



Newsletter

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SUMMARY

WARNINGS.....	3	Obligations regarding strong customer authentication and common and secure open standards of communication under Commission Delegated Regulation (EU) 2018/389.....	16
Warnings published by IOSCO.....	3	Conference - AML/CFT in the Luxembourg fund industry	19
NATIONAL REGULATION	3	Global situation of undertakings for collective investment at the end of January 2019.....	19
Law of 1 March 2019 - Circulation of securities... 3		WITHDRAWALS DECIDED BY THE CSSF.....	24
Grand-ducal Regulation of 1 March 2019 - Fees to be levied by the CSSF	3	STATISTICS	25
Circular CSSF 19/709 - Quarterly internalised settlement reporting	3	Investment firms	25
Circular CSSF 19/710 - Documents to submitted on an annual basis by credit institutions.....	3	Specialised PFS	25
Circular CSSF 19/711 - FATF statements.....	3	Support PFS	26
BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM	4	UCIs (Situation as at 31 January 2019)	26
Single Supervisory Mechanism (SSM) - European Central Bank (ECB).....	4	Pension funds.....	30
European Parliament, European Commission and European Council.....	6	Securitisation undertakings	30
European Banking Authority (EBA)	8	Public oversight of the audit profession	30
European Supervisory Authorities (ESAs).....	9	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).....	30
Macro prudential fora.....	10	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")	32
The Financial Stability Board (FSB).....	11	HUMAN RESOURCES.....	32
NEWS OF THE EUROPEAN SECURITIES AND MARKETS AUTHORITY (ESMA).....	12	MAIN UPDATED FIGURES REGARDING THE FINANCIAL CENTRE	33
COMMUNIQUES	15		
Diploma ceremony - 2018 Examination of professional competence of <i>réviseurs d'entreprises</i> (statutory auditors)	15		

WARNINGS

Warnings published by IOSCO

Several warnings have been published on the IOSCO website at:

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

NATIONAL REGULATION

Law of 1 March 2019 - Circulation of securities

The purpose of the law is to allow the financial sector players to benefit fully and with all legal certainty from the opportunities offered by the new technologies in the area of the circulation of securities. The Law of 1 March 2019 amends the Law of 1 August 2001 on the circulation of securities, as amended, by specifying that the securities can also be credited to an account and transferred by using secured electronic registration mechanisms, in particular mechanisms based on distributed ledgers such as blockchain.

Grand-ducal Regulation of 1 March 2019 - Fees to be levied by the CSSF

Grand-ducal Regulation of 1 March 2019 amends Grand-ducal Regulation of 21 December 2017 relating to the fees to be levied by the CSSF, as amended, and in particular letters C (Undertakings for collective investment), D (Investment Fund Managers), E (Pension funds), G (Mortgage credit intermediaries) and L (Authorised securitisation undertakings and fiduciary-representatives having dealings with a securitisation undertaking). Furthermore, a new letter W (Central Securities Depositories) has been added.

Circular CSSF 19/709 - Quarterly internalised settlement reporting

The purpose of the circular is to introduce the obligation for settlement internalisers to report on a quarterly basis pursuant to Article 9(1) of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012.

Circular CSSF 19/710 - Documents to be submitted on an annual basis by credit institutions

The purpose of the circular is to amend Circular CSSF 15/602 on documents to be submitted on an annual basis by credit institutions. The amended circular provides details on the reporting by branches of credit institutions authorised in another Member State with respect to areas for which the CSSF remains responsible for the supervision as the host authority.

Circular CSSF 19/711 - FATF statements

The purpose of Circular CSSF 19/711 is to inform the persons and entities supervised by the CSSF of the FATF statements issued during its Plenary of February 2019 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.

BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM

Single Supervisory Mechanism (SSM) - European Central Bank (ECB)

Date	Publications	Description
01.02.2019	ECB released aggregate results of 2018 stress test analysis	The results show that the 87 banks directly supervised by the ECB have become more resilient to financial shocks over the past two years (see presentation). Despite a more severe adverse scenario than in the 2016 stress test, the average Common Equity Tier 1 (CET1) capital ratio of all 87 banks after a three-year stress period was 10.1%, up from 8.8% two years ago.
06.02.2019	ECB conducts sensitivity analysis of liquidity risk as its 2019 stress test	The ECB has launched a sensitivity analysis of liquidity risk to assess the ability of the banks it directly supervises to handle idiosyncratic liquidity shocks (see FAQs , presentation). The exercise will constitute the supervisory stress test of 2019.
08.02.2019	“Failing or Likely to Fail” Assessment of ABLV Bank, AS “Failing or Likely to Fail” Assessment of ABLV Bank, AS “Failing or Likely to Fail” Assessment of ABLV Bank Luxembourg, SA	The ECB has decided to publish non-confidential versions of its ‘Failing or Likely to Fail’ assessments for transparency and accountability purposes in view of their general interest while removing confidential information to comply with the professional secrecy rules governing supervisory work. The ‘Failing or Likely to Fail’ assessments were first announced in press releases and referenced in the subsequent decisions by the Single Resolution Board. The publication of non-confidential ‘Failing or Likely to Fail’ assessments is an exception to the general communications policy of the ECB, which, in line with the law, does not foresee publication of individual supervisory decisions that are protected by professional secrecy rules.
25.02.2019	Decision (EU) 2019/322 of the ECB of 31 January 2019	Publication of Decision (EU) 2019/322 of the ECB of 31 January 2019 on delegation of the power to adopt decisions regarding supervisory powers granted under national law (ECB/2019/4).
27.02.2019	ECB released an updated list of supervised entities (as of 2 January 2019)	In accordance with Article 49 of Regulation (EU) No 468/2014 of the ECB (the “SSM Framework Regulation”), the ECB has updated the list containing the name of each supervised entity and supervised group which is directly supervised by the ECB (“significant supervised entity” and “significant

supervised group”, as defined in Article 2, points (16) and (22) of the SSM Framework Regulation). It has also published the list of less significant institutions directly supervised by a national competent authority. The updated number of credit institutions directly supervised by the ECB is 117.

In Luxembourg, the number of significant institutions at the highest level of consolidation that are directly supervised by the ECB remains unchanged at 6 institutions. The number of less significant institutions has decreased from 67 to 66. Nordea Bank Abp has become a significant institution, which implies that its Luxembourg subsidiary Nordea Bank S.A. is henceforth supervised directly by the ECB as a significant institution.

February 2019	Letters from the Chair of Supervisory Board to members of the European Parliament	The ECB has published several letters from the Chair of the Supervisory Board to members of the European Parliament in response to written requests relating to stress tests and temporary administrators.
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Date	Interviews and speeches	Description
01.02.2019	Interview with hr-iNFO	Interview with Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, conducted by Mariela Milkowa on 29 January 2019 and broadcast on 1 February 2019.
05.02.2019	The banking union option - observations from my experience	Panel intervention by Pentti Hakkarainen, Member of the Supervisory Board of the ECB, to Session 2 “Banking Union” at the event “A deepening EMU - where will it leave Sweden and Denmark?”, in Stockholm.
13.02.2019	Risks to banks - from inside and out	Speech by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the 14th Asia-Pacific High-level meeting on Banking Supervision, in Sydney.
13.02.2019	European banking supervision is well established, but we still need more harmonized regulation	Interview with Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, Supervision Newsletter.
15.02.2019	Challenges for banks in the near- to medium-term	Opening statement by Ignazio Angeloni, Member of the Supervisory Board of the ECB, to the Plenary Session Roundtable “The Future of Banking: Will European Banks survive?” at the Dolomites Winter

Finance Conference, organised by The Free University of Bolzano, in Brunico-Bruneck.

18.02.2019 [Banking union - challenges ahead](#)

Introductory remarks by Andrea Enria, Chair of the Supervisory Board of the ECB, session on “Banking Union - Challenges Ahead”, European Parliamentary Week, in Brussels.

European Parliament, European Commission and European Council

Date	Regulatory developments	Description
05.02.2019	Council and European Parliament reached preliminary agreement on improving regulatory framework for OTC derivative markets and distribution of investment funds	<p>EU institutions are simplifying rules applying to non-financial counterparties, small financial counterparties and pension funds using financial derivative products by improving the existing regulatory framework applying to the over-the-counter (OTC) derivative market. A second package of measures aims at removing existing barriers to the cross-border distribution of investment funds. Both deals will now be submitted for endorsement by EU ambassadors.</p> <p>Those measures are taken in the context of the amendment and simplification of the European Market Infrastructure Regulation (EMIR) proposed by the European Commission in order to address disproportionate compliance costs, transparency issues and insufficient access to clearing for certain counterparties.</p>
11.02.2019	Commission Regulation (EU) 2019/237 of 8 February 2019	Publication of Commission Regulation (EU) 2019/237 of 8 February 2019 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 28.
15.02.2019	EU ambassadors endorsed full package of risk reduction measures	The package agreed by the Council and the Parliament comprises two regulations and two directives, relating to bank capital requirements (CRR 2 and CRD V) and the recovery and resolution of banks (SSMR 2 and BRRD 2).
26.02.2019	Presidency and EP agreed on a new regulatory and supervision framework for investment firms	The provisional agreement on a package of measures, composed of a regulation and a directive, sets out new prudential requirements and supervisory arrangements for investment firms. The objective of the reform is to adapt the requirements to the firms' risk profiles and business models while

preserving financial stability. The deal will now be submitted for endorsement by EU ambassadors.

27.02.2019 [Presidency and EP reached agreement on EU framework for covered bonds](#)

This framework will specify a common definition to receive an EU covered bond label and benefit from preferential capital treatment. The deal will now be submitted for endorsement by EU ambassadors.

