

COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER

CSSF
NEWSLETTER

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STATISTICS

■ BANKS

Slight decrease in the banks' balance sheet total as at 30 November 2006

As at 30 November 2006, the balance sheet total of the banks established in Luxembourg reached EUR 836.379 billion as compared to EUR 851.411 billion as at 31 October 2006, which is a 1.8% decrease.

Following the registration on the official list of Compagnie de Banque Privée S.A., in abbreviated form C.B.P. S.A., the number of banks registered on the official list as at 31 December 2006 reached 156 entities.

■ PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

Positive development of PFS results as at 30 November 2006

At 30 November 2006, the balance sheet total of all PFS (197 active businesses) amounted to the same figure as at 31 October 2006, namely EUR 70.751 billion. In absolute figures, the PFS' balance sheet total as at 30 November 2006 has slightly decreased by 0.001% as compared to the previous month.

Provisional net profit of the 197 PFS reached EUR 442.20 million at the end of November 2006, which is a 3.86% increase as compared to the EUR 425.78 million net profit recorded as at 31 October 2006 and a 4.77% increase as against the EUR 422.08 million net profit of 30 November 2005 (186 active businesses).

Breaking down the provisional figure as at 30 November 2006 by PFS categories shows that the professional custodians of securities or other financial instruments (3 entities) alone totalled profits of EUR 182.46 million, representing 41.26% of net profit of all PFS, followed by the category of distributors of investment fund units/shares (31 entities) whose total net profit reached EUR 124.47 million as at 30 November 2006, i.e. 28.15% of the overall PFS result.

Distribution of the professionals of the financial sector according to their status (as at 31 December 2006)

Category		Number
<i>Investment firms</i>		
Commission agents	COM	10
Private portfolio managers	GF	47
Professionals acting for their own account	PIPC	13
Distributors of units of investment funds	DIST	33
Underwriters	PF	2
Professional custodians of securities or other financial instruments	DEP	3
Registrar and transfer agents	ATR	12
<i>PFS other than investment firms</i>		
Financial advisors	COF	12
Brokers	COU	7
Market makers	TM	1
Currency exchange dealer	CHES	0
Debt recovery	RECO	1
Professionals performing credit offering	POP	6
Professionals performing securities lending	PPT	1
Administrators of collective savings funds	AFCE	1
Domiciliation agents of companies	DOM	50
Client communication agents	ACC	14

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Administrative agents of the financial sector	AA	17
IT systems and communication networks operator of the financial sector	IT	35
Professionals performing services of setting up and of management of companies	PCG	6
Professionals of the financial sector authorised to exercise any activity referred to in section 1 of chapter 2 of part I of the amended law of 5 April 1993 on the financial sector, with the exception of the categories of PFS also referred to in section 2 of the same chapter	ART. 13	3
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 *		196

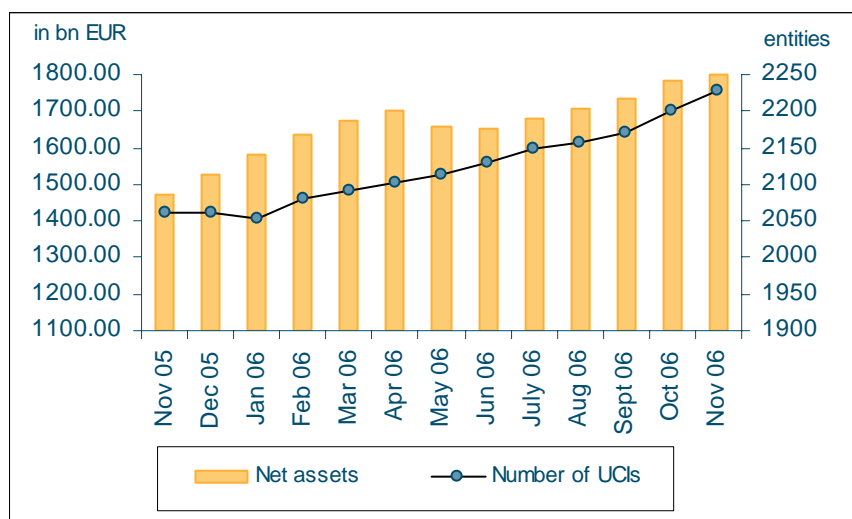
* the same establishment can appear in several categories

