



Newsletter

No 226 - November 2019

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NEWS

Interview of M. Zwick following the MFA GLOBAL SUMMIT 2019

Marco Zwick, as director of the CSSF you have recently participated to the MFA GLOBAL SUMMIT 2019. You had the opportunity to express your views on the equivalence discussion with the UK, in particular in the context of AIFMD. Can you give us your feeling about this topic?

An equivalence regime is not currently in place under the AIFMD, in the sense that there is no passporting regime for managers acting in third countries. We must therefore find a way for investment funds to continue to be managed in the case of a no-deal Brexit. The CSSF has thus set up a notification process for UK AIFMs managing Luxembourg domiciled AIFs to seek approval for a transition period of 12 months. Recognising equivalence should be done at a central European level, rather than at the level of the different Member States. It is understood that recognising UK equivalence will initially be rather easy since the UK will be departing from an EU regime, but monitoring ongoing equivalence over time will be the more difficult part, especially if the UK would start modifying existing regimes.

The common understanding is that it will be “easy” for MiFID equivalence to be granted. But, how realistic is it to go for a broader equivalence “deal”, whether under the Withdrawal Agreement or in a no-deal context?

It will really depend on the question as to whether a deal Brexit will be achieved. After that, it will depend upon the continuation of a UK legal and regulatory regime which will de facto be equivalent at least on the date of a Brexit.

What are your thoughts on the future of delegation models?

Delegation models regarding portfolio management will remain in place on the basis of the ESMA Memorandum of Understanding signed between ESMA members and the UK FCA. This means that we took care to allow for the continuation of portfolio management activities for Luxembourg investment funds by investment managers located in the UK, which will become a “third country” post Brexit. Distribution models, however, must be reconsidered by attaching former branches mainly focusing on distribution/marketing activities linked to UK entities to management companies in Europe, Luxembourg having proven to be a choice of excellence in this matter. An alternative would be to reconsider distribution networks by appointing European distribution entities. We also witness that, in order to be able to offer limited MiFID services to EU clients, a certain number of Luxembourg management companies have upgraded current licenses to MiFID activities so as to ensure EU market access.

What does the future hold for AIFMD?

In our view, AIFMD I is a success, despite certain initial implementation difficulties. The CSSF hence is in favour of a limited and targeted AIFMD review, i.e. a review designed at “fixing” certain specific points under AIFMD I. For instance, Luxembourg’s National Private Placement Regimes should be prolonged in the absence of any decision regarding a third-country passporting regime. The CSSF considers that a third-country AIFMD passporting regime should be put in place to ensure a level playing field between EU AIFMs and third-country managers which are subject to an equivalent regulatory and supervisory regime. Luxembourg has experienced concerns with registered/sub-threshold AIFMs in relation to which the current AIFMD provides very limited powers to national control authorities. We consider that the opportunity to revise the AIFMD should allow the extension of these powers. Concerning valuation, we feel that the negligence standard of “external valuers”, which puts all responsibility on these valuers, should be revised and clarified. We are not in favour of changing the requirement that the depository must be in the same country as the investment fund it controls, the so-called depository passport, since such a passport would substantially weaken



“The CSSF is in favour of a limited and targeted AIFMD review”

M. Zwick, director of the CSSF

the investor protection aspects provided for by the AIFMD/UCITS rules and because such passport would substantially complicate the authorisation/supervision of AIFMs. Finally, I would like to stress that any changes under the AIFMD are likely to or will impact UCITS as well.

The CSSF launches lëtzfïn, the national financial education initiative

During a press conference held on 19 November, the CSSF presented several digital tools aiming to promote financial education in Luxembourg. Danièle Berna-Ost, Secretary General of the CSSF, comments on the launch of this initiative.

Why is it important to carry out financial education initiatives in Luxembourg?

We live at a time when everything is accessible in a few clicks, anytime, anywhere. Consumers are increasingly alone with their financial decisions and their consequences. In order to be able to face the challenges of a digitalised daily life, everyone must have, from a very young age, basic financial knowledge.

What is the legitimacy of the CSSF in this field?

The CSSF acts in the public interest and, in particular, has an important mission in the field of financial consumer protection. In this context, the Luxembourg government mandated us to coordinate the national strategy regarding financial education. This strategy was implemented within the Financial Consumer Protection Committee which brings together financial sector players as well as professionals from social and educational spheres.

What initiatives are you launching?

We are launching four digital tools. The information portal www.letzfïn.lu contains essential information on topics to which most of our fellow citizens are exposed in their private and professional lives. The Financial Game of Life (FinGoL) is a dynamic educational game in the form of a “chatbot”. FinGoL is aimed at a young audience and simulates, in a fun way, an adult’s financial life. In addition, there are two applications: “lëtzfïn budget” for the management of the budget by adults and “lëtzfïn Pocket money” aiming to make young people aware of the importance of managing their personal finances by actively involving parents.

For further information, please visit www.letzfïn.lu



“In order to be able to face the challenges of a digitalised everyday life, everyone must have, from a very young age, basic financial knowledge.”

D. Berna-Ost, Secretary General of the CSSF

FREQUENTLY ASKED QUESTIONS

Publication of the document FAQ regarding persons involved in AML/CFT for a Luxembourg investment fund or investment fund manager supervised by the CSSF for AML/CFT purposes

We inform you that a new [FAQ](#) was published on 25 November 2019. This FAQ concerns persons involved in AML/CFT for a Luxembourg investment fund or investment fund manager and is available on the CSSF website (<http://www.cssf.lu/en/supervision/financial-crime/aml-ctf/faq/>).

Update of the FAQ regarding the fight against money laundering and terrorist financing ("AML/CFT") for individuals/investors

The FAQ regarding the fight against money laundering and terrorist financing ("AML/CFT") for individuals/investors was updated on 15 November 2019. The new version is available at: http://www.cssf.lu/fileadmin/files/LBC_FT/FAQ_LBCFT_151119_eng.pdf.

WARNINGS

CSSF Warnings

Since the publication of the last Newsletter, the CSSF has issued the following warnings:

- [Warning concerning the website www.swissepargne.com](#)
- [Warning concerning a fraud scheme misusing the name of the Luxembourg authorised bank Banque de Luxembourg](#)
- [Warning concerning the website http://fundrockcrypto.com](#)
- [Warning concerning the website www.alysa-group.com](#)
- [Warning regarding the activities of an entity named 21stOptions](#)
- [Warning concerning the website www.baumannpartners.com](#)
- [Warning concerning the website www.pf-gestion.com](#)
- [Warning regarding the activities of the entities named Walsh Invest & Trade Ltd and Kayescent Corp. \(www.forbslab.com\)](#)
- [Warning regarding the activities of an entity named Inter Globe Investment S.à.r.l.](#)
- [Warning regarding the activities of an entity named Akina SA](#)
- [Warning regarding the activities of an entity named Ascent Global Trading](#)
- [Warning concerning the website www.e-fininvest.com](#)
- [Warning regarding fraudulent activities referring abusively to the Luxembourg bank Banque et Caisse d'Epargne de l'Etat Luxembourg](#)
- [Warning concerning the website www.assetcapitalinvest.com](#)
- [Warning concerning the website www.ac-investissement.com](#)
- [Warning concerning the website www.rbctrade.io](#)
- [Warning concerning the website www.al-investements.com](#)
- [Warning concerning the website www.kristalynewealth.com](#)

Given the significant number of fraudulent websites recently identified, the CSSF recommends you to verify whether the entity with which you would like to do business is supervised by the CSSF by using the application "[Supervised Entities](#)". In case of doubt, please contact the CSSF.

