedural measures applied by the banks to offshore structures;
2. Risk-based approach established by the auditors for sampling purposes;
3. Know Your Customer (KYC) documentation and information testing on a sample of offshore structures;
4. Know Your Transactions (KYT) information and documentation testing on a sample of offshore structures.

More specifically, the auditors summarised in their reports the due diligence measures applied to offshore structures and reported any non-compliance with the requirements of the laws and regulations mentioned above. For the sample of offshore structures selected, the auditors verified that KYC documents and information were present in the account opening files or could be obtained through inquiries with staff members of the bank to support amongst others: the reason why the offshore structures had been set up, the information on the origin of funds, and the identification of the client, its representative(s) or of the ultimate beneficial owner. For the sample of offshore structures selected and based on the lists received by the auditors of all transactions since the opening or for the past 10 years of all accounts linked to the offshore structures, the auditors, by applying a risk-based approach, selected a sample of transactions and performed a certain number of controls. As regards the specifically chosen sample of investment firms and other professionals in the financial sector, the CSSF performed itself in 2017 a similar comprehensive review of corporate accounts, more particularly verifying the respect of "know your customer" and "know your transaction" obligations by those supervised entities.

All these verifications showed that adherence to Luxembourg laws and regulations applicable to them at the relevant moments in time was the norm for a large majority of supervised entities reviewed. Where the CSSF found medium or severe breaches, it followed up through letters sent to the supervised entities concerned and where appropriate, through further on-site reviews performed by the CSSF during the year 2017. In accordance with the rule of law and the right to be heard, the CSSF then granted the supervised entities concerned the right to submit any comments in relation to the findings and the CSSF's analysis thereof. Taking account of the comments and responses submitted by the supervised entities, the CSSF decided on the appropriate measures to be taken. In some cases, where few minor breaches were found, the CSSF gave injunctions that have immediately been complied with by the relevant supervised entity. In other cases, where several medium or even severe breaches were found and objectively established, the CSSF decided to impose administrative sanctions. Sanctions have thus been imposed on 9 supervised entities (including 4 banks) in the form of a fine, its amount depending on the severity of the breaches. The total amount of these two administrative fines was EUR 2.012.000. A list of supervised entities that have received a fine is attached in the annex to this press release. It should be noted that grievances identified by the CSSF during its analysis related to the less recent past, that all supervised entities under review fully cooperated with the CSSF and that all entities eventually sanctioned launched a process of compliance within their respective internal governance, as requested by the CSSF. These positive initiatives have been taken into account by the CSSF when determining the amount of the fine.

The CSSF will continue to firmly request and enforce the principle that Luxembourg banks, investment firms and other professionals in the financial sector thoroughly follow the professional obligations in the future, specifically with regards to the prevention of money laundering (including all elements relating to newly introduced primary offences). The CSSF will draw the appropriate consequences if they fail to do so, as was the case in the past.

ESMA issues updated statement on preparatory work in relation to CFDs, binary options and other speculative products offered to retail clients

Press release 17/45 of 21 December 2017

The CSSF informs investors and other market participants that the European Securities and Markets Authority (ESMA) has issued a statement updating on its work in relation to the sale of contracts for differences (CFDs), binary options and other speculative products to retail investors.

Please find below a link to the document:

https://www.esma.europa.eu/press-news/esma-news/esma-issues-updated-statement-preparatory-work-in-relation-cfds-binary-optionshttps://www.esma.europa.eu/press-news/esma-news/esma-issues-updated-statement-preparatory-work-in-relation-cfds-binary-options.

Profit and loss account of credit institutions as at 30 September 2017[10]

Press release 17/46 of 22 December 2017

The CSSF estimates profit before provisions of the Luxembourg banking sector at EUR 4,207 million for the first three quarters of 2017. Compared to the same period in 2016, profit before provisions thus decreased by 5.5%.

The third quarter of 2017 is in line with the broad trends observed in the first half of 2017. Indeed, recurrent income - interest-rate margin and net commissions received - remained firmly on the upside (+4.3%) while general expenses continued to grow (+3.6%).

