

**COMMISSION de SURVEILLANCE  
du SECTEUR FINANCIER**

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

Luxembourg, 24 October 2011

To electronic money institutions  
incorporated under Luxembourg law

**CIRCULAR CSSF 11/522**

**Re: Periodic reporting scheme for electronic money institutions**

Ladies and Gentlemen,

The law of 20 May 2011 transposes into national legislation Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC. This law amends the law of 10 November 2009 on payment services (the "Law").

This circular defines the periodic reporting procedures that apply to the electronic money institutions referred to in Article 1(17) of the Law.

This periodic reporting is intended for the Commission de Surveillance du Secteur Financier (the "CSSF") and shall ensure the latter's mission as competent authority for the supervision of electronic money institutions as provided for in Article 31 of the Law.

To that end, electronic money institutions shall transmit to the CSSF a detailed financial position and figures drawn up in accordance with the procedures and instructions defined in Annexes I and II of this circular.

The reporting obligations defined hereinafter are likely to be adapted according to the specificities of the sector and the supervisory needs.

This circular comes into force with immediate effect.

Yours faithfully,

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER

Claude SIMON  
Director

Andrée BILLON  
Director

Simone DELCOURT  
Director

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Annexes:

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## **Annexe I: Content of the periodic reporting for electronic money institutions**

The periodic reporting includes both the periodic reporting relating to the solvency of electronic money institutions and the financial periodic reporting relating to these institutions.

The periodic information to be transmitted to the CSSF shall include the following tables:

Table W 1.1: Balance sheet

Table W 1.2: Identification of third-party funds held and incorporated in the balance sheet

Table W 1.3: Statement of authorised reinvestments

Table W 1.4: Capital adequacy of electronic money institutions

Table W 2.1: Profit and loss account

Table W 4.5: Analysis of shareholdings

The financial information scheme as well as comments and/or explanations relating to the above-mentioned tables are included in Annexes III to VIII.

As regards the methods for transmission of the above-mentioned tables to the CSSF, it should be referred to Circular CSSF 08/344 on the provisions relating to the transmission of reporting files to the CSSF. Additional information in this regard is available on the webpage "File transport and data protection" under the link "Legal reporting" on the CSSF's website.

A copy of the relevant reporting tables shall be transmitted to the Luxembourg Central Bank in order to allow it to fulfil its task of ensuring the efficiency and safety of payment systems and securities settlement systems, as well as the safety of payment instruments.

## **Annexe II: Reporting on an individual basis**

Luxembourg electronic money institutions with branches abroad must provide specific periodic information in three different versions, one for the sole head office in Luxembourg (version L), the other for the global institution, including branches (version N). In addition, the head office in Luxembourg shall provide periodic information of each branch abroad in a different version (separate figures of the branch) (version S).

Luxembourg electronic money institutions which do not have branches abroad provide periodic information in one single version (version L).

Luxembourg electronic money institutions with branches abroad

<b>Table codification</b>	<b>Table name</b>	<b>Periodicity</b>	<b>Deadline for submission to the CSSF</b>	<b>Version<sup>1</sup></b>
W 1.1	Balance sheet	Monthly	20 <sup>th</sup> of the following month	L, S and N
W 1.2	Identification of third-party funds held and incorporated in the balance sheet	Monthly	20 <sup>th</sup> of the following month	L, S and N
W 1.3	Statement of authorised reinvestments	Quarterly	20 <sup>th</sup> of the month after the end of the quarter	L, S and N
W 1.4	Capital adequacy of electronic money institutions	Quarterly	20 <sup>th</sup> of the month after the end of the quarter	N
W 2.1	Profit and loss account	Quarterly	20 <sup>th</sup> of the month after the end of the quarter	L, S and N
W 4.5	Analysis of shareholdings	Yearly	20 <sup>th</sup> of the month after the end of the calendar year	L

