

Administrative sanction of 7 March 2024 for non-compliance with professional obligations related to prior notification of changes in direct and indirect shareholding structure of an investment firm

Administrative sanction imposed on Baumann & Partners S.A.

Luxembourg, 26 April 2024

Administrative decision

On 7 March 2024 the CSSF imposed an administrative fine amounting to EUR 20,000 on the investment firm BAUMANN & PARTNERS S.A. ("the Entity") authorised to provide investment services and activities related to the reception and transmission of orders in relation to one or more financial instruments, execution of orders on behalf of clients, portfolio management and investment advice as well as to act as Family Office in accordance with the provisions of Articles 24-1, 24-2, 24-4, 24-5 and 28-6 of the Law of 5 April 1993 on the financial sector as amended ("**LFS**").

Legal framework/motivation

The administrative fine was imposed by the CSSF pursuant to Article 63-2a (1), point 2. and Article 63-2a (4), point 6. of the LFS, for non-compliance with the notification requirements of Article 18 (17) of the LFS, the Entity not having informed the CSSF without delay of the changes in its direct and indirect shareholding structure that took place in 2022 and 2021.

The CSSF considered that the Entity had acknowledged its error which was not intentional. It should be noted that the breaches observed are of purely administrative nature and do not interfere with the investment services and activities performed by the Entity.

Legal bases for the publication

This publication is made pursuant to the provisions of Article 63-3a (1) of the LFS, the CSSF having considered, following a proportionality assessment, that the present publication does not jeopardise the stability of the

financial markets or cause disproportionate harm to the parties involved.

Context and major cases of non-compliance with the professional obligations identified

The administrative fine was imposed due to the late notifications, by the Entity, of the changes in its direct and indirect shareholding structure.

In order to allow the CSSF to carry out its prudential supervisory mission, it is vital for the CSSF to be informed in advance of any change in the shareholding of supervised entities.

In principle all parties involved, including the investment firm concerned, must notify the CSSF individually of the purchase/sale of a qualifying holding in strict compliance with the provisions of Article 18 of the LFS.