Interest-rate margin increased by 3.9% on average. This positive development, experienced by 62% of Luxembourg banks, was mainly triggered by the increase in business volume and the passing-on of negative interest rates by certain banks to their institutional customers. The rise of **net commissions received** (+4.8%) was shared by 55% of Luxembourg banks, chiefly owing to asset management on behalf of private and institutional customers. Nevertheless, this item rose for traditional banking intermediation activities as well.

As a consequence, the negative development observed as regards banking income is due to non-recurrent effects and notably linked to a significant decrease of dividends received for a limited number of credit institutions. Indeed, the item **other net income** fell sharply compared to the previous year (-19.9%).

The sharp rise in **general expenses** is notably linked to the sustained increase of the other general expenses. This trend concerned the vast majority of the banks of the financial centre and reflects the investments in new technical infrastructures, charges due to extraordinary events as well as costs to be borne by banks in order to comply with major new accounting standards and regulations that will take effect in the coming months.

As a result of the above-mentioned developments, profit before provisions decreased by 5.5% year-on-year.

[10] Due to major changes in the banking prudential reporting in 2016 and 2017 (Circular CSSF 15/621), the aggregation scope has been adapted to better reflect the evolution of the profit and loss accounts of Luxembourg banks. Consequently, the figures for September 2016 have been readjusted to reflect a larger aggregation scope which is similar to the new reporting of September 2017.

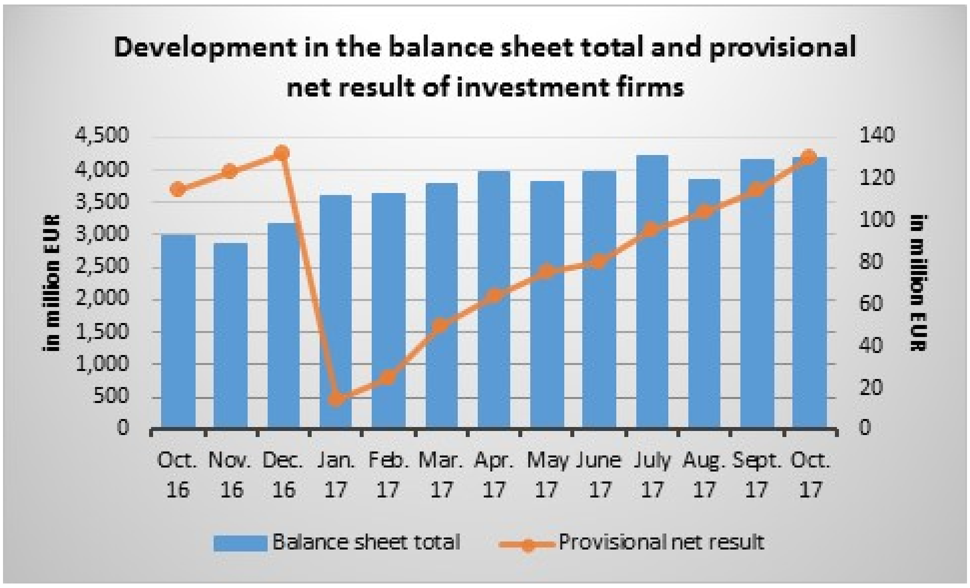
Profit and loss account as at 30 September 2017

Items in million EUR	September 2016	September 2017	%
Interest-rate margin	3,552	3,690	3.9%
Net commissions received	3,354	3,515	4.8%
Other net income[11]	1,931	1,547	-19.9%
Banking income	**8,837**	**8,752**	**-1.0%**
Staff costs	2,289	2,314	1.1%
Other general expenses	2,098	2,231	6.4%
General expenses	**4,387**	**4,545**	**3.6%**
Profit before provisions	4,450	4,207	-5.5%

