



CSSF Feedback Report

Circular CSSF 24/856

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1. Context

Circular CSSF 24/856 on the protection of investors in case of an NAV calculation error, an instance of non-compliance with the investment rules and other errors at UCI level (the “**Circular**”) entered into application on 1 January 2025, repealing on that date Circular CSSF 02/77¹.

In view of the regulatory developments since 2002, most notably:

- the updates to the UCITS Directive;
- the entry into force of the AIFM Directive;
- the introduction of specific EU-product regulations (ELTIF, EuVECA, EuSEF, MMF);
- the changes of the UCI landscape in Luxembourg (i.e. the issuance in 2004 of the Law relating to the investment company in risk capital (SICAR) and in 2007 of the Law relating to specialised investment funds (SIFs));
- the developments of the supervisory practices of the CSSF; and
- the market evolution regarding the activities of undertakings for collective investment (the “**UCIs**”)

the Circular entailed the following main developments:

- it applies, not only to UCITS and Part II UCIs, but also to SIFs and SICARs as well as to ELTIFs, MMFs, EuVECAs and EuSEFs (which are not UCITS, Part II UCIs, SIFs and SICARs) for which the CSSF is the competent authority in accordance with the applicable regulations;
- it covers, in addition to NAV calculation errors and instances of non-compliance with the investment rules, also other errors (e.g. errors at the level of the payment of costs/fees, swing pricing) that may occur at the level of a UCI;
- it defines a dedicated approach for the different types of UCIs concerning the tolerance thresholds governing NAV calculation errors;
- it consolidates in one single document the guidance given by the CSSF over the past years via CSSF FAQs and activity reports, provides additional guidance on selected topics (e.g. active vs passive instances of non-compliance with the investment rules) and integrates the administrative practice applied by the CSSF;
- it changes the involvement of the *réviseur d'entreprise agréé* (approved statutory auditor, the “**REA**”) of UCIs by increasing the compensation thresholds underlying the issuance of a special report, and by introducing sample-based controls on the errors/instances of non-compliance in the context of the separate report.

In parallel to the entry into force of the Circular, the CSSF has adapted the notification forms by aligning them with the new guidelines and has [introduced](#), in that context, a secure transmission channel for the notification forms via the eDesk platform or alternatively via automated submission via API (S3 protocol). A user guide titled “[UCI notification in accordance with Circular CSSF 24/856 - Practical and technical guidance](#)” has been published to inform entities about the transmission of notifications to the CSSF under the Circular. The increased standardisation and digitalisation of the processes around the Circular allowed the CSSF to enhance the risk-based supervision carried out towards the errors and non-compliances covered by the Circular and thus more generally towards investment fund managers and UCIs.

¹ Circular CSSF 02/77 relating to the protection of investors in case of NAV calculation error and correction of the consequences resulting from non-compliance with the investment rules applicable to undertakings for collective investment.

Against the backdrop of the experience gathered by the CSSF with the new framework over the year 2025, this feedback report presents, first of all, statistics on the notifications submitted to the CSSF under the Circular. It then sets forth – based on the notifications received – observations that the CSSF made for the different errors/instances of non-compliance in scope of the Circular, before sharing its experience with the updated notification forms integrated into the eDesk platform. On that basis, the report also draws the attention of the industry to a number of observations made by the CSSF which the industry should duly consider when notifying the CSSF.

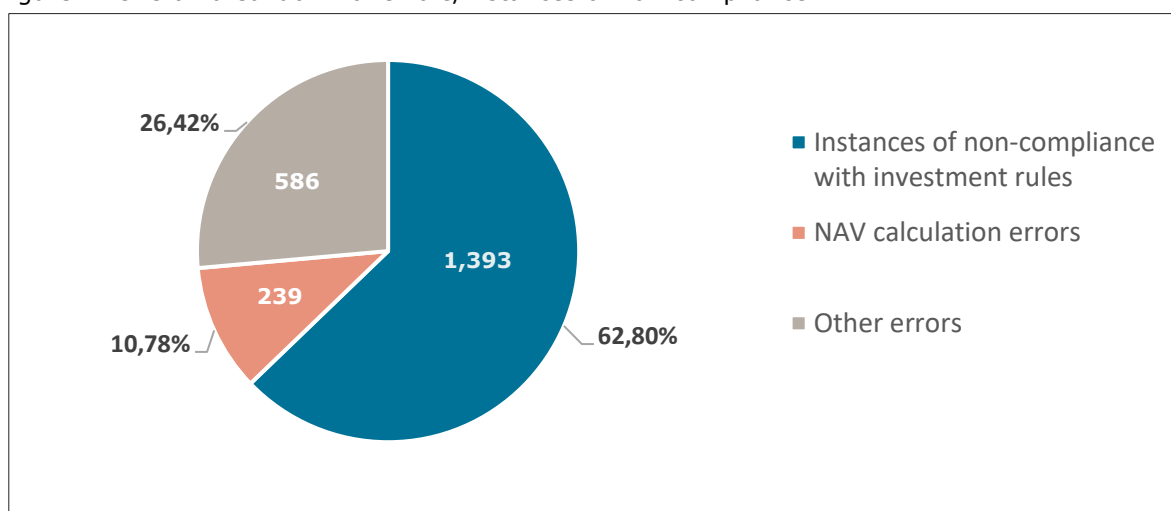
2. Statistics on the notifications submitted to the CSSF

In 2025, the CSSF received notifications under both Circular CSSF 02/77 (which continued to apply to NAV calculation errors and instances of non-compliance with investment rules detected before 1 January 2025) and Circular CSSF 24/856, which applies to errors/instances of non-compliance in the scope of the Circular detected as of 1 January 2025.

Overall, 2,218 notifications were received, with 190 relating to Circular CSSF 02/77 and 2,028 to the Circular.

The breakdown of the notifications, as set out in Figure 1, shows a predominance of instances of non-compliance with the investment rules² (1,393 cases). While 586 notifications concerned the new category of “other errors”, NAV calculation errors³ accounted for a smaller share (239 instances).

Figure 1: Overall breakdown of errors/instances of non-compliance



2.1. Notifications – NAV calculation errors

The CSSF received in 2025 a total of 239 notifications concerning NAV calculation errors. In the majority of the cases, as shown in Figure 2, these calculation errors were classified under the category “Other” (82 cases) followed by accounting errors (58 cases) and securities valuation errors (35 cases).

