

CSSF NEWSLETTER

Commission de surveillance du secteur financier – Monthly information letter

Regulation

Publication in the Memorial of two new laws regarding the exchange of information

I. Law of 1 August 2001 regarding:

- the transposition of article 1 of the 98/33/EC directive modifying the 77/780/EEC, 89/647/EEC and 93/6/EEC directives and the partial transposition of the 2000/64/EC directive of the European Parliament and the Council of 7 November 2000 modifying the 85/611/EC, 92/49/EEC, 92/96/EEC and 93/22/EEC directives of the Council regarding the exchange of information with non-EU and non-EEA (European Economic Area) countries, in the modified law of 5 April 1993 relating to the financial sector;
- modification of article 8 of the law of 23 December 1988 relating to the supervision of the financial assets markets.

II. Law of 1 August 2001 regarding:

- the transposition in the modified law of 30 March 1988 relating to undertakings for collective investment, of article 1 of the 2000/64/EC directive of the European Parliament and the Council of 7 November 2000 modifying the 85/611/EC, 92/49/EEC, 92/96/EEC and 93/22/EEC directives of the Council regarding the exchange of

The objective of the law is to extend the list of authorities, undertakings and people of non-EU and non-EEA countries with whom the Commission de surveillance du secteur financier, in the context of its supervisory mission, can exchange information for the accomplishment of their respective missions. It establishes the conditions in which this exchange of information can take place, in particular regarding the compulsory protection of information by the professional secrecy of addressees.

Regarding the supervision of financial markets, Article II of the law confers the same powers and the same limits with regard to the exchange of information to the CSSF as for the supervision of banks and investment companies.

information with non-EU and non-EEA countries;

- modification of article 76 of the modified law of 30 March 1988 relating to undertakings for collective investment.

The law in question adapts the new regime of exchange of information referred to above to all the undertakings for collective investment.

Modification of the legislation on pension funds

Law of 1 August 2001 regarding the modification of certain clauses of the law of 8 June 1999 creating pension funds in the form of pension savings companies with variable capital (sepcav) and pension savings associations (assep)

The new elements in the law concern in particular the conditions and methods of authorisation of asset and liability managers as well as the clauses relating to the publication of the statutes and the

pension scheme rules. They introduce a definition of the liability manager's legal mission. In addition, some changes are intended to create a legal basis allowing the future transposition of the European directive, for which the work at the Council of Ministers is in progress. The clauses relating to the qualification of the auditors, the segregation of multiple compartments within the pension fund as well as the procedure to follow in case of liquidation are brought in line with those foreseen for UCIs.

New Basle Accord: latest developments

Publication of a working document on the treatment of equity exposures in the Internal Ratings Based approach.

In order to inform the financial sector on the work in progress and to encourage dialogue with all the parties concerned, the Basle Committee has published a new document entitled «Working paper on the IRB treatment of equity exposures in the banking book» on 7 August 2001.

(http://www.bis.org/publ/bcbs_wp6.pdf).

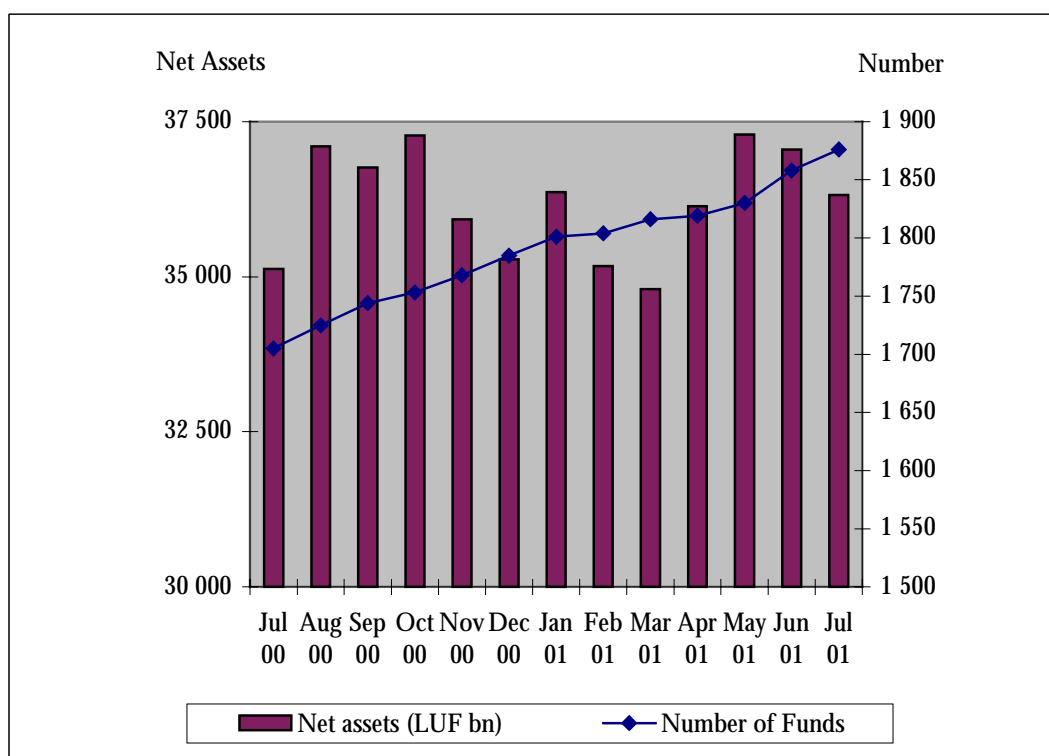
This latest document which has been written by the "Models Task Force" working group covers the treatment of equity exposures. All possible comments referring to the above, from the professionals concerned, should be sent to the office of the Basle Committee or to the Commission de surveillance du secteur financier, who will pass them on.