STATISTICS

Investment firms

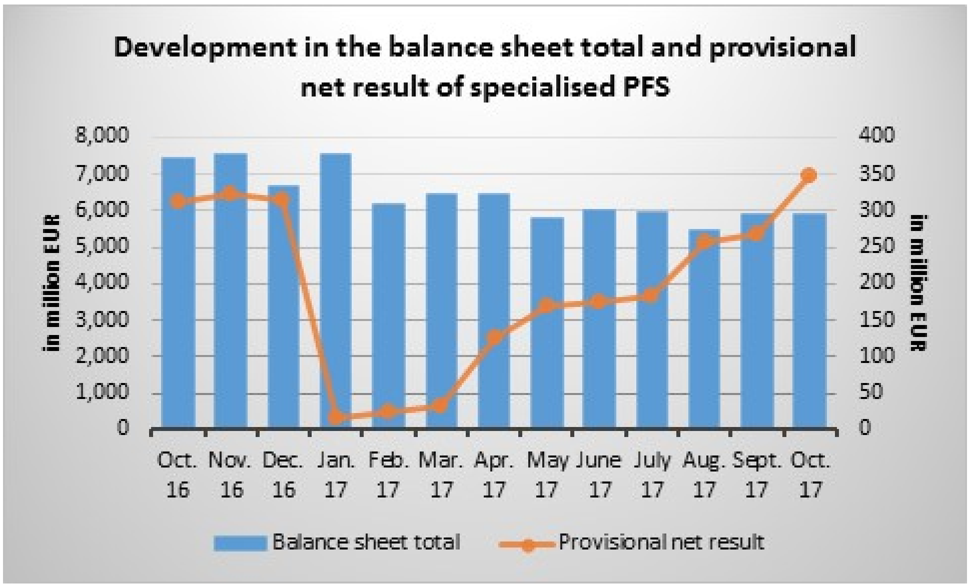
Increase in balance sheet total as at 31 October 2017



[11] Including dividends received.

