

CSSF NEWSLETTER

Commission de surveillance du secteur financier – Monthly information letter

Regulation

CSSF Circular 01/30 regarding:

- report E 1.1 “simplified assets and liabilities statement”
- report E 2.1 “simplified profit and loss account”
- update of the references of table B 1.5 “liquidity ratio”

The purpose of the circular is to modify the reporting of branches originating from an EU country by introducing a new monthly report E 1.1 “simplified assets and liabilities statement” and a

new quarterly report E 2.1 “simplified profit and loss account”. Its content will be updated in the ‘Receuil des instructions aux banques’ at a later stage.

CSSF Circular 01/31:

Addition to the Circulars CSSF 00/16 and IML 94/112 regarding the fight against money laundering and the prevention of the use of the financial sector for money laundering activities

The circular, addressed to all the financial companies, draws their attention to the update of the Financial Action Task Force (FATF) document concerning the non-co-operative countries and territories with regard to the fight against money laundering.

Due to their efforts in making their legislation and regulation on this subject conform with the FATF recommendations, the Bahamas, the Cayman Islands, Liechtenstein and Panama have been withdrawn from the

list of non-co-operative countries. On the other hand, FATF having identified significant gaps in the measures of six countries, Egypt, Guatemala, Hungary, Indonesia, Myanmar and Nigeria have been added to the list.

The establishments in the financial centre must treat with the utmost attention the clients and financial transactions implicating one of the countries or territories featuring on the updated FATF list.

European Parliament’s refusal to approve the directive proposal on take-over bids

On 4 July 2001 the European Parliament did not approve a directive proposal which would have imposed common rules with regard to take-over bids. The

compromise, which had been reached on 6 June last in Luxembourg between the Council and the Parliament, in particular regarding the rights and obligations of the

board of directors of a company being subjected to a take-over bid, has therefore

been rejected. The first directive proposal on this subject dates back to 1989.



Undertakings for collective investment

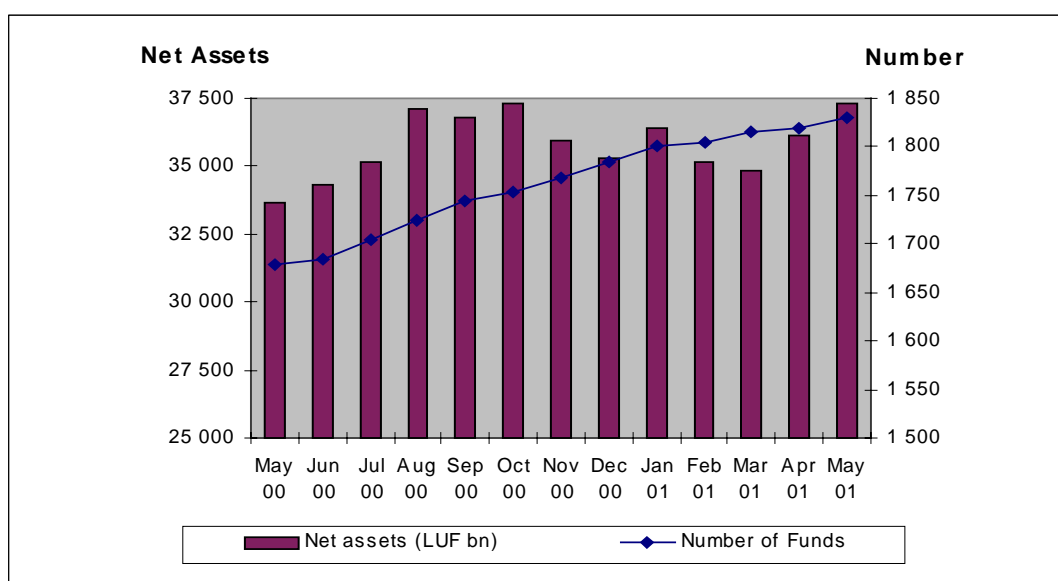
The UCIs' total net assets reach record level at the end of May 2001 (communicated to the press on 4 July 2001)

The total net assets for undertakings for collective investment amounted to EUR 924.5 billion (LUF 37,294.6 billion) as at 31 May 2001 compared to EUR 895.8 billion (LUF 36,138.3 billion) as at 30 April 2001. As a result the Luxembourg undertakings for collective investment sector has increased by 3.20% compared to the month of April 2001. This increase can be explained by the rise in the US dollar against the Euro as well as by an important injection of new funds.

Reaching record level, the sector is witnessing an increase of 5.71% compared to 31 December 2000, where the total net assets amounted to EUR 874.6 billion (LUF 35,280.7 billion). Over the period of the last twelve months, the volume of net assets has increased by 10.82%.

During the month of May the net capital investment, which is defined as the total of the net issues reduced by the net adjusted repurchases taking into account the UCIs that entered into liquidation, amounted to EUR 14.7 billion (LUF 591.7 billion).