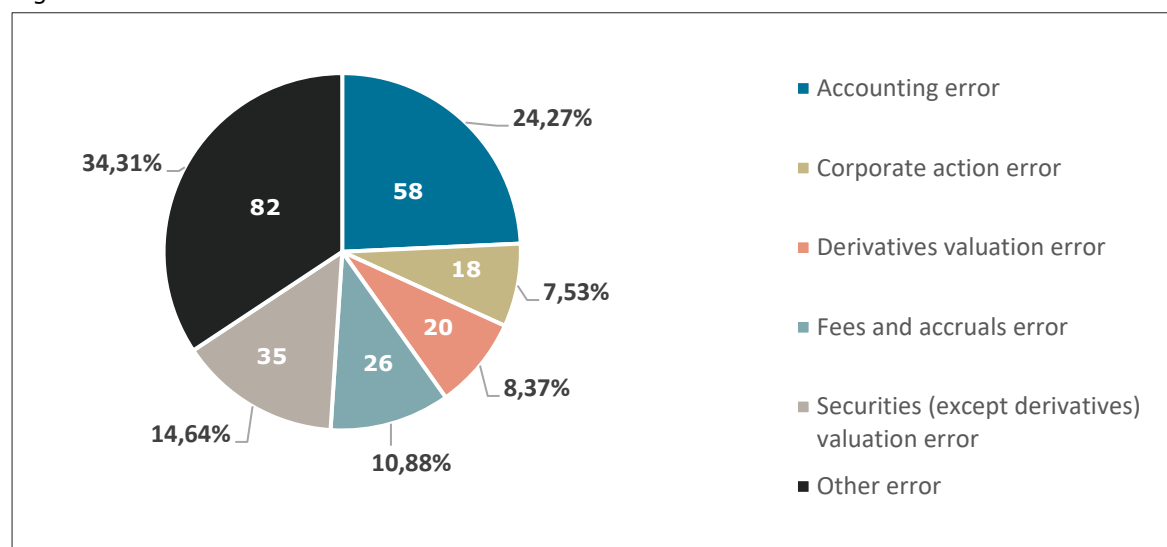
The remaining cases were distributed across the other sub-categories.

² In accordance with point 55 of the Circular, only instances of active non-compliance with the investment rules have to be notified to the CSSF.

³ NAV calculation errors above the tolerance threshold as defined in Chapter 4.2. of the Circular.

The CSSF considers that the sub-category "Other Error (*please describe further in the field 'Description and cause of the NAV error'*)" has been used too frequently for notifications and that another existing classification would have been more appropriate, if a more diligent analysis had been performed. This is further explained in section 3.1 below.

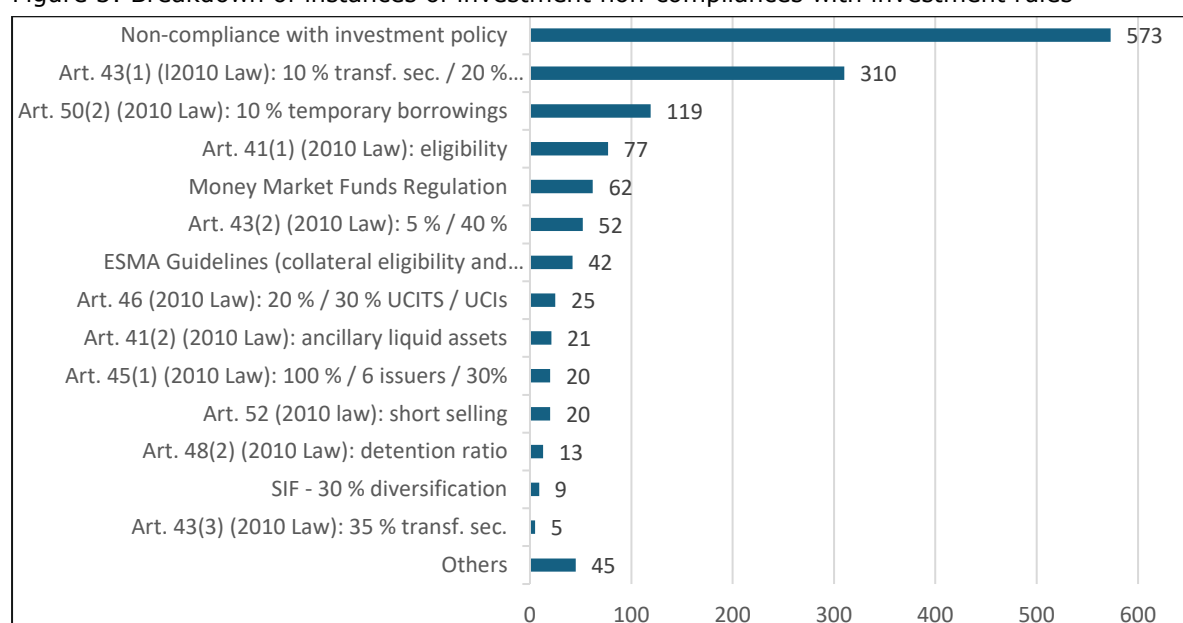
Figure 2: Breakdown of the NAV calculation errors



2.2. Notifications – instances of non-compliance with investment rules

Among the 1,393 instances of non-compliance with the investment rules, 573 notifications (41%) related to instances of non-compliance with specific investment policy limits/rules set out in the offering document/prospectus of the UCIs, thus representing in line with previous years the main category. Amongst these 573 notifications, 210 related to ESG-related limitations. Notifications concerning diversification limits, holding and borrowing limits at the level of UCITS amounted to 565 cases and instances of non-compliance with UCITS eligibility rules to 77 cases.

Figure 3: Breakdown of instances of investment non-compliances with investment rules



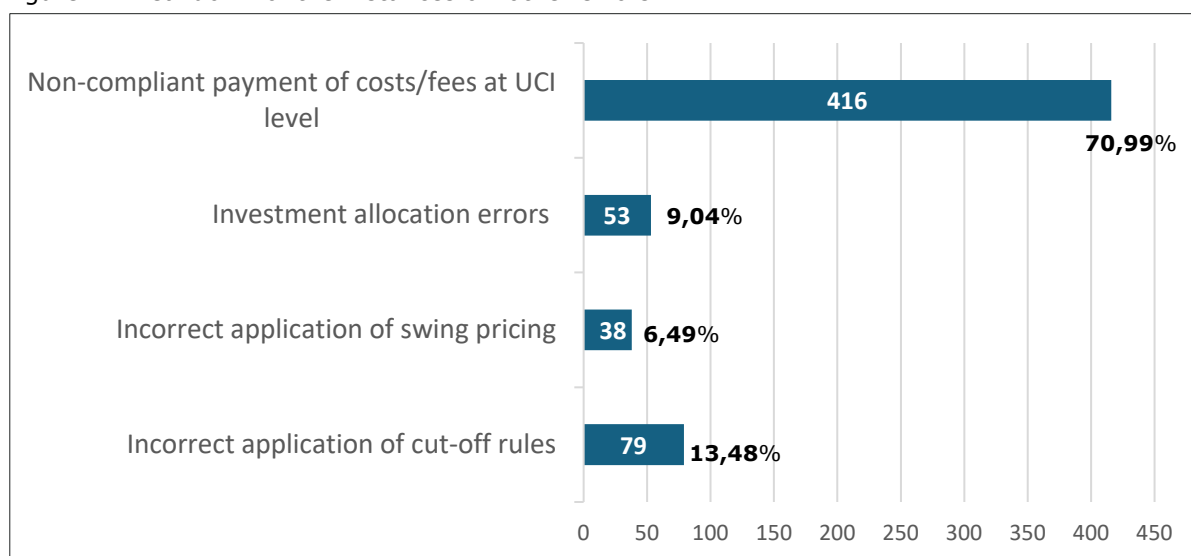
With regard to the above-mentioned 210 notifications relating to instances of non-compliance with ESG-related limitations (i.e. binding investment restrictions), the following root causes were, for instance, mentioned in these notifications:

- issues in internal controls or system settings, which were not updated after changes were made to the UCI documentation or which were not adequate, and thus resulted in the incorrect application of limitations;
- portfolio management decisions where, for instance, pre-trade alerts were overridden without adequate justification, system warnings were misinterpreted or sales transactions reduced the UCI exposure below a required minimum level;
- avoidable data issues that affected the accuracy of the controls of the investment restrictions.

