Law of 16 July 2019 on the operationalisation of European regulations in the area of financial services

6. amending the Law of 5 April 1993 on the financial sector, as amended;
7. amending the Law of 23 July 2016 on reserved alternative investment funds.

(Mém. A 2019, No 514)

as amended by:

- the Law of 25 February 2022\(^1\) amending:
  1° the Law of 17 December 2010 relating to undertakings for collective investment, as amended;
  2° the Law of 17 April 2018 on key information documents for packaged retail and insurance-based investment products, as amended;
  3° the Law of 16 July 2019 implementing the Regulations on EuVECA, EuSEF, MMF, ELTIF and STS securitisation;
  with a view to transposing Directive (EU) 2021/2261 of the European Parliament and of the Council of 15 December 2021 amending Directive 2009/65/EC as regards the use of key information documents by management companies of undertakings for collective investment in transferable securities (UCITS), and implementing:
  1° Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European Personal Pension Product (PEPP);
  5° Regulation (EU) 2021/2259 of the European Parliament and of the Council of 15 December 2021 amending Regulation (EU) No 1286/2014 as regards the extension of the transitional arrangement for management companies, investment companies and persons advising on, or selling, units of undertakings for collective investment in transferable securities (UCITS) and non-UCITS.

(Mém. A 2022, No 82)

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\(^1\) Hereinafter referred to as "Law of 25 February 2022 - No 82".
- the Law of 25 February 2022 ²

1° amending the Law of 22 March 2004 on securitisation, as amended, and amending:
- the Law of 5 April 1993 on the financial sector, as amended;
- the Law of 27 July 2003 on trusts and fiduciary contracts;
- the Law of 4 December 1967 on income tax, as amended;
- the Law of 16 October 1934 on wealth tax, as amended;
- the Law of 12 February 1979 on value added tax, as amended;

2° amending the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended;

3° amending the Law of 19 December 2002 on the trade and companies register and the accounting practices and annual accounts of undertakings, as amended;

4° amending the Law of 16 July 2019 implementing the Regulations on EuVECA, EuSEF, MMF, ELTIF and STS securitisation;


(Mém. A 2022, No 84)


Article 1. Competent authority in Luxembourg


Article 2. Powers of the CSSF

1. For the purposes of the application of this chapter, of Regulation (EU) No 345/2013 and of Regulation (EU) No 346/2013, the CSSF shall be given all supervisory and investigatory powers that are necessary for the exercise of its functions.

2. Without prejudice to Article 21a of Regulation (EU) No 345/2013 and of Article 22a of Regulation (EU) No 346/2013, the powers of the CSSF shall be the following:

(1) to access any document and any data in any form whatsoever, and to receive or take a copy of it;

(2) to require the manager of a qualifying venture capital fund or the manager of a qualifying social entrepreneurship fund to provide information without delay;

(3) to require information from any person related to the activity of the manager of a qualifying venture capital fund or the qualifying venture capital fund, and any person related to the activities of the manager of a qualifying social entrepreneurship fund or the qualifying social entrepreneurship fund;

(4) to carry out on-site inspections of the persons subject to its supervision;

(5) to take appropriate measures to ensure that a manager of a qualifying venture capital fund or a manager of a qualifying social entrepreneurship fund continues to comply with Regulation (EU) No 345/2013 or with Regulation (EU) No 346/3013, respectively, and with their implementing measures;

(6) to order a manager of a qualifying venture capital fund or a manager of a qualifying social entrepreneurship fund to comply with Regulation (EU) No 345/2013 or Regulation (EU) No 346/2013, respectively, and with their implementing measures and to desist.

² Hereinafter referred to as "Law of 25 February 2022 - No 84".
from a repetition of any conduct that constitutes an infringement of these regulations or their implementing measures;

(7) to refer information to the State Prosecutor for criminal prosecution.

Article 3. Administrative sanctions

1. The CSSF shall have the power to impose the following administrative sanctions and other administrative measures in the case of an infringement of Articles 4 to 14a and 15 of Regulation (EU) No 345/2013 or Articles 4 to 15a and 16 of Regulation (EU) No 346/2013:

(1) a public statement identifying the person responsible and the nature of the infringement;

(2) a temporary ban preventing a person exercising management functions or any other natural person held responsible for such infringement from exercising management functions;

(3) an administrative fine of up to three times the amount of the profits gained or losses avoided because of the infringement, insofar as they can be determined, even if the amounts of these sanctions are higher than the amounts referred to in points (4) and (5);

(4) in the case of a natural person, an administrative fine of up to EUR 1,000,000;

(5) in the case of a legal person, an administrative fine of up to EUR 5,000,000, or up to 10% of the total annual turnover of that legal person according to the last available accounts approved by the management body. Where the legal person is a parent undertaking or a subsidiary of the parent undertaking which has to prepare consolidated financial accounts in accordance with Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Council Directives 78/660/EEC and 83/349/EEC, hereinafter referred to as “Directive 2013/34/EU”, the relevant total annual turnover shall be the total annual turnover according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking.

2. The CSSF may impose an administrative fine of EUR 250 up to EUR 250,000 on those that obstruct the exercise of its supervisory and investigatory powers, who do not follow up on its orders given pursuant to point (6) of Article 2(2), or who have knowingly given it inaccurate or incomplete information following requests based on points (1) to (4) of Article 2(2).

3. The CSSF, when determining the type and level of an administrative sanction or measure, shall take into account the extent to which the infringement is intentional or results from negligence as well as all other relevant circumstances, including, where appropriate:

(1) the materiality, the gravity and the duration of the infringement;

(2) the degree of responsibility of the natural or legal person responsible for the infringement;

(3) the financial strength of the natural or legal person responsible for the infringement;

(4) the importance of profits gained or losses avoided by the natural or legal person responsible for the infringement, insofar as they can be determined;

(5) the losses for third parties caused by the infringement, insofar as they can be determined;

(6) the level of cooperation of the natural or legal person responsible for the infringement with the CSSF, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;

(7) previous infringements committed by the natural or legal person responsible for the infringement.
Article 4. Remedies

The decisions taken by the CSSF pursuant to this chapter, to Regulation (EU) No 345/2013 or to Regulation (EU) No 346/2013 may be referred to the Tribunal administratif (Administrative Tribunal) which deals with the merits of the case. The case shall be filed within one month, or else shall be time-barred.

