

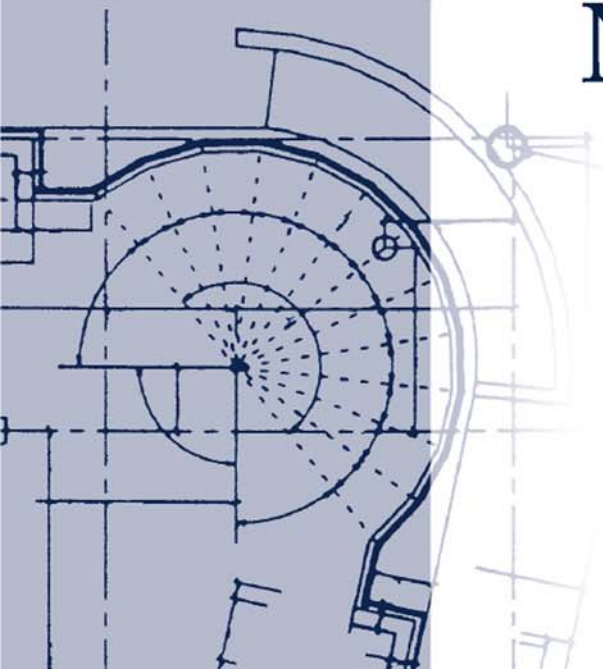
N°32

September 2003



CSSF NEWSLETTER

COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER



Banks

Banks' balance sheet total as at 31 July 2003 practically unchanged compared to 30 June 2003

At 31 July 2003, the balance sheet total of the banks established in Luxembourg reached EUR 656.26 billion as compared to EUR 653.64 billion as at 30 June 2003, which is a slight increase of 0.4%.

Due to the withdrawal of BHW Allgemeine Bausparkasse AG following its merger with BHW Bausparkasse AG, the number of credit institutions registered on the official list of banks amounts to 175 as at 31 August 2003.

Professionals of the financial sector (PFS)

Increase in the balance sheet total

According to the data provided as at 31 July 2003, the balance sheet total of all the professionals of the financial sector (141 active businesses) amounted to EUR 2.427 billion as against EUR 2.204 billion as at 30 June 2003, which represents an increase of 10.11%.

The net profit for all the professionals of the financial sector amounts to EUR 277.84 million (141 active business) as at 31 July 2003 against 246.76 million (146 active business) as at 31 July 2002.

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

Category		Number
Commission agents	COM	15
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	36
Private portfolio managers	GF	50
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 *		142

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

Undertakings for collective investment

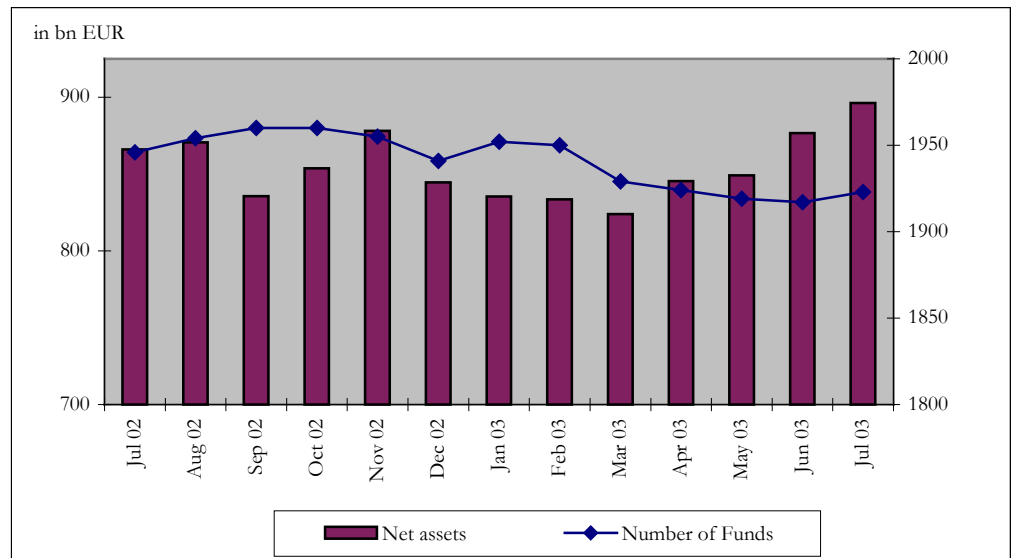
Increase in UCI's total net assets at the end of July 2003