2.3. Notifications – other errors

Figure 4 hereafter provides an overview of the new typology of “other errors”, by showing a breakdown according to the four types of errors defined in the Circular. The vast majority of instances (among a total of 586) related to non-compliant payment of costs/fees at UCI level (416 cases), followed by the incorrect application of cut-off rules (79 cases), investment allocation errors (53 cases), and the incorrect application of swing pricing (38 cases).

Figure 4: Breakdown of the instances of “other errors”

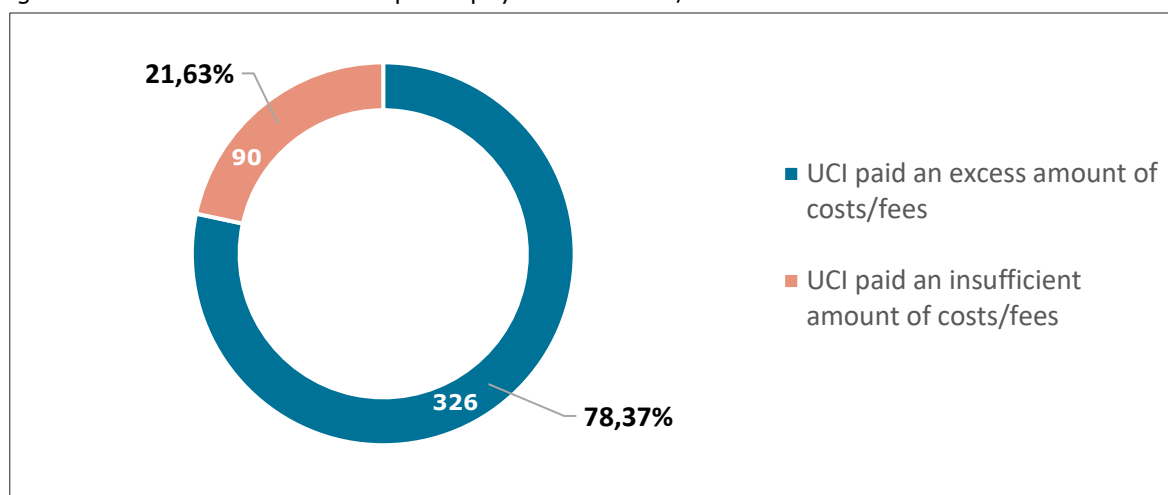


Non-compliant payment of cost/fees

With regard to the 416 notifications received in 2025 regarding the non-compliant payment of costs/fees at UCI level⁴, Figure 5 shows that most notifications relate to situations where UCIs paid an excess amount of costs/fees (326 cases), whereas instances of insufficient payment of costs/fees by UCIs accounted for a more limited share (90 cases).

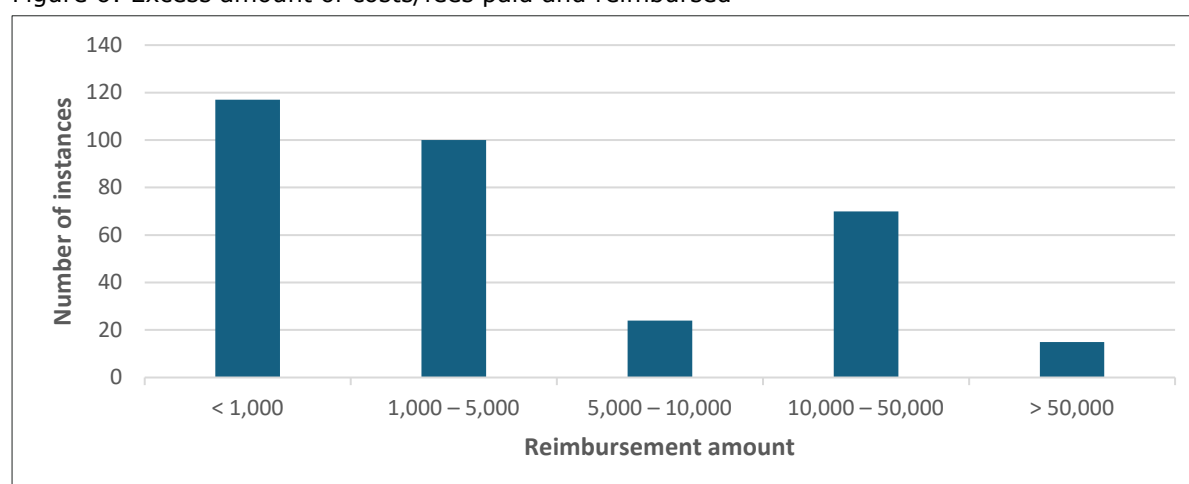
⁴ For non-compliant payment of costs/fees, no threshold applies in accordance with the Circular.

Figure 5: Breakdown of non-compliant payment of costs/fees at UCI level



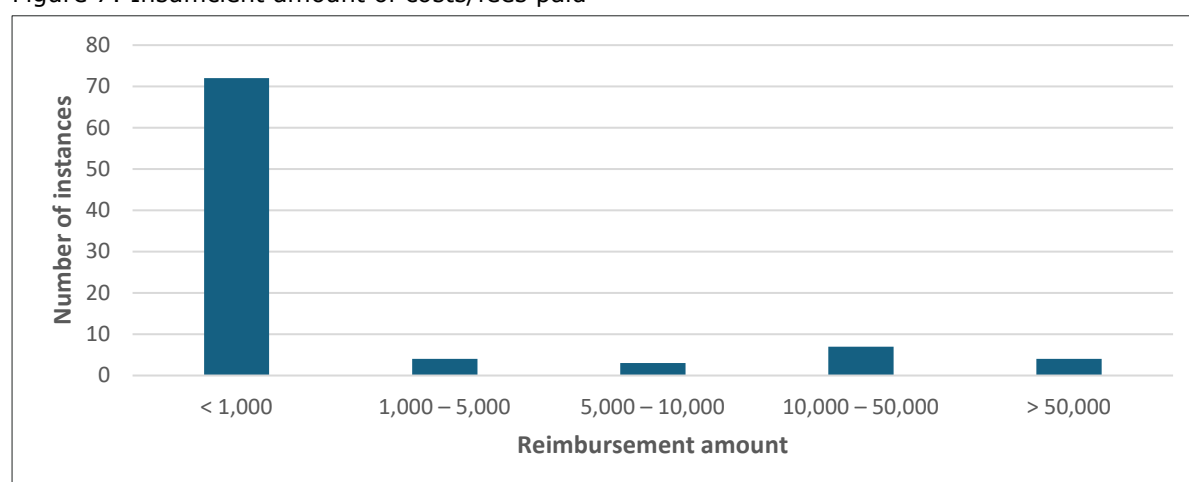
With respect to cases in which UCIs paid an excess amount of costs/fees, Figure 6 provides a breakdown of the reported instances by compensation amount:

