

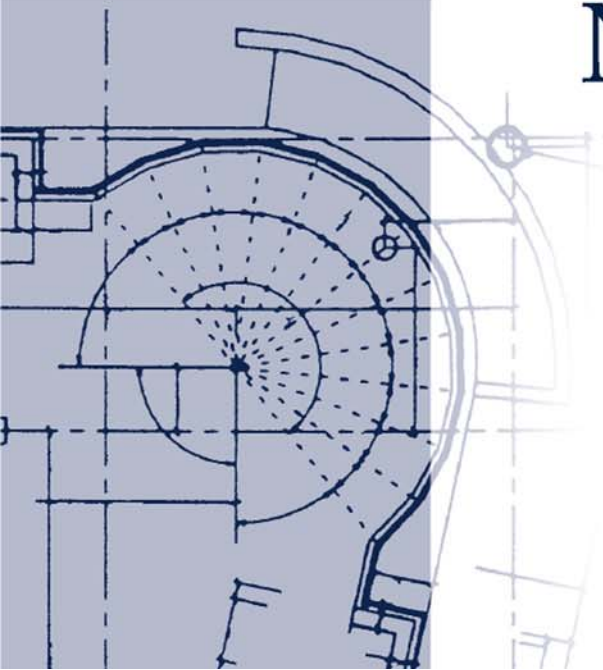
N°27

April 2003



CSSF NEWSLETTER

COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER



Recent regulatory developments

CSSF Circular 03/100

Publication on the Internet of CSSF instructions:

- *Recueil des instructions aux banques* (Instructions for banks) of the CSSF
- **Schedule of Conditions for the technical implementation of the CSSF reporting requirements – SOC/CSSF**

CSSF Circular 03/100 of 1 April 2003 announces the publication of the *Recueil des instructions aux banques* and of the “Schedule of conditions for technical implementation of the CSSF reporting requirements” on the CSSF website at <http://www.cssf.lu/fr/report/rperiode.html>.

The *Recueil des instructions aux banques* of the CSSF presents the prudential and accounting instructions relating to the periodic information that banks must report to the CSSF as well as details regarding the drawing up of the accounts that must be published.

The document “Schedule of conditions for the technical implementation of the CSSF reporting requirements – SOC/CSSF” presents the technical instructions concerning the electronic transmission of periodic reporting of banks and UCIs, the CSSF is in charge of.

The new versions of the *Recueil* and the SOC as published on the CSSF website represent the revised and updated versions of the *Recueil* and SOC published by the former IML. Details of all the modifications to the *Recueil* and SOC may be looked up in a marked-up version. This publication only concerns instructions relating to prudential tables (tables B, E and O). Instructions relating to statistical reporting (tables S), of which the BCL is in charge, are published on the BCL website (<http://www.bcl.lu>).

The *Recueil des instructions aux banques* and the SOC are only available in PDF format. All interested persons are free to download these files. As far as future modifications are concerned, these changes will be notified to the supervised establishments, as usual, by means of a Circular or Circular-letter.

CSSF Circular 03/101

concerning the identification and declaration of business relationships with terrorist circles

This Circular informs the establishments under the supervision of the CSSF about exceptions introduced by Regulation (EC) No 561/2003 to the freezing of funds and economic resources within the framework of restrictive measures directed against certain persons and entities associated with Usama bin Laden, the Al-Qaida network and the Taliban.

Banks

Banks' balance sheet total as at 28 February 2003 reports a slight decrease

At 28 February 2003, the balance sheet total of the banks established in Luxembourg reached EUR 662.18 billion as compared to EUR 667.07 billion as at 31 January 2003, which is a decrease of 0.73 %.

The number of credit institutions registered on the official list of banks at 31 March 2003 amounted to 178 following the withdrawal of Frankfurter Sparkasse, Luxembourg branch.