Warnings issued by other authorities

- 7 November 2019: [Warning issued by the German authority \(BaFin\) regarding the activities of an entity named Orion Consulting Ltd./Kapitalswiss](#) (only in German)
- 18 November 2019: [Warning issued by the Austrian authority \(FMA\) regarding the activities of an entity named Trusted Invest](#)

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

Circular CSSF 19/730 - FATF statements

The purpose of the circular is to inform the supervised persons and entities of the statements issued by the FATF during its Plenary of October 2019 which concern: 1) jurisdictions whose anti-money laundering and combating the financing of terrorism regime has substantial and strategic deficiencies; 2) jurisdictions for which i) increased supervision must be implemented with respect to subsidiaries and branches of financial institutions based in Iran, ii) enhanced control measures must be applied, including enhanced mechanisms for reporting suspicious transactions or systematic reporting of financial transactions, as well as iii) increased external audit must be required within financial groups with respect to their subsidiaries and branches located in Iran; 3) jurisdictions whose anti-money laundering and combating the financing of terrorism regime is not satisfactory

COMMUNIQUES

Date	Publications
18.10.2019	Communication regarding PRIIPs assessment
23.10.2019	CSSF-IOSCO joint Seminar/Workshop on AML/CFT supervision for the Securities Sector
24.10.2019	Partnership CSSF - SnT
05.11.2019	Global situation of undertakings for collective investment at the end of September 2019
06.11.2019	Mandatory notifications in the context of Brexit
07.11.2019	Introduction of AML/CFT investment market entry forms (funds and IFMs)
19.11.2019	The CSSF launches the national financial education initiative under the name of lëtzfïn

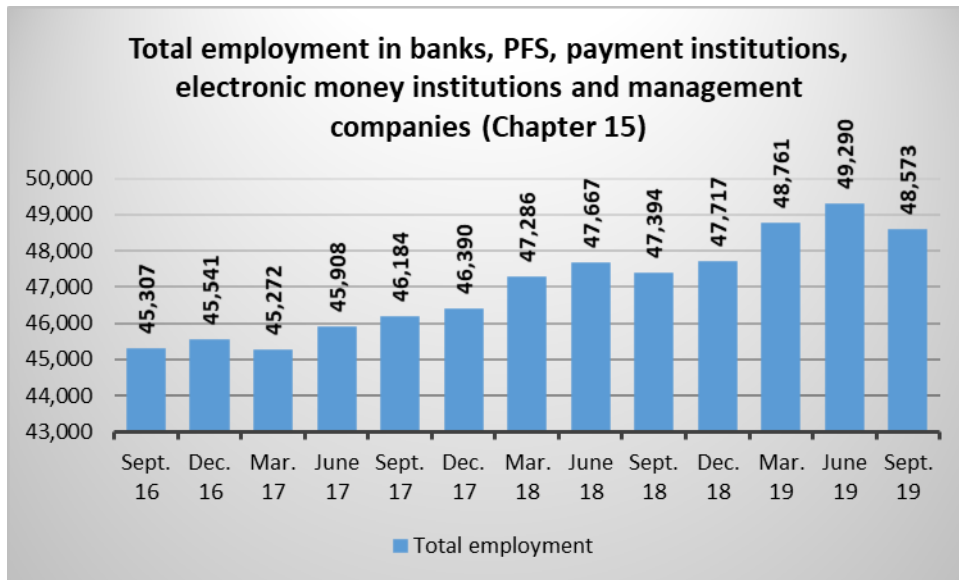
WITHDRAWAL DECIDED BY THE CSSF

Following the CSSF's decision to withdraw the specialised investment fund ARBORESCENCE INVESTMENT from the official list of specialised investment funds, the VIth Chamber of the Luxembourg *Tribunal d'arrondissement* (District Court), dealing with commercial matters, per judgement on 7 November 2019, pronounced the dissolution and ordered the liquidation of ARBORESCENCE INVESTMENT. The same judgement has appointed Ms Jackie Mores as official receiver (*juge-commissaire*) and Mr Nicolas Thieltgen as liquidator.

STATISTICS

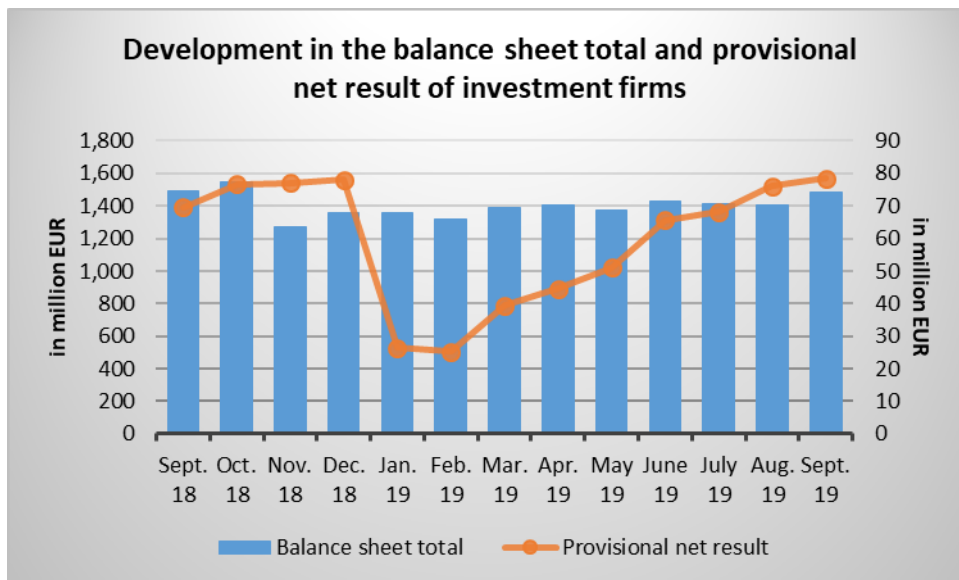
Total employment in banks, PFS, management companies (Chapter 15), payment institutions and electronic money institutions