The number of undertakings for collective investment taken into consideration totals 1,830 compared to 1,819 for the previous month. 1,069 UCIs have adopted the multiple compartment structure, which represents a total of 6,501 compartments. When adding 761 UCIs with a traditional structure to the previous figure, a total of 7,262 compartments are active in the financial centre.



Credit Institutions

Banks' balance sheet total reports a 1.1% increase for the month

The balance sheet total for the banks established in Luxembourg reached EUR 674.93 billion (LUF 27,227 billion) as at 31 May 2001 compared to EUR 667.65 billion (LUF 26,933 billion) as at 30 April 2001, which is an increase of 1.1% for the month.

As at 1 July 2001, the number of credit institutions registered on the official list

of banks added up to 197, which is a reduction of one unit compared to the previous month, following the withdrawal of *Crédit Commercial de France (Luxembourg) S.A.* as a result of the merger between *CCF (Luxembourg) S.A.* and *HSBC Republic Luxembourg S.A.*

PFS

Balance sheet total of EUR 1.976 billion on the increase by 1.7%

According to the data provided as at 31 May 2001, the balance sheet total of all the professionals of the financial sector (132 businesses active in total) adds up

to EUR 1.976 billion compared to EUR 1.942 billion the previous month, which is an increase of 1.7%.

Distribution of the professionals of the financial sector according to their status (as at 1 July 2001)

Category	Number
Commission agents	12
Financial advisors	9
Brokers	6
Professional custodians of securities or other financial instruments	4
Distributors of units of investment funds	42
Domiciliation agents of companies	26
Private portfolio managers	50
Underwriters	4
Professionals acting for their own account	16
Market makers	2
TOTAL *	134

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

Conferences

XXVIth IOSCO conference in Stockholm

The regulatory authorities for the financial markets and futures markets met in Stockholm from 23 to 29 June 2000 on the occasion of the XXVIth annual conference of the International Organisation of Securities Commissions (IOSCO). The Commission de surveillance du secteur financier, which is the relevant national authority in this regard was represented by Mr Charles Kieffer, director.

Under the theme “financial markets in the information era”, the conference offered the participants the opportunity to consider the challenges faced by regulation as a result of technological progress. The integration of financial markets in the information era necessitates an increased co-operation between regulators.

IOSCO has presented a new report in particular with regard to the securities markets on the Internet. From the first publication of a report on this subject in

1998, the considerable expansion of the Internet has in fact clearly changed the stakes. In addition, it seemed useful to review the implementation of the recommendations, which had been made three years ago.

In this context, IOSCO has recently organised the second edition of the Internet Surf Day, an international day of supervision of the information being broadcast on the Internet. This exercise is aimed at co-ordinating the regulatory authorities' efforts with regard to the research of offences and stock exchange breaches committed via Internet.

The admission of six new members has increased the number of adherents to IOSCO to 172 authorities. The next annual conference will be held in Istanbul.

Meeting of the FESCO “Investor protection” group in Luxembourg

The CSSF hosted the FESCO (Forum of European Securities Commission) “Investor protection” group 5 and 6 July last.

The agenda of the meeting mainly featured the analysis of the commentaries following the publication

of the document “Standards and Rules for Harmonising Core Conduct of Business Rules for Investor Protection”. This document had been published with a view to a second review by the parties concerned during the month of February 2001.

Recruitment of 27 new agents

Following a recruitment drive launched in the beginning of the year, the CSSF has proceeded to employ 27 additional agents to reinforce its workforce, which as a result will increase from 155 to 182 agents. In detail, the various departments have been reinforced by the following people:

S1 Banking supervision (10 agents)

CECCARELLI Monica
DONDELINGER Anouk
DUCARN Pascal
HOLTZMER Nadine
JANK Gilles
KIEFFER Gérard
MANZARI Nadia
NEU Manuel
REIMEN Edouard
WAMPACH Claude

S2 UCI supervision (11 agents)

ALONSO Yolanda
CHARNAUT Laurent
COLOMBO Marie-Rose
EWEN Tom
HERTGES Joëlle
HOUEL Damien
SCHIAVO Sabine
SCHMIT Isabelle Maryline
SCHMITZ Daniel
STOFFEL Thierry
WEYLER Diane

S3 Investment activity supervision (4 agents)

NEY Carole
NICOLAY-HOFFMANN Sylvie
PLETSCHETTE Luc
ZIMMER Annick

S4 Administration and finance (2 agents)

BOES René
CLEMENT Paul

Official lists

LIST OF BANKS

List of credit institutions having registered on or withdrawn from the official list of credit institutions during the month of June 2001:

Withdrawal:

Crédit Commercial de France
(Luxembourg) S.A.
8, rue Marie-Thérèse
L-2132 LUXEMBOURG

Change of name:

Caisse Centrale Raiffeisen s.c. to
Banque Raiffeisen

Change of address:

Erste Europäische Pfandbrief- und
Kommunalkreditbank AG in Luxembourg
1A, Heienhaff
L-1736 SENNINGERBERG
Postal address: B.P. 2133, L-1021
LUXEMBOURG

LIST OF THE PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

New establishments:

**Graham Turner Trust Services
(Luxembourg) S.A., domiciliation
agent of companies,
ministerial authorisation of 1 June 2001**

Furka S.A., domiciliation agent of companies,
ministerial authorisation of 25 June 2001

Extension of status:

Carl Kliem S.A., status as broker extended to include **commission agent.**

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 May 2001:

Registrations:

ACTIVEST LUX GLOBALSTARCONTROL
08/2006, 4, rue Alphonse Weicker, L-2721
Luxembourg-Kirchberg

ALPHA I VENTURE CAPITAL FUND, 12, rue
Guillaume Schneider, L-2522 Luxembourg

ALTRUM, 52, route d'Esch, L-1470 Luxembourg

CLARIDEN SICAV, 11, rue Aldringen, L-1118
Luxembourg

DB RENAISSANCE, 2, boulevard Konrad
Adenauer, L-1115 Luxembourg

DEKA-CONVERGENCEAKTIEN, 6C, route
de Trèves, L-2633 Senningerberg

DEKA-CONVERGENCEARENTEN, 6C, route
de Trèves, L-2633 Senningerberg

DH ALTERNATIVE INVESTMENT, 39, allée
Scheffer, L-2520 Luxembourg

DUAL-INVEST WACHSTUM, 2, boulevard
Konrad Adenauer, L-1115 Luxembourg

DWS RENDITE 2008, 2, boulevard Konrad
Adenauer, L-1115 Luxembourg

ING POMONA PRIVATE EQUITY FUND,
52, route d'Esch, L-1470 Luxembourg

ING PRIVATE EQUITY SICAV, 52, route
d'Esch, L-1470 Luxembourg

JEFFERIES EQUITY FUND, 11, rue Aldringen,
L-1118 Luxembourg

MPF CONVERTIBLE FUND, 2, boulevard
Konrad Adenauer, L-1115 Luxembourg

SEB PRIVATE EQUITY FUND, 6A, Circuit de
la Foire Internationale, L-1347 Luxembourg-
Kirchberg

SELECTIVE INVESTMENT FUND, 20,
boulevard Emmanuel Servais, L-2535
Luxembourg

SWISS ALLCAP SELECTION, 1, boulevard

Royal, L-2449 Luxembourg

THE 21ST CENTURY FUND, 20, boulevard
Emmanuel Servais, L-2535 Luxembourg

THE NEW CENTURY FUND, 20, boulevard
Emmanuel Servais, L-2535 Luxembourg

UBS LIFE VISION FUND, 291, route d'Arlon,
L-1150 Luxembourg

WELT KONZEPT FONDS, 1-7, rue Nina et
Julien Lefèvre, L-1952 Luxembourg

WWK SELECT, 2, rue Heinrich Heine, L-1720
Luxembourg

Withdrawals:

CITIFONDS, 58, boulevard Grande-Duchesse
Charlotte, L-1330 Luxembourg

CITIMARKETS, 58, boulevard Grande-
Duchesse Charlotte, L-1330 Luxembourg

CITINVEST, 58, boulevard Grande-Duchesse
Charlotte, L-1330 Luxembourg

CITIPLUS, 58, boulevard Grande-Duchesse
Charlotte, L-1330 Luxembourg

EUOTRUST FUND OP, 4, rue Jean Monnet,
L-2180 Luxembourg-Kirchberg

FLORIS FUND, 12-16, avenue Monterey, L-
2163 Luxembourg

FRESH PACIFIC OPEN FUND, 39, allée
Scheffer, L-2520 Luxembourg

HELABA-LUX-SPEZIALFONDS, 1C, Parc
d'activité Syrdall, L-5365 Munsbach

MONEY MANAGER, 58, boulevard Grande-
Duchesse Charlotte, L-1330 Luxembourg

SMH-LUX RMF-FONDS, 291, route d'Arlon, L-
1150 Luxembourg

STRATEGIC MANAGED LOAN
PORTFOLIO, 20, boulevard Emmanuel Servais,
L-2535 Luxembourg

Financial centre

The main up-dated figures regarding the financial centre:

Number of banks: **197** (1 July 2001)

Balance sheet total: **EUR 674.93 billion** (31 May 2001)

Net profit: **EUR 1.204 billion** (31 March 2001)

Employment: **23,538 people** (31 March 2001)

Number of UCIs: **1,830** (31 May 2001)

Total net assets: **EUR 924.5 billion** (31 May 2001)

Number of PFS: **134** (1 July 2001)

Balance sheet total: **EUR 1.976 billion** (31 May 2001)

Employment: **3,627 people** (31 March 2001)

Total employment in the supervised establishments: **27,165 people** (31 March 2001)

CSSF Newsletter

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