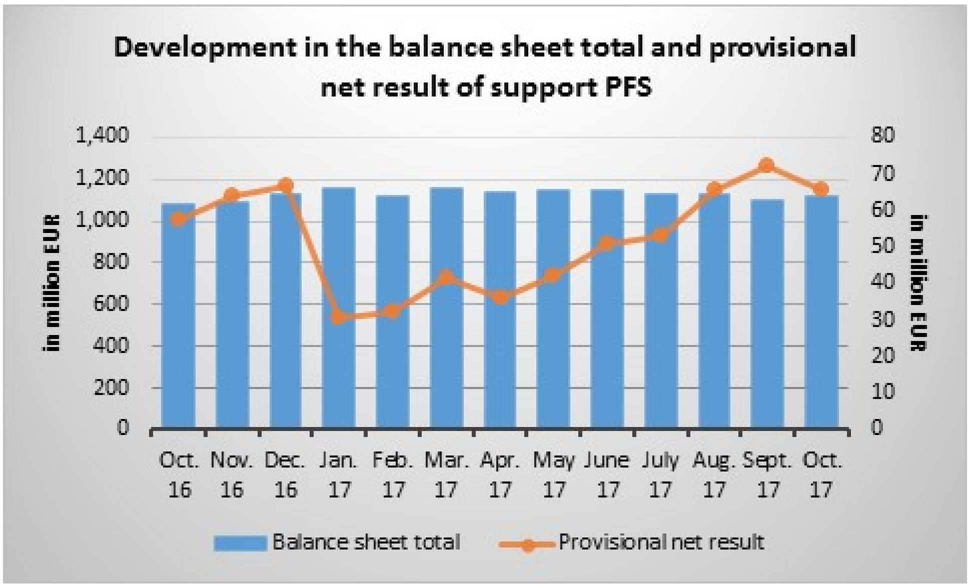
Specialised PFS

Decrease in the balance sheet total as at 31 October 2017



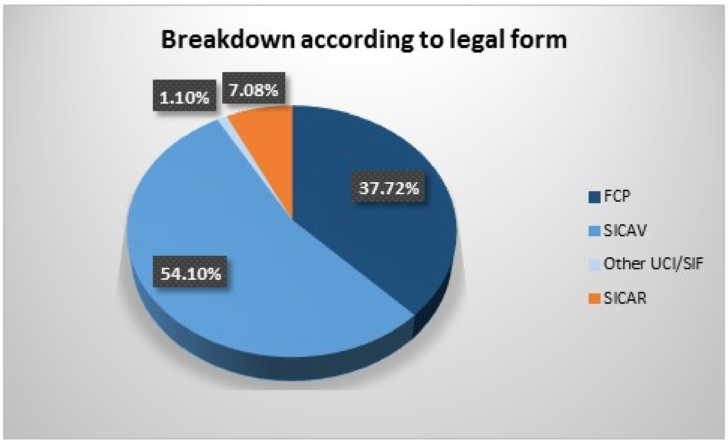
Support PFS

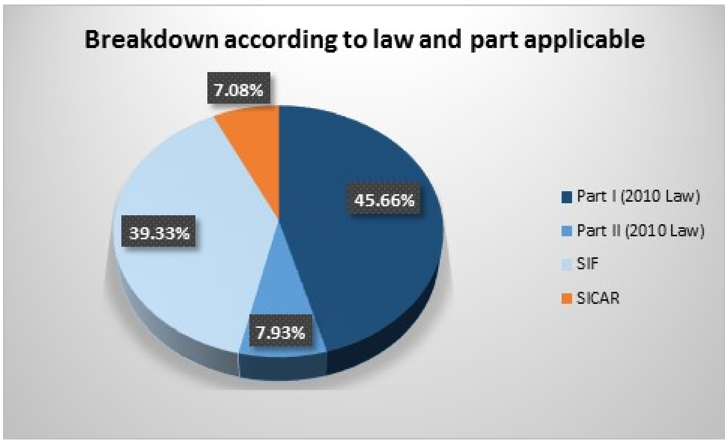
Increase in the balance sheet total as at 31 October 2017



UCIs (Situation as at 31 October 2017)

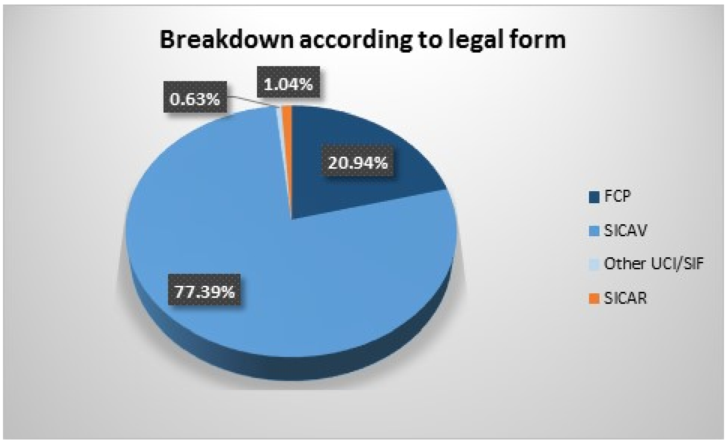
Number of UCIs

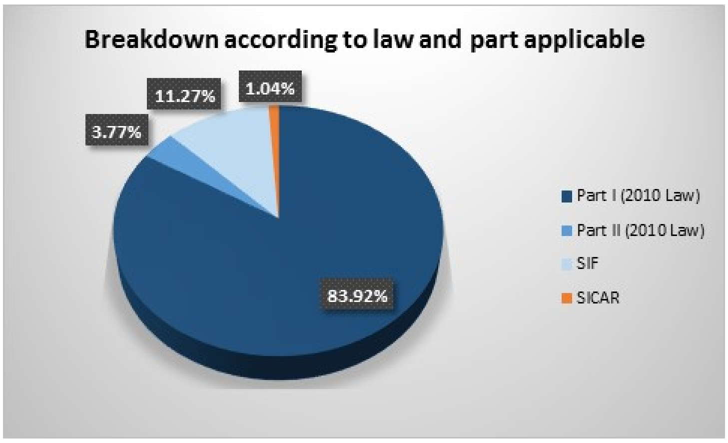




Law, part/legal form	FCPs	SICAVs	Other UCIs/SIFs	SICARs	Total
Part I (2010 Law)	1,000	871	0	0	**1,871**
Part II (2010 Law)	164	158	3	0	**325**
SIFs	382	1,188	42	0	**1,612**
SICARs	0	0	0	290	**290**
TOTAL	**1,546**	**2,217**	**45**	**290**	**4,098**

Net assets of UCIs





Law, part/legal form (in bn EUR)	FCPs	SICAVs	Other UCIs/SIFs	SICARs	Total
Part I (2010 Law)	647.584	2,822.872	0.000	0.000	**3,470.456**
Part II (2010 Law)	54.435	100.838	0.656	0.000	**155.929**
SIFs	163.794	276.938	25.481	0.000	**466.213**
SICARs	0.000	0.000	0.000	43.097	**43.097**
TOTAL	**865.813**	**3,200.648**	**26.137**	**43.097**	**4,135.695**