Professionals of the financial sector (PFS)

Decrease in the balance sheet total

According to the data provided as at 28 February 2003, the balance sheet total of all the professionals of the financial sector (144 active businesses) amounted to EUR 2.449 billion as against EUR 2.490 billion as at 31 January 2003, which represents a decrease of 1.63 % as compared to the previous month.

The net profit for all the professionals of the financial sector amounts to EUR 40.64 million as at 28 February 2003.

Distribution of the professionals of the financial sector according to their status (as at 31 March 2003)

Category		Number
Commission agents	COM	17
Financial advisors	COF	9
Brokers	COU	5
Professional custodians of securities or other financial instruments	DEP	3
Distributors of units of investment funds	DIST	46
Domiciliation agents of companies	DOM	35
Private portfolio managers	GF	51
Underwriters	PF	3
Professionals acting for their own account	PIPC	16
Market makers	TM	2
Entity authorised to exercise all the activities as PFS permitted by article 28 of the law of 15 December 2000 on postal services and financial postal services	EPT	1
TOTAL *		145

* the same establishment can appear in several categories at the same time

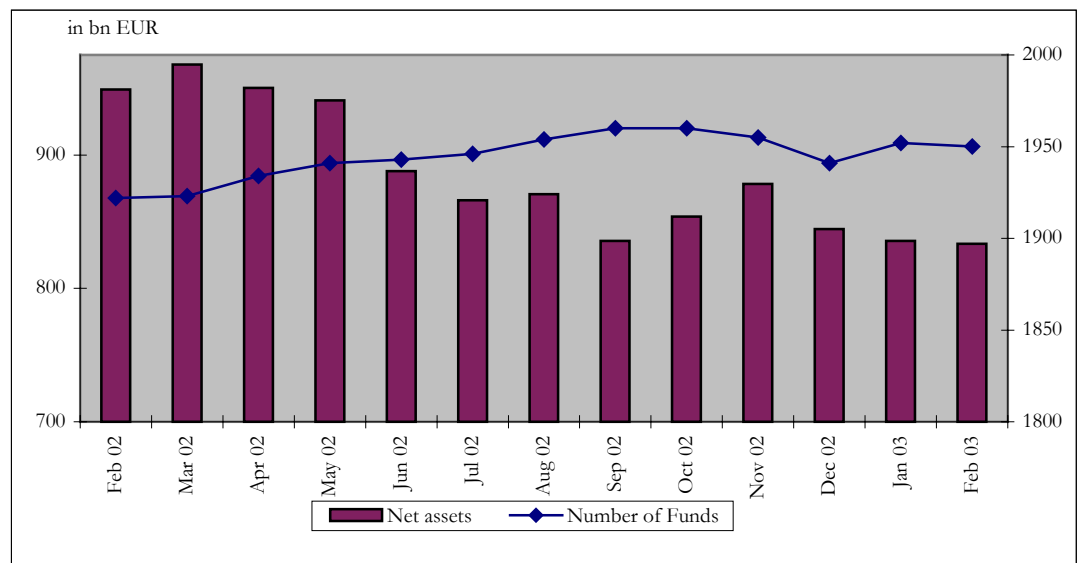
Undertakings for collective investment

Slight decrease in UCI's total net assets at the end of February 2003 (press release of 28 March 2003)

As at 28 February 2003, the total net assets of undertakings for collective investment reached EUR 833.530 billion compared to EUR 835.475 billion as at 31 January 2003. Consequently, the Luxembourg undertakings for collective investment sector decreased by 0.23% compared to January 2003. The sector decreased by 1.30% in February as compared to 31 December 2002 when the total net assets reached EUR 844.508 billion. Over the last twelve months, the volume of net assets decreased by 12.18%.

During the month of February 2003, the net capital investment amounted to EUR 2.833 billion. Compared to 31 December 2002, the net capital investment amounts to EUR 13.186 billion.

The number of undertakings for collective investment taken into consideration totals 1,950 as against 1,952 the previous month. A total of 1,198 UCIs have adopted the multiple compartment structure, which represents 7,039 compartments. When adding 752 UCIs with a traditional structure to the previous figure, 7,791 compartments are active in the financial centre.