Total employment as at 30 September 2019



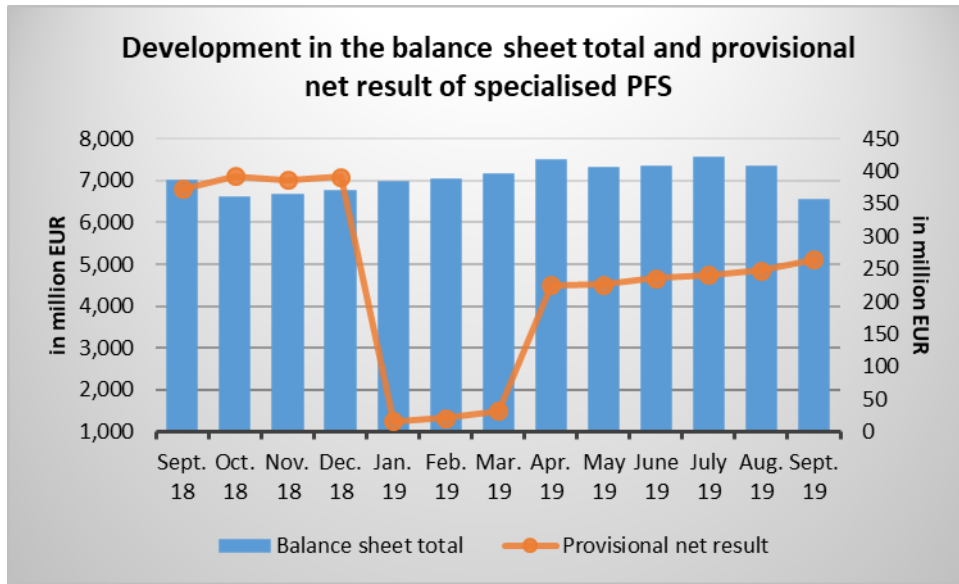
Investment firms

Increase in the balance sheet total as at 30 September 2019



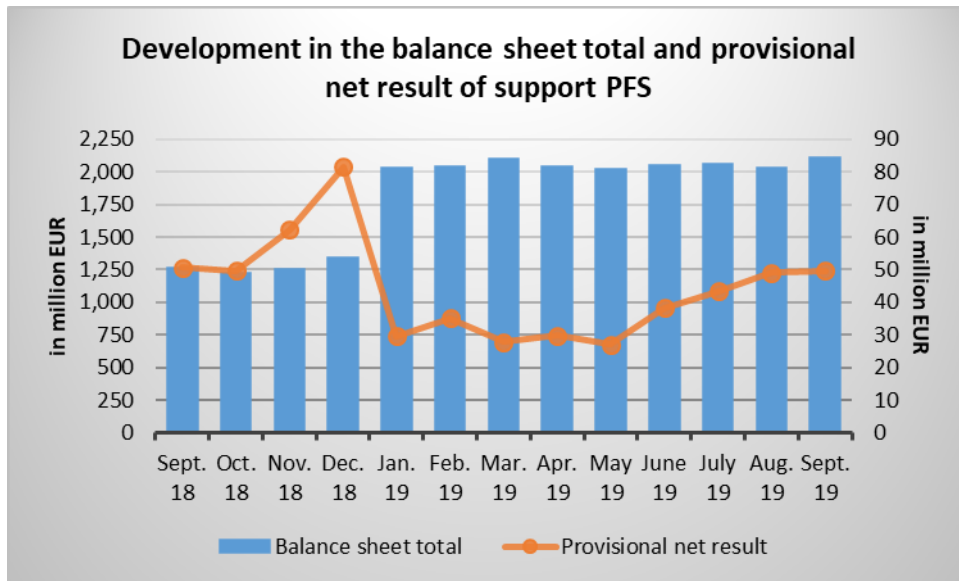
Specialised PFS

Decrease in the balance sheet total as at 30 September 2019



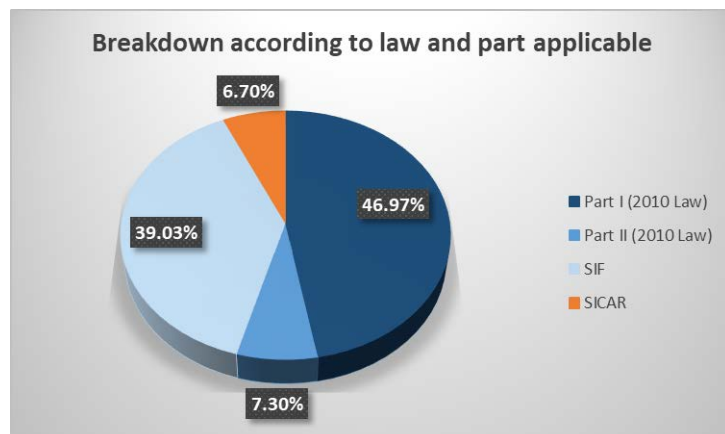
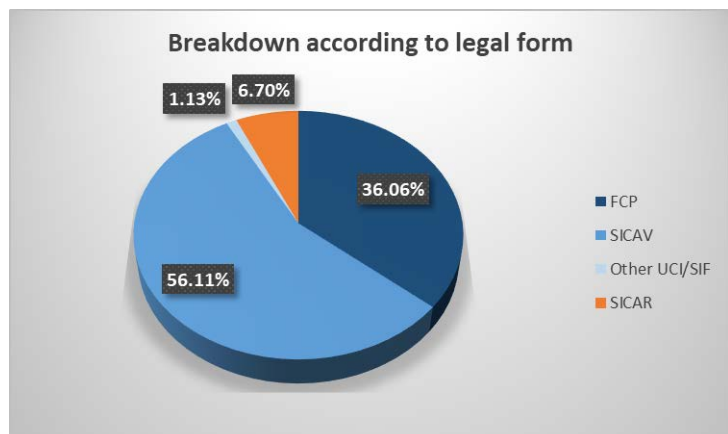
Support PFS

Increase in the balance sheet total as at 30 September 2019



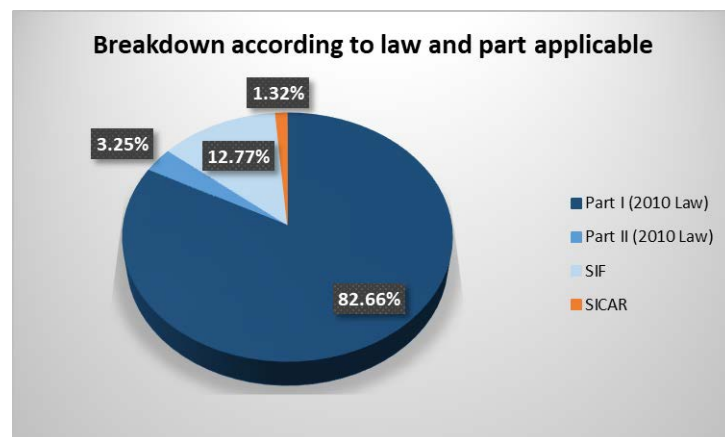
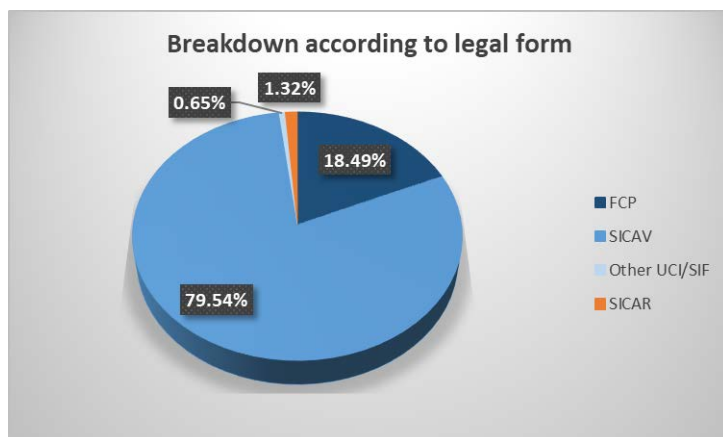
UCIs (Situation as at 30 September 2019)

Number of UCIs



Law, part/legal form	FCPs	SICAVs	Other UCIs/SIFs	SICARs	Total
Part I (2010 Law)	924	864	0	0	1,788
Part II (2010 Law)	139	137	2	0	278
SIFs	310	1,135	41	0	1,486
SICARs	0	0	0	255	255
TOTAL	1,373	2,136	43	255	3,807

Net assets of UCIs



Law, part/legal form (in bn EUR)	FCPs	SICAVs	Other UCIs/SIFs	SICARs	Total
Part I (2010 Law)	607.196	3,170.148	0.000	0.000	3,777.344
Part II (2010 Law)	50.088	97.860	0.457	0.000	148.405
SIFs	187.696	366.844	29.249	0.000	583.789
SICARs	0.000	0.000	0.000	60.461	60.461
TOTAL	844.980	3,634.852	29.706	60.461	4,569.999

Breakdown according to investment policy

Breakdown according to investment policy	Net assets (in bn EUR)	Number of fund units ¹
Fixed-income securities	1,397.434	3,172
Variable-yield transferable securities	1,332.412	4,054
Mixed transferable securities	956.217	3,901
Funds of funds	259.996	2,102
Money market instruments and other short-term securities	351.639	224
Cash	7.525	18
Private equity	42.940	218
Venture capital	2.317	30
Real estate	82.212	321
Futures and/or options	12.395	117
Other assets	64.451	280
Public-to-Private	0.126	3
Mezzanine	1.542	11
Venture Capital (SICARs)	8.102	84
Private Equity (SICARs)	50.691	288
TOTAL	4,569.999	14,823