(press release of 22 August 2003)

As at 31 July 2003, the total net assets of undertakings for collective investment reached EUR 896.232 billion compared to EUR 876.552 billion as at 30 June 2003. Consequently, the Luxembourg undertakings for collective investment sector increased by 2.25% compared to June 2003. For the month of July 2003, the sector increased by 6.12% as compared to 31 December 2002 when the total net assets amounted to EUR 844.508 billion. Over the last twelve months, the volume of net assets increased by 3.47%.

During the month of July 2003, the net capital investment amounted to EUR 11.242 billion. Compared to 31 December 2002, the net capital investment amounts to EUR 40.481 billion.

The number of undertakings for collective investment taken into consideration totals 1,923 as against 1,917 the previous month. A total of 1,192 UCIs have adopted the multiple compartment structure, which represents 6,904 compartments. When adding 725 UCIs with a traditional structure to the previous figure, 7,629 compartments are active in the financial centre.



Pension funds

Creation of an Assep under the Luxembourg law concerning pension funds

(Press release of 5th September 2003)

A ninth pension fund denominated FONDS DE PENSION DU GROUPE SIEMENS A LUXEMBOURG and constituted under the legal form of an assep has been registered on the official list of pension funds governed by the law of 8 June 1999 creating pension funds in the form of pension savings companies with variable capital (sepcav) and pension savings associations (asep), as amended.

The FONDS DE PENSION DU GROUPE SIEMENS A LUXEMBOURG has been created on the Groupe Siemens à Luxembourg's initiative.

The purpose of the pension savings association is to organise a pension fund aimed at the Groupe Siemens à Luxembourg's employees.

Regulation

Recent legislative and regulatory developments

Publication of the Law of 2 August 2003 concerning the professionals of the financial sector

The Law of 2 August 2003 modifying

- the Law of 5 April 1993 on the financial sector;
 - the Law of 23 December 1998 creating a commission for the supervision of the financial sector;
 - the Law of 31 May 1999 governing the company domiciliation agents
- has been published in the *Mémorial* A no. 112 of 14 August 2003.

The Law aims at ensuring that the entire financial sector is subject to a prudential supervision. It also defines new categories of PFS, which correspond to existing activities, namely credit activities (including factoring and leasing with a purchase option), securities lending and borrowing activities, as well as activities resulting from specialisation and outsourcing phenomena, such as administrative agents of the financial sector, client communication agents, IT systems and financial communication networks operators and professionals providing company incorporation and management services (please refer to Newsletter 02/03 for a more detailed analysis of the Law).

The Law will come into effect on 1 October 2003. Those persons carrying on an activity which corresponds to a new status or who are subject to new obligations are granted a period of six months to comply with the new requirements.

An analysis of the practical consequences of the new legislation will be published in October, in the next edition of the CSSF Newsletter.

CESR presents its final contribution concerning the Directive on insider dealing and market manipulation

On 3 September 2003, CESR (Committee of European Securities Regulators) published its final advice regarding the implementing measures of the market abuse Directive 2003/6/EC, adopted in December 2002 and to be implemented by each Member State by October 2004. CESR was asked by the European Commission to produce its advice by 31 August 2003.

According to the Chairman of CESR, Arthur Docters Van Leeuwen, CESR was able to produce a sensible and flexible set of proposals which meets the objectives of the Directive to improve market transparency and integrity, thanks to a productive dialogue with market participants.

The implementing measures covered by the advice concern 5 specific points of the Directive.

- **Determination of accepted market practices according to the Directive**

The advice defines general principles that should guide the relevant regulators in assessing “accepted” market practices, such as the protection of the integrity of the market concerned and compliance with the proper interplay of supply and demand. CESR also sets out the procedures regulators should adopt when they consider whether or not a market practice is acceptable. Regulators could consult, for example, with market participants and with other regulators in order to harmonise their views prior to accepting a market practice. CESR would publish the decisions adopted by the relevant authority in order to inform the entire market.