27.02.2019 [Council agreed position on easier access to financial markets for SMEs](#)

EU ambassadors endorsed the Council's position on a proposal to give an easier access to small and medium-sized enterprises (SMEs) trying to list and issue securities on financial markets, while safeguarding investor protection and market integrity. On the basis of this text, the Presidency will start negotiations with the European Parliament on 6 March.

Date	Brexit developments	Description
01.02.2019	FCA outlined how it would use the temporary transitional power	The Financial Conduct Authority (FCA) has set out how it would use the temporary transitional power in the event the UK leaves the EU without an agreement. The Treasury has put forward draft legislation that would temporarily empower UK regulators to make transitional provisions if the UK leaves the EU without a withdrawal agreement. This is intended to minimise the disruption for firms and other regulated entities in this scenario.
01.02.2019	FCA agreed Memoranda of Understanding with ESMA and EU regulators to allow cooperation and exchange of information	The Memoranda of Understanding (MoUs) cover cooperation and exchange of information in the event the UK leaves the EU without a withdrawal agreement and implementation period. They include: <ul style="list-style-type: none"> (i) a multilateral MoU with EU and EEA National Competent Authorities covering supervisory cooperation, enforcement and information exchange; (ii) a MoU with the European Securities and Markets Authority (ESMA) covering supervision of Credit Rating Agencies and Trade Repositories.
27.02.2019	FCA released updated guidance on EU departure preparations	The FCA has published updated information to help support regulated firms in finalising their preparations for as smooth a transition as possible when the UK leaves the EU.
28.02.2019	Bank of England's amendments to the financial	The Bank of England (BoE) and Prudential Regulation Authority (PRA) joint policy statement sets out the policy to deliver the general approach

[services legislation under the European Union \(Withdrawal\) Act 2018](#)

being taken to ensure there is a functioning legal framework when the UK leaves the EU. The statement provides feedback to responses and sets out the BoE's and PRA's near-final policy. See also the BoE's Interpretation of EU guidelines and recommendations and the non-binding materials relating to financial market infrastructure supervision.

28.02.2019 [FCA confirmed proposals in the event of a no-deal Brexit](#)

The FCA has published near-final rules and guidance that will apply in the event the UK leaves the EU without an implementation period. As most of the changes proposed will be made under powers given to the FCA under the EU (Withdrawal) Act, they are subject to approval by the Treasury.

European Banking Authority (EBA)

Date	Publications	Description
19.02.2019	EBA Board of Supervisors nominated José Manuel Campa as new EBA Chairperson	<p>The EBA has informed the Chair of the European Parliament's Committee on Economic and Monetary Affairs (ECON), Roberto Gualtieri, about its decision, in line with the EBA Regulation. Subject to objection by the European Parliament within one month, Mr José Manuel Campa will succeed Andrea Enria as the new Chairperson of the EBA and will serve for a renewable five-year term.</p> <p>On the 26 February 2019, the members of the ECON have confirmed Mr José Manuel Campa in the role of new EBA Chairperson.</p>
20.02.2019	EBA released Consumer Trends Report for 2018-19	<p>The EBA has published its Consumer Trends Report for 2018 and 2019. The report covers the trends and issues related to retail banking products and services that fall within the EBA's consumer protection mandate, such as mortgages, consumer credit, deposits, payment accounts, payment services and electronic money. The report also provides an overview of the topical issues identified in 2018/19 that impact or may impact consumers.</p>
22.02.2019	EBA has published Handbook on valuation for purposes of resolution	<p>The Handbook, which is addressed to national and EU resolution authorities, aims at fostering the convergence and consistency of valuation practices as well as the interaction with independent valuers across the EU.</p>
25.02.2019	EBA has published revised Guidelines on outsourcing arrangements	<p>The EBA has published its revised guidelines on outsourcing arrangements setting out specific provisions for the governance frameworks of credit</p>

institutions, investment firms, payment and electronic money institutions with regard to their outsourcing arrangements and related supervisory expectations and processes.

Date	Consultations	Description
19.02.2019	EBA consults on Guidelines on ICT and security risk management	<p>The draft guidelines establish requirements for credit institutions, investment firms and payment service providers (PSPs) on the mitigation and management of their information and communication technology (ICT) risks and aim to ensure a consistent and robust approach across the Single Market.</p> <p>The consultation ran until 13 March 2019.</p>
25.02.2019	EBA consults on Guidelines on credit risk mitigation for institutions applying the IRB approach with own estimates of LGD¹	<p>The EBA has launched a consultation on its guidelines on Credit Risk Mitigation in the context of the advanced internal rating-based (IRB) approach, aiming to eliminate the remaining significant differences in approaches in the area of credit risk mitigation, which are either due to different supervisory practices or bank-specific choices. These draft guidelines complement the EBA Report on CRM, which focused on the standardised approach (SA) and the foundation-IRB approach (F-IRB).</p> <p>The consultation will run until 25 May 2019.</p>

European Supervisory Authorities (ESAs)

Date	Consultations	Description
08.02.2019	ESAs publish recommendations on changes to the PRIIPs Key Information Document	<p>The ESAs have published their final recommendations following a consultation on targeted amendments to the Delegated Regulation covering the rules for the Key Information Document (KID) for Packaged Retail and Insurance-based Investment Products (PRIIPs).</p>

¹ LGD: loss given default

Macro prudential fora

Countercyclical Capital buffer (CCyB)

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 since
Bulgaria	0.50%	01/10/2019
	1.25%	01/01/2019
Czech Republic	1.50%	01/07/2019
	1.75%	01/01/2020
Denmark	0.50%	31/03/2019
	1%	30/09/2019
France	0.25%	01/07/2019
Iceland	1.25%	01/01/2017
	1.75%	15/05/2019
Ireland	1%	05/07/2019
Lithuania	0.50%	31/12/2018
	1%	30/06/2019
Luxembourg	0.25%	01/01/2020
Norway	2%	31/12/2017
	2.50%	31/12/2019
Slovakia	1.25%	01/08/2018
	1.50%	01/08/2019
Sweden	2%	19/03/2017
	2.50%	19/09/2019
United Kingdom	1%	28/11/2018

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

The Financial Stability Board (FSB)

Date	Publications	Description
04.02.2019	FSB published Global Monitoring Report on Non-Bank Financial Intermediation 2018	The report presents the results of the FSB's eighth annual monitoring exercise that assesses global trends and risks from non-bank financial intermediation. It covers data up to end-2017 from 29 jurisdictions, which together represent over 80% of global GDP. The narrow measure of non-bank financial intermediation grew by 8.5% to \$51.6 trillion in 2017, a slightly slower pace than from 2011-2016.
12.02.2019	FSB published its 2019 work programme	The work programme for 2019 reflects the FSB's continued pivot from post-crisis policy design to the implementation and evaluation of the effects of reforms and, in particular, vigilant monitoring to identify and address new and emerging risks to financial stability.
14.02.2019	FSB report assessed FinTech developments and potential financial stability implications	The publication is part of the FSB's ongoing work to monitor FinTech market developments and their potential implications for financial stability. The FSB defines FinTech as technology-enabled innovation in financial services that could result in new business models, applications, processes or products with an associated material effect on the provision of financial services.
25.02.2019	FSB invites feedback on the effects of financial regulatory reforms on SME financing	The FSB is seeking feedback from stakeholders for its evaluation of the effects of financial regulatory reforms on the provision of financing to SMEs. The evaluation forms part of a broader FSB examination of the effects of post-crisis reforms on financial intermediation.

NEWS OF THE EUROPEAN SECURITIES AND MARKETS AUTHORITY (ESMA)

Date	Publications	Description
01.02.2019	ESMA updates its Q&As on MIFID II and MIFIR market structure and transparency topics	ESMA updated its Questions and Answers regarding market structures and transparency issues under the Market in Financial Instruments Directive (MiFID II) and Regulation (MiFIR).
01.02.2019	ESMA clarifies the reporting and handling of derivatives data in case of no-deal Brexit	ESMA issued a public statement on how derivatives data reported under the European Market Infrastructure Regulation (EMIR), should be handled in the event of the United Kingdom (UK) leaving the European Union (EU) without a withdrawal agreement, the no-deal Brexit scenario.
01.02.2019	ESMA and EU securities regulators agree no-deal Brexit MoUs with FCA	ESMA and European securities regulators have agreed Memoranda of Understanding (MoUs) with the Financial Conduct Authority (FCA) of the United Kingdom (UK).
01.02.2019	MiFID II: ESMA makes new bond liquidity data available	ESMA has made available new data for bonds subject to the pre- and post-trade requirements of the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR) through its data register.
01.02.2019	MiFID II: ESMA publishes data for the systematic internaliser calculations for equity, equity-like instruments and bonds	ESMA published data for the systematic internaliser calculations for equity, equity-like instruments and bonds under the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR).
04.02.2019	ESMA updates Q&A on MiFIR data reporting	ESMA issued an update of its Q&As on data reporting under the Market in Financial Instruments Regulation (MiFIR).
04.02.2019	ESMA updates Q&A on EMIR data reporting	ESMA issued an update of its Q&A on practical questions regarding the European Markets Infrastructure Regulation (EMIR).
04.02.2019	ESMA agrees no-deal Brexit MOUs with the Bank of England for recognition of UK CCPs and the UK CSD	ESMA has agreed Memoranda of Understanding (MoUs) with the Bank of England (BoE) for the recognition of central counterparties (CCPs) and of the central securities depository (CSD) established in the United Kingdom (UK), that would take effect should the UK leave the European Union (EU) without a withdrawal agreement, the no-deal Brexit scenario.