Article 5. Publication of decisions

1. The CSSF shall publish on its website the decisions against which there has been no action and which impose an administrative sanction or measure due to an infringement of Articles 4 to 14a and 15 of Regulation (EU) No 345/2013 or Articles 4 to 15a and 16 of Regulation (EU) No 346/2013, without undue delay, after the person subject to that decision has been notified thereof. The publication shall include at least information on the type and nature of the infringement and the identity of the persons responsible. Such obligation shall not apply to decisions imposing measures that are of an investigatory nature.

However, where the publication of the identity of the legal persons or of the personal data of the natural persons is considered by the CSSF to be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where the publication jeopardises the stability of the financial markets or an ongoing investigation, the CSSF shall:

(1) defer the publication of the decision to impose the sanction or measure until the reasons for the non-publication cease to exist;

(2) publish the decision to impose the sanction or measure on an anonymous basis in a manner which complies with the applicable legislation, if such anonymous publication ensures effective protection of the personal data concerned; or

(3) not publish the decision to impose a sanction or measure in the event that the options provided for in points (1) and (2) are considered to be insufficient to ensure:

(a) that the stability of the financial markets would not be put in jeopardy; or

(b) the proportionality of the publication of such decisions with regard to measures which are deemed to be of minor importance.

In the case the CSSF decides to publish a sanction or measure on an anonymous basis, the publication of the relevant data may be postponed for a reasonable period of time if it is envisaged that within that period the reasons for anonymous publication shall cease to exist.

2. The CSSF shall ensure that any decision that is published in accordance with this article shall remain accessible on its website for a period of five years after its publication.

Personal data contained in the publications referred to in the first subparagraph shall remain on the website for a period not exceeding 12 months.


Article 6. Competent authority in Luxembourg

The CSSF shall be the competent authority responsible for ensuring the application of this chapter and of Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds, hereinafter referred to as "Regulation (EU) 2015/760".

Article 7. Powers of the CSSF

For the purposes of this chapter and of Articles 3 to 31 of Regulation (EU) 2015/760, the CSSF shall be given all the supervisory and investigatory powers provided for in Article 50 of the Law of 12 July 2013 on alternative investment fund managers, as amended, in respect of the persons referred to in Regulation (EU) 2015/760.

Article 8. Administrative sanctions

1. The CSSF shall have the power to impose the following administrative sanctions and other administrative measures in the case of an infringement of Article 3(1), Articles 4 and 7, Article 9(1) and (2), Articles 10 and 12, Article 13(1) to (6), Articles 14 to 17, Article 18(1), (2) and
Articles 19 and 20, Article 21(1) and (2), Articles 22 to 24, Article 25(1) and (2), Article 26(1), Articles 27 and 28, Article 29(1), (2), (3) and (5), or Articles 30 and 31(1) to (3) of Regulation (EU) 2015/760:

1. a public statement identifying the person responsible and the nature of the infringement;
2. a temporary ban preventing a person exercising management functions or any other natural person held responsible for such infringement from exercising management functions;
3. an administrative fine of up to three times the amount of the profits gained or losses avoided because of the infringement, insofar as they can be determined, even if the amounts of these sanctions are higher than the amounts referred to in points (4) and (5);
4. in the case of a natural person, an administrative fine of up to EUR 1,000,000;
5. in the case of a legal person, an administrative fine of up to EUR 5,000,000, or up to 10% of the total annual turnover of that legal person according to the last available accounts approved by the management body. Where the legal person is a parent undertaking or a subsidiary of the parent undertaking which has to prepare consolidated financial accounts in accordance with Directive 2013/34/EU, the relevant total annual turnover shall be the total annual turnover according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking.

2. The CSSF may impose an administrative fine of EUR 250 up to EUR 250,000 on those that obstruct the exercise of its supervisory and investigatory powers, who do not follow up on its orders given pursuant to Article 7, or who have knowingly given it inaccurate or incomplete information following requests based on Article 7 or who do not comply with its requirements based on Article 7.

3. The CSSF, when determining the type and level of an administrative sanction or measure, shall take into account the extent to which the infringement is intentional or results from negligence as well as all other relevant circumstances, including, where appropriate:

1. the materiality, the gravity and the duration of the infringement;
2. the degree of responsibility of the natural or legal person responsible for the infringement;
3. the financial strength of the natural or legal person responsible for the infringement;
4. the importance of profits gained or losses avoided by the natural or legal person responsible for the infringement, insofar as they can be determined;
5. the losses for third parties caused by the infringement, insofar as they can be determined;
6. the level of cooperation of the natural or legal person responsible for the infringement with the CSSF, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;
7. previous infringements committed by the natural or legal person responsible for the infringement.

Article 9. Remedies

The decisions taken by the CSSF pursuant to this chapter or to Regulation (EU) 2015/760 may be referred to the Tribunal administratif (Administrative Tribunal) which deals with the merits of the case. The case shall be filed within one month, or else shall be time-barred.