Decrease by 2% in the UCIs' total net assets at the end of July 2001

The total net assets for undertakings for collective investment amounted to EUR 900.2 billion (LUF 36,315) as at 31 July 2001 compared to EUR 918.4 billion (LUF 37,049 billion) as at 30 June 2001. As a result the Luxembourg undertakings for collective investment sector has decreased by 1.98% compared to the month of June 2001. This decrease can be explained by an overall fall in the financial markets.

The sector is witnessing an increase of 2.93% 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 3.39%.

During the month of July 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 7.8 billion (LUF 316.6 billion). The number of undertakings for collective investment taken into consideration totals 1,876 compared to 1,858 for the previous month. 1,104 UCIs have adopted the multiple compartment structure, which represents a total of 6,599 compartments. When adding 772 UCIs with a traditional structure to the previous figure, a total of 7,371 compartments are active in the financial centre.



Credit Institutions

Banks' balance sheet total is stable

The balance sheet total for the banks established in Luxembourg reached EUR 697.47 billion (LUF 28,136 billion) as at 31 July 2001 compared to 699.29 billion (LUF 28,209 billion) as at 30 June 2001, which is a rather insignificant decrease of 0.27% for the month.

official list of banks added up to 197, which is the same figure as for the previous month.

The number of people employed by Luxembourg credit institutions amounted to 23,724 as at 30 June 2001.

As at 1 September 2001, the number of credit institutions registered on the

Professionals of the financial sector (PFS)

Balance sheet total of EUR 2.028 billion on the increase by 1%

According to the data provided as at 31 July 2001, the balance sheet total of all the professionals of the financial sector (138 businesses active in total) adds up to EUR 2.028 billion compared to EUR 2.000 billion the previous month, which is an increase of 1%.

The net profit of the PFS reached EUR 240 million.

The number of people employed amounted to 3901

Distribution of the professionals of the financial sector according to their status (as at 31 August 2001)

Category	Number
Commission agents	13
Financial advisors	10
Brokers	6
Professional custodians of securities or other financial instruments	4
Distributors of units of investment funds	43
Domiciliation agents of companies	28
Private portfolio managers	52
Underwriters	4
Professionals acting for their own account	17
Market makers	2
TOTAL *	140

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

LIST OF THE PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

New establishments :

CREATERRA S.A.

Private portfolio manager, financial advisor, broker, commission agent, domiciliation agent of companies

Ministerial authorisation of 2 August 2001

BCB & Partners S.A.