¹ "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	1,280.206	2,636	60.488	59.538	0.950
Variable-yield transferable securities	1,257.207	3,700	46.354	45.509	0.845
Mixed transferable securities	763.520	2,824	25.682	20.172	5.510
Funds of funds	130.029	910	3.036	2.237	0.799
Money market instruments and other short-term securities	328.811	178	179.904	181.880	-1.976
Cash	7.461	15	2.249	2.702	-0.453
Futures and/or options	7.155	55	0.289	0.142	0.147
Other assets	2.955	9	0.067	0.031	0.036
TOTAL PART I:	3,777.344	10,327	318.069	312.211	5.858
PART II					
Fixed-income transferable securities	19.617	96	0.463	0.290	0.173
Variable-yield transferable securities	15.235	60	0.486	0.133	0.353
Mixed transferable securities	53.900	190	1.044	0.983	0.061
Funds of funds	27.233	247	0.446	0.469	-0.023
Money market instruments and other short-term securities	16.989	36	1.133	0.979	0.154
Cash	0.000	0	0.000	0.000	0.000
Private equity	7.576	18	0.167	0.023	0.144
Venture capital	0.000	0	0.000	0.000	0.000
Real estate	2.282	20	0.772	0.000	0.772
Futures and/or options	1.637	19	0.005	0.043	-0.038
Other assets	3.936	16	0.073	0.101	-0.028
TOTAL PART II:	148.405	702	4.589	3.021	1.568
SIFs					
Fixed-income transferable securities	97.611	440	3.171	4.931	-1.760
Variable-yield transferable securities	59.970	294	1.247	0.541	0.706
Mixed transferable securities	138.797	887	2.733	2.423	0.310
Funds of funds	102.734	945	2.863	3.832	-0.969
Money market instruments and other short-term securities	5.839	10	2.087	2.540	-0.453
Cash	0.064	3	0.000	0.001	-0.001
Private equity	35.364	200	1.088	0.486	0.602
Venture capital	2.317	30	0.074	0.001	0.073
Real estate	79.930	301	2.899	1.334	1.565
Futures and/or options	3.603	43	0.411	0.059	0.352
Other assets	57.560	255	1.453	1.840	-0.387
TOTAL SIFs:	583.789	3,408	18.026	17.988	0.038
SICARs					
Public-to-Private	0.126	3	0.000	0.000	0.000
Mezzanine	1.542	11	0.000	0.000	0.000
Venture capital	8.102	84	0.037	0.004	0.033
Private equity	50.691	288	0.049	0.024	0.025
TOTAL SICARs	60.461	386	0.086	0.028	0.058
TOTAL LUXEMBOURG UCIs	4,569.999	14,823	340.770	333.248	7.522

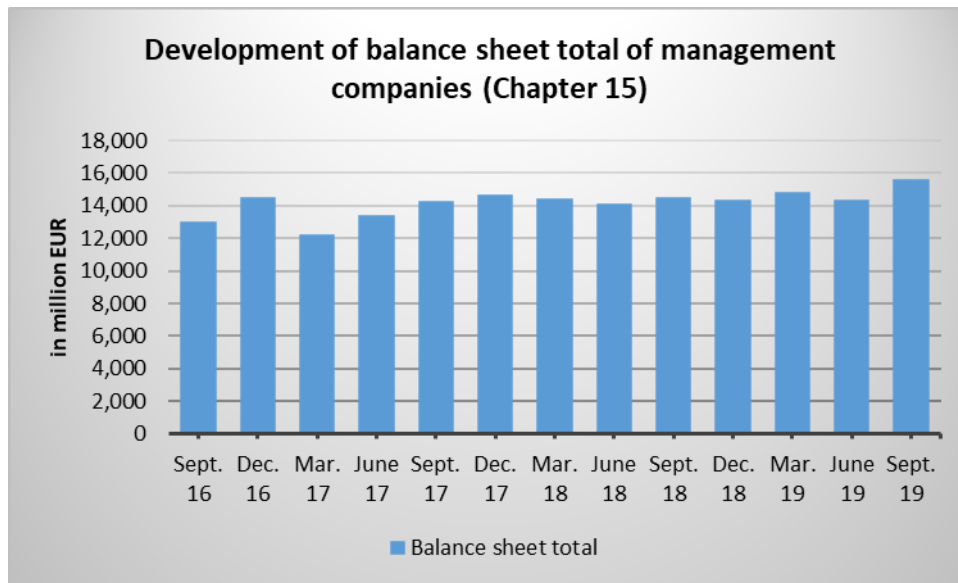
Origin of the initiators of Luxembourg UCIs

Country	Net assets (in bn EUR)	in %	Nombre d'OPC	in %	Number of fund units	in %
United States	936.507	20.5%	168	4.4%	1,115	7.5%
United Kingdom	841.319	18.4%	264	6.9%	1,654	11.2%
Germany	642.122	14.0%	1,274	33.5%	2,621	17.7%
Switzerland	629.354	13.8%	565	14.9%	2,760	18.6%
France	442.496	9.7%	298	7.8%	1,575	10.6%
Italy	319.448	7.0%	138	3.6%	1,223	8.2%
Belgium	197.365	4.3%	159	4.2%	895	6.0%
Luxembourg	115.732	2.5%	243	6.4%	693	4.7%
Netherlands	103.327	2.3%	45	1.2%	260	1.8%
Denmark	92.155	2.0%	24	0.6%	210	1.4%
Others	250.174	5.5%	629	16.5%	1,817	12.3%
TOTAL	4,569.999	100.0%	3,807	100.0%	14,823	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	6.263	0.137%	26	0.175%
CAD	3.112	0.068%	20	0.135%
CHF	47.163	1.032%	266	1.795%
CNH	2.207	0.048%	25	0.169%
CNY	0.308	0.007%	4	0.027%
CZK	1.315	0.029%	68	0.459%
DKK	2.032	0.044%	16	0.108%
EUR	2,439.868	53.389%	9,377	63.260%
GBP	146.680	3.210%	323	2.179%
HKD	4.872	0.107%	10	0.067%
HUF	0.382	0.008%	31	0.209%
JPY	58.061	1.271%	199	1.342%
NOK	5.413	0.118%	33	0.223%
NZD	0.761	0.017%	4	0.027%
PLN	0.251	0.005%	11	0.074%
RON	0.496	0.011%	4	0.027%
SEK	43.640	0.955%	151	1.019%
SGD	0.931	0.020%	6	0.040%
TRY	0.005	0.000%	1	0.007%
USD	1,806.215	39.523%	4,247	28.651%
ZAR	0.024	0.001%	1	0.007%
TOTAL	4,569.999	100.000%	14,823	100.000%

Management companies authorised according to Chapter 15 of the 2010 Law Increase in the balance sheet total as at 30 September 2019



Pension funds

As at 12 November 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

Since the publication of the last Newsletter, the following securitisation undertaking has been **registered** on the official list of authorised securitisation undertakings governed by the Law of 22 March 2004 on securitisation:

ACATUS SECURITIES SA

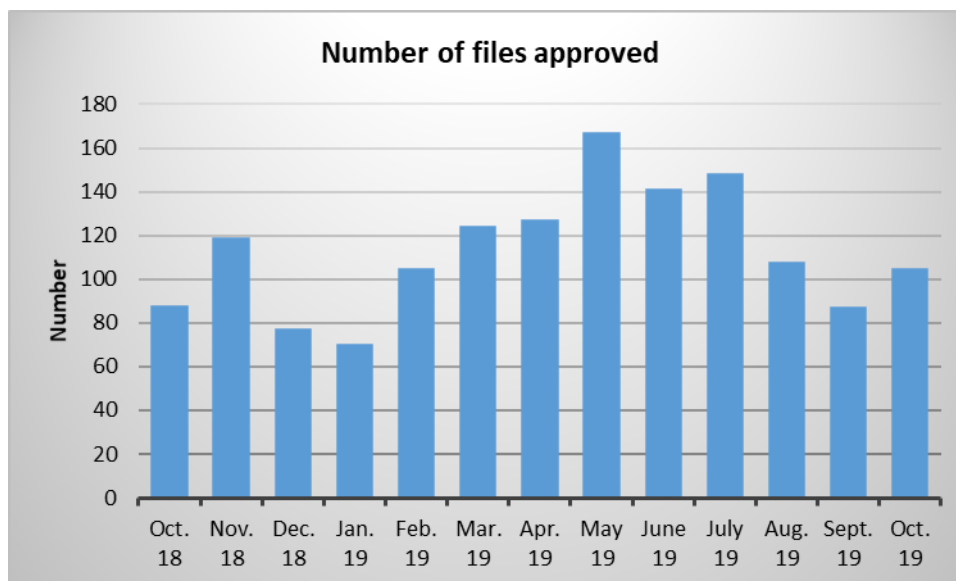
The number of securitisation undertakings authorised by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **33 entities** as at 12 November 2019.