Article 10. Publication of decisions

1. The CSSF shall publish on its website the decisions against which there has been no action and which impose an administrative sanction or measure due to an infringement of Articles 3 to 31 of Regulation (EU) 2015/760, without undue delay, after the person subject to that decision has been notified thereof. The publication shall include at least information on the
type and nature of the infringement and the identity of the persons responsible. Such obligation shall not apply to decisions imposing measures that are of an investigatory nature. However, where the publication of the identity of the legal persons or of the personal data of the natural persons is considered by the CSSF to be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where the publication jeopardises the stability of the financial markets or an ongoing investigation, the CSSF shall:

(1) defer the publication of the decision to impose the sanction or measure until the reasons for the non-publication cease to exist;

(2) publish the decision to impose the sanction or measure on an anonymous basis in a manner which complies with the applicable legislation, if such anonymous publication ensures effective protection of the personal data concerned; or

(3) not publish the decision to impose a sanction or measure in the event that the options provided for in points (1) and (2) are considered to be insufficient to ensure:

(a) that the stability of the financial markets would not be put in jeopardy; or

(b) the proportionality of the publication of such decisions with regard to measures which are deemed to be of minor importance.

In the case the CSSF decides to publish a sanction or measure on an anonymous basis, the publication of the relevant data may be postponed for a reasonable period of time if it is envisaged that within that period the reasons for anonymous publication shall cease to exist.

2. The CSSF shall ensure that any decision that is published in accordance with this article shall remain accessible on its website for a period of five years after its publication.

Personal data of natural persons contained in the publications referred to in the first subparagraph shall remain on the website for a period not exceeding 12 months.


Article 11. Competent authority in Luxembourg

The CSSF shall be the competent authority responsible for ensuring the application of this chapter and of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds, hereinafter referred to as "Regulation (EU) 2017/1131".

Article 12. Powers of the CSSF

1. For the purposes of this chapter and of Regulation (EU) 2017/1131, the CSSF shall be given supervisory and investigatory powers that are necessary for the exercise of its functions.

2. The powers of the CSSF shall be the following:

(1) to access any document and any data in any form whatsoever, and to receive or take a copy of it;

(2) to request a money market fund or the manager of a money market fund to provide information without delay;

(3) to require information from any person related to the activity of a money market fund or the manager of a money market fund;

(4) to carry out on-site inspections of the persons subject to its supervision;

(5) to take appropriate measures to ensure that a money market fund or the manager of a money market fund continues to comply with Regulation (EU) 2017/1131 and with its implementing measures;

(6) to order a money market fund or a manager of a money market fund to comply with Regulation (EU) 2017/1131 and with its implementing measures and to desist from a repetition of any conduct that constitutes an infringement of that regulation or its implementing measures;
(7) to refer information to the State Prosecutor for criminal prosecution.

**Article 13. Administrative sanctions**

1. The CSSF shall have the power to impose the following administrative sanctions and other administrative measures in the case of an infringement of Article 4(1), Article 6, Article 7(1) to (4), Article 9, Article 10(1) and (2), Article 11(1) to (3), Articles 12 to 14, Article 15(1) to (6), Article 16, Article 17(1) to (6), (8) and (9), Article 18(1), Articles 19 to 21, Article 23, Article 24(1) and (2), Articles 25 to 27, Article 28(1) to (5), Articles 29 to 36 or Article 37(1) to (3) of Regulation (EU) 2017/1131:

   1. a public statement identifying the person responsible and the nature of the infringement;
   2. a temporary ban preventing a person exercising management functions or any other natural person held responsible for such infringement from exercising management functions;
   3. an administrative fine of up to three times the amount of the profits gained or losses avoided because of the infringement, insofar as they can be determined, even if the amounts of these sanctions are higher than the amounts referred to in points (4) and (5);
   4. in the case of a natural person, an administrative fine of up to EUR 1,000,000;
   5. in the case of a legal person, an administrative fine of up to EUR 5,000,000, or up to 10% of the total annual turnover of that legal person according to the last available accounts approved by the management body. Where the legal person is a parent undertaking or a subsidiary of the parent undertaking which has to prepare consolidated financial accounts in accordance with Directive 2013/34/EU, the relevant total annual turnover shall be the total annual turnover according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking.

2. The CSSF may impose an administrative fine of EUR 250 up to EUR 250,000 on those that obstruct the exercise of its supervisory and investigatory powers, who do not follow up on its orders given pursuant to point (6) of Article 12(2), or who have knowingly given it inaccurate or incomplete information following requests based on points (1) to (4) of Article 12(2).

3. The CSSF, when determining the type and level of an administrative sanction or measure, shall take into account the extent to which the infringement is intentional or results from negligence as well as all other relevant circumstances, including, where appropriate:

   1. the materiality, the gravity and the duration of the infringement;
   2. the degree of responsibility of the natural or legal person responsible for the infringement;
   3. the financial strength of the natural or legal person responsible for the infringement;
   4. the importance of profits gained or losses avoided by the natural or legal person responsible for the infringement, insofar as they can be determined;
   5. the losses for third parties caused by the infringement, insofar as they can be determined;
   6. the level of cooperation of the natural or legal person responsible for the infringement with the CSSF, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;
   7. previous infringements committed by the natural or legal person responsible for the infringement.

**Article 14. Remedies**

The decisions taken by the CSSF pursuant to this chapter or to Regulation (EU) 2017/1131 may be referred to the *Tribunal administratif* (Administrative Tribunal) which deals with the merits of the case. The case shall be filed within one month, or else shall be time-barred.
Article 15. Publication of decisions

1. The CSSF shall publish on its website the decisions against which there has been no action and which impose an administrative sanction or measure due to an infringement of Articles 4 to 21 and Articles 23 to 37 of Regulation (EU) 2017/1131, without undue delay, after the person subject to that decision has been notified thereof. The publication shall include at least information on the type and nature of the infringement and the identity of the persons responsible. Such obligation shall not apply to decisions imposing measures that are of an investigatory nature.