Breakdown according to investment policy

Breakdown according to investment policy	Net assets (in bn EUR)	Number of fund units[12]
Fixed-income securities	1,236.017	3,112
Variable-yield transferable securities	1,220.548	3,805
Mixed transferable securities	893.558	4,033
Funds of funds	252.325	2,170
Money market instruments and other short-term securities	332.300	240
Cash	1.538	20
Private equity	29.870	197
Venture capital	1.706	31
Real estate	58.385	344
Futures and/or Options	13.450	124
Other assets	52.901	229
Public-to-Private	0.097	3
Mezzanine	2.458	12
Venture Capital (SICARs)	6.613	90
Private Equity (SICARs)	33.929	301
TOTAL	**4,135.695**	**14.711**

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)
PART I					
Fixed-income transferable securities	1,128.629	2,523	51.459	38.601	12.858
Variable-yield transferable securities	1,156.185	3,419	46.405	38.739	7.666
Mixed transferable securities	715.469	2,838	27.512	20.033	7.479
Funds of funds	145.458	995	4.465	2.526	1.939
Money market instruments and other short-term securities	312.773	183	124.715	118.428	6.287
Cash	0.961	10	0.037	0.234	-0.197
Futures and/or Options	7.374	56	0.250	0.229	0.021
Other assets	3.607	10	0.104	0.137	-0.033
TOTAL PART I:	**3,470.456**	**10,034**	**254.947**	**218.927**	**36.020**
PART II					

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

Fixed-income transferable securities	25.295	110	0.496	0.665	-0.169
Variable-yield transferable securities	14.511	64	0.217	0.330	-0.113
Mixed transferable securities	56.485	201	1.331	1.127	0.204
Funds of funds	31.217	299	0.879	0.936	-0.057
Money market instruments and other short-term securities	15.208	46	0.665	1.166	-0.501
Cash	0.560	8	0.010	0.008	0.002
Private equity	4.690	15	0.116	0.058	0.058
Venture capital	0.003	1	0.000	0.000	0.000
Real estate	1.472	21	0.002	0.000	0.002
Futures and/or Options	2.925	27	0.011	0.095	-0.084
Other assets	3.563	13	0.071	0.024	0.047
TOTAL PART II:	**155.929**	**805**	**3.798**	**4.409**	**-0.611**
SIFs					
Fixed-income transferable securities	82.093	479	1.970	2.910	-0.940
Variable-yield transferable securities	49.852	322	1.429	0.804	0.625
Mixed transferable securities	121.604	994	2.987	5.273	-2.286
Funds of funds	75.650	876	1.506	0.682	0.824
Money market instruments and other short-term securities	4.319	11	0.260	0.220	0.040
Cash	0.017	2	0.000	0.000	0.000
Private equity	25.180	182	0.401	0.052	0.349
Venture capital	1.703	30	0.050	0.000	0.050
Real estate	56.913	323	1.410	0.137	1.273
Futures and/or Options	3.151	41	0.189	0.031	0.158
Other assets	45.731	206	1.407	1.037	0.370
TOTAL SIFs:	**466.213**	**3,466**	**11.609**	**11.146**	**0.463**
SICARs					
Public-to-Private	0.097	3	0.000	0.000	0.000
Mezzanine	2.458	12	0.000	0.001	-0.001
Venture capital	6.613	90	0.011	0.006	0.005
Private equity	33.929	301	0.086	0.343	-0.257
TOTAL SICARs	**43.097**	**406**	**0.097**	**0.350**	**-0.253**
TOTAL LUXEMBOURG UCIs	**4,135.695**	**14,711**	**270.451**	**234.832**	**35.619**

