Luxembourg, 1st April 2003

To all the credit institutions

CSSF CIRCULAR 03/100

Re: Publication on the Internet of CSSF instructions:
- *Recueil des instructions aux banques de la CSSF* (CSSF’s instructions for banks, “CSSF Recueil”)
- Schedule of Conditions for the technical implementation of the CSSF reporting requirements – SOC/CSSF

Dear Sir, Madam,

We are pleased to announce the publication of the *Recueil des instructions aux banques de la CSSF* and of the “Schedule of Conditions for the technical implementation of the CSSF reporting requirements – SOC/CSSF” on the Internet website [http://www.cssf.lu/fr/report/rperiode.html](http://www.cssf.lu/fr/report/rperiode.html). A table of contents of the documents published therein is set out in Annexes 1 and 5 respectively.

*Recueil des instructions aux banques de la CSSF*

The CSSF Recueil contains the prudential and accounting instructions for the periodic reporting of the banks to the CSSF, as well as instructions specifying the form and content of the accounts intended for publication.

The new CSSF Recueil is a revised and updated version of the Recueil published in 1992 by the Institut Monétaire Luxembourgeois (IML). However, the CSSF Recueil does not contain the instructions relating to the statistical reporting that the banks must address to the Banque centrale du Luxembourg (BCL). It has to be remembered that the CSSF is in charge of the prudential reporting (tables B, E and O) and the BCL of the statistical reporting (tables S). Instructions regarding the statistical reporting may be looked up on the BCL Internet website [http://www.bcl.lu](http://www.bcl.lu).
The CSSF Recueil is exclusively published on the Internet in PDF format, and may be freely accessed and printed by all the interested parties. The CSSF Recueil will be regularly updated; changes will be notified as in the past through CSSF Circulars.

The new version of the CSSF Recueil, as published, does not contain any fundamental change as compared to the last IML version. It does however contain a set of changes as regards the presentation, some minor changes with respect to the substance as well as a set of modifications taking into account instructions or specifications notified since 1992 to the banks through circulars, circular letters or on an ad hoc basis, and which had not been integrated into the Recueil as yet. The different changes are summarised in Annexes 2, 3 and 4 respectively to this Circular. Details of all these changes are available for consultation on the CSSF Internet website in a marked-up version of the CSSF Recueil.

It has to be noted that the new version of the CSSF Recueil, as published, incorporates in Part V “Information for publication” the instructions of circular letters providing clarifications as regards the information to be published ("VISA" procedure), as issued annually by the CSSF since the introduction of the new accounting scheme in 1992.

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**Schedule of Conditions for the technical implementation of the CSSF reporting requirements – SOC/CSSF**

The document “Schedule of Conditions for the technical implementation of the CSSF reporting requirements – SOC/CSSF” contains the technical instructions for the communication in electronic form of the periodic reporting of banks and UCIs under the supervision of the CSSF.

The new version of the SOC/CSSF is a revised and updated version of the SOC published by the former IML, the latest major update thereof dating back to November 1997. Like the CSSF Recueil, the SOC published by the CSSF contains only the technical instructions relating to the prudential tables (tables B, E and O). Technical instructions relating to statistical reporting (tables S) are available for consultation on the BCL Internet website (http://www.bcl.lu).

The SOC/CSSF is exclusively published on the Internet in PDF format, and may be freely accessed and printed by all the interested parties. The SOC will be regularly updated; changes will be notified as in the past through CSSF circular letters.

The new version of the SOC as published only contains minor changes to the contents as compared to the former version. The changes concerned are directly marked up in the text. All the changes are also contained in the separate document “MAJSOC” published together with the SOC on the CSSF Internet website. Furthermore, the CSSF slightly adapted the presentation of the SOC and
supplemented the introduction to the document by adding explanations as to the electronic routing of data following the split of BCL-CSSF. The CSSF removed the annexes relating to the lists of ISO and SWIFT codes which may be accessed directly via the organisations ISO and SWIFT respectively.

### Coming into force

This Circular, excluding the changes relating to the substance of the CSSF Recueil, described in Annexe 3, which will apply as from 30 September 2003, becomes immediately effective.