Private portfolio manager

Ministerial authorisation of 7 August 2001

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 July 2001**

Registrations:

ACTIVEST LUX EUROKONVERGENZ RENT, 4, rue Alphonse Weicker, L-2721 Luxembourg-Kirchberg

ACTIVEST LUX EUROPEVALUE, 4, rue Alphonse Weicker, L-2721 Luxembourg-Kirchberg

ADIG EUROPAPLUS STRATEGIE 9/2005, 1a-1b, rue Thomas Edison, L-1445 Luxembourg-Strassen

ARAMIS FUNDS, 47, boulevard Royal, L-2449 Luxembourg

BANK COMPANIE NORD - EINDORF SICAV, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen

BASE INVESTMENTS SICAV, 20, boulevard Emmanuel Servais, L-2535 Luxembourg

BB FUND, 11, rue Aldringen, L-1118 Luxembourg

BÖRSENMAN FUND, 14, boulevard Royal, L-2449 Luxembourg

CORLUY RAINBOW FUND, 283, route d'Arlon, L-8011 Strassen

DEUTSCHE YEN PORTFOLIO, 2, boulevard Konrad Adenauer, L-1115 Luxembourg

DRESDNER SYMPHONICA MANAGEMENT, 26, rue du Marché-aux-Herbes, L-1728 Luxembourg

DWS FLEXINVEST GARANT, 2, boulevard Konrad Adenauer, L-1115 Luxembourg

EUROPEAN INDUSTRIAL PARTNERSHIP, 69, route d'Esch, L-1470 Luxembourg

F&C FUND, 1A, rue Höhenhof, L-1736 Senningerberg

FIRSTNORDIC ALLOCATION FUND, 2, rue du Fossé, L-1536 Luxembourg

FUND-MARKET FUND, 14, boulevard Royal, L-2449 Luxembourg

KBC LIFE PRIVILEGED PORTFOLIO FUND, 11, rue Aldringen, L-1118 Luxembourg

LEND LEASE INTERNATIONAL DISTRESSED DEBT FUND, SCA, 69, route d'Esch, L-1470 Luxembourg

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

MULTI-AXXION, 14, boulevard Royal, L-2449 Luxembourg

ORANGE ALTERNATIVE INVESTMENT FUND, 1A, Parc d'activité Syrdall, L-5365 Munsbach

THE KEOPS MULTI-MANAGER FUND, 26a, boulevard Royal, L-2449 Luxembourg

UNICO BOND -> INTERNATIONAL, 308, route d'Esch, L-1471 Luxembourg

UNICO INVEST -> EUROPA, 308, route d'Esch, L-1471 Luxembourg

UNICO INVEST -> INTERNATIONAL, 308, route d'Esch, L-1471 Luxembourg

UNICO INVEST -> USA, 308, route d'Esch, L-

1471 Luxembourg
VB DINKELSBÜHL, 308, route d'Esch, L-1471
Luxembourg
VPV PRO, 4, rue Alphonse Weicker, L-2721
Luxembourg-Kirchberg
WESTAM LONGITUDE FUND, 10a,
boulevard Royal, L-2449 Luxembourg

Withdrawals

BANK IPPA & ASSOCIATES GATEWAY
FUND, 34, avenue de la Liberté, L-1930
Luxembourg
CITIBANK FONDS, 308, route d'Esch, L-1471
Luxembourg
CURSITOR FUND, 5, rue Plaetis, L-2338
Luxembourg

DEMPSEY OPPORTUNITY FUND, 112, route
d'Arlon, L-1150 Luxembourg
EPARGNE GLOBALE DIVERSIFIEE, 47,
boulevard Royal, L-2449 Luxembourg
EPARGNE OBLIGATAIRE GLOBALE, 47,
boulevard Royal, L-2449 Luxembourg
IMMOCORP, 14, boulevard Royal, L-2449
Luxembourg
LRP-SPEZIALFONDS (N 1), 1C, Parc d'activité
Syrdall, L-5365 Munsbach
SECURITY CAPITAL U.S. REALTY, 69, route
d'Esch, L-1470 Luxembourg
WÜSTENROT GLOBALRENT, 69, route
d'Esch, L-1470 Luxembourg
WÜSTENROT RENT PLUS, 69, route d'Esch,
L-1470 Luxembourg

Financial centre

The main up-dated figures regarding the financial centre:

Number of banks: **197** (31 August 2001)

Balance sheet total: **EUR 697.47 billion** (31 July 2001)

Net profit: **EUR 2.524 billion** (30 June 2001)

Employment: **23,724 people** (30 June 2001)

Number of UCIs: **1,876** (31 July 2001)

Total net assets: **EUR 900.2 billion** (31 July 2001)

Number of PFS: **140** (31 August 2001)

Balance sheet total: **EUR 2.028 billion** (31 July 2001)

Net profit: **EUR 240 million** (31 July 2001)

Employment: **3,901 people** (30 June 2001)

Total employment in the supervised establishments: **27,625 people** (30 June 2001)

CSSF Newsletter

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