However, where the publication of the identity of the legal persons or of the personal data of the natural persons is considered by the CSSF to be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where the publication jeopardises the stability of the financial markets or an ongoing investigation, the CSSF shall:

(1) defer the publication of the decision to impose the sanction or measure until the reasons for the non-publication cease to exist;

(2) publish the decision to impose the sanction or measure on an anonymous basis in a manner which complies with the applicable legislation, if such anonymous publication ensures effective protection of the personal data concerned; or

(3) not publish the decision to impose a sanction or measure in the event that the options provided for in points (1) and (2) are considered to be insufficient to ensure:

(a) that the stability of the financial markets would not be put in jeopardy; or

(b) the proportionality of the publication of such decisions with regard to measures which are deemed to be of minor importance.

In the case the CSSF decides to publish a sanction or measure on an anonymous basis, the publication of the relevant data may be postponed for a reasonable period of time if it is envisaged that within that period the reasons for anonymous publication shall cease to exist.

2. The CSSF shall ensure that any decision that is published in accordance with this article shall remain accessible on its website for a period of five years after its publication. Personal data contained in the publications referred to in the first subparagraph shall remain on the website for a period not exceeding 12 months.


Article 16. Competent authority in Luxembourg


By derogation from the first subparagraph, the Commissariat aux assurances, hereinafter referred to as the “CAA”, shall be the competent authority in Luxembourg to ensure compliance with the obligations provided for in Articles 6 to 9 of Regulation (EU) 2017/2402 by originators, original lenders and SSPEs established in Luxembourg and subject to its supervision.

2. The CSSF shall also be the competent authority in Luxembourg to ensure, in accordance with Article 29(5) of Regulation (EU) 2017/2402, compliance with Articles 18 to 27 of that
regulation by originators, sponsors and SSPEs and compliance with Article 28 of Regulation (EU) 2017/2402 by third parties referred to in Article 27(2) of that regulation.

Article 17. Powers of the CSSF and of the CAA

1. For the purposes of application of Regulation (EU) 2017/2402 and of this chapter, the CSSF and the CAA shall be given supervisory and investigatory powers that are necessary for the exercise of their respective duties within the limits set in that regulation.

2. The relevant powers shall be:

   (1) to access any document and any data in any form whatsoever, and to receive or take a copy of it;
   (2) to request information from any person and, if necessary, to summon and question any person;
   (3) to carry out on-site inspections or investigations with respect to persons subject to their respective supervision;
   (4) to order compliance with the provisions of Regulation (EU) 2017/2402 and with their implementing measures and to desist from a repetition of any conduct that constitutes an infringement of that regulation or its implementing measures;
   (5) to adopt any measure necessary to ensure that the persons subject to their supervision continue to comply with the requirements of Regulation (EU) No 2017/2402, of this chapter and of their implementing measures;
   (6) to refer information to the State Prosecutor for criminal prosecution.

Article 18. Administrative sanctions

1. The CSSF and the CAA, as competent authorities designated pursuant to Article 29(1) to (3) of Regulation (EU) 2017/2402 and Article 16 of this Law, shall have the power to impose administrative sanctions and other administrative measures referred to in paragraph 2 in the event that:

   (1) an originator, sponsor or original lender has failed to meet the requirements provided for in Article 6 of Regulation (EU) 2017/2402;
   (2) an originator, sponsor or SSPE has failed to meet the requirements provided for in Article 7 of Regulation (EU) 2017/2402;
   (3) an originator, sponsor or original lender has failed to meet the criteria provided for in Article 9 of Regulation (EU) 2017/2402;
   (4) an originator, sponsor or SSPE has failed to meet the requirements provided for in Article 18 of Regulation (EU) 2017/2402;
   (5) a securitisation is designated as simple, transparent and standardised and an originator, sponsor or SSPE of that securitisation has failed to meet the requirements provided for in Articles 19 to 22 or Articles 23 to 26 or Articles 26a to 26e of Regulation (EU) 2017/2402;
   (6) an originator or sponsor makes a misleading notification pursuant to Article 27(1) of Regulation (EU) 2017/2402;
   (7) an originator or sponsor has failed to meet the requirements provided for in Article 27(4) of Regulation (EU) 2017/2402; or
   (8) a third party authorised pursuant to Article 28 of Regulation (EU) 2017/2402 has failed to notify material changes to the information provided in accordance with Article 28(1) of that regulation, or any other changes that could reasonably be considered to affect the assessment of the CSSF or the CAA.

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Where the provisions referred to in the first subparagraph apply to legal persons, the CSSF and the CAA shall have the power to impose administrative sanctions and other administrative measures referred to in paragraph 2 on members of the management body.

2. In the cases referred to in paragraph 1, the CSSF and the CAA may, within the limits of their respective competences:

(1) issue a public statement which indicates the identity of the natural or legal person and the nature of the infringement in accordance with Article 37 of Regulation (EU) 2017/2402;

(2) impose a temporary ban preventing any member of the originator’s, sponsor’s or SSPE’s management body from exercising management functions in such undertakings;

(3) impose maximum administrative fines of twice the amount of the benefit derived from the infringement where that benefit can be determined, even if that exceeds the maximum amounts in points (4) and (5);

(4) in the case of a natural person, impose an administrative fine of up to EUR 5,000,000;

(5) in the case of a legal person, impose an administrative fine of up to EUR 5,000,000, or up to 10% of the total annual net turnover of that legal person according to the last available accounts approved by the management body. Where the legal person is a parent undertaking or a subsidiary of the parent undertaking which has to prepare consolidated financial accounts in accordance with Directive 2013/34/EU, the relevant total annual net turnover shall be the total annual turnover according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking.

The CSSF and the CAA may impose, within the limits of their respective competences, an administrative fine of EUR 250 up to EUR 250,000 on those that obstruct application of their supervisory and investigatory powers, who do not follow up on their orders given pursuant to point (4) of Article 17(2), or who have knowingly given them inaccurate or incomplete information following requests based on points (1) to (3) of Article 17(2).