Public oversight of the audit profession

The public oversight of the audit profession covered **59 cabinets de révision agréés** (approved audit firms) and **323 réviseurs d'entreprises agréés** (approved statutory auditors) as at 31 October 2019. The oversight also included **24 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

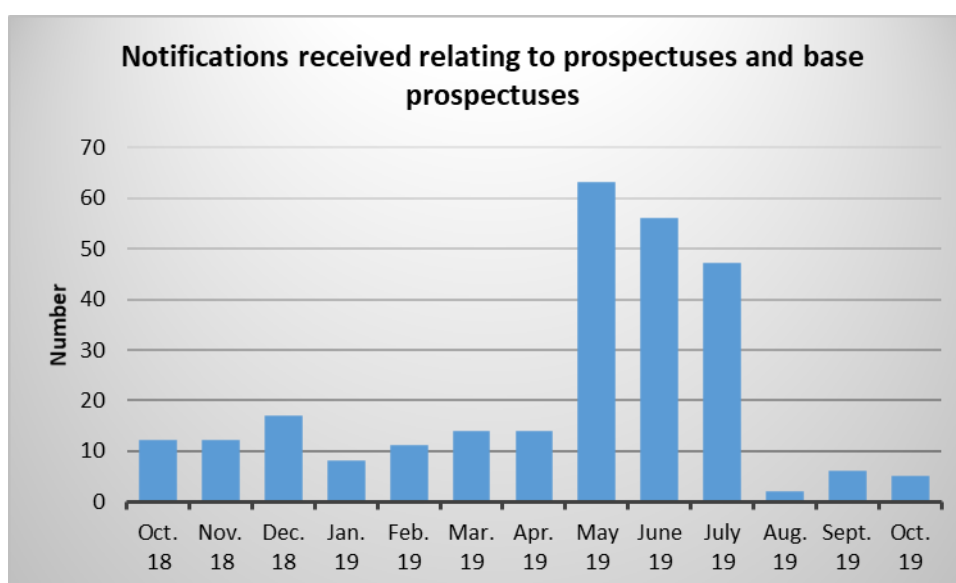
CSSF approvals



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

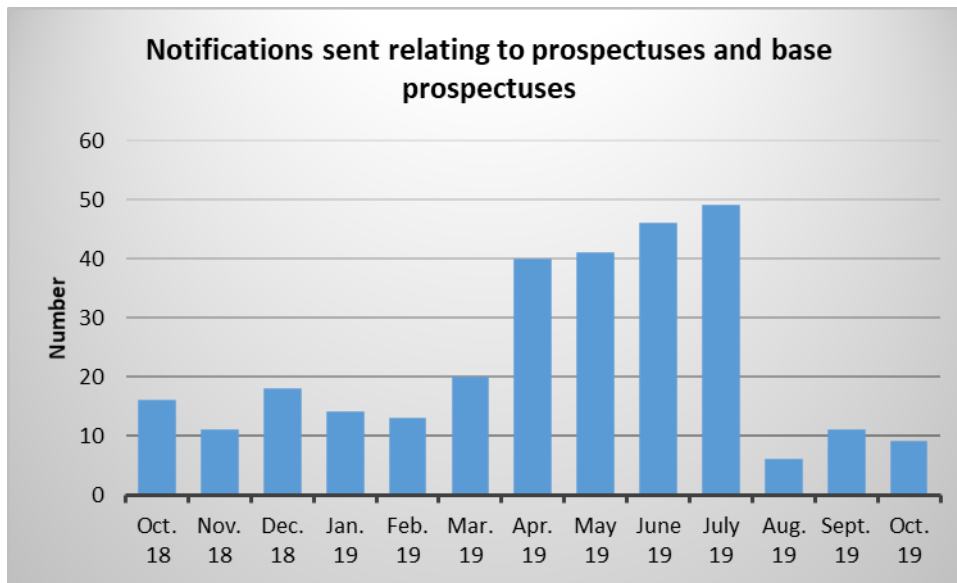
base prospectuses:	9	(8.57%)
other prospectuses:	23	(21.91%)
registration documents:	0	(0 %)
supplements:	73	(69.52%)

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



In October 2019, the CSSF received 5 notifications relating to prospectuses and base prospectuses and 62 notifications relating to supplements from the competent authorities of other EEA Member States.

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



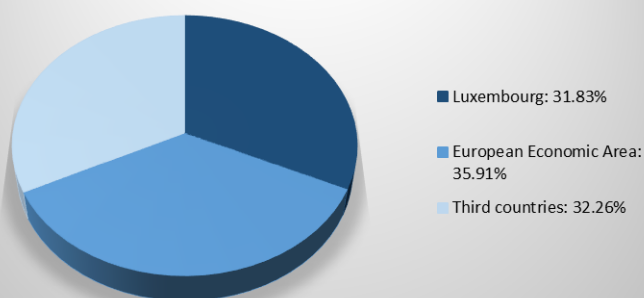
In October 2019, the CSSF sent 9 notifications relating to prospectuses and base prospectuses and 52 notifications relating to supplements to the competent authorities of other EEA Member States².

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")

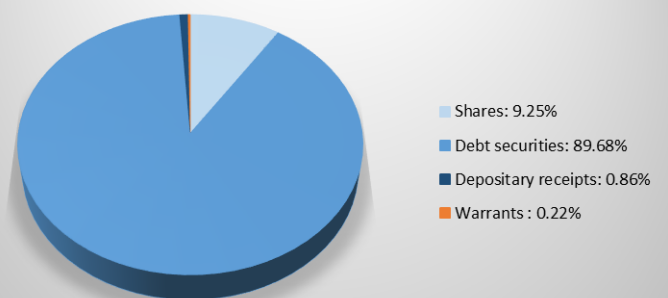
Since 9 October 2019, **four** issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, **seven** issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 8 November 2019, **465** issuers were included in the list of issuers whose home Member State is Luxembourg pursuant to the Transparency Law and are thus subject to the supervision of the CSSF.

Breakdown of issuers according to countries



Breakdown of issuers according to type of securities admitted to trading



² 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.

HUMAN RESOURCES

In order to increase its staff, the CSSF hired 8 employees on 1 November 2019 and counts, following the departure of three employees, 905 agents (483 men and 422 women). They have been assigned to the following departments:

Legal department

Anaëlle ROUBY

On-site inspection

Søren FIHL

UCI departments

Stéphanie BATISTA

Michael FISCHER

Meris MURATOVIC

Eric PETITJEAN

Supervision of specialised PFS

Hugues DIDELOT

Information systems of the CSSF

Salim LAMOURI

EUROPEAN/INTERNATIONAL NEWS IN SEPTEMBER 2019

BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM
Single Supervisory Mechanism (SSM) - European Central Bank (ECB)

Date	Publications	Description
01.10.2019	ECB guide to internal models - consolidated version	Based on the current applicable European Union (EU) and national law, the ECB guide to internal models provides transparency on how the ECB understands those rules and how it intends to apply them when assessing whether institutions meet these requirements.
07.10.2019	List of supervised entities (as of 1 September 2019)	<p>The ECB has updated the list of supervised entities and supervised groups that are 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 entities supervised by a national competent authority (NCA).</p> <p>In Luxembourg, the number of significant institutions at the highest level of consolidation that are directly supervised by the ECB has remained unchanged at 5 institutions, and the number of less significant institutions has remained unchanged at 63 institutions.</p>
07.10.2019	ECB Banking Supervision: SSM Supervisory Priorities 2020	<p>The supervisory priorities set out focus areas for ECB Banking Supervision in the year ahead. They build on an assessment of the main challenges facing supervised banks in the current economic, regulatory and supervisory environment and aim to ensure that banks address their key risks effectively.</p> <p>Whereas restoring the health of balance sheets was crucial in the years after the inception of the SSM, the supervisory focus has gradually shifted to encompass banks’ future resilience and the sustainability of their business models.</p> <p>The supervisory priorities have therefore been realigned to the high level priority areas of:</p> <ul style="list-style-type: none"> - continuing balance sheet repair; - strengthening future resilience; and - other priorities as the follow-up on Brexit work.