Figure 6: Excess amount of costs/fees paid and reimbursed



For cases where UCIs paid insufficient amounts of costs/fees, the breakdown of reported instances, by reimbursement amount, is presented in Figure 7 hereafter:

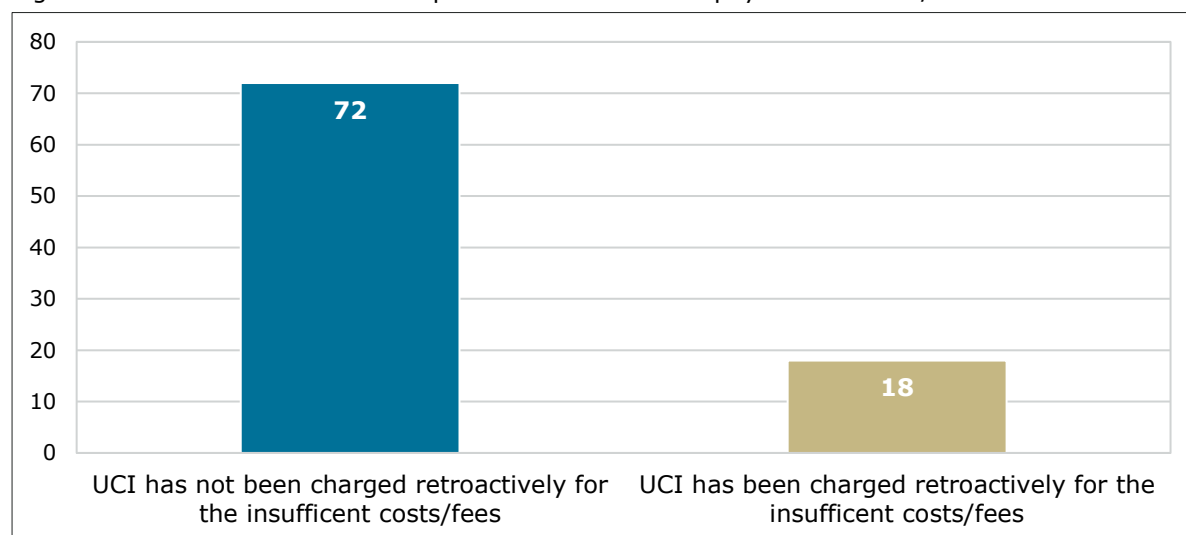
Figure 7: Insufficient amount of costs/fees paid



The numbers show that a material number of non-compliant payments of costs/fees concern small compensation amounts. The CSSF is currently assessing the framework of the Circular in view of that observation.

Among the cases in which UCIs paid insufficient amount of costs/fees (i.e. a total of 90 cases), the majority (72 cases) did not result in retroactive charging of the costs/fees, as illustrated in the chart hereafter.

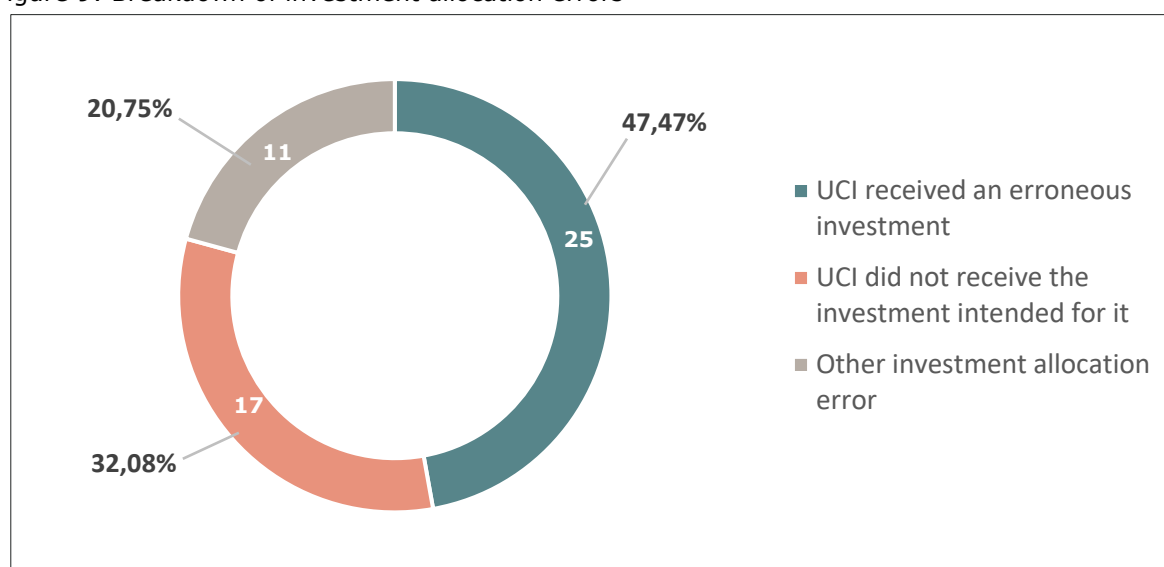
Figure 8: Breakdown of correction process for insufficient payment of costs/fees



Investment allocation errors

The CSSF recorded a total of 53 cases of investment allocation errors in 2025. As illustrated in Figure 9, errors relating to UCIs that received investments erroneously accounted for 25 cases, followed by 17 cases involving UCIs that did not receive the investment intended for them. Other investment allocation errors represented 11 incidents.

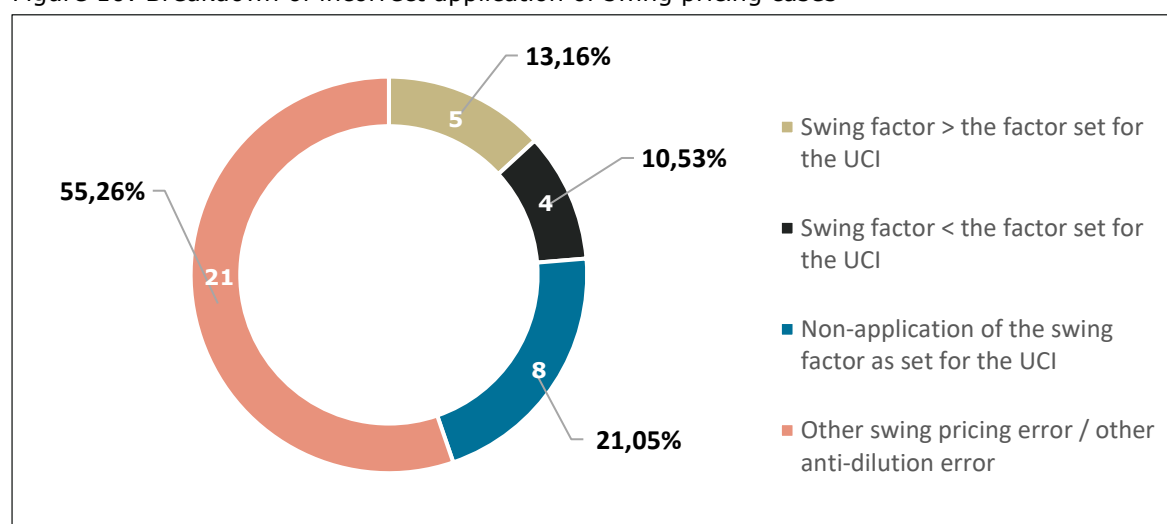
Figure 9: Breakdown of investment allocation errors



Incorrect application of swing pricing

As regards the 38 notifications relating to the incorrect application of swing pricing, the majority fall under “Other swing pricing error/other anti-dilution error” (21 cases), followed by the non-application of the swing factor as set for the UCI (i.e. in accordance with the constitutive documents and/or the prospectus/offering document of the UCI or with the internal implementing modalities) (eight cases). A small number of cases related to the application of a swing factor above the level set for the UCI (five cases), or below the level set for the UCI (four cases) respectively.