05.02.2019	ESMA consults on liquidity stress test guidance for investment funds	ESMA has started a public consultation on its draft guidance regarding liquidity stress tests of investment funds – applicable to alternative investment funds (AIFs) and Undertakings for the Collective Investment in Transferable Securities (UCITS).
05.02.2019	ESMA publishes guidelines on supervisory reporting for credit rating agencies	The European Securities and Markets Authority (ESMA) has today published its revised Guidelines on the information which credit rating agencies (CRAs) need to report to ESMA for supervisory purposes.
05.02.2019	ESMA sets out use of UK data in ESMA databases under a no-deal Brexit	ESMA published a statement on the use of UK data in ESMA databases and the performance of MiFID II calculations under a no-deal Brexit.
06.02.2019	ESMA sets out 2019 priorities for supervisory convergence	ESMA published its 2019 Supervisory Convergence Work Programme (SCWP), which sets out ESMA's work streams to promote sound, efficient and consistent supervision across the European Union.
06.02.2019	ESMA publishes supervisory briefing on the supervision of non-EU branches of EU firms	ESMA published a MiFID II supervisory briefing on the supervision of non-EU branches of EU firms providing investment services and activities. The supervisory briefing has been designed to assist national competent authorities (NCAs) in their supervision of the establishment by EU firms of branches in non-EU countries.
07.02.2019	ESMA publishes its 2019 Risk Assessment Work Programme	ESMA published its Risk Assessment Work Programme, providing an overview of the analytical, research, data and statistical activities that ESMA will carry out in 2019.
08.02.2019	ESMA publishes list of thresholds below which an EU prospectus is not required	ESMA published a document listing the thresholds below which an offer of securities to the public does not need a prospectus in the various Member States of the European Union.
15.02.2019	EU and global securities regulators welcome agreement on data transfer	The International Organization of Securities Commissions (IOSCO) and ESMA welcome the Opinion of the European Data Protection Board (EDPB) on their administrative arrangement for the transfer of personal data between European Economic Area (EEA) Financial Supervisory Authorities and non-EEA Financial Supervisory Authorities.

15.02.2019	ESMA calls for fund experts to join industry panel	ESMA issued a call for candidates in order to renew the composition of its Consultative Working Group (CWG) which advises ESMA's Investment Management Standing Committee (IMSC).
15.02.2019	MIFID II: ESMA issues latest double volume cap data	ESMA updated its public register with the latest set of double volume cap (DVC) data under the Markets in Financial Instruments Directive (MiFID II).
18.02.2019	ESMA issues positive opinion on short selling ban by BaFin	ESMA issued an official opinion agreeing to an emergency net short position ban, for a period of two months, by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) on net short positions in Wirecard AG (Wirecard) shares under the Short Selling Regulation.
18.02.2019	ESMA to recognise three UK CCPs in the event of a no-deal Brexit	ESMA announced that in the event of a no-deal Brexit, three central counterparties (CCPs) established in the United Kingdom (UK) – LCH Limited, ICE Clear Europe Limited and LME Clear Limited – will be recognised to provide their services in the European Union. ESMA has adopted these recognition decisions in order to limit the risk of disruption in central clearing and to avoid any negative impact on the financial stability of the EU.
18.02.2019	ESMA renews binary options prohibition for a further three months from 2 April 2019	ESMA has agreed to renew the prohibition of the marketing, distribution or sale of binary options to retail clients, in effect since 2 July 2018, for a further three-month period.
19.02.2019	ESMA supervision to focus on data, Brexit and cybersecurity in 2019	ESMA published its 2019 Supervision Work Programme, which details the main areas of focus for the upcoming year for ESMA's supervision of Trade Repositories (TRs), Credit Rating Agencies (CRAs), and the monitoring of third-country market infrastructures such as third-country central clearing counterparties (TC-CCPs) and third-country Central Securities Depositories (TC-CSDs).
25.02.2019	ESMA publishes responses to its Consultations on Sustainable Finance	ESMA published the responses received to its Consultations on integrating sustainability risks and factors in MiFID II, and in the UCITS Directive/AIFMD.
26.02.2019	ESMA publishes responses to its Consultation on reporting guidelines under the MMF Regulation	ESMA published the responses received to its Consultation on draft guidelines on the reporting to competent authorities under Article 37 of the MMF Regulation.

28.02.2019 [ESMA TRV: Political uncertainty amid growth slowdown weighs on market sentiment](#)

EU financial markets are increasingly nervous, reflected in rising volatility, ESMA said in its latest Trends, Risks, and Vulnerabilities (TRV) Report (No 1.2019).

COMMUNIQUES

Diploma ceremony - 2018 Examination of professional competence of *réviseurs d'entreprises* (statutory auditors)

Press release 19/11 of 25 February 2019

Today, 14 new *réviseurs d'entreprises* (statutory auditors) received, on the premises of the CSSF, their diploma evidencing their success in the 2018 session of the examination of professional competence.

This diploma rewards a substantial training programme and is granted on the basis of a six-hour written examination and an individual oral test for every candidate in front of a jury appointed by the CSSF which is equally composed of audit professionals and of people not involved in the profession of *réviseurs d'entreprises agréés* (approved statutory auditors).

The diploma confirms the acquisition of the professional qualifications necessary to be granted the title of "*réviseur d'entreprises*" and to apply for authorisation in Luxembourg.

The ceremony took place in the presence of the Minister of Finance Pierre GRAMEGNA and the Director General of the CSSF Claude MARX.

List of the 14 new *réviseurs d'entreprises*:

- | | |
|--------------------------|-----------|
| 1. BOUKHELIFA Madjid | |
| 2. CANELLA Anthony | |
| 3. DE MARTINHO Elisabete | Cum laude |
| 4. DRUANT Thomas | |
| 5. DUBOIS Laurent | |
| 6. HECTOR Alexandre | |
| 7. LE BARS Antoine | |
| 8. LEFEVRE Félix | |
| 9. MENNEL Olivier | Cum laude |
| 10. PAYET Nicolas | |

11. TRITSCH Anne-Cécile
12. TRUBAT Romaric
13. TURPIN David
14. VALTAER Priscilia



The CSSF congratulates the candidates for achieving this important professional qualification.

* * *

Obligations regarding strong customer authentication and common and secure open standards of communication under Commission Delegated Regulation (EU) 2018/389

Communiqué of 28 February 2019

The full version of the communiqué with the annexes is available at:

http://www.cssf.lu/fileadmin/files/Publications/Communiqués/Communiqués_2019/C_SCA_CSC_PSD_2_280219_eng.pdf

The Commission de Surveillance du Secteur Financier (the “CSSF”) draws the attention of the payment service providers (**PSPs**²) to a certain number of new obligations resulting from:

- The transposition of Directive (EU) 2015/2366 on payment services (“**PSD2**”) by the Luxembourg Law of 20 July 2018, amending the Law of 10 November 2009 on payment services (**the “Law”**); and
- The Commission Delegated Regulation (EU) 2018/389 of 27 November 2017 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for strong customer authentication and common and secure open standards of communication (**the “RTS”, or the “RTS on SCA and CSC” or the “Regulation”**).

Section 1: Entities concerned by the new obligations

The payment service providers concerned by the new obligations are the ones defined in points (i), (ii), (iii) and (iv) of Article 1(37) of the Law and for which the CSSF is the designated competent authority for supervisory purposes under the Law:

- i) Credit institutions;
- ii) Electronic money institutions;
- iii) Post Luxembourg; and
- iv) Payment institutions.

² Refer to Annex 2 for a glossary of all acronyms used in this communiqué.

The Regulation applies to the PSPs listed above who offer **payment accounts (including e-money accounts) that are accessible online**:

- regardless of whether this access allows consultative services only, transactional services only, or both; and
- irrespective of:
 - a presumed disinterest of the ASPSP's clients in using account information and/or payment initiation services offered by TPPs;
 - the size of the ASPSP and the number of its clients;
 - the fact that the ASPSP only has corporate clients;
 - the fact that the payment account only allows transactions to its owner's account held at another ASPSP.

Section 2: Main new obligations resulting from the RTS

The CSSF urges the concerned PSPs (see section 1 above) to comply with the requirements of the RTS on SCA and CSC³.

With regards to this Regulation, the CSSF would like to reiterate the following key points:

- A) The Regulation applies **from 14 September 2019**, with the exception of paragraphs 3 and 5 of article 30, which apply **from 14 March 2019**⁴. It underpins the new security requirements under PSD2 and regulates the access by AISPs, PISPs and CBPIIs to customer payment account data held in ASPSPs.
- B) **PSPs must apply Strong Customer Authentication (SCA)** in the use cases described under Article 105-3 of the Law, including for remote electronic payments with a “**dynamic linking**” feature (i.e. with elements which dynamically link the transaction to a specific amount and a specific payee). The Regulation defines the security measures for the application of SCA (i.e. the specifications a PSP must respect to define its SCA procedure) and the nine specific authorized exemptions from the application of SCA.
- C) **Each ASPSP who offers payment accounts that are accessible online has the obligation to offer at least one access interface** enabling secure communication with, and access, by the TPPs to the PSU payment account data. Each ASPSP is free to decide whether to offer as an access interface:
 - either a so-called “dedicated interface”, i.e. an interface that is dedicated to the communication with those TPPs and that shall offer at all times the same level of availability and performance, including support, as the interface(s) made available to the PSU for directly accessing its payment account online; or
 - an “adapted PSU interface”, i.e. to allow the TPPs to use the interface also used by the PSUs to access their payment accounts (e.g. an e-banking website), with an adaptation of this interface to allow the TPPs to identify themselves towards the ASPSP.