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- 07.10.2019** [ECB Banking Supervision: Risk assessment for 2020](#)
- Identifying and assessing the risks faced by supervised entities is crucial for successfully conducting banking supervision and serves as a basis for the supervisory priorities that are set during the regular strategic planning process.
- ECB Banking Supervision conducts an annual risk identification and assessment exercise in close cooperation with the national competent authorities (NCAs).
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- 07.10.2019** [Euro area banks have overall comfortable liquidity positions, but some vulnerabilities require further attention, ECB finds](#)
- The ECB has published a press release including the results of the sensitivity analysis of liquidity risk within euro area banks.
- The vast majority of banks directly supervised by the ECB have overall comfortable liquidity positions despite some vulnerabilities requiring further attention, according to the results of the 2019 supervisory stress test:
- Banks showed adequate liquidity reserves to withstand stress;
 - Exercise assessed banks' ability to handle hypothetical liquidity shocks lasting six months;
 - Detected vulnerabilities requiring supervisory follow up relate in particular to foreign currencies, data quality and collateral management;
 - Findings to enter annual supervisory review.
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- 09.10.2019** [ECB publishes supervisory banking statistics for the second quarter of 2019](#)
- Key figures:
- Capital ratios for significant institutions remain stable in the second quarter of 2019, with total capital ratio at 18.01%;
 - NPL ratio down to 3.56%, lowest level since time series first published in 2015;
 - Liquidity coverage ratio decreases to 146.83%.
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- 09.10.2019** [Selected Pillar 3 information of SSM Significant Institutions - 2018](#)
- The ECB has published selected Pillar 3 information of SSM Significant Institutions for the year 2018.
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Date	Interviews and speeches	Description
02.10.2019	Andrea Enria: Interview with the Times of Malta	Interview with Andrea Enria, Chair of the Supervisory Board of the ECB, conducted by Ivan Martin.
30.10.2019	Andrea Enria: Interview with Radio Nacional	Interview with Andrea Enria, Chair of the Supervisory Board of the ECB, conducted by Cristina Ganuza on 22 October.
30.10.2019	Andrea Enria: The banking union – a personal view on its past, present and future	Speech by Andrea Enria, Chair of the Supervisory Board of the ECB, at a dinner of the Centre for European Reform.

European Commission and European Council

Date	Regulatory developments	Description
07.10.2019	Council Implementing Decision (EU) 2019/1671 of 4 October 2019	Publication of the Council Implementing Decision (EU) 2019/1671 on the appointment of Mr Yves Mersch as the Vice-Chair of the Supervisory Board of the ECB from 7 October 2019 until 14 December 2020.
21.10.2019	European Council Decision (EU) 2019/1740 of 18 October 2019	Publication of European Council Decision (EU) 2019/1740 appointing Ms Christine Lagarde as the President of the European Central Bank for a term of office of eight years as from 1 November 2019.
30.10.2019	European Council Decision (EU) 2019/1810 of 29 October 2019	Publication of European Council Decision (EU) 2019/1810 taken in agreement with the United Kingdom of 29 October 2019 extending the period under Article 50(3)TEU until 31 January 2020.

European Banking Authority (EBA)

Date	Publications	Description
02.10.2019	EBA publishes regular Basel III capital monitoring report and update of EU banks' compliance with liquidity measures	<p>The EBA has published two reports, which monitor the impact of implementing the final Basel III reforms and the current implementation of liquidity measures in the EU.</p> <p>Overall, the EBA estimates that the Basel III reforms, once fully implemented, would determine an average increase by 19.3% of EU banks' Tier 1 minimum required capital.</p> <p>The liquidity coverage ratio (LCR), which was fully implemented in January 2018, stood at around 149% on average in June 2018, well above the minimum threshold of 100%.</p>
04.10.2019	EBA publishes its quarterly Risk Dashboard covering Q2 data	<p>The EBA Risk Dashboard summarises the main risks and vulnerabilities in the EU banking sector. Capital ratios have remained broadly stable and banks' asset quality has further improved. However, low profitability keeps being a key challenge for the sector.</p>
08.10.2019	EBA publishes communication on remaining issues related to the preparation of financial institutions for the departure of the United Kingdom from the EU	<p>In its communication, the EBA has noted that, whilst significant progress has been made in the implementation of contingency plans for the event that the UK withdraws from the EU without a ratified withdrawal agreement on 1 November 2019, financial entities and competent authorities must guard against complacency in their preparations.</p>
10.10.2019	EBA publishes work programme for 2020	<p>In 2020, the EBA will focus on six strategic areas:</p> <ul style="list-style-type: none"> (i) support the development of the risk reduction package and the implementation of the global standards in the EU; (ii) providing efficient methodologies and tools for supervisory convergence and stress testing; (iii) moving towards an integrated EU data hub and a streamlined reporting framework; (iv) making anti-money laundering (AML) a real priority for the EU; (v) contributing to the sound development of financial innovation and sustainability; (vi) promoting an operational framework for resolution.

23.10.2019	EBA publishes opinion on the regulatory treatment of non-performing exposure (NPE) securitisations	The EBA opinion recommends that the EU Commission considers a number of amendments to the Capital Requirements Regulation (CRR) and the Securitisation Regulation to remove a series of identified constraints. Securitisations can play an instrumental role in reducing non-performing exposure (NPE) stocks in credit institutions' balance sheets but such a role may be hindered by certain provisions in the EU law securitisation framework.
23.10.2019	EBA publishes opinion on disclosure to consumers	The EBA opinion is addressed to the EU Commission with recommendations to ensure that disclosure requirements in EU law take account of the increasing use of digital marketing channels for financial services and the resultant issues potentially affecting consumers . The recommendations relate primarily to the scope and consistency of disclosure rules, the timing of disclosure, the presentation format and accessibility of information.
29.10.2019	EBA publishes report on potential impediments to cross-border banking and payment services	In its report, the EBA identified potential impediments to the cross-border provision of banking and payment services in the EU . Developed under the EBA's FinTech Roadmap, the report calls on the EU Commission to facilitate cross-border access, including via the update of interpretative communications on the cross-border provision of services and the requirements for AML and countering the financing of terrorism (CFT), in order to facilitate the scaling up of cross-border activities.
30.10.2019	EBA publishes opinion proposing to further strengthen depositor protection in the EU	In its second opinion addressed to the EU Commission on the implementation of the Deposit Guarantee Schemes Directive (DGSD) in the EU . The EBA focuses on the payouts by deposit guarantee schemes (DGSs) and proposes a number of changes to the EU legal framework, aimed at strengthening depositor protection, improving depositor information, enhancing financial stability and reinforcing operational effectiveness of DGSs.

Date	Consultations	Description
16.10.2019	EBA consults on Pillar 3 disclosures	<p>The EBA has launched a public consultation on the new comprehensive Implementing Technical Standard (ITS) for financial institutions' public disclosure. The proposal seeks to optimise the EBA Pillar 3 policy framework by moving from a silo-based approach, with different disclosure policy products, to an all-inclusive ITS. It also implements regulatory changes introduced by the Capital Requirements Regulation (CRR2) and aligns the disclosure framework with international standards.</p> <p>The consultation runs until 16 January 2020.</p>

16.10.2019	EBA consults on supervisory reporting changes related to CRR2 and Backstop Regulation	The EBA has launched a public consultation on revised ITS on supervisory reporting , which aim to keep the reporting requirements in line with changes in the regulatory framework and with the evolving needs for supervisory authorities' risk assessments. The consultation runs until 16 January 2020 .
16.10.2019	EBA consults on guidelines on the application of the structural FX provision	The EBA has launched a consultation on draft guidelines on the application of the structural FX provision . These guidelines aim at setting a regulatory framework on structural FX to address the observed diversity in its application across the EU. In particular, the guidelines identify criteria to assist competent authorities in their assessment of the structural nature of a foreign-exchange position and whether such position has been deliberately taken for hedging the capital ratio. The consultation runs until 17 January 2020 .