Yours faithfully,

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER

Charles KIEFFER  
Director

Arthur PHILIPPE  
Director

Jean-Nicolas SCHAUSS  
Director General
PART I LEGISLATIVE AND REGULATORY TEXTS

Link to the CSSF webpage of legislative and regulatory texts

PART II INSTRUCTIONS AND RECOMMENDATIONS

Link to the CSSF webpage relating to the CSSF Circulars in force

PART III PERIODIC INFORMATION (except prudential standards)

- Summary of periodic information credit institutions must report to the CSSF
- Preliminary definitions and comments
- Table B 1.1 Statement of assets and liabilities
- Table B 1.2 Foreign currency positions
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- Table B 2.2 Maturity structure of assets and liabilities
- Table B 2.4 Information on securities, participating interest and shares in affiliated undertakings
- Table B 4.4 List of head offices, agencies, branches and representative offices
- Table B 4.5 Analysis of shareholdings
- Table B 4.6 Persons responsible for certain functions
- Periodic information to be provided on a consolidated basis (Tables B 6.1 et B 6.2)
- Information to be provided by branches originating from the EU (Tables E 1.1 and E 2.1)

PART IV PRUDENTIAL STANDARDS

- Table B 1.4 Integrated ratio/Simplified ratio
- Table B 1.5 Liquidity ratio
- Table B 2.3 Information on large exposures
- Table B 3.2 Details of the calculation of the overall capital requirement
- Table B 6.3 Information on large exposures on a consolidated basis
- Table B 6.4 Consolidated integrated ratio / Consolidated simplified ratio
- Table B 7.3 Details of the calculation of the consolidated capital requirement

PART V INFORMATION FOR PUBLICATION
The following changes have been made to the presentation of the Recueil:

- Point XVII “Columns” in “Preliminary definitions and comments” of Part III has become point V of the instructions of table B.1.1 “Statement of assets and liabilities”.
- The point “Preliminary observations” has been added to all the tables where none existed before. This new point describes the general characteristics of the table concerned and contains information about the purpose of each table, its periodicity, the deadline, the currency, the accounting version and the technical requirements for submission.
- References to table B 1.2.A, version A, version B, have been removed insofar as there is now a single “Foreign currency positions” table, which is to be completed exclusively in the currency of the capital.
- The point “Annual information” of part III has been removed. Indeed, the instructions relating to the final versions of tables B 1.1, B 2.1, B 6.1 and B 6.2, previously referred to as tables B.4.1, B 4.2, B 7.1 and B 7.2, have been inserted into part V “Information for publication”. In addition, instructions of table B 4.5 are shown separately in part III.
- Under point “Summary of CSSF tables” of part III, the references to tables B 4.1, B 4.2, B 7.1 and B 7.2 have been replaced by references to the final versions of tables B 1.1, B 2.1, B 6.1 and B 6.2.
- The title of table B 4.4 has been supplemented in order to better reflect the purpose of the table concerned. Henceforth, table B 4.4 is entitled “List of head offices, agencies, branches and representative offices”.
- A new point entitled “Information to be provided by branches originating from the EU” has been added to part III. The point in question contains the instructions communicated to the branches originating from the EU in the IML circular letter of 20 November 1992, ref. B.92/2894-AP/MR, as well as the instructions relating to tables E 1.1 “Simplified statement of assets and liabilities” and E 2.1 “Simplified profit and loss account” introduced by CSSF Circular 01/30.
- Part VI “Lists” has been removed.
Changes to the substance of the Recueil

The following changes relating to the substance of the Recueil have been made:

- **Shorter reporting deadlines for the following tables:**
  - Table B 1.1 Statement of assets and liabilities: from 20\textsuperscript{th} to 15\textsuperscript{th} of the following month
  - Table E 1.1 Simplified statement of assets and liabilities: from 20\textsuperscript{th} to 15\textsuperscript{th} of the following month
  - Table B 2.1 Profit and loss account: from 20\textsuperscript{th} to 15\textsuperscript{th} of the month following quarter end
  - Table E 2.1 Simplified profit and loss account: from 20\textsuperscript{th} to 15\textsuperscript{th} of the month following quarter end
  - Table B 1.4 Integrated ratio / Simplified ratio: from 20\textsuperscript{th} to 17\textsuperscript{th} of the following month

The deadlines for all the other tables remain unchanged.

- **Table B 1.1 Statement of assets and liabilities**
  - In order to better monitor the composition of the third-party assets deposited with banks, the CSSF has introduced a more detailed breakdown of the item 3-04.100 “Assets held by the credit institution on behalf of third parties” under the section 3-04.000 “Investment management services and underwriting functions” in the off-balance sheet section of table B 1.1.