■ GLOBAL SITUATION OF UNDERTAKINGS FOR COLLECTIVE INVESTMENT AT THE END OF NOVEMBER 2006

As at 30 November 2006, net assets of undertakings for collective investment totalled EUR 1,799.525 billion compared to EUR 1,781.117 billion as at 31 October 2006. The Luxembourg undertakings for collective investment sector increased by 1.03% compared to October 2006. This growth is mainly due to the inflow of new capital. In November 2006, the sector increased by 17.99% compared to 31 December 2005 when the total net assets amounted to EUR 1,525.208 billion. Over the last twelve months, the volume of net assets rose by 22.04%.

During the month of November 2006, net capital investment amounted to EUR 19.429 billion. Compared to 31 December 2005, net capital investment totalled EUR 224.113 billion.

The number of undertakings for collective investment taken into consideration totals 2,229 as against 2,201 in the previous month. A total of 1,378 UCIs have adopted the multiple compartment structure, which represents 8,556 compartments. When adding 851 UCIs with a traditional structure to the previous figure, a total of 9,407 compartments are active in the financial centre.



STATISTICS

■ MANAGEMENT COMPANIES

Approval of four new management companies under chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment

The CSSF informs that four new management companies have been registered on the official list of management companies governed by chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment, namely:

- Fisch Fund Services AG
- Gamax Management AG
- Swisscanto (Lu) Management Company S.A.
- Wellington Luxembourg S.A.

These companies are active in the field of collective management.

Following these approvals, the number of management companies governed by chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment and allowed to benefit from the European passport since 13 February 2004 by way of free establishment or free provision of services in a EU Member State amounts to 148 as at 10 January 2007.

INTERNATIONAL REGULATIONS

CESR Consultations under Level 3 work under MiFID (Markets in Financial Instruments)

In December 2006, the MIFID Level 3 expert group of CESR (Committee of European Securities Regulators) has published a set of consultation papers that will allow to gather the market participants' views on common interpretation and drawing up of guidelines by CESR in order to guarantee consistency among European regulators in the implementation and application of the Directive.

Firstly, the paper on the use of the European Passport (Ref. CESR/06-669; deadline: 31 January 2007) sets out practical proposals to facilitate, among other things, the notification procedures for cross-border services, as well as for the establishment of branches. The paper also presents proposals on the future collaboration of host and home authorities to ensure adequate supervision of the proper application of the rules of conduct and the organisational requirements of investment firms that use the passport.

A second paper on the "Inducements" (Ref. CESR/06-687; deadline: 9 February 2007) allows to clarify the relation of this regime with the rules governing conflicts of interest. It also allows to define the circumstances in which investment firms may receive from third parties fees or other benefits in relation to the provision of investment services and, finally, to illustrate *via* concrete examples, the compatibility of certain practices with MIFID requirements.

Finally, a last document (Ref. CESR/06-648b; deadline: 15 January 2007) allows market participants to express their views on the need for CESR to develop guidelines for the use of standard codes under the transaction reporting in accordance with article 25 of the framework Directive.

The papers under review are available on the CESR website (www.cesr.eu). Comments should be submitted to CESR's secretariat.

NATIONAL REGULATIONS

Circular CSSF 06/272 concerning technical specifications regarding the communication to the CSSF, under the law on prospectuses for securities, of documents for the approval or for filing and of notices for offers to the public of securities issued by SICARs and admissions of securities issued by SICARs to trading on a regulated market

Circular CSSF 06/272 of 21 December 2006 applies to investment companies in risk capital (SICARs) subject to the law of 15 June 2004 whose securities are being offered to the public or admitted to trading on a regulated market within the meaning of the law of 10 July 2005 on prospectuses for securities (Prospectus Law).

