Luxembourg, 5 August 2016

To all credit institutions, investment firms, asset management companies and alternative investment fund managers

CIRCULAR CSSF 16/641

Re: Update of Circular CSSF 15/629 relating to the supplementary supervision to be applied to financial conglomerates and definition of structure coefficients to be observed by the regulated entities belonging to these financial conglomerates pursuant to Article 56 of the law of 5 April 1993 on the financial sector, as amended

Ladies and Gentlemen,

This circular amends Circular CSSF 15/629 on the supplementary supervision to be applied to financial conglomerates and definition of structure coefficients to be observed by the regulated entities belonging to these financial conglomerates, pursuant to Article 56 of the law of 5 April 1993 on the financial sector, as amended.

For clarification purposes, the amendment aims to transpose the first subparagraph of Article 6(4) of Directive 2002/87/EC\(^1\) as amended, by incorporating the provision of Article 2(5) of Directive 2011/89/EU\(^2\). Thus, the following paragraph is added to section 2 (Supplementary supervision of capital adequacy), point (a) (Technical method for calculating the supplementary requirements), point (1) (Accounting consolidation method) of Circular CSSF 15/629:

"When applying this method, the supplementary capital adequacy requirements of a financial conglomerate, the own funds and solvency requirements of the group's entities shall be calculated by applying the corresponding sectoral rules relating to the form and extent of the

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consolidation, as laid down, in particular, in Article 18 of Regulation (EU) No 575/2013\(^3\)\(^4\) and in Article 221 of Directive 2009/138/EC\(^5\).

Yours faithfully,

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER

Françoise KAUTHEN Claude SIMON Simone DELCOURT
Director Director Director

\(^3\) Article 18 of Regulation (EU) No 575/2013 restates the provisions of Articles 133 and 134 of the repealed Directive 2006/48/EC.
