



Frequently Asked Questions

INVESTOR COMPENSATION
SCHEME LUXEMBOURG

Frequently Asked Questions

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Definitions

CPDI	Conseil de protection des déposants et des investisseurs, (Council for the Protection of Depositors and Investors), established by Article 12-10 of the Law of 23 December 1998 establishing a financial sector supervisory commission (“Commission de Surveillance du Secteur Financier”), as amended.
Law of 2015	Law of 18 December 2015 on the failure of credit institutions and certain investment firms, as amended.
MiFID 2	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.
SIIL	Système d’indemnisation des investisseurs Luxembourg (Investor Compensation Scheme Luxembourg) established by Article 156 of the Law of 2015 and governed by Title III of Part III of the said law.

1. What is the definition of “other professional investors” that are excluded from the SIIL’s coverage pursuant to point 7 of Article 195 (2) of the Law of 2015?

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The CPDI, which manages and administers the SIIL, has decided to refer to the definition of “professional clients”, provided for in Annexe II of the MiFID 2 in order to define the “professional investors” that are excluded from the SIIL’s guarantee. This definition comprises two parts, namely the clients who are considered to be professionals, and the clients who may be treated as professionals on request (together referred to as “professional clients”). The CPDI’s decision implies that the two aforementioned categories of professional clients are excluded from the SIIL’s guarantee.

We emphasise that, in accordance with the first part of the definition provided by Annexe II of the MiFID 2, a client who is considered to be a professional may enter into a written agreement with the SIIL member to the effect that the client shall not be treated as a professional for the purposes of the applicable conduct of business regime. Such agreement shall specify the particular services or transactions, or the types of product or transaction to which it applies. The claims resulting from such services, transactions or products are then covered by the SIIL, provided that they are not excluded from the SIIL’s coverage pursuant to a point, other than point 7, of Article 195(2) of the Law of 2015.



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