The circular specifies the technical procedure regarding the communications to the CSSF under the Prospectus Law, of documents for the approval or for filing and of notices for offers to the public and admission to trading on a regulated market of securities issued by SICARs.

The circular CSSF 06/272 thus specifies all practical elements as regards the communications to the CSSF.

Circular CSSF 06/273 defining capital ratios pursuant to article 56 of the law of 5 April 1993 on the financial sector as amended

This circular, published on 22 December 2006, transposes the provisions of the following EU Directives into the Luxembourg banking regulations:

- Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions;
- Directive 2006/49/EC of the European Parliament and of the Council of 14 June 2006, on the capital adequacy of investment firms and credit institutions.

Both Directives, also known as "Capital Requirements Directive" (CRD) are the equivalent in the European legislation of the new Basel Accord (Basel II).

The circular is available on the CSSF's website www.cssf.lu and replaces circular CSSF 2000/10.

The circular defines a capital adequacy ratio designed to ensure that banks set aside sufficient own funds to cover their exposures to credit risk, dilution risk, operational risk, foreign exchange risk, commodity risk and market risk. Credit institutions are required at all times to possess sufficient own funds to meet their overall capital requirement on a stand-alone and, where applicable, on a consolidated basis.

The circular sets out several approaches, with different levels of complexity, to determine the overall capital requirement. As regards credit risk, a bank may thus choose between three approaches (in ascending order of complexity): the standardised approach (based on external ratings of credit quality), the foundation internal ratings-based approach and the advanced internal-ratings based approach. There are also three approaches to operational risk (in ascending order of complexity): the basic indicator approach, the standardised approach and the advanced measurement approach.

NATIONAL REGULATIONS

It should be stressed that the simpler approaches, namely the standardised approach for credit risk and the basic indicator approach for operational risk, may be used by any bank without having to meet qualitative and/or quantitative requirements and without prior approval of the CSSF. Furthermore, a vast majority of Luxembourg banks have pointed out that they intend to use these approaches.

Over and above capital adequacy ratio considerations, the circular sets out the regulatory framework governing the monitoring and control of large exposures.

The rules defined in the circular came into force on 1 January 2007. However, the banks may continue to use the rules laid down in circular 2000/10 throughout the year 2007 or only part of it. The application of the new rules becomes mandatory as of 1 January 2008. It should also be noted that the most advanced approaches (i.e. the advanced internal ratings-based approach for credit risk and the advanced measurement approach for operational risk) may be used only as of 1 January 2008.

Circular CSSF 07/277 on the notification procedure in line with the guidelines of the Committee of European Securities Regulators (CESR) regarding the simplification of the UCITS notification procedure

The purpose of circular CSSF 07/277 is to draw the attention of UCITS on the new notification procedure in line with the guidelines of the Committee of European Securities Regulators (CESR) regarding the simplification of the UCITS notification procedure. CESR's guidelines define the common approach that the EU host country authorities shall adopt under the notification procedure.

The circular also aims at specifying the approach adopted by the CSSF as regards European passports for UCITS following the adoption of the new CESR guidelines. The circular thus describes, on the one hand, the notification procedures of Luxembourg UCITS that seek to market their units/shares in another EU Member State and, on the other hand, the notification specifications and marketing rules established by the CSSF for UCITS in another EU Member State seeking to market their units/shares in Luxembourg.

OFFICIAL LISTS

■ LIST OF BANKS

New establishment:

Compagnie de Banque Privée S.A. in abbreviated form **C.B.P. S.A.**

119, avenue de la Faïencerie, L-1511 Luxembourg

Beginning of activities: 13 December 2006

Changes of address:

RBC Dexia IS Bank S.A.

14, Porte de France, L-4360 Esch-sur-Alzette

Changes of denomination:

Natexis Private Banking Luxembourg S.A. has become

Natixis Private Banking Luxembourg S.A

F. van Lanschot Bankiers (Luxembourg) S.A. has become

Van Lanschot Bankiers (Luxembourg) S.A.