- **Definition of inside information on derivative markets**

The advice recognises the diversity of these markets and stresses the need for appropriate information taking into account the specific functioning of these markets.

- **Drawing up of insider lists by issuers**

The advice clarifies how issuers must meet their obligation under the Directive to draw up and update the lists of people who have access to inside information. CESR proposes that the lists should include those who have habitual access to inside information and those who have occasional access.

- **The disclosure of transactions by senior managers**

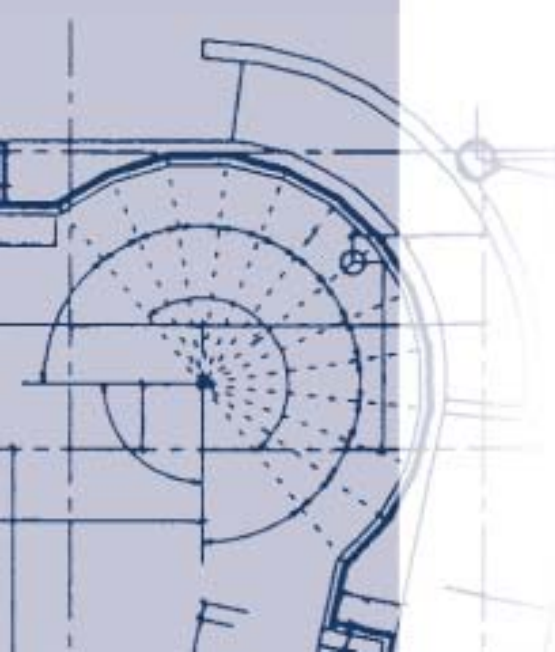
CESR specifies the transparency requirements for transactions carried out by individuals with managerial responsibilities in a company, and by persons closely associated to them, in shares of this company.

- **The obligation to report suspicious transactions to the regulator**

CESR defines the criteria for financial intermediaries to notify the competent authority of suspicious transactions and standardises the information that should be provided.

The work on the advice was undertaken by an expert group under the chairmanship of Mr Stavros Thomadakis, Chairman of the Hellenic Capital Market Commission. Mr Johan Thiriart, Luxembourg Stock Exchange, was member of the Consultative Working Group of Market Practitioners. CESR undertook extensive consultation of interests across the EU. It received over 70 written responses. Reflecting the feedback received, CESR sought to introduce more flexibility for issuers and their advisers to meet the Directive obligation to maintain lists of all those with access to inside information. As regards the obligation of all the financial intermediaries to immediately report suspicious transactions to the relevant regulator, CESR has endeavoured to create a balance whereby regulators are not overwhelmed by the volume of transactions reported, while encouraging financial intermediaries to report trades where they have sufficient information to suspect insider dealing or market manipulation.

The advice (“Advice on the second set of Level 2 Implementing measures for the market abuse directive”) may be downloaded from the CESR website at www.europefesco.org.



LIST OF BANKS

Withdrawal:

BHW Allgemeine Bausparkasse AG, branch
Merger with BHW Bausparkasse AG, on 1 August 2003

Change of address:

Banque Degroof Luxembourg S.A.
12, rue Eugène Ruppert, L-2453 Luxembourg

KHB International S.A. Luxembourg
4, rue Thomas Edison, L-1445 Luxembourg - Strassen
B.P. 661, L-2016 Luxembourg

Change of name and address:

Banque Populaire du Luxembourg S.A. has become
Natexis Private Banking Luxembourg S.A.
51, avenue J.-F. Kennedy, L-1855 Luxembourg

LIST OF PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

New establishment:

AIB ADMINISTRATIVE SERVICES LUXEMBOURG SARL
domiciliation agent of companies
46A, avenue J.F. Kennedy, L-1855 Luxembourg
Ministerial authorisation of 1 August 2003

Change of address:

AIB ADMINISTRATIVE SERVICES LUXEMBOURG SARL
69A, boulevard de la Pétrusse, L-2320 Luxembourg

LIST OF PENSION FUNDS

New fund (assep - pension savings association):

FONDS DE PENSION DU GROUPE SIEMENS A LUXEMBOURG
20, rue des Peupliers, L-2328 Luxembourg
Authorisation of 28 August 2003