European Supervisory Authorities (ESAs)

Date	Publication	Description
02.10.2019	The Joint Committee of the ESAs publishes its 2020 work programme	In 2020, the Joint Committee of the three ESAs (EBA, EIOPA and ESMA) will continue its work in the areas of cross-sectoral risk analysis, consumer protection, financial conglomerates, securitisation as well as accounting and auditing.
04.10.2019	ESAs publish second joint opinion on the risks of money laundering and terrorist financing	The ESAs have published their second joint opinion on the risks of money laundering and terrorist financing affecting the EU's financial sector. Drawing on data and information provided by national AML and CFT competent authorities, the ESAs found that the monitoring of transactions and suspicious transactions reporting still raise concerns, particularly in sectors where a financial institution's business model is based on frequent transactions.
24.10.2019	ESAs seek to promote consistent application of the PRIIPs Regulation to bonds	The ESAs have issued a Supervisory Statement in order to promote a consistent application by national competent authorities (NCAs) of the scope of the Regulation for packaged retail and insurance-based investment products (PRIIPs Regulation) to bond markets.

Basel Committee on Banking Supervision (BCBS)

Date	Publications	Description
01.10.2019	Where next for the Basel Committee?	Article by Mr Pablo Hernández de Cos, Chairman of the BCBS and Governor of the Bank of Spain, in <i>The Banker</i> magazine.
02.10.2019	BCBS publishes monitoring results based on end-2018 data	The BCBS has published the results of its latest Basel III monitoring exercise , based on data as of 31 December 2018. The report sets out the impact of the Basel III framework that was initially agreed in 2010 as well as the effects of the Committee's December 2017 finalisation of the Basel III reforms. For the first time, it also reflects the finalisation of the market risk framework published in January 2019.
16.10.2019	BCBS reports on Basel III implementation progress	The BCBS has issued the 17 th progress report on the adoption of the Basel regulatory framework . Since the previous report, published in May 2019, member jurisdictions have made further progress in adopting Basel III standards, notably the standard on interest rate risk in the banking book, the Net Stable Funding Ratio and the supervisory framework for measuring and controlling large exposures. However, the report also shows that a number of jurisdictions have yet to put these standards into effect.
17.10.2019	The future path of the Basel Committee: some guiding principles	Keynote speech by Mr Pablo Hernández de Cos, Chairman of the BCBS and Governor of the Bank of Spain, at the Institute for International Finance (IIF) Annual Membership Meeting in Washington DC.
24.10.2019	Post-Basel III: time for evaluation	Keynote address by Mr Pablo Hernández de Cos, Chairman of the BCBS and Governor of the Bank of Spain, at the 14 th ASBA-BCBS-FSI High-level Meeting on Global and Regional Supervisory Priorities in Lima, 1 October 2019.

Macprudential topics and fora

European Systemic Risk Board (ESRB)

Date	Publications	Description
02.10.2019	ESRB General Board held its 35th regular meeting	The General Board of the ESRB discussed the rising threat of protectionism and the geopolitical uncertainties that have led to a further deterioration in the outlook for growth. Moreover, the ESRB conducted a cross-country assessment of vulnerabilities in the residential real estate (RRE) sector. According to this analysis, most European countries are currently in a firm or mature expansionary phase of the RRE cycle and policy action in some countries needs to be intensified.

02.10.2019 [ESRB risk dashboard, September 2019 \(Issue 29\)](#)

The ESRB has published its quarterly risk dashboard.

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 as from
Germany	0.25%*	01/07/2020
Belgium	0.5%*	01/07/2020
Bulgaria	0.5%	01/10/2019
	1%*	01/04/2020
Denmark	1%	30/09/2019
	1.5%*	30/06/2020
	2%*	30/12/2020
France	0.25%	01/07/2019
	0.5%*	02/04/2020
Ireland	1%	05/07/2019
Iceland	1.75%	15/05/2019
	2%*	01/02/2020
Lithuania	1%	30/06/2019
Luxembourg	0.25%*	01/01/2020
Norway	2%	31/12/2017
	2.5%*	31/12/2019
Czech Republic	1.5%	01/07/2019
	1.75%*	01/01/2020
Slovakia	2%*	01/07/2020
	1.5%	01/08/2019
Sweden	2%*	01/08/2020
	2.5%	19/09/2019
United Kingdom	1%	28/11/2018

Pending CCyB rates are followed by an asterisk ("*").

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)

Date	Publications	Description
11.10.2019	FSB and IMF publish 2019 progress report on G20 Data Gaps Initiative	The FSB and the International Monetary Fund (IMF) published the 4 th progress report on the implementation of the second phase of the G20 Data Gaps Initiative (DGI-2). Data gaps limit the ability of policymakers and market participants to assess financial stability risks and economic developments in a timely and accurate manner. Addressing these gaps has been an important priority for the G20 economies.
14.10.2019	FSB updates on its work on market fragmentation	Since the June 2019 Osaka G20 Summit, the FSB, in collaboration with the standard-setting bodies, identified steps to be taken in the four areas of (i) deference; (ii) pre-positioning of capital and liquidity; (iii) regulatory and supervisory coordination and information-sharing; and (iv) market fragmentation as part of the evaluation of reforms, starting with the FSB's ongoing "too-big-to-fail" evaluation.
15.10.2019	FSB reports on the implementation of OTC derivative reforms	The FSB has published its annual progress report on the implementation of the agreed G20 reforms to over-the-counter (OTC) derivatives markets. Overall, there has been limited additional implementation of the reforms between end-November 2018 and end-September 2019.
16.10.2019	FSB publishes annual report on implementation and effects of financial regulatory reforms	The FSB report, which has been delivered to the G20 meeting, notes that implementation of the reforms called for by the G20 after the global financial crisis is progressing. This is contributing to an open and resilient financial system that supports the efficient provision of financing to the real economy. Yet it is critical to maintain momentum and avoid complacency, in order to fully achieve the goal of greater resilience as vulnerabilities are evolving. Rapid structural and technological change require continued vigilance to maintain a sound and efficient financial system.
18.10.2019	FSB sets out work to consider regulatory issues of stablecoins	The FSB has published an issues note on regulatory issues of stablecoins. The paper was delivered to G20 Finance Ministers and Central Bank Governors for their meeting in Washington D.C. It responds to the G20 Leaders' Osaka Declaration, which noted the importance of monitoring developments in crypto-assets and remaining vigilant to existing and emerging risks, and asked the FSB and other standard-setting bodies to advise on additional multilateral responses as needed.

NEWS OF THE EUROPEAN SECURITIES AND MARKETS AUTHORITY (ESMA)

Date	Publications	Description
01.10.2019	ESMA publishes translations for Prospectus Guidelines on risk factors	ESMA has issued the official translations of its Guidelines on risk factors under the Prospectus Regulation.
01.10.2019	ESMA prepares for new responsibilities in 2020	ESMA has published its 2020 Work Programme (WP), setting out its priorities and areas of focus for the next 12 months in support of its mission to enhance investor protection and promote stable and orderly financial markets.
02.10.2019	ESMA updates EMIR Q&A	ESMA has issued an update of its Q&A on practical questions regarding data reporting issues, stemming from the European Markets Infrastructure Regulation (EMIR).
02.10.2019	ESMA updates its CSDR Q&As	ESMA has updated its Questions and Answers (Q&As) regarding the implementation of the Central Securities Depository Regulation (CSDR).
02.10.2019	ESMA updates MiFID II Q&As on transparency and market structures issues	ESMA has updated its Questions and Answers (Q&As) regarding transparency and market structures issues under the Market in Financial Instruments Directive (MiFID II) and Regulation (MiFIR).
03.10.2019	ESMA consults on MAR review	ESMA has published a consultation paper on the provisions of the Market Abuse Regulation (MAR) as requested by the European Commission. The consultation runs until 29 November 2019 .
04.10.2019	ESMA publishes updates of its Q&As on investor protection issues	ESMA has updated its Questions and Answers on the implementation of investor protection topics under the Market in Financial Instruments Directive and Regulation (MiFID II/ MiFIR).
04.10.2019	ESMA consults on the commercial terms for providing client clearing services under EMIR	ESMA has published a consultation paper (CP) on draft technical advice to the European Commission (EC) on specifying the conditions under which commercial terms are to be considered fair, reasonable, non-discriminatory and transparent (FRANDT) where clearing service providers offer clearing services to clients. The consultation runs until 2 December 2019 .