The following four sub-sections are concerned:

- **3-04.110 “Assets deposited by UCIs”**
  This sub-item contains the assets deposited by undertakings for collective investment.

- **3-04.120 “Assets deposited by clearing or settlement institutions”**
  This sub-item contains the assets deposited by clearing or settlement institutions or by recognised regulated markets.

- **3-04.130 “Assets deposited by other professionals dealing on the financial markets”**
  This sub-item contains the assets deposited by other credit institutions, investment firms originating from the EU, recognised investment firms from third countries, pension funds, insurance undertakings, commercial or industrial undertakings acting on a professional basis in the financial market or international public institutions operating in the financial sector (except for assets deposited by undertakings for collective investment or by clearing or settlement institutions or by recognised regulated markets, which have to be recorded in the sub-items 3-04.110 and 3-04.120).

  Note:
  
  The definition of the above-mentioned professionals dealing on financial markets refers to the definition of interprofessional operations under point 7.5. of part IV of CSSF Circular 2000/10.

- **3-04.140 “Other deposited assets”**
  This sub-item contains all the other deposited assets, mainly those deposited by private customers (natural and legal persons).

- Under liabilities, the sub-items “Assimilated portion” and “Non-assimilated portion” of items 2-07.000 “Subordinated liabilities” and 2-08.000 “Special items with a reserve quota portion” have been replaced by sub-items “Equivalent portion” and “Non-equivalent portion”. The equivalent amounts correspond to the total amounts complying with the criteria for treatment as own funds equivalent in the context of the determination
of the capital ratio (see CSSF Circular 2000/10: part VII, points 7. and 8.) whilst falling outside the applicable limits by virtue of the CSSF regulation in this matter (see CSSF Circular 2000/10: part VII, point 9.1.). This change enables the CSSF to obtain more detailed information as regards the quality of the targeted elements rather than obtain information on amounts resulting from the application of limits applicable to the determination of own funds indicated in table B 1.4.

- **Table B 1.2 Foreign currency positions**
  In order to obtain rounded amounts in Euro, the CSSF slightly adapted the reporting threshold of currencies in table B 1.2 “Foreign currency positions”.
  Henceforth, the reporting threshold stands at EUR 620,000.

- **Table B 2.3 Information on large exposures and**

  - **Table B 6.3 Information on large exposures on a consolidated basis**

    In order to obtain rounded amounts in Euro, the CSSF slightly adapted the reporting thresholds of large exposures and their brackets in tables B 2.3 “Information on large exposures” and B 6.3 “Information on large exposures on a consolidated basis”.
    Henceforth, the following reporting thresholds and brackets shall apply:
    - Minimum reporting threshold: 10% of own funds or EUR 6.25m where own funds exceed EUR 62.5m
    - bracket 1: ≥ EUR 25m
    - bracket 2: ≥ EUR 12.5m and < EUR 25m
    - bracket 3: ≥ minimum reporting threshold and < EUR 12.5m
    - bracket 4: < minimum reporting threshold

- With reference to column 2 “Name of customer or group of related customers” of part IV, it is specifically pointed out that where the direct counterpart of the bank is a holding company or screen company, the name of the holding company or screen company, as well as the identity of the natural person(s) who is (are) the beneficial owner(s) must be indicated.

- Treatment of exposures to undertakings for collective investment:
  Consistent with the approach taken in the calculation of the capital ratio, credit institutions may apply the transparency principle to units of undertakings for collective investment in transferable securities (UCITS) approved in a Member State of the European Community, in Iceland, Liechtenstein or Norway. The credit institutions which make use of this treatment break down the units of UCITS in relation to the disposable portion of the types of units held by these undertakings, under the condition that the credit institution is able to justify the composition of the UCITS’ portfolio. Alternatively, the credit institutions may break down the UCITS’ assets on the basis of the investment policy of the UCITS. Using the principle of transparency will enable banks to benefit from weightings applicable to each asset category of undertaking for collective investment in transferable securities.
  Based on a written request, the CSSF may allow credit institutions to also apply the principle of transparency to undertakings for collective investment in transferable securities approved in a country other than those mentioned in the previous paragraph or to units of undertakings for collective investment other than units of UCITS.
Note:
Where the institution applies the principle of transparency, the different types of assets held by undertakings for collective investment are to be mentioned separately against the counterparties concerned in table B 2.3. They should be aggregated, where applicable, with the direct exposures of the institution to these debtors.

