

**In case of discrepancies between the French and the English texts, the French text shall prevail**

Luxembourg, 13 September 2000

To all credit institutions and investment firms incorporated under Luxembourg law and to the Luxembourg branches of credit institutions and investment firms having their registered office outside the European Union.

**CIRCULAR CSSF 2000/17**

**Re: Entry into force of the law of 27 July 2000 transposing Directive 97/9/EC on investor-compensation schemes into the law of 5 April 1993 on the financial sector, as amended.**

Ladies and Gentlemen,

We are pleased to draw your attention to the adoption of the law of 27 July 2000 transposing Directive 97/9/EC concerning investor-compensation schemes into the law of 5 April 1993 on the financial sector, as amended.

Under this law, any investment firms incorporated under Luxembourg law and Luxembourg branches of investment firms having their registered office outside the European Union are required to provide their clients with a minimum level of protection in case they would not be able to meet their obligations.

The law imposes the participation in an investor-compensation scheme established in Luxembourg and recognised by the Commission de surveillance du secteur financier as an authorisation condition for investment firms.

The credit institutions are also covered by this law, so that now they are required to participate in an investor-compensation scheme in addition to a deposit-guarantee scheme.

The investor-compensation schemes come into play in the event of a failure of a credit institution or investment firm decided by an administrative or judicial decision.

The law provides for a series of minimum requirements while the detailed provisions will be laid down in the operating rules of the systems.

Yours faithfully,

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER

Arthur PHILIPPE  
Directeur

Jean-Nicolas SCHAUS  
Directeur Général