■ LIST OF OTHER PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

New establishments:

EMC LUXEMBOURG PSF S.à R.L.

11, rue de Bitbourg, L-1273 Luxembourg

IT systems and communication networks operator of the financial sector

Ministerial authorisation of 27 September 2006, activities started on: 1 January 2007

HSH N ASSET MANAGEMENT S.A.

4, rue Albert Borschette, L-1246 Luxembourg

Distributor of units/shares of investment funds

Ministerial authorisation of 28 November 2006, date of incorporation: 22 December 2006

HSH N INVESTMENT MANAGEMENT S.A.

4, rue Albert Borschette, L-1246 Luxembourg

Commission agent, financial advisor, broker and private portfolio manager

Ministerial authorisation of 28 November 2006, date of incorporation: 22 December 2006

Withdrawals:

DESTREM LUXEMBOURG S.A.

Withdrawal on 5 December 2006.

IRIS SECURITIES LUXEMBOURG S.A.

Withdrawal on 22 December 2006.

SOCIETE LUXEMBOURGEOISE DE RECOUVREMENT S.A. in abbreviated form "SLR"

Withdrawal on 31 December 2006.

Changes of status:

IAM STRATEGIC S.A.

Status of domiciliation agent of companies added to those of financial advisor, broker, commission agent and private portfolio manager (change as of 5 December 2006).

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NOTZ, STUCKI EUROPE S.A.

Status of distributor of units/shares of investment funds added to those of commission agent, financial advisor, broker and private portfolio manager (change as of: 20 December 2006).

TELINDUS PSF S.A.

Withdrawal of the status as administrative agent of the financial sector on 22 December 2006.

Changes of address:

INTERNATIONAL FUND SERVICES & ASSET MANAGEMENT S.A., 6, Parc d'Activités, L-5365 Münsbach

LGT TRUST & CONSULTING S.A., 82, route d'Arlon, L-1150 Luxembourg

NORDNET SECURITIES LUXEMBOURG S.A., 16, avenue Pasteur, L-2310 LUXEMBOURG

PREMIUM SELECT LUX S.A., 4A, rue Albert Borschette, L-1246 LUXEMBOURG

SIMAC PSF S.A., 2, rue Léon Laval, L-3372 Leudelange

■ **LIST OF MANAGEMENT COMPANIES**

New companies:

FISCH FUND SERVICES AG

69, route d'Esch, L-1470 Luxembourg

GAMAX MANAGEMENT AG

69, route d'Esch, L-1470 Luxembourg

SWISSCANTO (LU) MANAGEMENT COMPANY S.A.

1, Place de Metz, L-1930 Luxembourg

WELLINGTON LUXEMBOURG S.A.

2-8, avenue Charles de Gaulle, L-2635 Luxembourg

■ **LIST OF PENSION FUNDS**

Withdrawal:

THE RAPALA GROUP SEPCAV

Withdrawal on 26 September 2006.

Changes of address:

ERNST & YOUNG INTERNATIONAL PENSION SCHEME

Atrium Business Park, 23, zone d'activités Bourmicht, L-8070 Bertrange

KPMG-LOMBARD INTERNATIONAL PENSION SCHEME

Atrium Business Park, 23, zone d'activités Bourmicht, L-8070 Bertrange

THE PAULIG GROUP SEPCAV

Atrium Business Park, 23, zone d'activités Bourmicht, L-8070 Bertrange

OFFICIAL LISTS

■ LIST OF LIABILITY MANAGERS

Withdrawal:

ACTUALUX S.A.

6C, Parc d'Activité Syrdall, L-5365 Münsbach

■ LIST OF SECURITISATION VEHICLES

New vehicle:

TARANIS SECURITIES S.A.