Figure 10: Breakdown of incorrect application of swing pricing cases

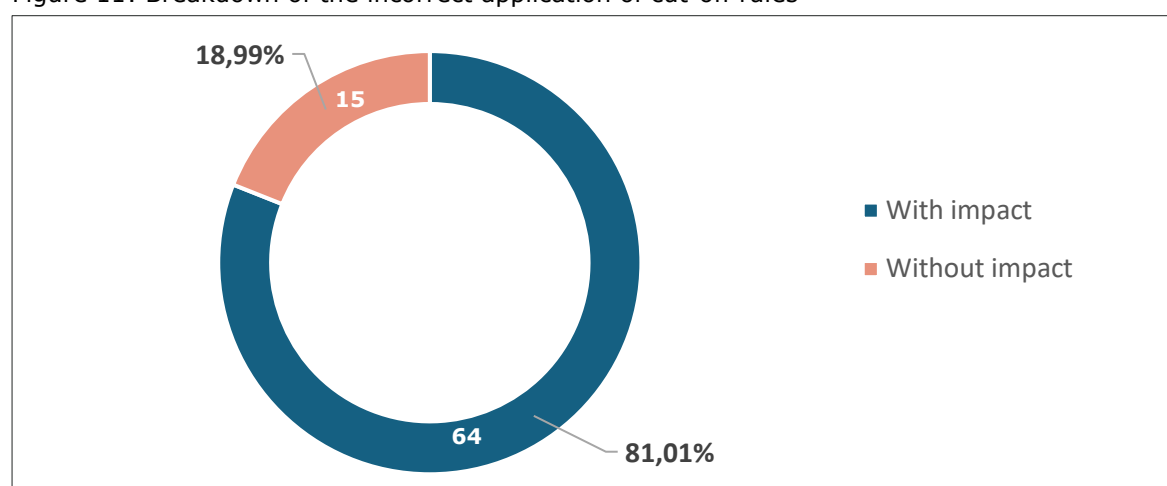


In most cases, the inadequate application of swing pricing/anti-dilution tools resulted from human errors, such as not updating the swing pricing factors following decisions of the pricing committee of the investment fund manager (the “**IFM**”) or entering incorrect swing pricing data in the internal systems.

Incorrect application of cut-off rules

For the 79 notifications on the incorrect application of cut-off rules received in 2025, Figure 11 shows that the vast majority of notifications related to errors generating a negative impact for investors and/or for the UCI (64 cases), while a smaller proportion had no impact (15 cases).

Figure 11: Breakdown of the incorrect application of cut-off rules



The notifications received indicate that the root cause mainly arose from operational issues affecting the timely and accurate processing of orders pertaining to subscriptions, redemptions or conversions. The most frequently reported causes included processing delays, human errors, technical issues and or/system failures, the incorrect handling of orders that had been submitted in good order, but were not processed correctly, and the application of an incorrect dealing or holiday calendar. In a number of cases, a single error at the level of the UCI Administrator impacted multiple UCIs and consequently resulted in multiple notifications to the CSSF.

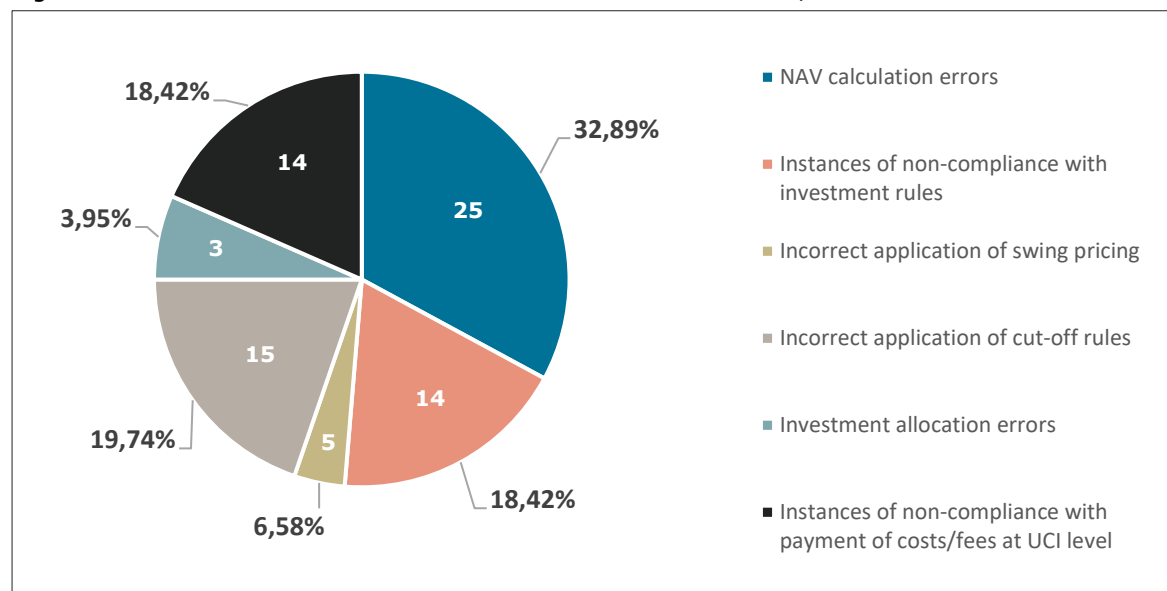
2.4. Special reports from the statutory auditor

Chapter 7 of the Circular foresees an additional control by the REA, which is to be materialised by the issuance of a special report (the “**SAR**”), for errors/instances of non-compliance at the level of UCITS and Part II UCIs, where the total compensation amount exceeds EUR 50,000 or where the compensation to be paid to one single investor exceeds EUR 5,000.⁵

Among the notifications received in 2025, 29 cases required a SAR under Circular CSSF 02/77 and 76 a SAR under the Circular. The chart below illustrates the breakdown of SARs by type of incident, showing that SARs relating to NAV calculation errors (25 cases) represent the most frequent situation, followed by the incorrect application of cut-off rules, instances of non-compliance with investment rules and the non-compliant payment of costs/fees.