3. Moreover, the CSSF may impose a temporary ban preventing the originator and sponsor from notifying under Article 27(1) of Regulation (EU) 2017/2402 that a securitisation meets the requirements set out in Articles 19 to 22 or Articles 23 to 26 or Articles 26a to 26e of that regulation, in the case of an infringement referred to in points (5) and (6) of the first subparagraph of paragraph 1 of this Law and impose a temporary withdrawal of the authorisation referred to in Article 28 of Regulation 2017/2402, in the case of an infringement referred to in point (8) of the first subparagraph of paragraph 1 of this Law.

**Article 19. Remedies**

The decisions taken by the CSSF or the CAA pursuant to this chapter or to Regulation (EU) 2017/2402 may be referred to the Tribunal administratif (Administrative Tribunal) which deals with the merits of the case. The case shall be filed within one month, or else shall be time-barred.

**Article 20. Publication of decisions**

1. The CSSF and the CAA shall publish on their respective websites, in accordance with the arrangements laid down in Article 37 of Regulation (EU) 2017/2402, any decision to impose an administrative sanction against which there has been no action and which has been imposed due to an infringement of Article 6, 7, 9 or 27(1) of Regulation (EU) 2017/2402, without undue delay, after the person subject to that decision has been notified thereof.

2. Where the publication of the identity, in the case of legal persons, or of the identity and personal data, in the case of natural persons, is considered by the CSSF or the CAA to be disproportionate following a case-by-case assessment, or where the CSSF or the CAA considers that the publication jeopardises the stability of the financial markets or an on-going criminal investigation, or where the publication would cause, insofar as the CSSF or the CAA can determine, disproportionate damages to the person involved, the CSSF and the CAA may:

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(1) defer the publication of the decision imposing the administrative sanction until the moment
where the reasons for non-publication cease to exist;
(2) publish the decision imposing the administrative sanction on an anonymous basis; or
(3) not publish at all the decision to impose the administrative sanction in the event that
the options set out in points (1) and (2) are considered to be insufficient to ensure:
   (a) that the stability of the financial markets would not be put in jeopardy; or
   (b) the proportionality of the publication of such decisions with regard to measures
       which are deemed to be of minor importance.

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“Chapter 4a - Implementation of Regulation (EU) 2019/1238 of the European
Pension Product (PEPP)

Article 20-1. Definitions
The terms used in this chapter shall have the same meaning as in Regulation (EU) 2019/1238 of the
(PEPP), hereinafter referred to as “Regulation (EU) 2019/1238”.

Article 20-2. Competent authority in Luxembourg
1. The CSSF shall be the competent authority responsible for ensuring the application of this
chapter and of Regulation (EU) 2019/1238 by PEPP providers and PEPP distributors subject to
the CSSF’s supervision.
   The CSSF shall be the competent authority of the host Member State for PEPP providers and
   PEPP distributors established in another Member State that provide and distribute pan-
   European Personal Pension Products, hereinafter referred to as “PEPPs”, in Luxembourg and
   that would be subject to the CSSF’s supervision if they were established in Luxembourg.
2. The CAA shall be the competent authority responsible for ensuring the application of this
chapter and of Regulation (EU) 2019/1238 by PEPP providers and PEPP distributors subject to
the CAA’s supervision.
   The CAA shall be the competent authority of the host Member State for PEPP providers and
   PEPP distributors established in another Member State that provide and distribute PEPPs in
   Luxembourg and that would be subject to the CAA’s supervision if they were established in
   Luxembourg.
3. The CSSF shall be the competent authority of the host Member State for the provision and
distribution of PEPPs in Luxembourg by institutions for occupational retirement provision
established in another Member State and referred to in letter (c) of Article 6(1) of Regulation
(EU) 2019/1238.

Article 20-3. Powers of the CSSF and of the CAA
1. For the purposes of application of this chapter, Regulation (EU) 2019/1238 and their
implementing measures, the CSSF and the CAA shall be given supervisory and investigatory
powers that are necessary for the exercise of their duties within the limits set in that
regulation.
2. The powers of the CSSF and of the CAA shall be the following:
   (1) to access any document and any data in any form whatsoever, and to receive or take a
       copy of it;
   (2) to require the PEPP provider or the PEPP distributor to provide information without
       delay;
   (3) to require information from any person related to the activity of the PEPP provider and
       any person related to the activity of the PEPP distributor;
   (4) to carry out on-site inspections with respect to persons subject to their respective
       supervision;
(5) to take appropriate measures to ensure that a PEPP provider or PEPP distributor continues to comply with the provisions of Regulation (EU) 2019/1238 and with its implementing measures; 

(6) to order a PEPP provider or a PEPP distributor to comply with the provisions of Regulation (EU) 2019/1238 and its implementing measures and to desist from a repetition of any conduct that constitutes an infringement of these provisions; 

(7) to refer information to the State Prosecutor for criminal prosecution. 

Article 20-4. Administrative sanctions

1. The CSSF and the CAA shall have the power to impose the administrative sanctions and other administrative measures referred to in paragraph 2:

(1) in case of infringement of Article 4, Article 5(1), paragraphs 1, 2 and the second subparagraph of paragraph 6 of Article 6, Article 7(3), Article 8(5), Article 9, Article 14, Article 15(1) and (5), Article 18, Article 19, Article 20(1) and (4), Article 21(1), (2) and (6), Article 22, Article 23(1), Article 24, Article 25(1), Article 26, Article 27, Article 28(1) to (4), Article 29, Article 30(1), Article 33(1) and (2), Article 34, Article 35, Article 36(1), Article 37(1), Article 38, Article 39, paragraphs 1, 3 and 4, the first subparagraph of paragraph 5 and paragraphs 6 and 8 of Article 40, Article 41(1), Article 42(2) and (3), Article 44, Article 45(1) and (2), Article 46(1), Article 48(1), Article 49(3), Article 50(1) to (5), Article 52, Article 53, Article 54(3) and (4), Article 55(1), Article 56, Article 59 and Article 60 of Regulation (EU) 2019/1238; 

(2) on any person that provides or distributes products bearing the designation “Pan-European Personal Pension Product” or “PEPP” without the required registration; 

(3) on a depositary that failed to fulfil its oversight duties under Article 48 of Regulation (EU) 2019/1238; 

(4) on those that obstruct the exercise of their supervisory and investigatory powers, that do not follow up on their orders given pursuant to points (5) and (6) of Article 20-3(2), or that have knowingly given them inaccurate or incomplete information following requests based on points (1) to (4) of Article 20-3(2). 