The CSSF would like to reiterate that **some obligations** resulting from the Regulation **are applicable to both types of interface, including the two below**:

- the ASPSP is required to make the interface technical specifications documentation available to the TPPs and to offer them a testing facility at least 6 months before the access interface is live;
- the ASPSP is required to use a qualified eIDAS certificate⁵ for the purpose of TPP identification.

³ Refer to Annex 3 for a link to the document.

⁴ Details are described under the last paragraph of point F.

⁵ As referred to in Article 34 of the RTS.

- D) In addition, the Regulation requires all ASPSPs that have opted to offer access via a dedicated interface **to also implement a contingency mechanism⁶, unless they receive an exemption from the CSSF** in accordance with the four conditions set out under Article 33(6) of the Regulation and further specified in the EBA Guidelines on exemption⁷.
- E) **All ASPSPs that would like to obtain such an exemption are required to fill in the form for exemption authorisation request** available on the CSSF website:
- for banks: www.cssf.lu/en/supervision/banks/forms/
 - for Post Luxembourg: www.cssf.lu/en/supervision/pfs/specialised-pfs/forms/
 - for payment institutions/electronic money institutions: <http://www.cssf.lu/en/supervision/payment-institutionselectronic-money-institutions/forms/>
- The PSPs should send their requests according to the instructions indicated in the form and should take into account the time required for the review of the file and the EBA consultation⁸.
- F) **The deadlines to respect vary** according to the ASPSP situation and to its willingness to apply for a contingency mechanism exemption or not. They are **indicated in Annex 1**. In particular, the CSSF draws the attention of the ASPSPs that would like **to obtain a contingency mechanism exemption as from 14 September 2019** to the fact that they should:
- make the interface technical specifications documentation available to the TPPs and to offer them a testing facility no later than 14 March 2019;
 - roll-out their dedicated interface in production no later than 14 June 2019 to ensure wide usage of the interface for at least 3 months before the RTS application date;
 - submit their exemption request no later than 01 May 2019, except for the information related to the three-month period of wide usage⁹, which has to be provided on 14 July 2019 and on 14 August 2019. **The CSSF cannot guarantee that files received after these deadlines will be processed for the date of application of the Regulation.**
- G) The CSSF also reiterates that an ASPSP may decide to have **only one dedicated interface for servicing all its customers or separate dedicated interfaces for different customer segments (e.g. retail vs corporate)**. In the latter case, ASPSPs would need to apply for a separate exemption for each dedicated interface, in order to be exempted from the obligation to implement a contingency mechanism. The exemption is specific to each dedicated interface.
- H) Finally, an ASPSP may decide to use the access interface solution developed and managed by its group or a third-party. The CSSF considers that **when an ASPSP has recourse to an outsourcing for a dedicated interface solution and asks for a contingency mechanism exemption, this outsourcing is material**. In that case the ASPSP has to ask for CSSF non-objection in line with the circulars CSSF 12/552 and 17/656.

Where the third-party is a **Support PFS¹⁰ offering PSD2 solutions, the ASPSP will not be automatically exempted** from the obligation to implement a contingency mechanism. The CSSF wants to underline that in the context of the approval process of Support PFS, its analysis is limited to the activity subject to authorisation (e.g. the operation of IT systems for financial entities) and does not prejudice any assessment of a PSD2 solution offered by the latter. **The compliance obligation** related to Article 33(6) of the RTS **is and will remain solely incumbent upon the ASPSP** and the latter will have to ensure that the services provided by its sub-contractor(s), in combination with their own

⁶ Also called « Fall back mechanism ».

⁷ EBA Guidelines on the conditions to benefit from an exemption from the contingency mechanism under Article 33(6) of Regulation (EU) 2018/389 (RTS on SCA & CSC). Refer to Annex 3 for a link to the document.

⁸ EBA consultation as referred to in Article 33(6) of the RTS and Guideline 9 of the EBA Guidelines on exemption.

⁹ The EBA has clarified in the Guidelines on exemption that the 6-month testing period may run concurrently with the 3-month “widely used” period.

¹⁰ A professional of the financial sector authorised under Articles 29-3 or 29-4 of the Law of 5 April 1993 on the financial sector (“LFS”).

technical and organizational setup, services, processes and policies, meet all regulatory requirements. Therefore, the ASPSP implementing an access interface fully or partially relying on the solution offered by a Support PFS and who would like to benefit from the exemption to set up a contingency mechanism must submit the same exemption authorisation request to the CSSF.

* * *

Conference - AML/CFT in the Luxembourg fund industry

Press release 19/12 of 1 March 2019

On 18 March 2019, in conjunction with ALFI, ALCO and LPEA professional associations, the CSSF organizes an AML/CFT conference dedicated to the fight against money laundering, terrorist financing and proliferation financing in the Luxembourg Fund Industry at the amphitheater of the “Maison du Savoir” in Belval, from 2.30 PM to 5.30 PM.

Attendance is limited to one representative per Company subject to CSSF supervision and active in the Luxembourg Investment Fund Industry.

The conference will host speakers from the CSSF specialized in AML/CFT topics in the Fund Industry. They will provide feedback on the RBAC questionnaire campaign performed in 2018 and will present key findings and expectations of the AML/CFT prudential supervision measures. A panel of experts from the Industry will also discuss current AML/CFT hot topics in the Luxembourg Fund Industry. Finally, the FATF methodology which will be used to evaluate Luxembourg in 2020 will be also described and explained.

Please use the following link to register:

https://alfi-web.ungerboeck.com/reg/reg_p1_form.aspx?oc=10&ct=NEWACCT&eventid=10067

Kindly bring your proof of registration with you at the conference.

* * *

Global situation of undertakings for collective investment at the end of January 2019

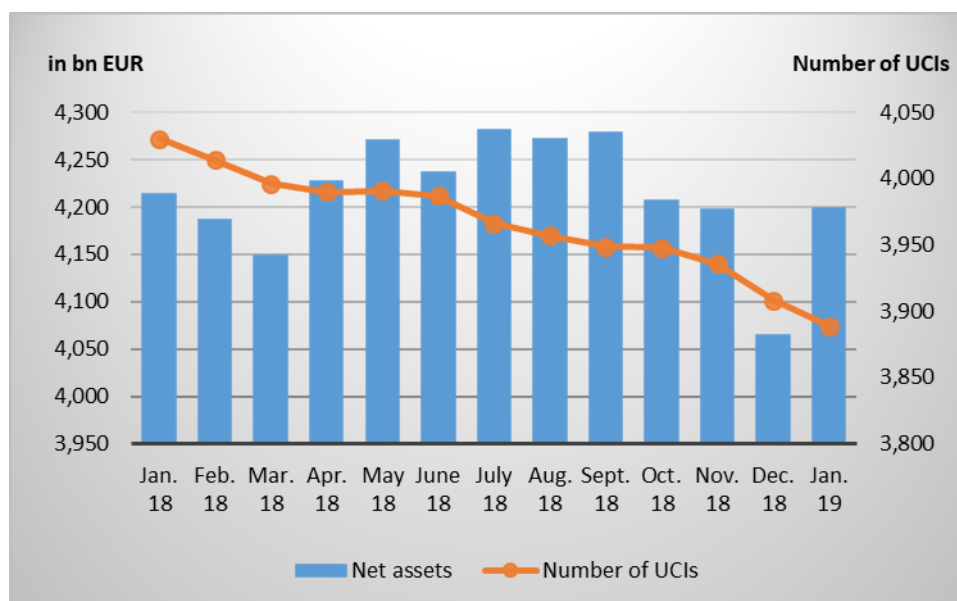
Press release 19/13 of 5 March 2019

I. Global situation

As at 31 January 2019, total net assets of undertakings for collective investment, including UCIs subject to the 2010 Law, specialised investment funds and SICARs amounted to EUR 4,199.723 billion compared to EUR 4,064.644 billion as at 31 December 2018, i.e. a 3.32% increase over one month. Over the last twelve months, the volume of net assets decreased by 0.34%.

The Luxembourg UCI industry thus registered a positive variation amounting to EUR 135.079 billion in January. This increase represents the balance of negative net issues of EUR 4.354 billion (-0.11%) and a positive development in the financial markets amounting to EUR 139.433 billion (+3.43%).

The development of undertakings for collective investment is as follows:



The number of undertakings for collective investment (UCIs) taken into consideration totalled 3,889 as against 3,908 in the previous month. A total of 2,524 entities adopted an umbrella structure, which represented 13,527 sub-funds. When adding the 1,365 entities with a traditional structure to that figure, a total of 14,892 fund units were 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 January.

Equity markets rebounded in January, with all categories of equity UCIs recording substantial rises.

The European equity UCI category registered price increases due to the progress made in the Sino-American trade negotiations and the accommodating monetary policy, despite weak macroeconomic data in the euro area and political uncertainties related to BREXIT. The rebound of the US equity UCI category was supported by the results of corporates which exceeded expectations and the more accommodating speech of the Federal Reserve. The Japanese equity UCI category followed the upward trend, despite the decrease in Japan's foreign trade and the slowdown of the overall economic situation.

As regards emerging countries, the Asian equity UCI category substantially improved, mainly as a result of the resumption of trade negotiations between China and the US and the more careful communication by the Fed and despite mitigated economic indicators in China. The category of Eastern European and Latin American equity UCIs registered high price increases following the appreciation of the main currencies in these regions, the more accommodating speech of the Federal Reserve and the rise in oil prices which positively impacted the exporting countries such as Russia and Colombia.