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	862.000	20.8%	187	4.6%	1,063	7.2%
United Kingdom	720.883	17.4%	276	6.7%	1,550	10.5%
Germany	596.585	14.4%	1,406	34.3%	2,720	18.5%
Switzerland	561.597	13.6%	579	14.1%	2,759	18.7%
France	356.981	8.6%	329	8.0%	1,447	9.8%
Italy	348.230	8.4%	149	3.6%	1,262	8.6%
Belgium	174.010	4.2%	171	4.2%	964	6.6%
Netherlands	94.501	2.3%	51	1.3%	245	1.7%
Luxembourg	85.918	2.1%	235	5.7%	663	4.5%
Denmark	80.831	2.0%	25	0.6%	185	1.3%
Others	254.159	6.2%	690	16.9%	1,853	12.6%
TOTAL	**4,135.695**	**100.0%**	**4,098**	**100.0%**	**14,711**	**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	5.285	0.128%	29	0.197%
CAD	1.674	0.041%	26	0.177%
CHF	49.336	1.193%	293	1.992%
CNH	1.670	0.040%	25	0.170%
CNY	0.085	0.002%	3	0.020%
CZK	1.355	0.033%	63	0.428%
DKK	1.488	0.036%	12	0.082%
EUR	2,256.372	54.559%	9,427	64.081%
GBP	110.479	2.671%	319	2.168%
HKD	4.760	0.115%	10	0.068%
HUF	0.325	0.008%	35	0.238%
JPY	68.512	1.657%	208	1.414%
MXN	0.016	0.000%	1	0.007%
NOK	5.022	0.121%	32	0.218%
NZD	0.698	0.017%	5	0.034%
PLN	0.474	0.011%	22	0.150%
RON	0.510	0.012%	5	0.034%

SEK	49.471	1.196%	182	1.237%
SGD	0.412	0.010%	3	0.020%
TRY	0.072	0.002%	3	0.020%
USD	1,577.652	38.147%	4,006	27.231%
ZAR	0.027	0.001%	2	0.014%
TOTAL	**4,135.695**	**100.000%**	**14,711**	**100.000%**

Pension funds

As at 11 December 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

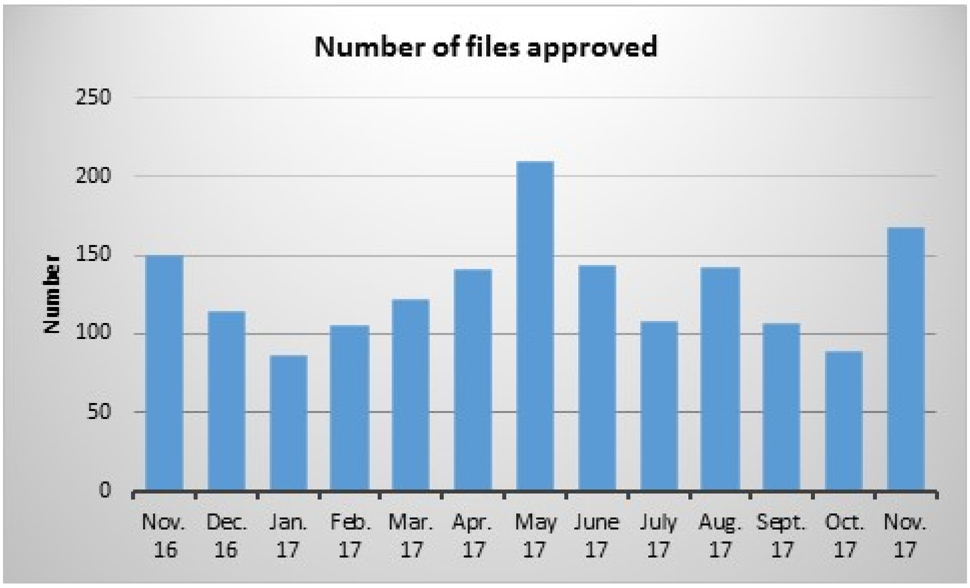
The number of **securitisation undertakings authorised** by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **34** entities as at 6 December 2017.

