Conseil de protection des déposants et des investisseurs

Repealed by Circular CSSF-CPDI 20/21

In case of discrepancies between the French and the English text, the French text shall prevail

Luxemburg, 19 April 2017

To all credit institutions incorporated under Luxemburg law, to the branches of non-EU credit institutions, and to *POST Luxembourg*

CIRCULAR CSSF-CPDI 17/06

Re: Fonds de garantie des dépôts Luxembourg – Information regarding the collection of the 2017 *ex-ante* contributions

Ladies and Gentlemen,

1. The aim of this circular is to inform members of the *Fonds de garantie des dépôts Luxembourg* (FGDL) of the modalities regarding the collection of contributions for 2017. The aim is thus similar to the one of Circular CSSF-CPDI 16/01. Pursuant to Article 166 of the law of 18 December 2015 on the failure of credit institutions and of certain investment firms (hereinafter, the “2015 Law”), all credit institutions that are member of the FGDL must pay the contributions referred to in Article 179 of the 2015 Law into accounts determined by Article 155(2).

2. Pursuant to paragraph 37 of the EBA Guidelines on methods for calculating contributions to deposit guarantee schemes (EBA/GL/2015/10), the total volume of contributions for 2017 is set at half the amount of financial means that the DGS still needs to collect in order to meet the target level of 0.8% of the covered deposits. This contribution will bring the FGDL’s resources to about 2/3 of the target level, which is to be reached in 2018, in accordance with Article 179(4) of the 2015 Law. The calculation uses the amounts of the guaranteed deposits as of 31/12/2016 as reported to the CSSF following the data collection mandated by Circular CSSF-CPDI 16/04.

3. The method of calculating the 2017 contributions remains essentially unchanged from that defined in Annex 1 to Circular CSSF-CPDI 16/01. However, two changes are necessary.

(i) In order to take into account the fact that the FGDL already has a certain amount of financial resources, and in order to distribute the total volume of 2017 contributions on members in accordance with the EBA Guidelines, the formula [1] on page 2 of the aforementioned Annex is replaced by the following formula as set out in paragraph 35 of the Guidelines:

$$C_i = CR_{2017} \times ARW_i \times CD_i \times \mu,$$

where :

C_i = Annual contribution from member institution 'i'
CR_{2017} = contribution rate 2017 (identical for all member institutions in a given year)
ARW_i = Aggregate risk weight for member institution 'i'
CD_i = Covered deposits for member institution 'i'
μ = Adjustment coefficient (identical for all member institutions in a given year)

In accordance with paragraph 39 of the Guidelines, the contribution rate CR_{2017} is defined as a quotient of the total volume of 2017 contributions as set out in paragraph 2 above and the sum of covered deposits of all FGDL member institutions.

(ii) The lower bound of the sliding scale applied to the Liquidity coverage ratio (LCR), as set out on page 5 of Annex 1 to Circular CSSF-CPDI 16/01, increases from 60% to 70%, in line with the gradual introduction of Liquidity coverage ratio requirements as provided for in Article 38 of Commission Delegation Regulation (EU) 2015/61.

4. The invoices, to be sent by the FGDL in the coming days, will inform the values of the factors CR_{2017}, ARWi, CDi and μ defined above.

For any questions regarding this circular, please contact Mr. Laurent Goergen (laurent.goergen@cssf.lu) or the CPDI (cpdi@cssf.lu).

Yours faithfully,

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER
Conseil de protection des déposants et des investisseurs

On behalf of the CPDI,
Claude SIMON
Chair of the CPDI