In January, the equity UCI categories registered an overall negative net capital investment.

Development of equity UCIs during the month of January 2019*

	Market variation in %	Net issues in %
Global market equities	7.18%	0.17%
European equities	7.50%	-1.16%
US equities	8.26%	-0.39%
Japanese equities	6.13%	0.65%
Eastern European equities	12.42%	-0.95%
Asian equities	11.48%	0.23%
Latin American equities	16.69%	1.52%
Other equities	7.21%	0.76%

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

On the bond markets of developed countries, the more accommodating speech on monetary policy from both sides of the Atlantic against the backdrop of uncertainties regarding the strength of the global growth resulted in a decrease in government bond yields. This trend, together with a resurgence of the risk appetite fuelling increases in prices of corporate bonds, led to price gains for EUR-denominated and USD-denominated bond UCIs during the month under review.

As regards emerging bond markets, the progress in the Sino-American trade negotiations, the decrease in yields of US government bonds, the increase in the prices of commodities, the rise of risk appetite and especially the appreciation of the main emerging currencies explain the positive performance of the emerging country bond UCI category.

In January, fixed-income UCI categories registered an overall negative net capital investment.

Development of fixed-income UCIs during the month of January 2019*

	Market variation in %	Net issues in %
EUR money market	0.00%	-3.05%
USD money market	-0.28%	-4.21%
Global market money market	1.10%	3.58%
EUR-denominated bonds	0.92%	-0.38%
USD-denominated bonds	0.98%	1.46%
Global market bonds	1.57%	-0.24%
Emerging market bonds	3.78%	2.39%
High Yield bonds	3.15%	-0.31%
Others	1.75%	0.98%

* 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 January 2019*

	Market variation in %	Net issues in %
Diversified UCIs	3.22%	-0.33%
Funds of funds	3.01%	0.11%

* 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 ¹¹		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 €)
31/12/2016	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 €
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 €
30/11/2017	1,864	3,469.422 €	325	155.343 €	1,591	465.954 €	3,780	4,090.719 €	288	45.080 €	4,068	4,135.799 €
31/12/2017	1,859	3,486.445 €	323	154.189 €	1,576	472.415 €	3,758	4,113.049 €	286	46.565 €	4,044	4,159.614 €
31/01/2018	1,852	3,539.403 €	320	155.272 €	1,573	473.290 €	3,745	4,167.965 €	285	46.065 €	4,030	4,214.030 €
28/02/2018	1,854	3,513.980 €	316	152.309 €	1,560	475.916 €	3,730	4,142.205 €	284	45.118 €	4,014	4,187.323 €
31/03/2018	1,846	3,473.243 €	314	150.078 €	1,552	480.516 €	3,712	4,103.837 €	284	45.061 €	3,996	4,148.898 €
30/04/2018	1,843	3,549.467 €	309	146.350 €	1,554	485.963 €	3,706	4,181.780 €	284	45.752 €	3,990	4,227.532 €
31/05/2018	1,842	3,581.805 €	307	149.109 €	1,558	492.594 €	3,707	4,223.508 €	284	47.517 €	3,991	4,271.025 €
30/06/2018	1,843	3,541.974 €	304	147.522 €	1,557	497.610 €	3,704	4,187.106 €	283	49.976 €	3,987	4,237.082 €
31/07/2018	1,841	3,582.463 €	301	147.933 €	1,545	501.062 €	3,687	4,231.458 €	279	51.006 €	3,966	4,282.464 €
31/08/2018	1,835	3,569.217 €	298	147.147 €	1,547	505.174 €	3,680	4,221.538 €	277	50.850 €	3,957	4,272.388 €
30/09/2018	1,829	3,574.040 €	296	147.628 €	1,548	506.883 €	3,673	4,228.551 €	276	51.211 €	3,949	4,279.762 €
31/10/2018	1,831	3,496.913 €	295	144.373 €	1,547	512.693 €	3,673	4,153.979 €	275	53.325 €	3,948	4,207.304 €
30/11/2018	1,822	3,481.710 €	296	143.169 €	1,542	513.821 €	3,660	4,138.700 €	276	53.632 €	3,936	4,197.332 €
31/12/2018	1,810	3,360.468 €	295	134.463 €	1,529	514.185 €	3,634	4,009.116 €	274	55.528 €	3,908	4,064.644 €
31/01/2019	1,806	3,486.240 €	292	136.557 €	1,519	521.731 €	3,617	4,144.528 €	272	55.195 €	3,889	4,199.723 €

¹¹ Before 31 December 2016, the statistical data of SICARs were only published on an annual basis.

During the month under review, the following 15 undertakings for collective investment have been registered on the official list:

1) UCITS Part I 2010 Law:

- FONDACO PREVIDENZA UCITS SICAV, 2, place de Paris, L-2314 Luxembourg
- GLOBAL MASTERS, 16, rue Gabriel Lippmann, L-5365 Munsbach
- MACROEQUITY GLOBAL INVESTMENTS, 17, rue de Flaxweiler, L-6776 Grevenmacher
- SENTAT GLOBAL FUND SICAV, 1C, rue Gabriel Lippmann, L-5365 Munsbach
- SHELTER UCITS, 11-13, boulevard de la Foire, L-1528 Luxembourg
- SULA UCITS SICAV, 2C, rue Albert Borschette, L-1246 Luxembourg
- UNIINSTITUTIONAL EURO CREDIT 2025, 308, route d'Esch, L-1471 Luxembourg

2) UCIs Part II 2010 Law:

- DEKA-FLEXGARANT, 6, rue Lou Hemmer, L-1748 Luxembourg-Findel

3) SIFs:

- ACCESS OPPORTUNITIES FUND, 11, rue Aldringen, L-1118 Luxembourg
- GRANTIA SICAV-SIF, 28-32, place de la Gare, L-1616 Luxembourg
- INVESCO LUX REAL ESTATE INVESTMENT II S.A. SICAV-SIF, 37A, avenue J-F Kennedy, L-1855 Luxembourg
- PENNANT REEF SICAV-FIS, 4, rue Thomas Edison, L-1445 Strassen
- SCALA ALTERNATIVE INCOME FUND SCSP SIF, 47, avenue J-F Kennedy, L-1855 Luxembourg
- SWISS LIFE ERE CAPITAL PARTNERS FUND S.C.S. SICAV-FIS, 4A, rue Albert Borschette, L-1246 Luxembourg

4) SICARs:

- BREDERODE INTERNATIONAL S.À R.L. SICAR, 32, boulevard Joseph II, L-1840 Luxembourg

The following 34 undertakings for collective investment have been deregistered from the official list during the month under review:

1) UCITS Part I 2010 Law:

- BOLUX, 14, boulevard Royal, L-2449 Luxembourg
- DEKA-OPTIRENT 3Y (II), 6, rue Lou Hemmer, L-1748 Luxembourg-Findel
- DEUTSCHE AKTIEN TOTAL RETURN, 9A, rue Gabriel Lippmann, L-5365 Munsbach
- FIT FUND, 50, rue Basse, L-7307 Steinsel
- GLOBAL MULTI INVEST, 534, rue de Neudorf, L-2220 Luxembourg
- KÖLNBOON FONDS-PORTFOLIO:, 6, rue Lou Hemmer, L-1748 Luxembourg-Findel
- MS, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- ODDO BHF TRUST FONDS EXKLUSIV, 163, rue du Kiem, L-8030 Strassen
- ROHSTOFF CONTROL FONDS, 8-10, rue Jean Monnet, L-2180 Luxembourg
- UNICORN CAPITAL SICAV, 60, avenue J-F Kennedy, L-1855 Luxembourg
- UNIPROINVEST: STRUKTUR, 308, route d'Esch, L-1471 Luxembourg

2) UCIs Part II 2010 Law:

- BOND SELECT TRUST, 33, rue de Gasperich, L-5826 Howald-Hesperange
- MONEY MARKET FAMILY, 49, avenue J-F Kennedy, L-1855 Luxembourg
- RAM (LUX) FUNDS, 534, rue de Neudorf, L-2220 Luxembourg

3) SIFs:

- ABERDEEN INDIRECT PROPERTY PARTNERS II, 35A, avenue J-F Kennedy, L-1855 Luxembourg

- AHV INTERNATIONAL PORTFOLIO, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
 - ARBORESCENCE INVESTMENT, 11, avenue Emile Reuter, L-2420 Luxembourg
 - ASTELLON FUND SICAV-SIF, 6, rue Lou Hemmer, L-1748 Senningerberg
 - ATRIUM INVEST SICAV-SIF, 2, rue Edward Steichen, L-2540 Luxembourg
 - CROWN PREMIUM PRIVATE EQUITY BUYOUT, 2, place François-Joseph Dargent, L-1413 Luxembourg
 - DUSKA S.A. SICAV - FIS, 12, rue Eugène Ruppert, L-2453 Luxembourg
 - EUROPEAN BALANCED PROPERTY FUND, 80, route d'Esch, L-1470 Luxembourg
 - FRANKLIN TEMPLETON EUROPEAN REAL ESTATE FUND OF FUNDS, 8A, rue Albert Borschette, L-1246 Luxembourg
 - HEITMAN EUROPEAN PROPERTY PARTNERS III, 80, route d'Esch, L-1470 Luxembourg
 - HELLEBORE CREDIT SICAV-FIS, 5, allée Scheffer, L-2520 Luxembourg
 - INTERNATIONAL PATRIMONIUM FUND SICAV-SIF S.C.A., 56, Grand-rue, L-1660 Luxembourg
 - MAGNOLIA SICAV SIF, 204, route de Luxembourg, L-7241 Bereldange
 - NORDIC LIGHT FUND, 38, rue Pafebrüch, L-8308 Capellen
 - PURE LOAN DEBT FUND S.C.S, SICAV-FIS, 60, avenue J-F Kennedy, L-1855 Luxembourg
 - SIREO IMMOBILIENFONDS NO. 5 SICAV - FIS, 4A, rue Albert Borschette, L-1246 Luxembourg
 - UNIVERSAL POWER S.C.S. SICAV-FIS, 15, rue de Flaxweiler, L-6776 Grevenmacher
- 4) SICARs:**
- PARTHENOS S.A. SICAR, 19, rue Eugène Ruppert, L-2453 Luxembourg
 - SEE CAR PARK INVESTORS SCA, SICAR, 5, rue Guillaume, L-1882 Luxembourg
 - WINVEST INTERNATIONAL S.A. SICAR, 5, rue Pierre d'Aspelt, L-1142 Luxembourg

WITHDRAWALS DECIDED BY THE CSSF

A decision to withdraw the specialised investment fund ALLIANCE SICAV-SIF S.A. from the official list of specialised investment funds was taken by the CSSF on 5 March 2019.