While SARs concern various errors/instances of non-compliance, it should be noted that the new category “other errors” accounted for a meaningful proportion, highlighting its relevance under the revised framework. For the SARs received by the CSSF, only a very limited number pointed to issues/exceptions, which were subject to follow-ups by the CSSF.

Figure 12: Breakdown of SARs submitted under Circular CSSF 24/856



⁵ Under the former Circular CSSF 02/77, the thresholds were EUR 25,000 and EUR 2,500 respectively.

3. Observations in relation to the errors/instances of non-compliance notified to the CSSF

3.1. NAV calculation errors

The assessment of the notifications relating to NAV calculation errors received by the CSSF over 2025 highlighted a number of observations that the CSSF would like to share with industry participants for their due consideration when notifying such errors to the CSSF:

- The CSSF observed, as referred to before, that the sub-category “*Other error (please describe further in the field 'Description and cause of the NAV error')*” was too frequently used by the industry when submitting their notifications through eDesk. While the classification in certain cases may not be straightforward depending on the circumstances and elements leading to the error, the CSSF notes that this categorisation has excessively been used (as a “default category”), while an assessment of the incident and its root cause would have allowed a more appropriate classification based on the categories available.

The processes of UCIs, IFMs and UCI Administrators regarding the treatment and notification of NAV calculation errors must ensure that the sub-category “Other error” is only used when none of the other predefined categories adequately reflects the nature of the error.

- The CSSF further observed that the information provided in some notifications did not allow the CSSF to gain a clear understanding of the origin and nature of the error. In addition, some notifications erroneously reported incidents as NAV calculation errors, while they should have been classified in another category (i.e. instance of non-compliance with investment rules or one of the categories of “other errors”). This was notably the case where the reported issue was related to the non-observance of provisions of the offering document/prospectus, rather than an error in the NAV calculation.

For instance, the CSSF received a NAV calculation error where a share class was incorrectly hedged for a specific currency exposure. Such a case related to an instance of non-compliance with the hedging policy applicable to a currency-hedged share class, as disclosed in the UCI’s offering document/prospectus, and must, on the basis of the classification of the Circular, be notified through the eDesk notification form “Non-compliance with investment rules at UCI level”.

The CSSF expects UCIs, IFMs and UCI Administrators to ensure that errors/instances of non-compliance are properly assessed and notified to the CSSF under the appropriate category.

- With regard to Part II UCIs and ELTIFs investing primarily in other assets (e.g. unlisted shares, buildings, loans or eligible investments for ELTIFs) and whose units can be held by investors that are not well-informed or professional investors, Chapter 4.2 of the Circular sets forth that such UCIs may, by derogation, decide to apply - following a specific well-documented analysis - a tolerance threshold that is higher than the 1%-threshold foreseen in Table 3 of the Circular, if the characteristics of the UCI, including its risk profile, justify it. Further, all Part II UCIs and ELTIFs reserved to well-informed or professional investors, as well as SIFs, SICARs, EuVECAs and EuSEFs (except MMFs) can determine the tolerance thresholds following a qualitative approach, thereby observing the criteria set forth in point 35 of the Circular (e.g. consideration

of the characteristics of the UCI and of the tolerance thresholds of Table 3, maximum of 5% of the NAV).

In accordance with the Circular, the supporting analysis must be based on objective and verifiable criteria and must clearly set out the rationale for the proposed threshold. The analysis must consider all relevant factors, including the fund's investment strategy, the nature and liquidity of its assets, valuation risks, operational considerations and any other characteristics that may be relevant to the determination of an appropriate threshold. The assessment must be supported by both quantitative and qualitative elements and must demonstrate the appropriateness of the tolerance threshold retained.

The CSSF therefore expects UCIs adopting the qualitative approach for the determination of the tolerance threshold to ensure that the supporting analysis is sufficiently detailed and adequately documented, so as to demonstrate that the guidelines of the Circular are met. The CSSF observed that a number of requests submitted in this context did not meet these expectations. In particular, the analysis lacked sufficient depth and consistency.

- The CSSF wishes to remind entities that, in accordance with the definitions of the Circular, a closed-ended UCI is “[A] UCI that is not an open-ended UCI. An open-ended UCI is a UCI whose units are, at the request of any unit-holder, repurchased or redeemed before the beginning of its liquidation or dissolution phase, directly or indirectly, out of the UCI’s assets and in accordance with the arrangements and frequency defined in the constitutive documents and/or the UCI’s prospectus.”

Closed-ended UCIs do not fall within the scope of the guidelines set out in Chapter 4 of the Circular. Nevertheless, closed-ended UCIs must meet the guidelines of point 26 and of the first paragraph of point 27 of the Circular. They must also ensure that appropriate corrective measures are taken, where necessary, to address any NAV calculation errors. In accordance with the [CSSF FAQ on Circular CSSF 24/856](#), the CSSF recommends that a tolerance threshold is defined for closed-ended UCIs in order to identify any significant NAV calculation error that needs being corrected. Closed-ended UCIs having defined such a tolerance threshold for internal purposes, remain outside the scope of Chapter 9 of the Circular and consequently are not required to submit a notification to the CSSF in case of occurrence of a NAV calculation error exceeding the internally defined tolerance threshold.

On the basis of the above-mentioned definition of closed-ended UCIs and considering questions received from the industry, the CSSF would like to clarify that UCIs offering limited redemption possibilities (such as semi-liquid Part II UCIs) fall into the category of open-ended UCIs and are thus subject to the guidelines of Chapter 4 of the Circular, including the guidelines on tolerance thresholds.

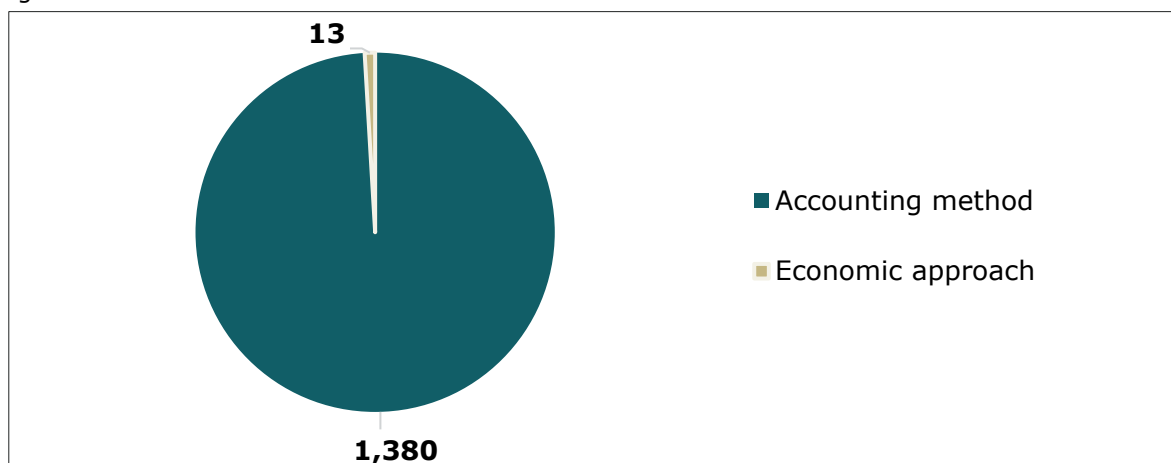
3.2. Instances of non-compliance with investment rules

The CSSF observed that UCIs generally have robust policies, processes and procedures in place to ensure that the investments made by UCIs comply with the applicable legal, regulatory and contractual investment restrictions.