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, the law of 20 December 2002 and the law of 19 July 1991, during the **month of July 2003**

Registrations

- ACCESS FUND, 11, rue Aldringen, L-1118 Luxembourg
- ADIG TOTAL RETURN PROTECT, 1a-1b, rue Thomas Edison, L-1445 Luxembourg-Strassen
- ARCOBALENO FUND, 4, boulevard Royal, L-2449 Luxembourg
- ART FUND, 39, allée Scheffer, L-2520 Luxembourg
- AXA ALTERNATIVE PARTICIPATIONS SICAV I, 46, côte d'Eich, L-1450 Luxembourg
- AXA ALTERNATIVE PARTICIPATIONS SICAV II, 46, côte d'Eich, L-1450 Luxembourg
- BBL INVEST, 52, route d'Esch, L-1470 Luxembourg
- CALYPSO SICAV, 11, rue Aldringen, L-1118 Luxembourg
- DEKA-WORLDGARANT 9/2008, 5, rue des Labours, L-1912 Luxembourg
- DWS BONUS BASKET 2006, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- FOCUSED FUND, 291, route d'Arlon, L-1150 Luxembourg
- HSBC TRINKAUS ABS, 1-7, rue Nina et Julien Lefèvre, L-1952 Luxembourg
- HYGA FUND, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- ICM DIVERSIFIED ALPHA FUNDS, 39, allée Scheffer, L-2520 Luxembourg
- ICM DIVERSIFIED ALPHA SERIES, 39, allée Scheffer, L-2520 Luxembourg
- LIVING PLANET FUND, 291, route d'Arlon, L-1150 Luxembourg
- PORTFOLIO PLUS FONDS, 1-7, rue Nina et Julien Lefèvre, L-1952 Luxembourg
- TURQUOISE INVESTMENT FUND, 11, rue Aldringen, L-1118 Luxembourg
- VAH PRIVATE EQUITY SICAV, 14, boulevard Royal, L-2449 Luxembourg

Withdrawals

- ALLIANZ PIMCO MILLENNIUM, 6A, route de Trèves, L-2633 Senningerberg
- CREDIT SUISSE FOCUSED FUND (LUX), 5, rue Jean Monnet, L-2180 Luxembourg
- CSAM INVEST, 5, rue Jean Monnet, L-2180 Luxembourg
- EAGLE - FUNDS, 78, rue du Golf, L-1638 Senningerberg
- EUROTURK, 11, rue Aldringen, L-1118 Luxembourg
- FINIBANCO PORTFOLIO FUND, 5, rue Jean Monnet, L-2180 Luxembourg
- HENDERSON INDEPENDENT FUND, 23, avenue de la Porte-Neuve, L-2227 Luxembourg
- INVESCO TAIWAN GROWTH FUND, 69, route d'Esch, L-1470 Luxembourg
- MSCI WORLD ACTIVE OPEN, 49, avenue J-F Kennedy, L-1855 Luxembourg
- NOMURA GLOBAL FUND, 6, avenue Emile Reuter, L-2420 Luxembourg
- PATRIARCH SICAV, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- THEMIS CONVERTIBLE, 39, allée Scheffer, L-2520 Luxembourg
- UNIBALANCE, 308, route d'Esch, L-1471 Luxembourg

Financial centre

Main updated figures regarding the financial centre:

Number of banks: **175** (31 August 2003)

Balance sheet total: **EUR 656.256 billion** (31 July 2003)

Profit before provisions: **EUR 1.997 billion** (30 June 2003)

Employment: **22,830 people** (30 June 2003)

Number of UCIs: **1,921** (10 September 2003)

Total net assets: **EUR 896.232 billion** (31 July 2003)

Number of pension funds: **9** (31 August 2003)

Number of PFS: **142** (31 August 2003)

Balance sheet total: **EUR 2.427 billion** (31 July 2003)

Net profit: **EUR 277.84 million** (31 July 2003)

Employment: **4,243 people** (30 June 2003)

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

Total employment in the supervised establishments: **27,453 people** (31 March 2003)

Total employment in the supervised establishments: **27,073 people** (30 June 2003)

CSSF Newsletter

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