

Administrative sanction of 11 January 2024 for non-compliance with an injunction letter issued by the CSSF following significant delays in the submission of annual closing documents

**Administrative sanction
imposed on a specialised
PFS**

Luxembourg, 27 February 2024

Administrative decision

On January 11, 2023 the CSSF imposed an administrative fine amounting to EUR 7,500 on a specialised PFS (the "**PFS**").

Legal framework/motivation

The administrative fine was imposed by the CSSF pursuant to Article 63(1), first and sixth indents as well as to Article 63(2) of the Law of 5 April 1993 on the financial sector, as amended (the "**LFS**"), following the non-compliance with a letter of injunction issued on the basis of Article 53(1) of the LFS following significant delays in the submission of the annual closing documents for the year 2022.

The obligation for specialised PFS to submit annual closing documents to the CSSF no later than one month after the ordinary general meeting of shareholders arises in particular from the provisions of Article 17(2), last subparagraph of the LFS which states that "*a PFS other than an investment firm shall produce evidence that it has a sound administrative and accounting organisation and adequate internal control procedures. The administrative and accounting organisation and internal control procedures shall be comprehensive and proportionate to the nature, scale and complexity of the activities of a PFS other than an investment firm.*"

In order to determine the type of administrative penalty and the quantum of the administrative financial penalty, the CSSF duly took into consideration (i) all the legal and factual elements set out and discussed during the right to be heard period (ii) as well as, in accordance with the provisions of Article 63-4 of the LFS, the duration of the breach, the fact that this breach was not an isolated

breach as the PFS already failed to submit the 2021 Closing Documents within the regulatory deadlines, and the fact that all the annual closing documents for the financial year ending 31 December 2022 were finally submitted to the CSSF.

Legal bases for the publication

This anonymous publication is made pursuant to the provisions of Article 63(2), second indent of the LFS.

Context

This administrative fine follows the non-compliance with an injunction letter issued by the CSSF following significant delays in the transmission to the CSSF of the annual closing documents for the financial year ending 31 December 2022.

The information contained in the annual closing documents constitutes an essential source of information for the CSSF in the exercise of its mission of prudential supervision as they allow the CSSF to verify, among others, the soundness and the financial stability of the supervised entities and more broadly of the financial sector as a whole. Consequently, delays in the submission of the annual closing documents prevent a close monitoring of the soundness and financial stability of supervised entities and thus may affect the quality and effectiveness of the prudential supervision exercised by the CSSF.