With regard to the correction methods applied in case of instances of non-compliance with the investment rules, the accounting method, being the default method to be applied by UCIs in accordance with the Circular, was predominantly used to determine the financial impact.

The CSSF received a limited number of 13 notifications in which the economic method was used. In most of these cases, the use of the economic method, together with the related comparative reference, was formally documented in the internal policy/procedures in place for the UCI. The comparative reference, being a representative benchmark, was in most cases also disclosed in the offering document/prospectus and applied consistently for the same type of instances of non-compliance with investment rules.

Figure 13: Breakdown of the correction methods



However, the CSSF identified some limited cases where the economic method was not adequately foreseen in the applicable internal policy/procedures in place for the UCI. In such cases, the economic method was applied instead of the accounting method, notably where the latter would have resulted in a loss for the fund. The CSSF intervened in these cases at the level of the entities to provide clarification and ensure consistency.

In this context, the CSSF reminds entities that the economic method can be used only when it is formally provided for in the internal policy/procedures in place for the UCI and when the use of a comparative representative benchmark is clearly defined. These requirements are intended to prevent any arbitrage between methods aimed at minimising compensation amounts. While a change of correction methods may be possible in duly justified circumstances and with due consideration of the best interests of investors, the Circular also emphasises that, as a matter of principle, such a change is not permitted once an instance of non-compliance has been identified.

Finally, the CSSF also stresses the importance of maintaining an up-to-date and effective investment compliance control framework for preventing instances of non-compliance with investment rules.

3.3. Other errors

Before covering individual sub-categories of other errors, the CSSF wishes, first of all, to clarify the notification requirements applicable to “other errors” within the meaning of Chapter 6 of the Circular.

More particularly, such errors have to be notified in accordance with Chapter 9 of the Circular, irrespective of whether the financial impact exceeds the tolerance threshold applicable to the UCI in accordance with Chapter 4 of the Circular concerning NAV calculation errors, with an exception for swing pricing errors for which the applicable

notification, compensation and indemnification requirements are those set out in Table 6 of Chapter 6 of the Circular.

By way of illustration, a bond fund for which a tolerance threshold of 0.50% of the NAV applies may be faced with a situation where a payment of costs/fees in excess of those provided for in its offering document/prospectus occurs. This qualifies as an “other error” within the meaning of Chapter 6.2 of the Circular. In this case, the error must be notified to the CSSF even where its financial impact remains below the applicable tolerance threshold applicable for NAV calculation errors.

Non-compliant payment of costs/fees at UCI level

Before coming to the observations made by the CSSF in relation to Chapter 6.2. of the Circular on the non-compliant payment of costs/fees, the CSSF reminds entities that non-compliant payment of costs/fees are covered by the guidelines of Chapter 6 of the Circular, whereas errors in the accrual of costs/fees must be dealt with under Chapter 4 of the Circular concerning NAV calculation errors in case they exceed the tolerance threshold.

Further, if an accrual-related error of costs/fees leads to a payment error, it must be treated under Chapter 6 of the Circular. Where a costs/fees payment error exceeds the applicable significance threshold and therefore also results in a significant NAV calculation error, the error must be reported under Chapter 6 only. No separate notification for the NAV calculation error must be submitted, as the Chapter 6 notification form also provides for dedicated information fields allowing the notification of a NAV calculation error.

Based on the notifications received in 2025, the following observations were made in relation to the “non-compliant payment of costs/fees” at UCI level:

- Many instances of non-compliant payment of costs/fees at UCI level were related to weaknesses in the control framework at the level of the IFM and/or at the level of the UCI Administrator. Such weaknesses included, for instance, insufficient pre- and post-payment controls, overly manual processes, inadequate oversight of delegates, deficiencies in escalation and reconciliation processes, as well as insufficient corrective and remediation measures following previously identified errors which did not allow to prevent similar incidents from recurring. Furthermore, the CSSF noted that, in several cases, a single operational or processing error, originating at the level of the UCI Administrator, had a wider impact across multiple UCIs, thus leading to large number of notifications to the CSSF.

In this context, the CSSF also identified that some UCI Administrators, in comparison to others, submitted a higher number of instances of non-compliant payments of costs/fees over the period under review.

As set out in paragraph 101 of Chapter 6.2 of the Circular, costs/fees which have been charged and paid by the UCI without complying with the provisions of the constitutive documents and/or the prospectus/offering document of the UCI are covered by the guidelines of that chapter.

The CSSF further observed that the vast majority of incidents were resolved within a relatively short timeframe. Specifically, 289 incidents (69%) had a duration of less than six months. A further number of 36 incidents (9%) remained open between six months and one year, while 37 incidents (9%) required between one and two years to be resolved. However, 54 incidents (13%) remained open or unresolved for more than two years.

While representing a minority of the overall population, the incidents which lasted longer highlight the need for entities to strengthen their control framework, monitoring mechanisms, and

remediation processes to ensure the timely resolution of identified issues. In this respect, particular attention should be paid to the expectations set out in the Circular, notably regarding the establishment of robust governance arrangements, effective internal controls, and adequate follow-up procedures aimed at preventing the prolonged recurrence of unresolved incidents.

The CSSF draws the attention of the industry to the necessity to put in place an appropriate control framework around the payment of costs/fees. Further, in case of non-compliant payment of costs/fees, the necessary remediation measures must be taken on a timely basis.

- During 2025, the CSSF received queries from market participants asking whether a *de minimis* threshold (i.e. threshold below which they are not required to notify non-compliant payment of costs/fees) applies in relation to the non-compliant payment of costs/fees.

While the current framework does not provide for such a *de minimis* threshold, the experience of the CSSF shows that a material number of non-compliant payments of costs/fees concerns small amounts. On this basis the CSSF is currently assessing the framework of the circular in view of that observation. In the meantime, all instances of non-compliant payments of costs and fees, irrespective of their amount, must still be notified to the CSSF.

- The CSSF was asked whether the notification requirement only applies to costs fees explicitly set forth in the prospectus/constitutive documents. Considering that every cost/fee to be paid on the basis of the assets of a UCI is only permissible if the respective cost/fees is foreseen/covered by the prospectus/constitutive documents, the CSSF clarifies that the Circular is applicable to every cost/fee for which the payment is not compliant with the provisions of these documents.
- In accordance with Chapter 7 of the Circular “*General guidelines in relation to the correction of errors/non-compliance*” and more particularly point 118 concerning the payment of compensation, compensation must be paid in full without delay. Compensation paid in instalments is not permitted, nor may the compensation amounts be offset against any future remuneration owed to the party responsible for the error/instance of non-compliance.