Luxembourg electronic money institutions without branches abroad

<b>Table codification</b>	<b>Table name</b>	<b>Periodicity</b>	<b>Deadline for submission to the CSSF</b>	<b>Version<sup>2</sup></b>
W 1.1	Balance sheet	Monthly	20 <sup>th</sup> of the following month	L
W 1.2	Identification of third-party funds held and incorporated in the balance sheet	Monthly	20 <sup>th</sup> of the following month	L
W 1.3	Statement of authorised reinvestments	Quarterly	20 <sup>th</sup> of the month after the end of the quarter	L
W 1.4	Capital adequacy of electronic money institutions	Quarterly	20 <sup>th</sup> of the month after the end of the quarter	L
W 2.1	Profit and loss account	Quarterly	20 <sup>th</sup> of the month after the end of the quarter	L
W 4.5	Analysis of shareholdings	Yearly	20 <sup>th</sup> of the month after the end of the calendar year	L

<sup>1</sup> L = head office in Luxembourg; S = branch; N = global institution (including its branches)

<sup>2</sup> L = entity established in Luxembourg

### **Annexe III: Table W 1.1: Balance sheet**

#### Content

Electronic money institutions shall transmit to the CSSF a balance sheet drawn up according to the scheme below, *on a monthly basis*.

#### Scheme

<b>No. line</b>	<b>Assets</b>	<b>Amount (in €)</b>
1.	Formation expenses	
2.	Fixed assets	
2.1	Intangible assets	
2.2	Tangible assets	
2.3	Financial assets	
2.3.1	Shares in affiliated undertakings	
2.3.2	Amounts owed by affiliated undertakings	
2.3.3	Participating interests	
2.3.4	Amounts owed by undertakings with which the company is linked by virtue of participating interests	
2.3.5	Investments held as fixed assets	
2.3.6	Other financial fixed assets	
3.	Current assets	
3.1	Cash in hand and in post office giro	
3.2	Loans and advances to credit institutions	
3.2.1	Loans and advances over one year	
3.2.2	Loans and advances up to one year	
3.2.2.1	Separate account in a credit institution according to the provisions of Article 14(1)(a) of the Law	
3.2.2.2	Separate account in a credit institution according to the provisions of Article 24-10(1)(a) of the Law.	
3.3	Loans and advances to customers	
3.3.1	Loans and advances over one year	
3.3.2	Loans and advances up to one year	
3.4	Securities included in the trading book and investment portfolio	
3.4.1	Segregated assets in a credit institution according to the provisions of Article 14(1)(a) of the Law.	
3.4.2	Segregated assets in a credit institution according to the	

	provisions of Article 24-10(1)(a) of the Law.	
3.5	Others	
4.	Accruals and deferred income	
5.	Loss for the financial year	
<b>6.</b>	<b>Total of the item Assets (1. + 2. + 3. + 4. + 5.)</b>	

	<b>Liabilities</b>	<b>Amount (in €)</b>
1.	Capital and reserves	
1.1	Subscribed capital or endowment capital	
1.2	Share premium account	
1.3	Revaluation reserve	
1.4	Legal reserve	
1.5	Other reserves	
1.6	Profit or loss brought forward	
2.	Provisions for liabilities and charges	
2.1	Provisions for pensions and similar obligations	
2.2	Provisions for taxation	
2.3	Other provisions	
3.	Debts	
3.1	Amounts owed to credit institutions	
3.2	Other debts	
4.	Funds received in exchange for electronic money	
5.	Funds received for the execution of payment transactions	
5.1	Funds received from payment service users	
5.2	Funds received through other payment service providers	
6.	Prepayments and accrued income	
7.	Profit for the financial year	
<b>8.</b>	<b>Total of the item Liabilities (1.+2.+3.+4.+5.+6.+7.)</b>	

	<b>Off-balance sheet</b>	<b>Amount (in €)</b>
1.	Possible liabilities	
1.1	Guarantees	
1.2	Others	
2.	Commitments	
2.1	Forward purchases of assets	
2.1.1	among which: securities	
2.2	Forward sales of assets	

2.2.1	among which: securities	
2.3	Settlement of spot transactions	
2.4	Others	
3.	Transactions linked to exchange rates, to interest rates and to other market rates	
3.1	Transactions linked to exchange rates	
3.2	Transactions linked to interest rates	
3.3	Transactions linked to other market rates	
<b>4.</b>	<b>Total of the item Off-balance sheet (1. + 2. + 3.)</b>	

## **Annexe IV: Table W 1.2: Identification of third-party funds held and incorporated in the balance sheet**

### Content

Electronic money institutions shall transmit to the CSSF *on a monthly basis* a table identifying the third-party funds held and incorporated in the balance sheet at the closing of the report period according to the scheme included below.