283, route d'Arlon, L-1150 Luxembourg

■ LIST OF INVESTMENT COMPANIES IN RISK CAPITAL (SICARS)

New companies:

360 CAPITAL ONE S.C.A. - SICAR

19-21, boulevard du Prince Henri, L-1724 Luxembourg

AERIS PRIVATE INVESTMENTS S.A., SICAR

2, rue Heinrich Heine, L-1720 Luxembourg

B-TO-V PRIVATE EQUITY S.C.S., SICAR

21, avenue de la Liberté, L-1931 Luxembourg

ILP I S.C.A., SICAR

30, rue Marie-Adelaïde, L-2128 Luxembourg

ILP II S.C.A., SICAR

30, rue Marie-Adelaïde, L-2128 Luxembourg

MERIDIAM INFRASTRUCTURE (SCA) SICAR

39, allée Scheffer, L-2520 Luxembourg

NYCOMED S.C.A., SICAR

8-10 rue Mathias Hardt, L-1717 Luxembourg

NETWORKING EUROPEAN INFRASTRUCTURES PARTNERS - NEIP II S.A., SICAR

17, rue Beaumont, L-1219 Luxembourg

NOVA/PAUL INVESTMENTS CAPITAL (SCA) SICAR

174, route de Longwy, L-1940 Luxembourg

PARTNERS GROUP GLOBAL MEZZANINE 2007 S.C.A., SICAR

40, avenue Monterey, L-2163 Luxembourg

WINVEST S.A., SICAR

50, rue de Beggen, L-1050 Luxembourg

OFFICIAL LISTS

■ LIST OF UNDERTAKINGS FOR COLLECTIVE INVESTMENT (UCIS)

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 November 2006

Registrations

- BERENBERG FUNDS II; 23, rue Aldringen; L-1118 Luxembourg
- SUNGEAR SICAV; 5, allée Scheffer; L-2520 Luxembourg
- DEKA-OPTIRENT 12/2008; 5, rue des Labours; L-1912 Luxembourg
- T. ROWE PRICE INSTITUTIONAL FUNDS FCP; 6, route de Trèves; L-2633 Senningerberg
- ATLAS-FONDS; 2, place Dargent; L-1413 Luxembourg
- CIMABUE SICAV; 12, avenue de la Liberté; L-1930 Luxembourg
- TIEPOLO SICAV; 12, avenue de la Liberté; L-1930 Luxembourg
- WARBURG - EURASIA PLUS - FONDS; 2, place Dargent; L-1413 Luxembourg
- INVISTA EUROPEAN REAL ESTATE TRUST SICAF; 25B, boulevard Royal; L-2449 Luxembourg
- DWS VORSORGE; 2, boulevard Konrad Adenauer; L-1115 Luxembourg
- DWS DIFFERENZCHANCE 2013; 2, boulevard Konrad Adenauer; L-1115 Luxembourg
- DEUTSCHE BANK (PWM) UCITS III; 20, boulevard Emmanuel Servais; L-2535 Luxembourg
- ALLIANZ-DIT DEEP DISCOUNT II; 6A, route de Trèves; L-2633 Senningerberg
- DEKA-SPECIAL SITUATIONS; 5, rue des Labours; L-1912 Luxembourg
- MICHELANGELO SICAV; 12, avenue de la Liberté; L-1930 Luxembourg
- BERENBERG SECUNDUS AKTIEN FONDS; 23, rue Aldringen; L-1118 Luxembourg
- ALLIANZ-DIT TOP PROTEKT X0; 6A, route de Trèves; L-2633 Senningerberg
- ALLIANZ-DIT TOP PROTEKT X4; 6A, route de Trèves; L-2633 Senningerberg
- ALLIANZ-DIT TOP PROTEKT X6; 6A, route de Trèves; L-2633 Senningerberg
- ALLIANZ-DIT TOP PROTEKT X8; 6A, route de Trèves; L-2633 Senningerberg
- INSTITUTIONALOPTI-CASH; 308, route d'Esch; L-1471 Luxembourg
- PIONEER P.F.; 4, rue Alphonse Weicker; L-2721 Luxembourg
- DEKA-WORLDBGARANT 4/2012; 5, rue des Labours; L-1912 Luxembourg
- ALLIANZ GLOBAL SELECTION BALANCE; 6A, route de Trèves; L-2633 Senningerberg
- SWISS VERMÖGENSMANAGEMENT ROHSTOFFE; 3, rue des Labours; L-1912 Luxembourg
- DRESDNER VERMÖGENSPPLAN 50; 6A, route de Trèves; L-2633 Senningerberg
- TIBERIUS EUROBOND OP; 4, rue Jean Monnet; L-2180 Luxembourg
- TIBERIUS INTERBOND OP; 4, rue Jean Monnet; L-2180 Luxembourg
- SGAM AI EQUITY FUND; 16, boulevard Royal; L-2449 Luxembourg
- ENHANCED INDEX INVESTING SICAV; 1, place de Metz; L-1930 Luxembourg
- EAST CAPITAL (LUX); 5, allée Scheffer; L-2520 Luxembourg
- GENERALI REAL ESTATE FUND; 6, route de Trèves; L-2633 Senningerberg
- A-DGZ 8-FONDS; 5, rue des Labours; L-1912 Luxembourg
- JULIUS BAER SICAV II; 25, Grand-rue; L-1661 Luxembourg
- DWS 5% TARGET RETURN 2010; 2, boulevard Konrad Adenauer; L-1115 Luxembourg
- DWS 5,5% TARGET RETURN 2010; 2, boulevard Konrad Adenauer; L-1115 Luxembourg
- DWS 6% TARGET RETURN 2010; 2, boulevard Konrad Adenauer; L-1115 Luxembourg