Memorandum of Understanding on the general principles of co-operation between prudential supervisory authorities and central banks of the European Union in crisis management situations

The prudential supervisory authorities and the central banks of the European Union have agreed on a multilateral Memorandum of Understanding (MoU) on the general principles governing their co-operation in crisis situations. The MoU, which is not a public document, came into effect on 1 March 2003.

The MoU defines the principles and procedures for cross-border co-operation between supervisory authorities and central banks. The formalisation of the co-operation between these authorities will facilitate an early and overall assessment, in crisis situations, of the systemic scope of the crisis, thus ensuring the stability of the financial system. Moreover, this co-operation allows to manage banking crises more efficiently.

The principles and procedures deal with the identification of the authorities responsible for the management of these crises, the required flows of information between all the involved authorities as well as the practical conditions for sharing information at the cross-border level. The MoU will apply in crisis situations with a cross-border impact involving individual credit institutions or banking groups, that could have repercussions on several Member States of the European Union. The co-operation mechanisms defined in the multilateral MoU will also apply in crisis situations relating to disturbances in money and financial markets and/or market infrastructures (including payment infrastructures).

Regulation

Responses to the consultative document of the European Commission concerning the new framework on capital requirements

The Commission Services published the responses received within the framework of the structured dialogue with the banking industry in Europe concerning the new regulations as regards capital adequacy. In this context, the Commission Services had published the consultative document “Working Document of the Commission Services on Capital Requirements for Credit Institutions and Investment Firms” on 18 November 2002. Over 100 comments have been received, the majority of which have been published on the Commission’s website.

Interested parties may download these comments from the Internet at the following address:

http://europa.eu.int/comm/internal_market/en/finances/capitaladequacy/index.htm

Consultative documents for the banking industry published by the European Commission Services on the treatment of real estate lending and covered bonds under the new capital requirements regime

Within the scope of a preliminary consultation, the Commission Services published two working documents on 7 April 2003 on the treatment of real estate lending and covered bonds under the new capital requirements regime. The Commission Services will base the elaboration of the third consultative document relating to the new capital requirements regime for credit institutions and investment firms on the comments received on these consultative documents.

The documents may be downloaded from the Internet at the following address:

http://europa.eu.int/comm/internal_market/en/finances/capitaladequacy/index.htm

Comments relating to these working papers should be submitted to the European Commission before 30 April 2003 at the following e-mail address:

anne.cools@cec.eu.int



LIST OF BANKS

Withdrawal:

On 31 March 2003

Frankfurter Sparkasse, Luxembourg branch

Change of address:

Banque BCP S.A.

5, Z.A.I. Bourmicht, L-8070 Bertrange

Change of name:

Banque Privée Edmond de Rothschild Luxembourg has become on 24 March 2003

Banque Privée Edmond de Rothschild Europe

LIST OF PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

New establishments:

EUROPEAN FUNDS SERVICES S.A.,

Commission agent, distributor of investment fund units/shares without effecting or accepting payments and domiciliation agent of companies

2, Parc d'activité Syrdall, L-5365 Munsbach

Ministerial authorisation of 12 March 2003

BELLATRIX INVESTMENTS S.A., financial adviser

207, route d'Arlon, L-1150 Luxembourg

Ministerial authorisation of 12 March 2003

Withdrawal:

CREDIT LYONNAIS ASSET MANAGEMENT (LUXEMBOURG) S.A.

Renouncement of its PFS status (commission agent and distributor of investment fund units/shares), to become a management company on 31 March 2003

Change of address:

MERCURIA SERVICES

8-10, rue Mathias Hardt, L-1717 Luxembourg

Change of name:

VMS-KEYTRADE LUXEMBOURG S.A. has become on 24 March 2003

KEYTRADE LUXEMBOURG S.A.