Article 24-10(1) of the Law lays down that the funds that have been received by electronic money institutions from clients in exchange for electronic money that has been issued, must:

- a) be separately identifiable in its accounting and never be commingled with other funds of persons other than the electronic money holders for the account of which the funds are held, and
- b) be deposited in a separate account in a credit institution or invested in secure, liquid low-risk assets<sup>3</sup>. These segregated funds are not part of the electronic money institution's own assets.

or be covered by an insurance according to the methods laid down in Article 24-10(1)(b) of the Law.

Table W 1.2 aims to identify such funds when they are incorporated in the balance sheet of the electronic money institution and allows verifying that the segregation of these funds complies with the above-mentioned requirements. The reporting only applies to funds still held at the date of the closing of the report period.

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<sup>3</sup> For the purposes of Article 24-10(1) of the Law, secure, low-risk assets are asset items falling into one of the categories set out in Table 1 of point 14 of Annex I to Directive 2006/49/EC for which the specific risk capital charge is no higher than 1.6%, but excluding other qualifying items as defined in point 15 of that Annex.

For the purposes of Article 24-10(1) of the Law, secure, low-risk assets are also units in an undertaking for collective investment in transferable securities (UCITS) which invests solely in assets as specified in the previous subparagraph.

It must be stressed that Article 14 of the Law applies to electronic money institutions for the activities referred to in Article 24-6(1)(a) of the Law that are not linked to the activity of issuing electronic money.

Scheme

No. line		Amount (in €)
1.0	Funds received in exchange for electronic money	
1.1	Investment of the received funds within credit institutions <i>Name of the credit institution 1</i> <i>Name of the credit institution 2</i> <i>Name of the credit institution 3</i> ...	
1.2	Funds covered by an insurance <i>Name of the insurer 1</i> <i>Name of the insurer 2</i> <i>Name of the insurer 3</i> ...	
1.3	Investments in secure, low-risk assets (according to the provisions of Article 24-10(4) of the Law) <i>Asset 1</i> <i>Asset 2</i> <i>Asset 3</i> ...	
2.0	Funds received for the execution of payment transactions	
2.01	<i>Funds received directly from payment service users</i>	
2.02	<i>Funds received through other payment service providers</i>	
2.1	Investment of the received funds within credit institutions <i>Name of the credit institution 1</i> <i>Name of the credit institution 2</i> <i>Name of the credit institution 3</i> ...	
2.2	Funds covered by an insurance <i>Name of the insurer 1</i> <i>Name of the insurer 2</i> <i>Name of the insurer 3</i> ...	
2.3	Investments in secure, low-risk assets <i>Asset 1</i> <i>Asset 2</i> <i>Asset 3</i> ...	

## **Annexe V: Table W 1.3: Statement of authorised reinvestments**

### Content

Table W 1.3 that electronic money institutions shall transmit to the CSSF *on a quarterly basis* aims to identify the authorised reinvestments and in particular the internal investment limits that have been decided by the electronic money institutions for the different counterparties.

This table allows the CSSF to assess the concentration risk inherent in the aforementioned investments made by the electronic money institutions in order to fulfil the safeguarding requirements for funds laid down in Article 24-10 of the Law, and, where applicable, in Article 14 of the Law.

### Scheme

<b>Name of the counterparty</b>	<b>Authorised investment limit (in €)</b>
...	
...	
...	

## Annexe VI: Table W 1.4: Capital adequacy of electronic money institutions

### Content

Electronic money institutions shall transmit to the CSSF a table accounting for their capital adequacy in accordance with the provisions in Article 24-12 of the Law *on a quarterly basis*. This information is provided based on table W 1.4 the scheme of which is included below.