Withdrawals

- CAPITAL MULTI STRATEGIES; 14, boulevard Royal; L-2449 Luxembourg
- GEM-WORLD; 14, boulevard Royal; L-2449 Luxembourg
- TRINKAUS OPTIMA US EQUITIES; 1-7, rue Nina et Julien Lefèvre; L-1952 Luxembourg
- GANT NAVIGATOR TRUST; 6, avenue Emile Reuter; L-2420 Luxembourg
- GLOBAL ADVISORY NETWORK TRUST; 33, rue de Gasperich; L-5826 Howald-Hesperange
- GS & P WELT KONZEPT FONDS; 1-7, rue Nina et Julien Lefèvre; L-1952 Luxembourg
- EUROAKTIEN-KASKO 100; 1C, Parc d'activité Syrdall; L-5365 Munsbach
- ABN AMRO PROFIL FUNDS; 46, avenue J-F Kennedy; L-1855 Luxembourg
- COMINVEST WASSER-AKTIEN PROTECT 12/2011; 25, rue Edward Steichen; L-2540 Luxembourg

FINANCIAL CENTRE

Main updated figures regarding the financial centre:

Number of banks: **156** (31 December 2006)

Balance sheet total: **EUR 836.379 billion** (30 November 2006)

Profit before provisions: **EUR 5.024 billion** (30 September 2006)

Employment: **24,354 people** (30 September 2006)

Number of UCIs: **2,249** (10 January 2007)

Total net assets: **EUR 1,799.525 billion** (30 November 2006)

Number of SICARs: **101** (10 January 2007)

Number of pension funds: **14** (31 December 2006)

Number of management companies: **148** (10 January 2007)
(chapter 13 of the law of 20 December 2002)

Employment: **2,051 people** (30 September 2006)

Number of PFS: **196** (31 December 2006)

Balance sheet total: **EUR 70.751 billion** (30 November 2006)

Net profit: **EUR 442.20 million** (30 November 2006)

Employment: **8,458 people** (30 September 2006)

Number of securitisation vehicles: **11** (31 December 2006)

Total employment in the supervised establishments: **33,298 people** (31 March 2006)

Total employment in the supervised establishments: **34,048 people** (30 June 2006)

Total employment in the supervised establishments: **34,863 people** (30 September 2006)

CSSF Newsletter

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