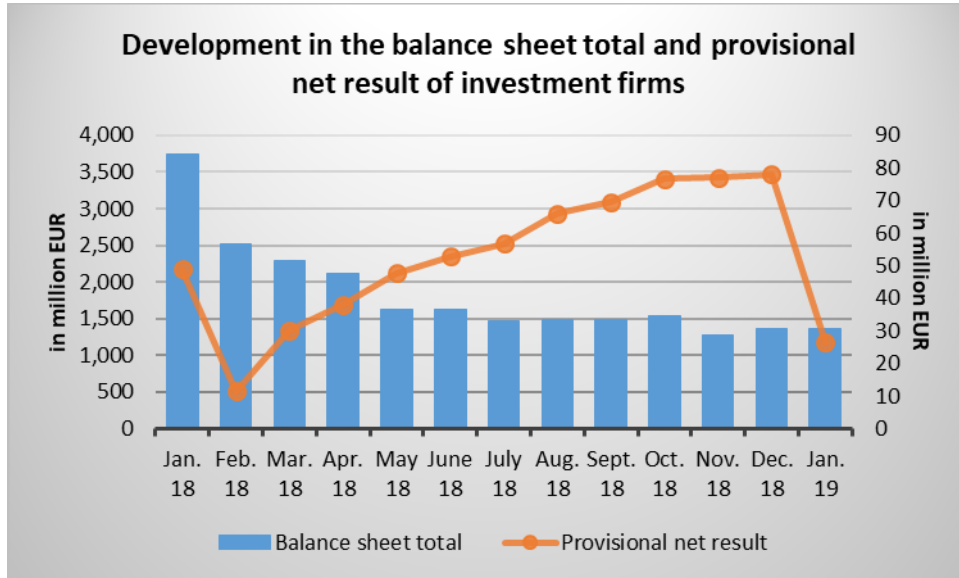
A decision to withdraw the specialised investment fund FINAS REAL ESTATE FUND SCA SICAV SIF from the official list of specialised investment funds was taken by the CSSF on 6 March 2019.

A decision to withdraw the specialised investment fund XEON FUND SICAV SIF S.C.A. from the official list of specialised investment funds was taken by the CSSF on 12 March 2019.

STATISTICS

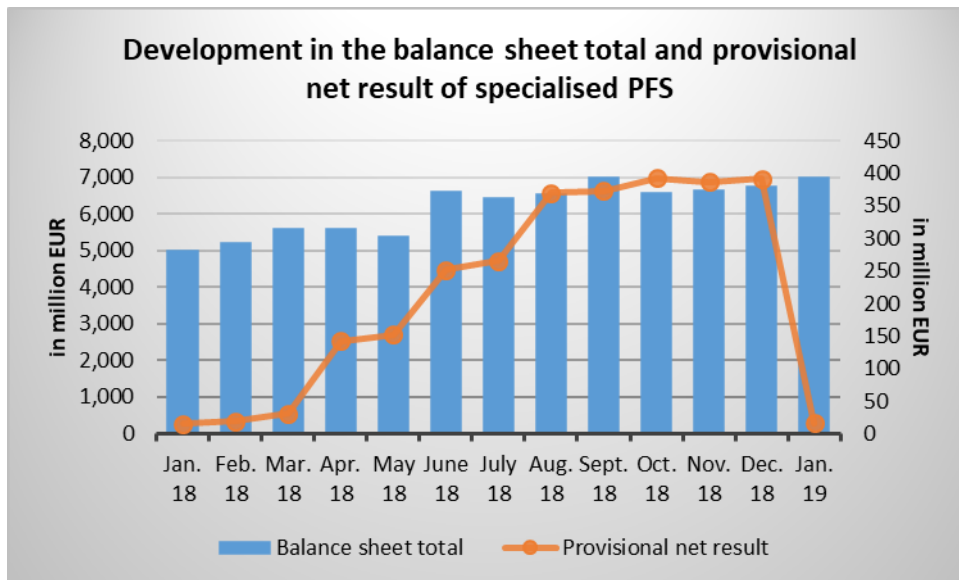
Investment firms

Slight increase in the balance sheet total as at 31 January 2019



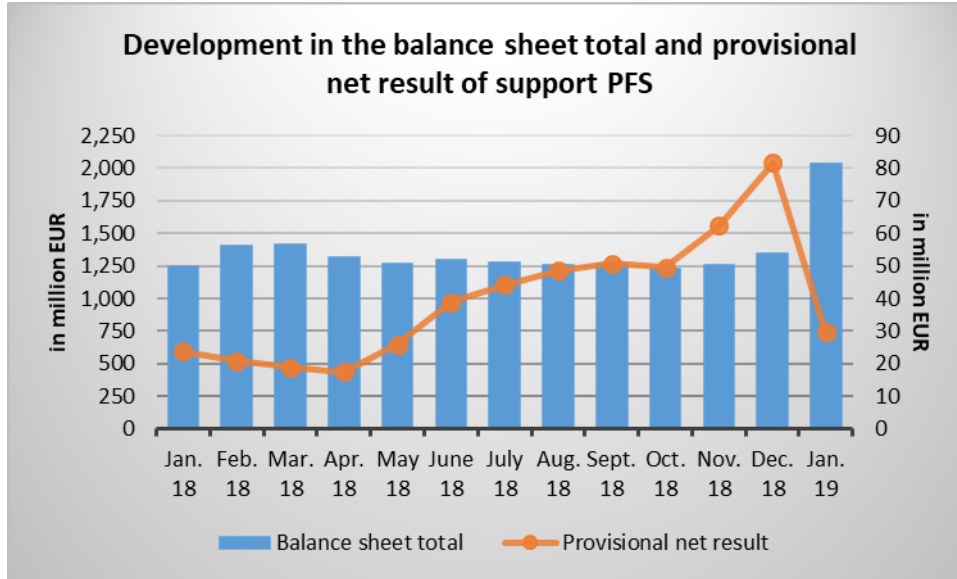
Specialised PFS

Increase in the balance sheet total as at 31 January 2019



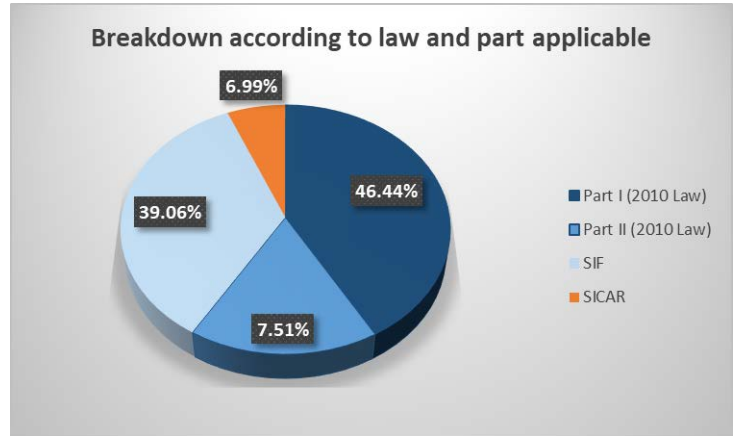
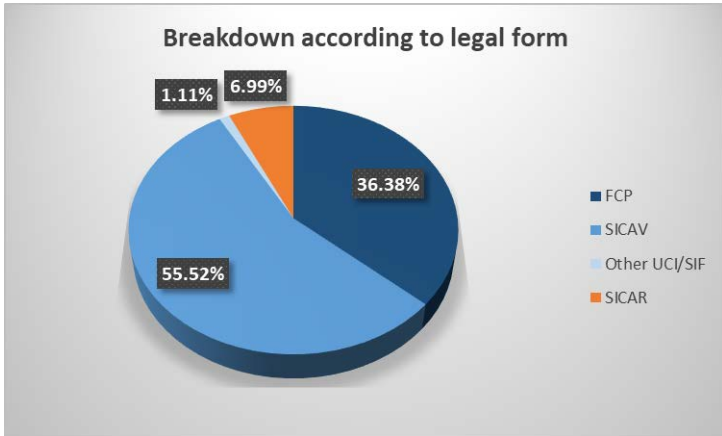
Support PFS

Increase in the balance sheet total as at 31 January 2019



UCIs (Situation as at 31 January 2019)