2. In the cases referred to in paragraph 1, the CSSF and the CAA may impose, within the limits of their respective competences, on the persons subject to their respective supervision, the members of their management body and on any other person responsible for an infringement:

(1) a public statement, which indicates the identity of the natural or legal person and the nature of the infringement; 

(2) an order requiring the natural or legal person to cease the conduct and to desist from a repetition of that conduct; 

(3) a temporary ban on any member of the legal person’s management, supervisory or administrative body who is held responsible, from exercising management functions in these legal persons or on any other natural person who is held responsible; 

(4) in the case of a legal person, maximum administrative fines of EUR 5,000,000; 

(5) in the case of a legal person, the maximum administrative fines referred to in point (4) may be up to 10 per cent of the total annual turnover according to the latest available accounts approved by the management, supervisory or administrative body. Where the legal person is a parent undertaking or a subsidiary of the parent undertaking which has to prepare consolidated financial accounts in accordance with Directive 2013/34/EU, the relevant total annual turnover shall be the total annual turnover according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking. 

(6) in the case of a natural person, maximum administrative fines of EUR 700,000; 

(7) maximum administrative fines of twice the amount of the benefit derived from the infringement or losses avoided where it can be determined, even if that amount exceeds the maximum amounts in points (4), (5) or (6), respectively.
The administrative sanctions and other administrative measures shall be effective, proportionate and dissuasive. When determining the type of administrative sanctions or other administrative measures and the level of administrative fines, the CSSF or the CAA shall take into account all circumstances laid down in Article 68(2) of Regulation (EU) 2019/1238.

**Article 20-5. Remedies**

The decisions taken by the CSSF or the CAA pursuant to this chapter or to Regulation (EU) 2019/1238 may be referred to the Tribunal administratif (Administrative Tribunal) which deals with the merits of the case. The case shall be filed within one month, or else shall be time-barred.

**Article 20-6. Publication of decisions**

1. The CSSF and the CAA shall publish on their respective websites, in accordance with the arrangements laid down in Article 69 of Regulation (EU) 2019/1238, any decision to impose an administrative sanction or measure due to an infringement referred to in points (1) to (3) of Article 20-4(1), without undue delay, after the person subject to that decision has been notified thereof.

2. The CSSF and the CAA shall ensure that any decision that is published in accordance with this article and with Article 69 of Regulation (EU) No 2019/1238 shall remain accessible on their respective websites for a period of five years after its publication.

   Personal data of natural persons contained in the publications referred to in the first subparagraph shall remain on their websites for a period not exceeding 12 months.


**Article 20-7. Definitions**


**Article 20-8. Competent authority in Luxembourg**

1. The CSSF shall be the competent authority responsible for ensuring the application of this chapter, of Regulation (EU) 2019/2088 and of Regulation (EU) 2020/852 by financial market participants and financial advisers subject to its supervision.

2. The CAA shall be the competent authority responsible for ensuring the application of this chapter, of Regulation (EU) 2019/2088 and of Regulation (EU) 2020/852 by financial market participants and financial advisers subject to its supervision.

**Article 20-9. Powers of the CSSF and of the CAA**

1. For the purposes of application of this chapter, Regulation (EU) 2019/2088 and Regulation (EU) 2020/852 and their implementing measures, the CSSF and the CAA shall be given supervisory and investigatory powers that are necessary for the exercise of their duties within the limits set in these regulations.

2. The powers of the CSSF and of the CAA shall be the following:
   
   (1) to access any document and any data in any form whatsoever, and to receive or take a copy of it;
   
   (2) to require a financial market participant or a financial adviser to provide information without delay;
   
   (3) to require information from any person related to the activity of a financial market participant or a financial adviser;
(4) to carry out on-site inspections with respect to persons subject to their respective supervision;

(5) to take appropriate measures to ensure that a financial market participant or a financial adviser continues to comply with the provisions of Regulation (EU) 2019/2088, Regulation (EU) 2020/852 and with their implementing measures;

(6) to order a financial market participant or a financial adviser to comply with the provisions of Regulation (EU) 2019/2088, Regulation (EU) 2020/852 and their implementing measures and to desist from a repetition of any conduct that constitutes an infringement of these provisions;

(7) to order a financial market participant or a financial adviser to publish information to be disclosed in accordance with Regulation (EU) 2019/2088 and Regulation (EU) 2020/852 on their websites, in the pre-contractual disclosures or in the periodic reports, or to amend or delete false or misleading information published in order to comply with the criteria laid down by Regulations (EU) 2019/2088 and (EU) 2020/852 and their implementing measures and to require the publication of a corrective statement;

(8) to refer information to the State Prosecutor for criminal prosecution;

(9) to instruct réviseurs d'entreprises agréés (approved statutory auditors) or experts to carry out verifications or investigations;

Article 20-10. Administrative sanctions

1. The CSSF and the CAA shall have the power to impose the administrative sanctions and other administrative measures referred to in paragraph 2:

   (1) in case of infringement of Article 3, Article 4(1) to (5), Article 5, Article 6, Article 7, Article 8(1) to (2a), Article 9(1) to (4a), Article 10(1), Article 11(1) to (3), Article 12 and Article 13(1) of Regulation (EU) 2019/2088;

   (2) in case of infringement of Article 5, Article 6 and Article 7 of Regulation (EU) 2020/852;

   (3) on those that obstruct the exercise of their supervisory and investigatory powers, that do not follow up on their orders given pursuant to points (6) and (7) of Article 20-9(2), or that have knowingly given them inaccurate or incomplete information following requests based on points (1) to (4) of Article 20-9(2).