Electronic money institutions shall have, at all times, own funds which are always more than or equal to the highest of the amounts required under Article 24-12(3) to (6) or Article 24-11, respectively;

- As regards the activities referred to in Article 24-6(1)(a) which are not linked to the issuance of electronic money, electronic money institutions shall have, at all times, own funds calculated in accordance with one of the three methods laid down in Article 17(1) and (2) of the Law. Only the lines corresponding to the method chosen by the electronic money institution shall be filled in in the scheme below.
- In regard to the activity of issuing electronic money, the own funds requirements of an electronic money institution shall be calculated in accordance with Method D as set out in Article 24-12(4) of the Law.

It must be stressed that in accordance with the last indent of Article 24-12(3) of the Law, electronic money institutions must hold at all times own funds that are always more than or equal to the **sum** of amounts required under the two bullet points above.

As regards the definition of own funds and the application modalities of own funds calculation methods, Circular CSSF 10/462 should also be considered.

Scheme and explanatory comments

No. line		Comments	Amount (in €)
1.	Subscribed and paid up capital		
2.	Share premium account		
3.	Reserves and benefits brought forward		
4.	Interim profits	1)	
5.	(-) Own shares held, stated at their carrying amount		
6.	(-) Loss for the financial year and losses brought forward		
7.	(-) Intangible assets whatever their nature		
<b>8.</b>	<b>Total of own funds</b>		
<b>9.</b>	<b>Capital requirements according to the general expenses ("Method A")</b>	2)	
<b>10.</b>	<b>Capital requirements according to the payment volume ("Method B")</b>	3)	
11.	Full amount of payment transactions of the preceding financial year	4)	
12.	Payment volume	5)	
13.	First slice	6)	
14.	Second slice	7)	
15.	Third slice	8)	
16.	Fourth slice	9)	
17.	Fifth slice	10)	
18.	Scaling factor k	11)	
<b>19.</b>	<b>Capital requirements according to an indicator ("Method C")</b>	12)	
20.	Interest income	13)	
21.	(-) Interest expenses	14)	
22.	Commissions and fees received	15)	
23.	Other operating income	16)	
24.	Applicable indicator	17)	
25.	First slice	18)	
26.	Second slice	19)	
27.	Third slice	20)	
28.	Fourth slice	21)	
29.	Fifth slice	22)	
30.	Scaling factor k	23)	
<b>31.</b>	<b>Capital requirements concerning the activities referred to in Article 24-6(1)(a) of the Law</b>	24)	
<b>32.</b>	<b>Capital requirements concerning the activity of issuing electronic money ("Method D")</b>	25)	

<b>33.</b>	<b>Total own funds requirements in accordance with Article 24-12(3) of the Law</b>	26)	
<b>34.</b>	<b>Capital requirements with respect to the standard approach for credit risk</b>	27)	

## Comments:

- 1) Interim profits may be taken into account provided that:
  - they are determined after accounting for all charges relating to the period and after allocations to amortisation accounts, provisions and value adjustments;
  - they are calculated net of foreseeable tax charges and interim dividends or proposed dividends; and
  - they are subject to review by the *réviseur d'entreprises* (statutory auditor).
- 2) The electronic money institutions which calculate solvency requirements for activities referred to in Article 24-6(1)(a) of the Law, which are not linked to the issuance of electronic money, according to "**Method A**" referred to in Article 17(1) of the Law shall indicate 10% of the general expenses of the preceding financial year in line 9.
- 3) The electronic money institutions which calculate solvency requirements for activities referred to in Article 24-6(1)(a) of the Law, which are not linked to the issuance of electronic money, according to "**Method B**" referred to in Article 17(1) and (2) of the Law, shall indicate the solvency requirements (after multiplication by the scaling factor k, cf. point 11 below) in line 10.
- 4) The full amount of the electronic money institution's payment transactions for the preceding financial year shall be indicated in line 11.
- 5) The payment volume, i.e. one twelfth of the full amount of the payment transactions executed by the electronic money institution during the preceding financial year shall be indicated in line 12.
- 6) The result of the application of the percentage defined under Method B, point (a) in Article 17(1) of the Law shall be indicated in line 13.
- 7) The result of the application of the percentage defined under Method B, point (b) in Article 17(1) of the Law shall be indicated in line 14.