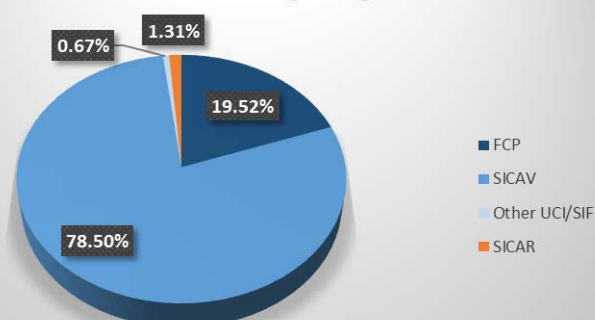
Number of UCIs



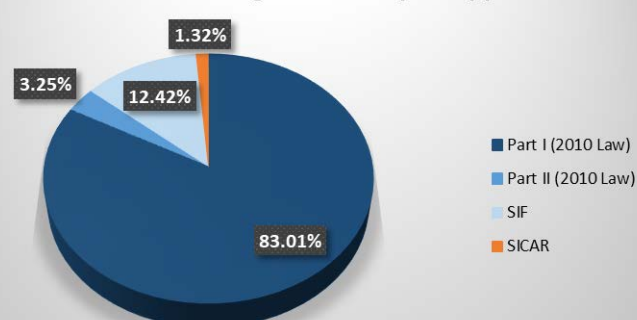
Law, part/legal form	FCPs	SICAVs	Other UCIs/SIFs	SICARs	Total
Part I (2010 Law)	940	866	0	0	1,806
Part II (2010 Law)	146	143	3	0	292
SIFs	329	1,150	40	0	1,519
SICARs	0	0	0	272	272
TOTAL	1,415	2,159	43	272	3,889

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
Part I (2010 Law)	603.096	2,883.144	0.000	0.000	3,486.240
Part II (2010 Law)	45.930	90.060	0.567	0.000	136.557
SIFs	170.681	323.633	27.417	0.000	521.731
SICARs	0.000	0.000	0.000	55.195	55.195
TOTAL	819.707	3,296.837	27.984	55.195	4,199.723

Breakdown according to investment policy

Breakdown according to investment policy	Net assets (in bn EUR)	Number of fund units ¹²
Fixed-income securities	1,207.993	3,128
Variable-yield transferable securities	1,253.757	4,035
Mixed transferable securities	913.362	3,980
Funds of funds	241.700	2,155
Money market instruments and other short-term securities	336.824	223
Cash	5.796	18
Private equity	36.842	213
Venture capital	1.946	31
Real estate	74.028	325
Futures and/or options	11.846	116
Other assets	60.434	265
Public-to-Private	0.127	3
Mezzanine	3.374	14
Venture Capital (SICARs)	8.020	80
Private Equity (SICARs)	43.674	306
TOTAL	4,199.723	14,892

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

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	1,102.539	2,587	52.832	45.345	7.487
Variable-yield transferable securities	1,187.722	3,676	41.363	41.559	-0.196
Mixed transferable securities	735.923	2,862	18.606	21.607	-3.001
Funds of funds	126.458	971	1.807	2.282	-0.475
Money market instruments and other short-term securities	318.374	180	158.450	162.785	-4.335
Cash	5.505	12	1.576	1.626	-0.050
Futures and/or options	6.610	53	0.195	0.657	-0.462
Other assets	3.109	10	0.046	0.146	-0.100
TOTAL PART I:	3,486.240	10,351	274.875	276.007	-1.132
PART II					
Fixed-income transferable securities	18.870	98	0.213	1.691	-1.478
Variable-yield transferable securities	12.623	62	0.174	0.173	0.001
Mixed transferable securities	50.599	193	1.896	1.337	0.559
Funds of funds	26.795	260	0.317	0.594	-0.277
Money market instruments and other short-term securities	14.045	36	0.960	1.124	-0.164
Cash	0.274	4	0.005	0.009	-0.004
Private equity	5.914	16	0.069	0.086	-0.017
Venture capital	0.000	0	0.000	0.000	0.000
Real estate	1.433	20	0.016	0.001	0.015
Futures and/or options	2.237	23	0.011	0.043	-0.032
Other assets	3.767	14	0.132	0.069	0.063
TOTAL PART II:	136.557	726	3.793	5.127	-1.334
SIFs					
Fixed-income transferable securities	86.584	443	2.641	3.447	-0.806
Variable-yield transferable securities	53.412	297	0.490	0.723	-0.233
Mixed transferable securities	126.840	925	1.589	3.102	-1.513
Funds of funds	88.447	924	1.516	0.990	0.526
Money market instruments and other short-term securities	4.405	7	0.748	0.782	-0.034
Cash	0.017	2	0.000	0.000	0.000
Private equity	30.928	197	0.492	0.106	0.386
Venture capital	1.946	31	0.039	0.169	-0.130
Real estate	72.595	305	2.082	0.128	1.954
Futures and/or options	2.999	40	0.062	0.125	-0.063
Other assets	53.558	241	0.539	1.081	-0.542
TOTAL SIFs:	521.731	3,412	10.198	10.653	-0.455
SICARs					
Public-to-Private	0.127	3	0.000	0.000	0.000
Mezzanine	3.374	14	0.000	0.000	0.000
Venture capital	8.020	80	0.004	0.004	0.000
Private equity	43.674	306	0.003	1.436	-1.433
TOTAL SICARs	55.195	403	0.007	1.440	-1.433
TOTAL LUXEMBOURG UCIs	4,199.723	14,892	288.873	293.227	-4.354

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	832.300	19.9%	177	4.5%	1,094	7.4%
United Kingdom	765.183	18.4%	275	7.1%	1,658	11.1%
Germany	602.137	14.4%	1,310	33.7%	2,653	17.8%
Switzerland	574.026	13.6%	574	14.8%	2,769	18.6%
France	391.593	9.3%	300	7.7%	1,537	10.3%
Italy	346.280	8.0%	140	3.6%	1,288	8.7%
Belgium	174.759	4.1%	165	4.2%	907	6.1%
Luxembourg	101.070	2.4%	226	5.8%	671	4.5%
Netherlands	91.261	2.2%	46	1.2%	257	1.7%
Denmark	83.689	2.0%	23	0.6%	211	1.4%
Others	237.425	5.7%	653	16.8%	1,847	12.4%
TOTAL	4,199.723	100.0%	3,889	100.0%	14,892	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	5.713	0.136%	27	0.181%
CAD	2.958	0.070%	21	0.141%
CHF	43.129	1.027%	267	1.793%
CNH	1.919	0.046%	25	0.168%
CNY	0.234	0.006%	4	0.027%
CZK	1.335	0.032%	67	0.450%
DKK	1.857	0.044%	11	0.074%
EUR	2,259.630	53.804%	9,409	63.181%
GBP	137.132	3.265%	346	2.323%
HKD	4.902	0.117%	10	0.067%
HUF	0.348	0.008%	29	0.195%
JPY	58.650	1.397%	209	1.403%
NOK	4.696	0.112%	32	0.215%
NZD	0.746	0.018%	5	0.034%
PLN	0.279	0.007%	12	0.081%
RON	0.461	0.011%	4	0.027%
SEK	42.687	1.016%	170	1.142%
SGD	0.679	0.016%	6	0.040%
TRY	0.017	0.000%	3	0.020%
USD	1,632.322	38.867%	4,234	28.431%
ZAR	0.029	0.001%	1	0.007%
TOTAL	4,199.723	100.000%	14,892	100.000%

Pension funds

As at 18 March 2019, **12 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

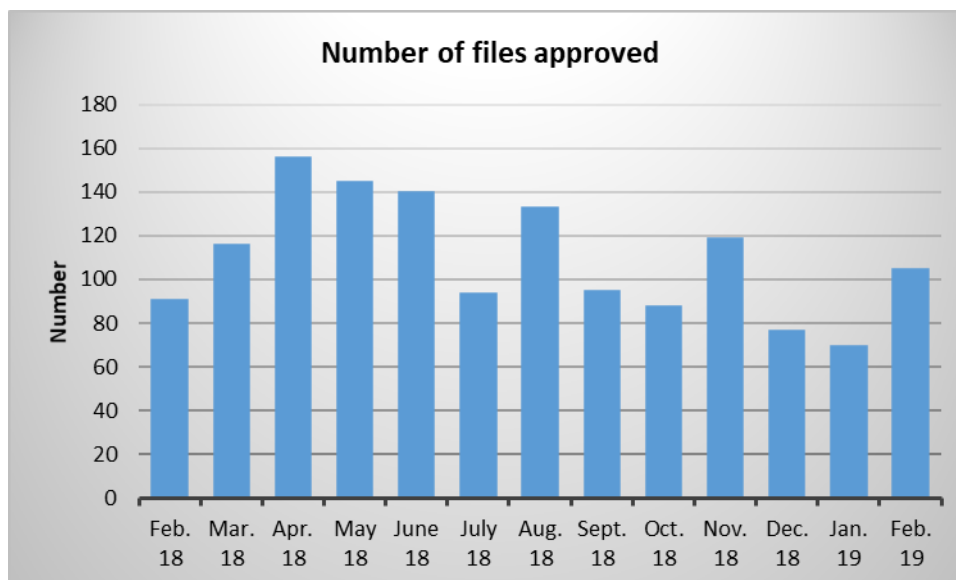
The number of securitisation undertakings authorised by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **31 entities** as at 13 March 2019.