Investment allocation errors

As regards investment allocation errors, the following points have been noted by the CSSF based on the notifications received:

- The CSSF observed that a number of cases notified to the CSSF as investment allocation errors related to the purchase of non-eligible instruments for the UCI which should have been notified under Chapter 5 of the Circular.
- In case an incorrect investment allocation has been done for a UCI (in scope of the Circular) instead of another UCI (in scope of the Circular) (e.g. an investment is booked to UCI X instead of UCI Y), then, in principle, this error has an impact at the level of UCI X and the opposite impact at the level of UCI Y. Accordingly, the CSSF expects two notifications, one for each UCI with the analysis/correction of the relevant impact for the given UCI.
- The CSSF notes that a certain number of notifications relating to investment allocation errors indicated that the correction process resulted in a “without impact”. In this regard, the CSSF emphasises that the impact of an investment erroneously allocated must be based on the comparison of the initial price paid/received for the erroneously allocated investment with the market price that is applicable for the investment at the time of the correction. Based on the wording of the Circular, the CSSF does not accept that days or weeks after the allocation error,

the incorrectly allocated investment is simply reallocated based on the initial price paid/received, respectively the erroneous allocation reversed without assessing the individual impact at sub-fund level and without calculating the individual impact at sub-fund level based on applicable market prices.

In that sense, the determination of the financial impact of investment allocation errors must follow by analogy the modalities set out in paragraph 76 of Chapter 5.5.2 of the Circular concerning the *“Modalities in relation to the determination of the start and end of an instance of active non-compliance with investment rules”*. Given different market practices observed, the CSSF intends to bring further clarifications with regard to the handling of investment allocation errors.

- The CSSF observed several instances where instruments were erroneously purchased/sold at the level of UCIs in scope of the Circular. For instance, some cases related to the purchase or sale of the wrong instrument for the UCI or the sale of an instrument (e.g. a derivative) instead of a purchase.

The CSSF clarifies that such cases do not constitute errors which fall into the category “Investment allocation error” of Chapter 6.4. of the Circular, nor do they fall into any other category of error/non-compliance covered by the Circular.

In accordance with point 96 of the Circular *“Besides these four types of errors, other errors may occur, where appropriate, at the level of a UCI in the context of its activities and operations. Notwithstanding the absence of specific guidelines laid down in this Circular in relation to these errors, the UCI must, at every occurrence, assess whether such errors require corrective actions and compensation for the losses suffered by the UCI and/or the investors.”*, these other errors must be corrected and, if necessary, reimbursed.

If the error does not fall under any of the three Chapters 4, 5 or 6 of the Circular, the CSSF requests to be notified by email at opc.sp.prud@cssf.lu, as further set out in Section 4 of this feedback report.

4. Experience with the new notification forms integrated into the CSSF eDesk platform

In general, the integration of the notification forms and the related transmission procedure into the CSSF eDesk platform was welcomed by the industry, highlighting in that context the user-friendliness and secure environment governing the interactions between the industry and the CSSF.

Some notifications received by the CSSF over 2025 showed areas for improvement. As a result, the CSSF asks the industry to give due consideration to the following elements in relation to the use of the new notification forms and transmission procedure:

- Completeness, correctness and consistency of notifications:
 - A number of notifications had to be cancelled due to submission errors (e.g. incorrect sub-fund identification, incorrect notification form used, duplication of filings, etc.).
 - In several cases, the information provided was insufficiently detailed, not entirely clear, inaccurate or not relevant to the reported incident (e.g. copy-paste of the error of past notifications, etc.).

- Certain notifications contained inconsistencies regarding the key information of the notification, including for instance the applicable regulatory framework, identification data or indemnification amounts.
- A number of errors/instances of non-compliance detected before 1 January 2025 were incorrectly submitted under the Circular, whereas they should have been reported by means of the Excel-backed notification template under Circular CSSF 02/77. For other cases that should have been submitted under the Circular by means of the CSSF eDesk procedure, the Excel template was used. All these notifications were cancelled, and the reporting entities were requested to resubmit them under the appropriate framework.

These observations show the importance of appropriate pre-submission controls/checks and review procedures. The CSSF expects notifications to be complete, accurate and sufficiently detailed to clearly explain the origin, causes and impact of the reported incident.

Entities are also reminded to duly consider the document "[UCI notification in accordance with Circular CSSF 24/856 - Practical and technical guidance](#)" and the tooltips available within the eDesk notification forms, and to implement adequate controls to verify, prior to submission, the accuracy of the information, including the identification data of the relevant sub-fund, the absence of duplicate submissions and the correctness of any reported indemnification data.

- The CSSF received information in relation to a few other types of errors (i.e. errors that did not qualify as a significant NAV calculation error within (Chapter 4 of the Circular), an instance of non-compliance with investment rules (Chapter 5), or one of the four types of other errors (Chapter 6)).

Circular CSSF 24/856 and the CSSF eDesk procedure do not provide, at this stage, for a specific notification form/process to the CSSF for such other errors. Notwithstanding the absence of specific guidance for such incidents, UCIs remain responsible for assessing, on a case-by-case basis, whether these events require remedial measures and potential compensation for any losses incurred by the UCI and/or its investors.

In the event of a material incident, falling outside the typologies of errors directly addressed by the Circular CSSF 24/856, entities must inform the CSSF of such errors via email at opc.sp.prud@cssf.lu. Based on these errors, the CSSF will assess whether Circular CSSF 24/856 should specifically address them and evaluate the necessity to integrate them into the CSSF eDesk notification forms.

- The CSSF observed that, in the context of the use of the pre-notification forms, entities generally provided, in accordance with the applicable guidelines, the required information, thereby justifying that these cases are more complex within the meaning of the Circular.

Nevertheless, the CSSF identified, in a number of cases, that the information provided was incomplete, insufficiently detailed or unrelated to complex cases. In a large number of these cases, a pre-notification was made without meeting the criteria of the Circular.

The CSSF expects pre-notifications to be complete, sufficiently detailed and used exclusively in relation to more complex cases meeting the guidelines of point 158 of Chapter 9.1.2. of the Circular:

"Based on the above, for an error/non-compliance which does not entail the payment of compensation to investors, the deadline for notification is 4 to 8 weeks at the latest after the

date on which the error/non-compliance has been detected. More complex errors/instances of non-compliance which imply compensation to a great number of investors in different jurisdictions must be reported to the CSSF within the above deadlines, without mandatorily including the date the investors are compensated. This date may be provided to the CSSF at a later stage via the complete form." (emphasis added)

The entity submitting the notification must keep the CSSF informed, as set out in the above-mentioned point of the Circular, of the progress of the compensation payments on a monthly basis and to subsequently complete the notification.

The CSSF is currently enhancing the pre-notification form via the CSSF eDesk platform, with the objective of aligning it with the workflow applicable to complete notifications. Pending the implementation of this solution, monthly updates must be submitted via email at opc.sp.prud@cssf.lu.

- Finally, there were cases where, following acceptance of the pre-notification, the reporting entity did not finalise the process within the initial procedure initiated on eDesk, but instead submitted a new notification under a new reference number.

The CSSF asks reporting entities to finalise submitted and accepted pre-notifications within the initiated procedure and under the original reference number.