

Internal Rules of the Resolution Board of the Commission de Surveillance du Secteur Financier

The Resolution Board;

Having regard to Article 12-4(5) of the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended, (hereinafter the "amended Law of 23 December 1998");

Having regard to the deliberation of the Resolution Board dated 27 July 2016;

Decided to adopt its Internal Rules as follows.

1. Purpose

The purpose of these Internal Rules is to implement the legal provisions concerning the organisation and functioning of the Resolution Board

2. Organisation of meetings of the Resolution Board

2.1 Frequency and venue of meetings

The Resolution Board shall meet on a half-yearly basis. A projected yearly timetable of meetings, drawn up at the beginning of the calendar year, shall be proposed by the secretariat and communicated for approval to the members of the Resolution Board.

Generally, the meetings shall take place at the registered office of the CSSF. In urgent cases identified by the Chairperson of the Resolution Board or, if s/he is unavailable, by the civil servant of the ministerial department of the Ministry of Finance appointed by the Grand Duke on the proposal of the Government in Council (hereafter "the civil servant of the Ministry of Finance")¹, the Resolution Board may hold a meeting by using a voice telecommunication system or adopt a decision by using a written procedure.

2.2 Convening meetings

The Resolution Board shall be convened by the Chairperson of the Resolution Board or, if s/he is unavailable, by the civil servant of the Ministry of Finance. The Chairperson of the Resolution Board or, if s/he is unavailable, the civil servant of the Ministry of Finance, shall convene the meetings either on his/her own initiative or in case of referral to the Resolution Board pursuant to Article 12-3(3) and (4) of the amended Law of 23 December 1998.

The meetings shall be convened with the necessary diligence and within a sufficient time frame, in principle 30 calendar days prior to the meeting, except in urgent cases to be

¹ Article 45 of the Law of 15 July 2024 relating to the transfer of non-performing loans amended Article 12-2 of the amended Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier") concerning the composition of the CSSF Resolution Board, which now provides that it is no longer the Director of the Treasury who sits on the CSSF Resolution Board but a civil servant of the ministerial department of the Ministry of Finance appointed by the Grand Duke on the proposal of the Government in Council.

assessed by the Chairperson of the Resolution Board or, if s/he is unavailable, by the civil servant of the Ministry of Finance.

2.3 Agenda

The Chairperson of the Resolution Board or, if s/he is unavailable, the civil servant of the Ministry of Finance shall draw up the agenda of the meetings of the Resolution Board. It shall be approved by the Resolution Board at the beginning of the meeting.

The agenda of a meeting and the relevant session documents shall be addressed to the members of the Resolution Board - preferably via email - in principle, at least eight calendar days prior to the scheduled date of the meeting, except in urgent cases to be assessed by the Chairperson of the Resolution Board or, if s/he is unavailable, by the civil servant of the Ministry of Finance.

The agenda of the convened meetings following a referral under the circumstances listed in Article 12-3(3) of the amended Law of 23 December 1998 shall include the items indicated by the person requesting a meeting of the Resolution Board to be convened.

The agenda shall distinguish between general files and individual files and, for each of these categories, it shall provide for a breakdown of the files between items A and items B, depending on the nature and, where appropriate, the significance of the file. Those indicated under items A shall be discussed during the session and can be subject to a decision, whereas items B shall only be subject to a decision without prior discussion, unless a member of the Resolution Board requests it. The agenda can also include items C which are notified to the Resolution Board for information purposes.

2.4 Holding meetings and participating in meetings

The Chairperson of the Resolution Board shall conduct the discussions. In case s/he is prevented from attending, s/he shall be replaced by the civil servant of the Ministry of Finance.

The Chairperson of the Resolution Board may invite any CSSF agent to the meetings whose presence will allow bringing some clarifications regarding the files discussed. The invited persons shall not attend the deliberations.

The Resolution Board in meeting may decide, by a majority of the votes cast, to call external experts or any other person proposed by a member who would not have a conflict of interest with the topics discussed. The invited experts and persons shall not attend the deliberations.

2.5 Voice telecommunication and written procedure

In accordance with the second subparagraph of Article 2.1, the decisions of the Resolution Board can also be taken using a voice telecommunication system or through a written procedure, unless at least two members object and require that the decision be taken at a face-to-face meeting. Except in urgent cases, the Chairperson of the Resolution Board or, if s/he is unavailable, the civil servant of the Ministry of Finance, can also decide to use a written procedure to request a decision of the Resolution Board if the sound functioning of the Resolution Board so requires.

For a meeting and decision-making via voice telecommunication, the Chairperson of the Resolution Board or, if s/he is unavailable, the civil servant of the Ministry of Finance, shall inform all members in advance of the subject and practical arrangements of the telecommunication.

In case of written procedure and by way of derogation from the second subparagraph of Article 2.2 and the second subparagraph of Article 2.3, the Chairperson of the Resolution Board or, if s/he is unavailable, the civil servant of the Ministry of Finance, shall address the questions submitted for decision-making and the relevant documents, including, where appropriate, the text of the draft decision to all the members via mail. This dispatch can also be made via fax, email or any other written method. The communication shall indicate the deadline for the members' answer. During this time period, each member can request an oral deliberation on the draft decision via voice telecommunication if the subject does not raise any particular issue.

2.6 Voting rules

The deliberations of the Resolution Board during face-to-face meetings or meetings held using a voice telecommunication system shall be valid if the majority of the members are present or represented by their substitutes. If the quorum is not reached at the beginning of the session, the Chairperson shall suspend the session and convene a new meeting with the same agenda within a reasonable time frame.

The vote shall take place by a show of hands unless at least one member requests a vote by secret ballot. The decisions of the Resolution Board shall be taken by a majority of the votes cast, except for the decisions on information requests addressed to the Banque centrale du Luxembourg which shall be taken unanimously. The determination of the majority of the votes cast shall not take into account abstentions.