Public oversight of the audit profession

The public oversight of the audit profession covered **59 cabinets de révision agréés** (approved audit firms) and **312 réviseurs d'entreprises agréés** (approved statutory auditors) as at 28 February 2019. The oversight also included **23 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)

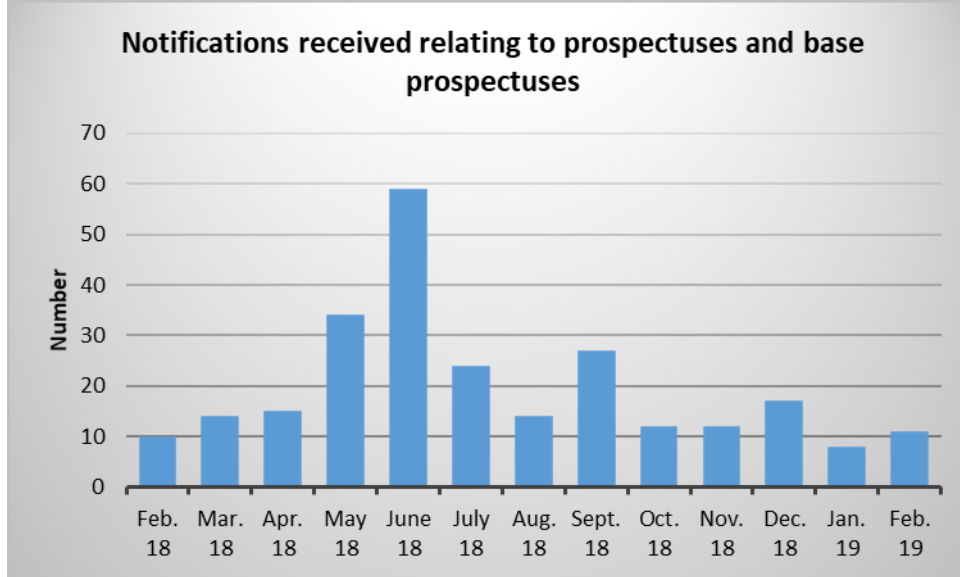
CSSF approvals



In February 2019, the CSSF approved a total of 105 documents pursuant to the Prospectus Law, which break down as follows:

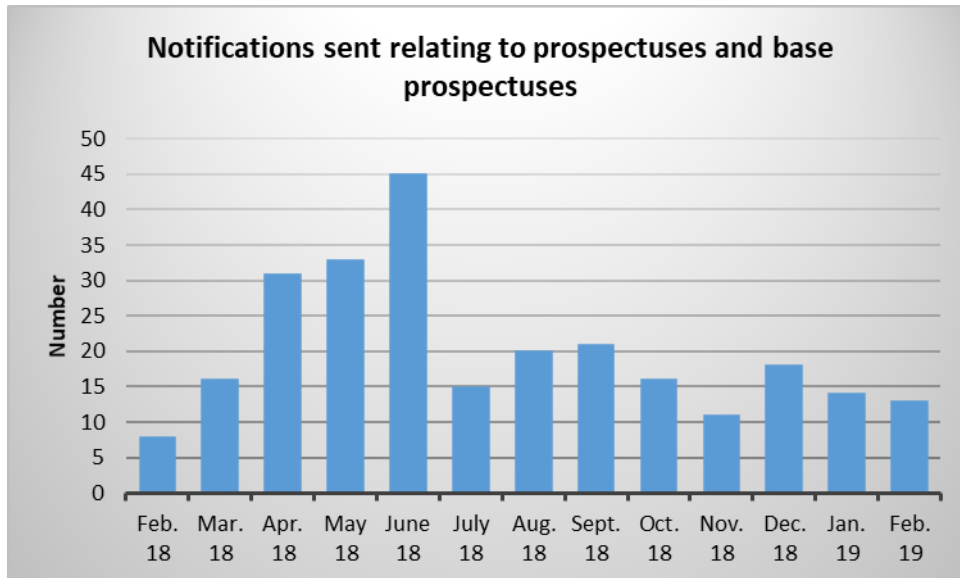
base prospectuses:	7	(6.67 %)
other prospectuses:	14	(13.33 %)
registration documents:	0	(0.00 %)
supplements:	84	(80.00 %)

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



In February 2019, the CSSF received 11 notifications relating to prospectuses and base prospectuses and 57 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 February 2019, the CSSF sent 13 notifications relating to prospectuses and base prospectuses and 49 notifications relating to supplements to the competent authorities of other EEA Member States¹³.

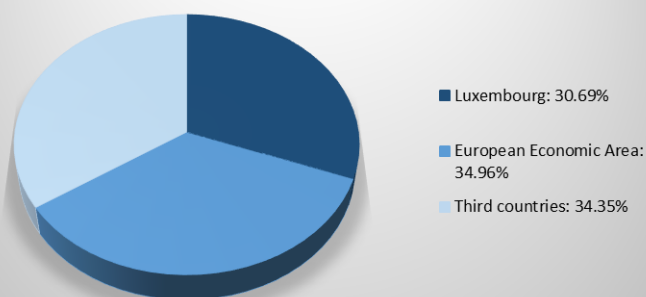
¹³ These figures reflect the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications were sent at different dates and/or in several Member States, only

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")

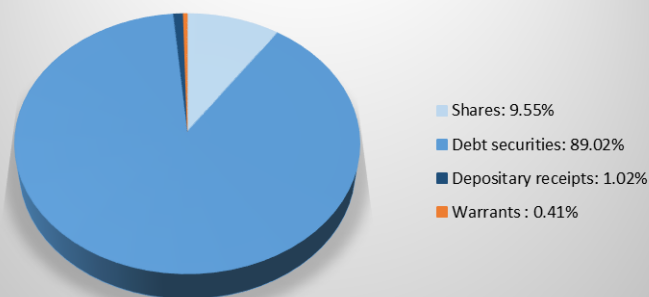
Since 7 February 2019, **one** issuer has chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, **nine** issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 8 March 2019, **492 issuers** subject to the supervision of the CSSF were included in the list of issuers whose home Member State is Luxembourg pursuant to the Transparency Law.

Breakdown of issuers according to countries



Breakdown of issuers according to type of securities admitted to trading



HUMAN RESOURCES

In order to increase its staff, the CSSF hired 10 employees on 1 March 2019 and counts, following the departure of one employee, 866 agents (468 men and 398 women). They have been assigned to the following departments:

UCI departments

Magalie HUART
Thomas KLEIS
Antoine NORO
Alessandro PAOLUCCI

Supervision of banks

Amandine CHITEL
Sébastien SAMMUT

Supervision of information systems and support PFS

Raoul DJEUTANE
Alix KHALDI
Muamer TABAKOVIC

Personnel, administration and finance

Marc MISCHO

the first notification is included in the statistical calculation. Each document notified in one or several Member States is thus only counted once.

FINANCIAL CENTRE

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (18/03/2019)	135	↘ 4 entities
	Balance sheet total (30/09/2018)	EUR 785.104 bn	↗ EUR 30.971 bn
	Profit before provisions (30/09/2018)	EUR 3.982 bn	↘ EUR 225 m
Payment institutions	Number (18/03/2019)	10	no variation
Electronic money institutions	Number (18/03/2019)	6	no variation
UCIs	Number (13/03/2019)	Part I 2010 Law: 1,809	↘ 46 entities
		Part II 2010 Law: 293	↘ 23 entities
		SIFs: 1,517	↘ 43 entities
		TOTAL: 3,619	↘ 112 entities
	Number (11/03/2019)	SICARs: 271	↘ 14 entities
	Total net assets (31/01/2019)	EUR 4,199.723 bn	↘ EUR 14.307 bn
Management companies (Chapter 15)	Number (28/02/2019)	207	↗ 3 entities
	Balance sheet total (31/12/2018) ¹⁴	EUR 14.326 bn	↘ EUR 304 m
Management companies (Chapter 16)	Number (28/02/2019)	165	↘ 5 entities
AIFMs	Number (13/03/2019)	248	↗ 20 entities
Pension funds	Number (18/03/2019)	12	↘ 1 entity
Authorised securitisation undertakings	Number (13/03/2019)	31	↘ 2 entities
Investment firms	Number (18/03/2019)	97 of which 5 branches	↘ 4 entities
	Balance sheet total (31/01/2019)	EUR 1.359 bn	↘ EUR 2.384 bn
	Provisional net profit (31/01/2019)	EUR 26.43 m	↘ EUR 22.53 m
Specialised PFS	Number (18/03/2019)	109	↘ 1 entity
	Balance sheet total (31/01/2019)	EUR 6.986 bn	↗ EUR 1.962 bn
	Provisional net profit (31/01/2019)	EUR 16.47 m	↗ EUR 1.47 m
Support PFS	Number (18/03/2019)	74	↘ 5 entities
	Balance sheet total (31/01/2019)	EUR 2.039 bn	↗ EUR 793 m
	Provisional net profit (31/01/2019)	EUR 29.58 m	↗ EUR 5.86 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (08/03/2019)	492	↘ 73 entities
Public oversight of the audit profession	Number (28/02/2019)	59 <i>cabinets de révision agréés</i>	↗ 2 entities
		312 <i>réviseurs d'entreprises agréés</i>	↗ 7 people
		23 third-country auditors and audit firms	↘ 10 entities
Employment (31/12/2018)	Banks	26,317 people	↗ 206 people
	Management companies (Chapter 15) ¹⁴	4,874 people	↗ 530 people
	Investment firms	2,115 people	↘ 156 people
	Specialised PFS	4,480 people	↗ 472 people
	Support PFS	9,931 people	↗ 275 people
	Total	47,717 people	↗ 1,327 people ¹⁵

¹⁴ Preliminary figures

¹⁵ 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.