2. In the cases referred to in paragraph 1, the CSSF and the CAA may impose, within the limits of their respective competences, on the persons subject to their respective supervision, the members of their management body and on any other person responsible for an infringement:

   (1) a public statement indicating the identity of the person responsible and the nature of the infringement;

   (2) a temporary ban preventing a person exercising management functions or any other natural person held responsible for such infringement from exercising management functions;

   (3) an administrative fine of EUR 250 up to EUR 250,000.

   The administrative sanctions and other administrative measures shall be effective, proportionate and dissuasive.

3. The CSSF and the CAA, when determining the type and level of an administrative sanction or measure, shall take into account the extent to which the infringement is intentional or results from negligence as well as all other relevant circumstances, including, where appropriate:

   (1) the materiality, the gravity and the duration of the infringement;

   (2) the degree of responsibility of the natural or legal person responsible for the infringement;

   (3) the financial strength of the natural or legal person responsible for the infringement;

   (4) the importance of profits gained or losses avoided by the natural or legal person responsible for the infringement, insofar as they can be determined;
(5) the losses for third parties caused by the infringement, insofar as they can be determined;

(6) the level of cooperation of the natural or legal person responsible for the infringement with the CSSF or the CAA, without prejudice to the need to ensure disgorgement of profits gained or losses avoided by that person;

(7) previous infringements committed by the natural or legal person responsible for the infringement;

(8) measures taken by the person responsible for the infringement to prevent its repetition.

**Article 20-11. Remedies**

The decisions taken by the CSSF or the CAA pursuant to this chapter, to Regulation (EU) 2019/2088 or to Regulation (EU) 2020/852 may be referred to the *Tribunal administratif* (Administrative Tribunal) which deals with the merits of the case. The case shall be filed within one month, or else shall be time-barred.

**Article 20-12. Publication of decisions**

1. The CSSF and the CAA shall publish on their respective websites the decisions against which there has been no action and which impose an administrative sanction or measure due to an infringement referred to in points (1) and (2) of Article 20-10(1), without undue delay, after the person subject to that decision has been notified thereof. The publication shall include at least information on the type and nature of the infringement and the identity of the persons responsible. Such obligation shall not apply to decisions imposing measures that are of an investigatory nature.

However, where the publication of the identity of the legal persons or of the personal data of the natural persons is considered by the CSSF or the CAA to be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where the publication jeopardises the stability of the financial markets or an ongoing investigation, the CSSF and the CAA shall:

(1) defer the publication of the decision to impose the sanction or measure until the reasons for the non-publication cease to exist;

(2) publish the decision to impose the sanction or measure on an anonymous basis in a manner which complies with the applicable legislation, if such anonymous publication ensures effective protection of the personal data concerned; or

(3) not publish the decision to impose a sanction or measure in the event that the options provided for in points (1) and (2) are considered to be insufficient to ensure:

(a) that the stability of the financial markets would not be put in jeopardy; or

(b) the proportionality of the publication of such decisions with regard to measures which are deemed to be of minor importance.

In the case the CSSF or the CAA decides to publish a sanction or measure on an anonymous basis, the publication of the relevant data may be postponed for a reasonable period of time if it is envisaged that within that period the reasons for anonymous publication shall cease to exist.

2. The CSSF and the CAA shall ensure that any decision that is published in accordance with this article shall remain accessible on their respective websites for a period of five years after its publication.

Personal data of natural persons contained in the publications referred to in the first subparagraph shall remain on their websites for a period not exceeding 12 months.”

Article 20-13. Definitions

Article 20-14. Funds received by project owners
The funds of investors received by project owners in respect of loans facilitated by a crowdfunding service provider shall not constitute deposits or other repayable funds within the meaning of Article 2(3) of the Law of 5 April 1993 on the financial sector, as amended.

Article 20-15. Competent authority in Luxembourg
The CSSF shall be the competent authority responsible for ensuring the application of Regulation (EU) 2020/1503 and of this chapter.

Article 20-16. Powers of the CSSF
1. For the purposes of application of Regulation (EU) No 2020/1503, of this chapter and of their implementing measures, the CSSF shall be given supervisory and investigatory powers that are necessary for the exercise of its duties within the limits set in that regulation and in this chapter.

2. The powers of the CSSF shall be the following:
   (1) to require crowdfunding service providers, third parties designated to perform functions in relation to the provision of crowdfunding services, and the natural or legal persons that control them or are controlled by them, and project owners to provide information and documents;
   (2) to require réviseurs d’entreprises (statutory auditors) and managers of the crowdfunding service providers, and of third parties designated to perform functions in relation to the provision of crowdfunding services, to provide information;
   (3) to summon the managers of crowdfunding service providers and to hear them in order to obtain information;
   (4) to carry out, in respect of the persons subject to its prudential supervision, on-site inspections or investigations at sites other than the private residences of natural persons, and for that purpose to enter premises in order to access documents and other data in any form;
   (5) to appoint réviseurs d’entreprises (statutory auditors) or experts to carry out the investigation or on-site inspection in respect of the persons referred to in point (4);
   (6) to suspend a crowdfunding offer for a maximum of 10 consecutive working days on any single occasion where there are reasonable grounds for suspecting that Regulation (EU) 2020/1503 has been infringed;
   (7) to prohibit or suspend marketing communications, or to require a crowdfunding service provider or a third party designated to perform functions in relation to the provision of crowdfunding services to cease or suspend marketing communications, for a maximum of 10 consecutive working days on any single occasion where there are reasonable grounds for believing that Regulation (EU) 2020/1503 has been infringed;
   (8) to prohibit a crowdfunding offer in case of infringement of Regulation (EU) 2020/1503 or where there are reasonable grounds for suspecting that Regulation (EU) 2020/1503 would be infringed;
   (9) to suspend, or to require a crowdfunding service provider to suspend, the provision of crowdfunding services for a maximum of 10 consecutive working days on any single
occasion where there are reasonable grounds for believing that Regulation (EU) 2020/1503 has been infringed;