- **Table B 4.4 List of head offices, agencies, branches and representative offices**
  In order to obtain a comprehensive list of all the agencies established in Luxembourg by branches of foreign banks, table B 4.4 must also be completed by branches originating from a Member State of the EU.

- **Table B 3.2 Details of the calculation of the overall capital requirement**
  In order to obtain rounded amounts in Euro, the CSSF slightly adapted the reporting threshold amount for currencies in table B 3.2.B “Capital requirement to cover foreign exchange risk” and table B 3.2.C respectively.
  Henceforth, the reporting threshold for individual and aggregated reporting of currencies corresponds to EUR 1,240,000 for both tables.

- **Information for publication**
  - The annexe containing information about the remuneration of members of the board of directors, the management and the supervisory board, must make specific reference to any options to purchase shares of the institution concerned awarded by the shareholder to the persons concerned within the framework of a stock option programme.
  - All documents intended for legal publication, which are to be submitted to the CSSF 2 weeks at the latest before the planned date for general meeting within the context of the “VISA” procedure are henceforth to be submitted in *triplicate*, one of which will be returned to the institution bearing the authorisation of the CSSF.
  Furthermore, the annual accounts and the management report must bear the signature of the banks executive management.
Other changes to the Recueil

The other changes to the Recueil mainly result from the need to incorporate instructions or details communicated to the banks since 1992 through circulars, circular letters or on an ad hoc basis and which had not been integrated into the Recueil as yet.

The following changes were made:

### PART III PERIODIC INFORMATION (except prudential standards)

- **Summary of the CSSF tables**
  - incorporation of table B 4.6 “Persons in charge of certain functions”, introduced by IML Circular 96/132 and amended by CSSF Circular 00/19
  - incorporation of tables E 1.1 “Simplified statement of assets and liabilities” and E 2.1 “Simplified profit and loss account” introduced by CSSF Circular 01/30
  - incorporation of the circular letter of 16 March 2001 cancelling the hard-copy version of tables B 1.2 “Foreign currency positions” and B 2.2 “Maturity structure of assets and liabilities”

- **Preliminary definitions and comments**
  - incorporation of the “investment company” category introduced by the amended Law of 5 April 1993 relating to the financial sector and by CSSF Circular 2000/10
  - incorporation of the provisions of CSSF Circular 01/49 modifying the list of countries of Zone A provided by CSSF Circular 2000/10
  - incorporation of the provisions of IML Circular 94/113 concerning the explanations relating to certain accounting issues: treatment of premiums and discounts on securities, repurchase transactions, spot and forward transactions and definition of the term “multilateral development bank”
  - addition of some supplementary details and explanations

- **Table B 1.1 Statement of assets and liabilities**
  - incorporation of the provisions of BCL Circular 98/151 concerning accounting aspects relating to the changeover to the Euro
  - incorporation of the CSSF circular letter of 29 November 1999 relating to the end of financial year 1999, providing, inter alia, details on the reporting of certain transactions in the published accounts:
    - new core own funds instruments
    - net wealth tax off-set reserve
    - interim dividends
  - incorporation of the effect of the repeal of the Grand-Ducal Regulation of 18 December 1981 concerning the pledging, circulation and loss of securities as amended by the Law of 3 September 1996 concerning the involuntary loss of bearer securities
  - incorporation of the income tax authorities’ instructions of 16 December 1997 on provisions for risk assets and the provisions of the related IML circular letter of 22 December 1997, ref. B.97/3485-DK/ed
schemes and amending the Law of 5 April 1993 on the financial sector as amended and the new statutes of the AGDL of 14 December 2000
- insertion of additional clarifications and explanations

- **Table B 1.2 Foreign currency positions**
  - incorporation of instructions relating to this table not included within the IML Recueil of 1992
  - incorporation of the provisions of IML Circular 92/88 supplementing the instructions of table B 1.2. following the introduction of the new accounts format in 1992
  - incorporation of the provisions of circular letter of the CSSF of 16 March 2001, abolishing the hard copy of tables B 1.2. “Foreign currency positions” and B 2.2. “Maturity structure of assets and liabilities”
  - incorporation of the provisions of BCL Circular 98/151 concerning the accounting aspects on the changeover to the Euro

- **Table B 2.1 Profit and loss account**
  - insertion of additional clarifications and explanations