04.10.2019	ESMA Opinion clarifies application of pre-trade transparency and price determination in frequent batch auctions	ESMA has published an opinion on frequent batch auctions (FBAs) and the double volume cap mechanism. ESMA's Opinion reflects the conclusions of its Final Report on Periodic Auctions (June 2019) which identified several shortcomings of FBA systems in the area of pre-trade transparency and the price determination.
04.10.2019	ESMA consults on MiFIR alignment following the introduction of EMIR Refit	ESMA has launched a consultation on possible amendments to the trading obligation under MiFIR following the introduction of EMIR Refit. The consultation runs until 22 November 2019 .
07.10.2019	ESMA - Update on the UK's withdrawal from the European Union - preparations for a possible no-deal Brexit scenario on 31 October 2019	On 29 March 2017, the United Kingdom of Great Britain and Northern Ireland (UK) invoked Article 50 of the Treaty on European Union (TEU) which triggered the process for its withdrawal from the European Union (EU), or Brexit. The invocation procedure provides that after a negotiation period of up to two years, the TEU ceases to apply to the Member State which invoked Article 50.
07.10.2019	ESMA updates Q&A on MiFIR data reporting	ESMA has updated its Questions and Answers on data reporting under the Market in Financial Instruments Regulation (MiFIR).
07.10.2019	MiFID II: ESMA issues latest double volume cap data	ESMA has updated its public register with the latest set of double volume cap (DVC) data under the Markets in Financial Instruments Directive (MiFID II).
08.10.2019	ESMA publishes final report on CSDR Guidelines on standardised procedures and messaging protocols	ESMA has published its final report on the Guidelines on standardised procedures and messaging protocols. The Guidelines aim to clarify the scope of the requirement contained in Article 6(2) of the Central Securities Depositories Regulation (CSDR) and provide guidance on the standardised procedures and messaging standards used for compliance.
08.10.2019	ESMA adopts MAR standards on supervisory cooperation	ESMA has issued its final report on a set of Regulatory Technical Standards (RTS) on the application of the Market Abuse Regulation (MAR).
09.10.2019	ESMA publishes Annual Report on the application of waivers and deferrals under MiFIR	ESMA has published its Annual Report on the application of waivers and deferrals under MiFIR.

16.10.2019	ESAs consult on changes to the key information document for PRIIPs	ESAs have issued a Consultation Paper on amendments to existing rules underpinning the Key Information Document (KID) for Packaged Retail and Insurance-based Investment Products (PRIIPs). The consultation runs until 13 January 2020 .
17.10.2019	ESMA sees significant room for improvement in national regulators' supervision of derivatives data	ESMA has published the results of a peer review it conducted into supervisory actions of six National Competent Authorities (NCAs) regarding their approaches at enhancing the quality of derivative data reported under the European Market Infrastructure Regulation (EMIR).
20.10.2019	ESMA and the Australian securities and investments commission to cooperate on benchmarks	ESMA and the Australian Securities and Investments Commission (ASIC) announced that they have signed a Memorandum of Understanding (MoU) setting out cooperation arrangements in respect of Australian benchmarks.
22.10.2019	EU enforcers must monitor closely new reporting standards	ESMA has published the priorities that European enforcers will consider when examining the 2019 annual financial reports of listed companies. The 2019 enforcement priorities reflect the changes introduced in recent financial reporting standards and consider issues identified by national competent authorities (NCAs) through their enforcement activities in 2019.
30.10.2019	MiFID II - New Publication Date for Systematic Internaliser and Bond Data	ESMA will publish the systematic internaliser (SI) and bond market liquidity data on 8 November, this follows the latest developments around the departure of the United Kingdom (UK) from the European Union (EU).
30.10.2019	ESMA updates on Brexit preparations	ESMA has informed stakeholders that, following the European Council's decision extending the period under Article 50(3) relating to the United Kingdom's (UK) withdrawal from the European Union (EU), its previous statements relating to its preparations for a no-deal Brexit will no longer apply as of 31 October.
31.10.2019	ESMA report sees decrease in prospectus activity for 2018	ESMA, in its annual report on prospectus activity, reported that in 2018 the number of prospectus approvals across the European Economic Area (EEA) decreased by almost 5% compared to 2017 (from 3,567 to 3,390). This decrease in prospectus approvals follows a decade-long trend observed since the start of the financial crisis.
31.10.2019	ESMA publishes validation rules and XML schemas for SFTR reporting	ESMA has published further technical details for the reporting of Securities Financing Transactions (SFTs) as required under the SFT Regulation (SFTR).

FINANCIAL CENTRE

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (21/11/2019)	130	↘ 6 entities
	Balance sheet total (30/06/2019)	EUR 827.758 bn	↗ EUR 44.722 bn
	Profit before provisions (30/06/2019)	EUR 2.482 bn	↘ EUR 454 m
Payment institutions	Number (12/11/2019)	13 of which 2 branches	↗ 3 entities
Electronic money institutions	Number (12/11/2019)	9	↗ 4 entities
UCIs	Number (12/11/2019)	Part I 2010 Law: 1,785	↘ 46 entities
		Part II 2010 Law: 274	↘ 21 entities
		SIFs: 1,473	↘ 72 entities
	TOTAL: 3,532	↘ 139 entities	
	Number (07/11/2019)	SICARs: 255	↘ 20 entities
	Total net assets (30/09/2019)	EUR 4,569.999 bn	↗ EUR 290.237 bn
Management companies (Chapter 15)	Number (31/10/2019)	204	↘ 2 entities
	Balance sheet total (30/09/2019) ³	EUR 15.589 bn	↗ EUR 1.116 bn
Management companies (Chapter 16)	Number (31/10/2019)	163	no variation
AIFMs	Number (12/11/2019)	257	↗ 19 entities
Pension funds	Number (12/11/2019)	12	↘ 1 entity
Authorised securitisation undertakings	Number (12/11/2019)	33	↗ 1 entity
Investment firms	Number (12/11/2019)	98 of which 4 branches	no variation
	Balance sheet total (30/09/2019)	EUR 1.481 bn	↘ EUR 7 m
	Provisional net profit (30/09/2019)	EUR 78.44 m	↗ EUR 8.85 m
Specialised PFS	Number (12/11/2019)	108	↘ 3 entities
	Balance sheet total (30/09/2019)	EUR 6.559 bn	↘ EUR 442 m
	Provisional net profit (30/09/2019)	EUR 264.000 m	↘ EUR 108.943 m
Support PFS	Number (12/11/2019)	75	no variation
	Balance sheet total (30/09/2019)	EUR 2.114 bn	↗ EUR 843 m
	Provisional net profit (30/09/2019)	EUR 49.64 m	↘ EUR 1.11 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (08/11/2019)	465	↘ 64 entities
Public oversight of the audit profession	Number (31/10/2019)	59 <i>cabinets de révision agréés</i>	no variation
		323 <i>réviseurs d'entreprises agréés</i>	↗ 10 people
		24 third-country auditors and audit firms	↘ 7 entities
Employment (30/09/2019)	Banks	26,438 people	↗ 102 people
	Management companies (Chapter 15) ³	4,788 people	↗ 92 people
	Investment firms	2,121 people	↗ 18 people
	Specialised PFS	4,660 people	↗ 276 people
	Support PFS	10,010 people	↗ 135 people
	Payment institutions	334 people	N/A
	Electronic money institutions	222 people	N/A
	Total	48,573 people	↗ 623 people ⁴

³ Preliminary figures

⁴ 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.