Public oversight of the audit profession

The public oversight of the audit profession covered **55 *cabinets de révision agréés*** (approved audit firms) and **308 *réviseurs d'entreprises agréés*** (approved statutory auditors) as at 30 November 2017. The oversight also included **39 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)

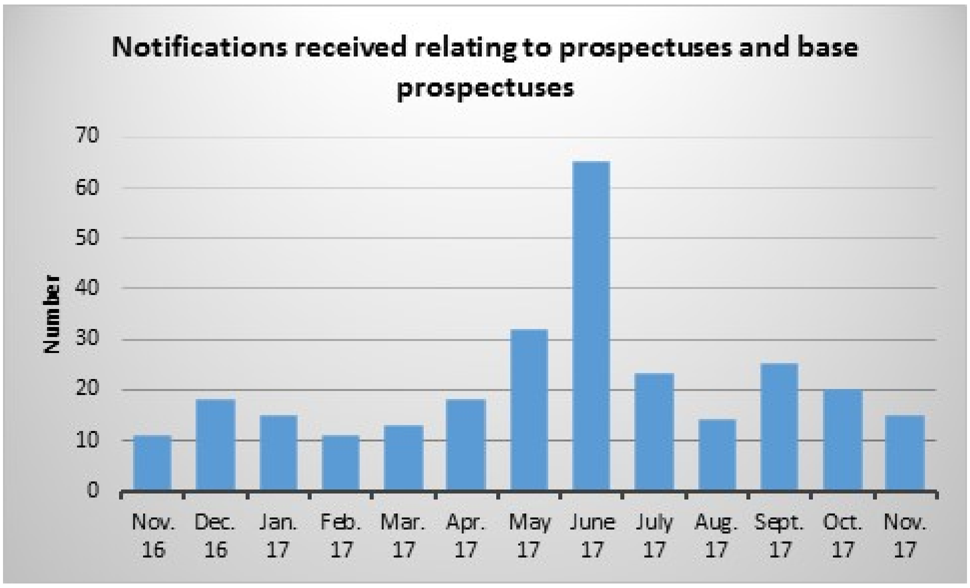
CSSF approvals



In November 2017, the CSSF approved a total of 168 documents pursuant to the Prospectus Law, which break down as follows:

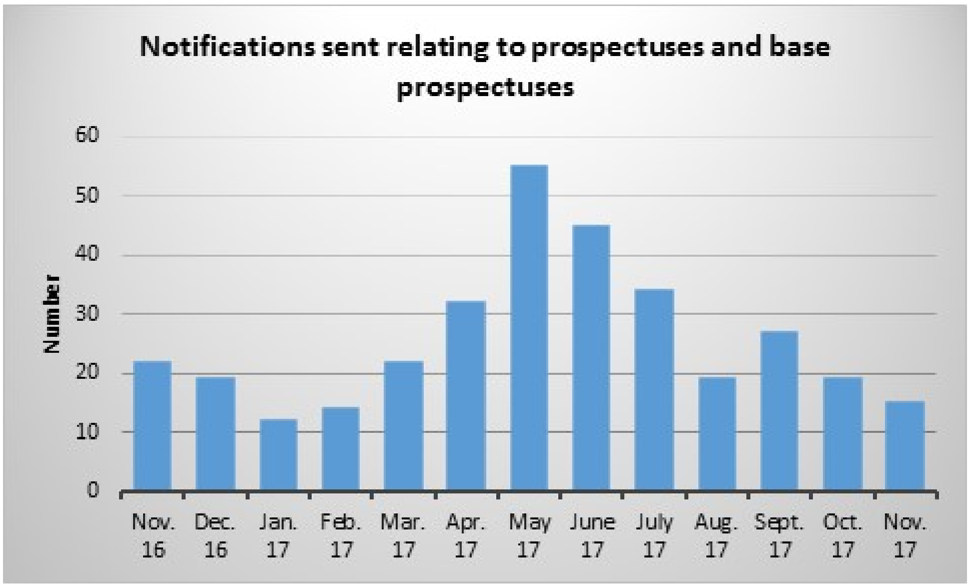
base prospectuses:	17	(10.12 %)
other prospectuses:	32	(19.05 %)
supplements:	119	(70.83 %)

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



In November 2017, the CSSF received 15 notifications relating to prospectuses and base prospectuses and 98 notifications relating to supplements from competent authorities of other EEA Member States.