- **Table B 2.2 Maturity structure of assets and liabilities**
  - incorporation of instructions relating to this table not included within the IML Recueil of 1992
  - incorporation of the provisions of IML Circular 92/88 replacing the instructions of table B 2.2 by tables and instructions allowing to draw a relationship between this table and the accounts scheme introduced in 1992
  - incorporation of the provisions the CSSF circular letter of 16 March 2001 abolishing the hard copy of tables B 1.2 “Foreign currency positions” and B 2.2 “Maturity structure of assets and liabilities ”
  - incorporation of the provisions of BCL Circular 98/151 concerning the accounting aspects on the changeover to the Euro

- **Table B 2.4 Information on securities, participating interests and shares in affiliated undertakings**
  - insertion of some additional clarifications and explanations

- **Table B 4.4 List of head offices, agencies, branches and representative offices**
  - incorporation of instructions relating to this table not included within the IML Recueil of 1992

- **Table B 4.6 Persons responsible for certain functions**
  - integration of the instructions laid down in CSSF Circular 00/19 concerning the designation of responsible persons for certain functions
  - incorporation of the provisions of IML Circular 96/125 relating to the supervision of credit institutions on a consolidated basis
  - incorporation of the provisions of CSSF Circular 01/29 concerning the minimum content of a company domiciliation agreement
  - insertion of the requirement to report the designated anti-money laundering officer for foreign branches and subsidiaries in accordance with IML Circular 94/112
• **Information to be provided by branches originating from the EU**
  - integration of the instructions of circular letter of the IML of 20 November 1992, ref. B.92/2894-AP/MR, concerning the periodic information to be provided by the branches originating from the EU
  - incorporation of tables E 1.1 “Simplified statement of assets and liabilities” and E 2.1 “Simplified profit and loss account” introduced by CSSF Circular 01/30.

### PART IV PRUDENTIAL STANDARDS

- **Table B 1.4 Integrated ratio / Simplified ratio**
  - incorporation of CSSF Circular 2000/10 concerning the definition of capital ratios

- **Table B 1.5 Liquidity ratio**
  - incorporation of the provisions of CSSF Circular 01/30 concerning the tables E 1.1, E 2.1 and B 1.5
  - insertion of supplementary clarifications and explanations

- **Table B 2.3 Information on large exposures**
  - Incorporation of the provisions of CSSF Circular 2000/10 concerning the definition of capital ratios
  - insertion of supplementary clarifications and explanations

- **Table B 3.2 Details of the calculation of the overall capital requirement**
  - incorporation of the provisions of CSSF Circular 2000/10 concerning the definition of capital ratios
  - incorporation of the provisions of BCL Circular 98/151 concerning accounting aspects relating to the changeover to the Euro

- **Table B 6.3 Information on large exposures on a consolidated basis**
  - incorporation of the provisions of CSSF Circular 2000/10 concerning the definition of capital ratios
  - addition of supplementary clarifications and explanations

- **Table B 6.4 Consolidated integrated ratio / Consolidated simplified ratio**
  - incorporation of the provisions of CSSF Circular 2000/10 concerning the definition of capital ratios

- **Table B 7.3 Details of the calculation of the consolidated overall capital requirement**
  - incorporation of the provisions of CSSF Circular 2000/10 concerning the definition of capital ratios

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1 Whilst the CSSF instructions concerning the capital ratio were adapted following the adoption of the Directive “CAD II”, the tables related thereto have not been adapted awaiting the complete review of the CAD reporting following the adoption of the proposal for a directive “CAD III”. The credit institutions continue to report data based on the existing tables supplemented, where applicable, by a hard-copy ad hoc reporting for the credit institutions concerned.
PART V INFORMATION FOR PUBLICATION

- incorporation of the explanatory note of the IML of 1 March 1994 relating to the interpretation of Art. 68 (5) and (8) of the Law of 17 June 1992 relating to the bank accounts, distributed to ABBL and IRE respectively (concerning the number of personnel employed and the amount of remuneration allocated to the members of the executive management)

- incorporation of the circular letter of the CSSF of 29 November 1999 relating to the end of financial year 1999, providing, inter alia, details on the reporting of certain transactions in the published accounts:
  - new core own funds instruments
  - net wealth tax off-set reserve
  - interim dividends

- incorporation of the instructions of the circular letters providing clarifications as regards the information for publication (“VISA” procedure), as issued annually by the CSSF since the introduction of the accounting scheme in 1992

- incorporation of the provisions of CSSF Circular 01/32 concerning the publication of information on financial instruments

- insertion of supplementary clarifications and explanations
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