LIST OF UNDERTAKINGS FOR COLLECTIVE INVESTMENT (UCI)

Registrations on and withdrawals from the official list of the Luxembourg undertakings for collective investment which fall under the law of 30 March 1988 and the official list of undertakings for collective investment which fall under the law of 19 July 1991, during the **month of February 2003**

Registrations

- ACTIVEST LUX GLOBALPROTECT 10/2008, 4, rue Alphonse Weicker, L-2721 Luxembourg-Kirchberg
- ADIG US INVEST 6/2008, 1a-1b, rue Thomas Edison, L-1445 Luxembourg-Strassen
- AQUILA CAPITAL FONDS, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- CITI PM, 58, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg
- CREDIT SUISSE MULTIFUND (LUX), 5, rue Jean Monnet, L-2180 Luxembourg-Kirchberg
- GS GLOBAL CURRENCY FUND, 6, avenue Emile Reuter, L-2420 Luxembourg
- HSBC TRINKAUS FONDS EQUITY LINKED STRUCTURES, 1-7, rue Nina et Julien Lefèvre, L-1952 Luxembourg
- NIKKO FUTURES FUND, 112, route d'Arlon, L-1150 Luxembourg
- NIKKO PRIME SELECT FUND, 112, route d'Arlon, L-1150 Luxembourg
- PLACEMENT TFI QUALITÉ JOUR, 14, boulevard Royal, L-2449 Luxembourg
- VOLANDO UMBRELLA FUND, 1C, Parc d'activité Syrdall, L-5365 Munsbach

Withdrawals :

- ACM PRINCIPAL PROTECTION FUND, 18, rue Eugène Ruppert, L-2453 Luxembourg
- BANTLEON UNITS, 50, avenue J-F Kennedy, L-1855 Luxembourg-Kirchberg
- DEXIA GREATER CHINA, 69, route d'Esch, L-1470 Luxembourg
- DRESDNER RCM EUROPEAN BOND FUND, 6, avenue Emile Reuter, L-2420 Luxembourg
- EURO & CURRENCY OPEN, 6, avenue Emile Reuter, L-2420 Luxembourg
- INVESCO SERIES, 69, route d'Esch, L-1470 Luxembourg
- LRI-INDEXPROFONDS, 1C, Parc d'activité Syrdall, L-5365 Munsbach
- MANSURII DORIIMU II, 18, rue Eugène Ruppert, L-2453 Luxembourg
- PLURIFOND FUND, 69, route d'Esch, L-1470 Luxembourg
- PUTNAM INTERNATIONAL FUND, 11, rue Aldringen, L-1118 Luxembourg
- SEB INVEST CONVERTIBLE, 6A, Circuit de la Foire Internationale, L-1347 Luxembourg-Kirchberg
- SOCIETE GENERALE CENTRAL AND EASTERN EUROPEAN OPPORTUNITIES FUND, 13, rue Goethe, L-1637 Luxembourg
- THIEME FONDS, 4, rue Jean Monnet, L-2180 Luxembourg-Kirchberg

Financial centre

Main updated figures regarding the financial centre:

Number of banks: **178** (31 March 2003)

Balance sheet total: **EUR 662.177 billion** (28 February 2003)

Net profit: **EUR 2.660 billion** (31 December 2002)

Employment: **23,300 people** (31 December 2002)

Number of UCIs: **1,951** (10 April 2003)

Total net assets: **EUR 833.530 billion** (28 February 2003)

Number of pension funds: **8** (31 March 2003)

Number of PFS: **145** (31 March 2003)

Balance sheet total: **EUR 2.449 billion** (28 February 2003)

Net profit: **EUR 40.64 million** (28 February 2003)

Employment: **4,399 people** (31 December 2002)

Total employment in the supervised establishments: **28,062 people** (31 Dec. 2001)

Total employment in the supervised establishments: **27,699 people** (31 Dec. 2002)

CSSF Newsletter

Design and editing : Secrétariat général de la CSSF

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