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



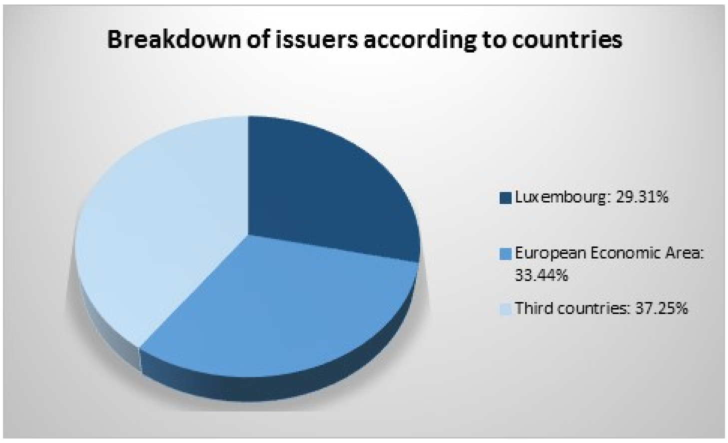
In November 2017, the CSSF sent 19 notifications relating to prospectuses and base prospectuses and 79 notifications relating to supplements[13] to the competent authorities of other EEA Member States.

[13] These figures reflect the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications have been sent at different dates and/or in several Member States, only the first notification is included in the statistical calculations. 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 November 2017, three issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, seven issuers were removed from the list due to the fact that they do no longer fall within the scope of the Transparency Law.

As at 7 December 2017, 604 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.



WITHDRAWALS DECIDED BY THE CSSF

A decision to withdraw the specialised investment fund OPPIDUM CAPITAL FUND SICAV-SIF from the official list of specialised investment funds was taken by the CSSF on 23 November 2017.

A decision to withdraw the specialised investment fund VISCONTI FUND I, SLP-SIF from the official list of specialised investment funds was taken by the CSSF on 7 December 2017.

FINANCIAL CENTRE

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (22/12/2017)	141[14]	no variation
	Balance sheet total (30/06/2017)	EUR 763.446 bn	↘ EUR 9.821 bn
	Profit before provisions (30/09/2017)	EUR 4.207 bn	↘ EUR 201 m
Payment institutions	Number (22/12/2017)	9	↘ 1 entity
Electronic money institutions	Number (22/12/2017)	6	↗ 2 entities
UCIs	Number (14/12/2017)	Part I 2010 Law: 1,869	↘ 21 entities
		Part II 2010 Law: 324	↘ 31 entities
		SIFs: 1,590	↘ 57 entities
		TOTAL: 3,783	↘ 109 entities
	Number (14/12/2017)	SICARs: 288	↗ 5 entities
	Total net assets (31/10/2017)	EUR 4,135.695 bn	↗ EUR 471.767 bn
Management companies (Chapter 15)	Number (30/11/2017)	202	no variation
	Balance sheet total (30/09/2017)[15]	EUR 14.233 bn	↗ EUR 1.211 bn
Management companies (Chapter 16)	Number (30/11/2017)	171	no variation
AIFMs	Number (14/12/2017)	227	↗ 11 entities
Pension funds	Number (11/12/2017)	13	↘ 1 entity
Authorised securitisation undertakings	Number (06/12/2017)	34	no variation
Investment firms	Number (22/12/2017)	103 of which 6 branches	↘ 8 entities
	Balance sheet total (31/10/2017)	EUR 4.181 bn	↗ EUR 1.194 bn
	Provisional net profit (31/10/2017)	EUR 130.386 m	↗ EUR 15.396 m
Specialised PFS	Number (22/12/2017)	113	↘ 12 entities
	Balance sheet total (31/10/2017)	EUR 5.893 bn	↘ EUR 1.521 bn
	Provisional net profit (31/10/2017)	EUR 345.976 m	↗ EUR 34.146 m
Support PFS	Number (22/12/2017)	78	↗ 1 entity
	Balance sheet total (31/10/2017)	EUR 1.124 bn	↗ EUR 43 m
	Provisional net profit (30/09/2017)	EUR 65.53 m	↗ EUR 8.03 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (07/12/2017)	604	↘ 68 entities
Public oversight of the audit profession	Number (30/11/2017)	55 *cabinets de révision agréés*	↘ 11 entities
		308 *réviseurs d'entreprises agréés*	↗ 13 people
		39 third-country auditors and audit firms	↘ 2 entities
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[16]

[14] 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.
[15] Preliminary figures
[16] 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.