(10) to prohibit the provision of crowdfunding services in case of infringement of Regulation (EU) 2020/1503;

(11) to make public the fact that a crowdfunding service provider or a third party designated to perform functions in relation to the provision of crowdfunding services is failing to comply with its obligations;

(12) to disclose, or to require a crowdfunding service provider or a third party designated to perform functions in relation to the provision of crowdfunding services to disclose, all material information which may have an effect on the provision of the crowdfunding service in order to ensure investor protection or the smooth operation of the market;

(13) to suspend, or to require a crowdfunding service provider or a third party designated to perform functions in relation to the provision of crowdfunding services to suspend, the provision of crowdfunding services where it considers that the crowdfunding service provider’s situation is such that the provision of the crowdfunding service would be detrimental to investors’ interests;

(14) to transfer existing contracts to another crowdfunding service provider in cases where a crowdfunding service provider’s authorisation is withdrawn in accordance with letter (c) of the first subparagraph of Article 17(1) of Regulation (EU) 2020/1503, subject to the agreement of the clients and the receiving crowdfunding service provider;

(15) to refer information to the State Prosecutor for criminal prosecution.

Article 20-17. Administrative sanctions and other administrative measures

1. The CSSF shall have the power to impose the administrative sanctions and other administrative measures referred to in paragraph 2:

(1) in case of infringement of Articles 3 to 5, Article 6(1) to (6), Article 7(1) to (4), Article 8(1) to (6), Article 9(1) and (2), Article 10, Article 11, Article 12(1) and (11), Article 13(2), Article 15(2) and (3), Article 16(1), Article 18(1) and (4), Article 19(1) to (6), Article 20(1) and (2), Article 21(1) to (7), Article 22, Article 23(1) to (13), Articles 24 to 26 and Article 27(1) to (3) of Regulation (EU) 2020/1503;

(2) in case of failure to cooperate or comply in an investigation, with an inspection or a request in accordance with points (1) to (4) of Article 20-16(2).

2. In the cases referred to in paragraph 1, the CSSF may impose:

(1) a public statement indicating the natural or legal person responsible for, and the nature of, the infringement in accordance with Article 42 of Regulation (EU) No 2020/1503;

(2) an order requiring the natural or legal person to cease the conduct constituting the infringement and to desist from a repetition of that conduct;

(3) an occupational prohibition for up to 5 years preventing any member of the management body of the legal person responsible for the infringement, or any other natural person held responsible for the infringement, from exercising management functions in crowdfunding service providers;

(4) maximum administrative fines of twice the amount of the benefit derived from the infringement where that benefit can be determined, even if it exceeds the maximum amounts set out in point (5);

(5) in the case of a legal person, maximum administrative fines of EUR 500,000 or up to 5 per cent of the total annual turnover of that legal person according to the last available financial statements approved by the management body. Where the legal person is a parent undertaking or a subsidiary of a parent undertaking which is required to prepare consolidated financial statements in accordance with Directive 2013/34/EU, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant European Union law in the area of accounting.
according to the last available consolidated financial statements approved by the management body of the ultimate parent undertaking;

(6) in the case of a natural person, maximum administrative fines of EUR 500,000.

3. The CSSF may impose an administrative fine of EUR 250 up to EUR 250,000 on those that obstruct the exercise of its supervisory and investigatory powers, that do not follow up on its orders given pursuant to point (2) of paragraph 2, or that have knowingly given it inaccurate or incomplete information following requests based on points (1) to (4) of Article 20-16(2).

Article 20-18. Responsibility related to the key investment information sheet
1. The responsibility for the information given in a key investment information sheet referred to in Article 23(9) of Regulation (EU) 2020/1503 shall lie with the project owner or its administrative, management or supervisory bodies.

2. In accordance with Article 23(10) of Regulation (EU) 2020/1503, no responsibility may rest with the natural and legal persons responsible for the information given in a key investment information sheet, including any translation thereof, unless:
   (1) the information is misleading or inaccurate; or
   (2) the key investment information sheet omits key information needed to aid investors when considering whether to finance the crowdfunding project.

Article 20-19. Responsibility related to the key investment information sheet at platform level
1. The responsibility for the information given in a key investment information sheet at platform level referred to in Article 24(4) of Regulation (EU) 2020/1503 shall lie with the crowdfunding service provider.

2. In accordance with Article 24(5) of Regulation (EU) 2020/1503, no responsibility may rest with the natural and legal persons responsible for the information given in a key investment information sheet at platform level, including any translation thereof, unless:
   (1) the information is misleading or inaccurate; or
   (2) the key investment information sheet at platform level omits key information needed to aid investors when considering whether to invest through individual portfolio management of loans.

Article 20-20. Remedies
The decisions taken by the CSSF pursuant to Regulation (EU) No 2020/1503 or to this chapter may be referred to the Tribunal administratif (Administrative Tribunal) which deals with the merits of the case. The case shall be filed within one month, or else shall be time-barred.”

Chapter 5 - Amendment of the Law of 5 April 1993 on the financial sector, as amended
[The amendments have been integrated in the coordinated version of the law]

Chapter 6 - Amendment of the Law of 23 July 2016 on reserved alternative investment funds
[The amendments have been integrated in the coordinated version of the law]

Chapter 7 - Final provisions

“Article 25. Citation title
Reference to this Law shall be made as follows:

"Law of 16 July 2019 on the operationalisation of European regulations in the area of financial services"."5

5 Law of 25 February 2022 – No 84