Each member shall have one vote. In the event of a tie, the vote of the Chairperson of the Resolution Board or, if s/he is unavailable, of the civil servant of the Ministry of Finance, shall be decisive.

A member of the Resolution Board who, in the discharge of his/her duties, is called upon to decide on a matter in which s/he can have direct or indirect personal interests that would jeopardise his/her independence, shall inform the Resolution Board thereof and cannot take part in the deliberation or decision in question.

In case of decision-making via voice telecommunication, the decisions shall be adopted by the majority of the votes cast provided that the voice telecommunication procedure allows real-time communication and collegial deliberation involving the majority of the members of the Resolution Board.

In case of decision-making via a written procedure, the draft decision shall be approved by the Resolution Board if, within the deadline referred to in the communication in accordance with the third subparagraph of Article 2.5, the majority of the members have given a written approval. Any member who does not make a decision within the referred deadline shall be assumed to abstain.

2.7 Minutes of meetings of the Resolution Board

The minutes shall be drawn up by the secretary after each meeting.

These minutes shall summarise the debates in a synthetic and anonymous form, unless a member of the Resolution Board requests to be mentioned by name. The minutes shall also mention the documents submitted to the Resolution Board, record the decisions taken and/or the conclusions the Resolution Board reached and they shall include the list of the participants.

For each decision adopted, the minutes shall also mention the abstentions and the votes cast against the decision.

The minutes shall be submitted to the members for comments at the latest four weeks after the meeting. The approval shall be made through written procedure or, if it is impossible, at the next meeting. Once approved by the majority of the votes cast, the minutes shall be signed by the Chairperson as well as by the secretary.

The deliberations and minutes of the Resolution Board shall be confidential.

3. Signing authority

Regulations, circulars and circular-letters shall bear the signature of the Chairperson on behalf of the Resolution Board.

Any act binding the Resolution Board shall at least bear the joint signature of the members referred to in letters (a) and (b) of Article 12-2(1) of the amended Law of 23 December 1998, and the signature of an above-mentioned member and another member of the Resolution Board, respectively.

4. Delegation of signing authority

By way of derogation from the second subparagraph of Article 3 of these Internal Rules, the delegation of signatures in administrative matters shall be granted to the Chairperson of the Resolution Board in order to sign any act relating to the following remit of the Resolution Board:

- (a) information requests necessary for the drawing-up and update of resolution plans, as well as in the context of a resolvability assessment of an institution or group;
- (b) signature of resolution plans approved by the Resolution Board and communication of these plans to competent authorities;
- (c) application of resolution actions necessary for the implementation of the resolution scheme adopted by the Single Resolution Board or the Resolution Board;
- (ca) implementation of insolvency proceedings laid down in Part II of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms, as amended, which were decided by the Single Resolution Board or the Resolution Board;
- (d) implementation of guidelines issued by the European Banking Authority or by the Single Resolution Board which relate to the functioning of the Resolution department" or the drawing-up of resolution plans, respectively.
- (e) implementation of guidelines and general instructions of the Single Resolution Board for the national resolution authorities;
- (f) answers to be given, on an ad hoc or continuous basis, to the Single Resolution Board or to other international institutions regarding resolution or contribution to the Single Resolution Fund;
- (g) execution of administrative duties related to the determination and raising of contributions for the Single Resolution Fund or the Fonds de résolution Luxembourg;

- (h) determination of the organisation of the training for trainees of the Resolution department in accordance with the provisions of Article 14(3) and (4) of the amended Law of 23 December 1998.

The above-mentioned delegation, particularly that under letters (c), (ca) and (d) of the first subparagraph, shall be limited to the sole acts which do not include discretionary powers. If discretionary powers are involved, the decision is to be taken by the Resolution Board as a college.

Furthermore, a delegation of signatures in financial matters shall be granted to the Chairperson of the Resolution Board in order to sign all expenses up to an amount of EUR 12,500.

5. Information exchange

Through its Chairperson, the Resolution Board shall exchange duly and in a timely manner with the Council for the Protection of Depositors and Investors all information necessary for the execution of their respective duties, either upon request or on a voluntary basis in the absence of any explicit request. Through its Chairperson, the Resolution Board shall exchange duly and in a timely manner with the Executive Board of the CSSF all information necessary for the execution of their duties, either upon request or on a voluntary basis in the absence of any explicit request. This exchange shall take place during the daily meetings of the Executive Board of the CSSF in which the Chairperson of the Resolution Board participates.

6. Record and publication of decisions

The decisions taken by the Resolution Board shall be recorded in a register and shall bear the signature of the Chairperson of the Resolution Board or, if s/he is unavailable, the signature of the civil servant of the Ministry of Finance.

Besides the communication that the Resolution Board decides to make official or shall publish, the decisions of the Resolution Board shall not be public.

The information that the Resolution Board decides to make public shall be published on the CSSF's website or by any other appropriate communication means.

7. Professional secrecy

The members of the Resolution Board, their substitutes as well as any person attending the meetings shall be subject to professional secrecy in accordance with Article 12-4(3) of the amended Law of 23 December 1998.

8. Secretariat of the Resolution Board

The secretariat of the Resolution Board shall be performed by an agent of the CSSF's Resolution department appointed in accordance with Article 12-2(7) of the amended Law of 23 December 1998.

All correspondence addressed to the Resolution Board shall be transmitted to the secretary.

9. Review clause

These Internal Rules shall be subject to review at the latest one year following their adoption.

10. Entry into force

These Internal Rules shall enter into force on the day following their adoption by the Resolution Board. They shall be published on the CSSF's website.

Luxembourg, 14 December 2020