- 8) The result of the application of the percentage defined under Method B, point (c) in Article 17(1) of the Law shall be indicated in line 15.
- 9) The result of the application of the percentage defined under Method B, point (d) in Article 17(1) of the Law shall be indicated in line 16.
- 10) The result of the application of the percentage defined under Method B, point (e) in Article 17(1) of the Law shall be indicated in line 17.
- 11) The scaling factor k as defined in Article 17(2) of the Law shall be indicated in line 18.
- 12) The electronic money institutions which calculate solvency requirements for activities referred to in Article 24-6(1)(a) of the Law, which are not linked to the issuance of electronic money, according to "**Method C**" referred to in Article 17(1) and (2) of the Law, shall indicate the solvency requirements (after multiplication by the scaling factor k, cf. point 11 above) in line 19.
- 13) to 16) The respective components of the applicable indicator shall be indicated in lines 20 to 23. Line 22 shows a negative amount if the fees received are higher than the commissions received.
- 17) The applicable indicator which corresponds to the sum of the lines 20 to 23 shall be indicated in line 24. The calculation is based on the twelve months of the preceding financial year. Nevertheless, own funds calculated according to Method C referred to in Article 17(1) and (2) of the Law shall not fall below 80% of the average of the previous three financial years for the relevant indicator.
- 18) to 22) The results of the application of the multiplier determined under the Method C, point (b) in Article 17(1) of the Law in accordance with the different slices shall be indicated in the lines 25 to 29.
- 23) The scaling factor k as defined in Article 17(2) of the Law shall be indicated in line 30.

- 24) The amount determined in one of the lines 9, 10, or 19 according to the calculation method chosen by the electronic money institution to determine its capital requirements for the activities referred to in Article 24-6(1)(a) of the Law that are not linked to the issuance of electronic money, shall be indicated in line 31. In principle, electronic money institutions may freely choose one of the three calculation methods set out in Article 17(1) and (2) of the Law. However, the electronic money institutions shall justify their choice having regard to the risks linked to the exercised activities and prove that they are able to apply the chosen method.
- 25) Capital requirements determined according to "Method D" referred to in Article 24-12(4) of the Law for the activity of issuing electronic money shall be indicated in line 32.
- 26) The amount determined in one of the lines 9, 10 or 19 to which the amount determined in line 32 is added, shall be indicated in line 33. In accordance with the third indent of Article 24-12(3) of the Law, electronic money institutions must hold at all times own funds that are always more than or equal to the **sum** of amounts required under the first and second indents of that paragraph.
- 27) Capital requirements with respect to the standard approach for credit risk and which relate to the credits granted by the electronic money institutions in accordance with Article 10(3) of the Law shall be indicated in line 34. In this context, it should be referred to Part VII, Chapter 2 of Circular CSSF 06/273 as amended by Circulars CSSF 10/475, 10/496 and 10/497.

## **Annexe VII: Table W 2.1: Profit and loss account**

### Content

Electronic money institutions shall transmit to the CSSF a profit and loss account drawn up according to the scheme included below *on a quarterly basis*.

### Scheme

<b>No. line</b>	<b>Item</b>		<b>Amount (in €)</b>
1.	Interests received	+	
2.	Interests paid	-	
3.	Commissions received	+	
4.	Commissions paid	-	
5.	Other operating income	+	
6.	Gross profit or loss		
7.	Income from securities	+	
7.1	Income from participating interests or shares in affiliated undertakings		
7.2	Income from other securities		
8.	General administrative expenses	-	
8.1	Staff costs		
8.2	Other administrative expenses		
9.	Value adjustments on:	-	
9.1	tangible and intangible assets		
9.2	value adjustments in respect of financial fixed assets and of investments held as current assets		
9.3	others		
10.	Value re-adjustments	+	
11.	Provisions for general risks	-	
12.	Tax on income resulting from ordinary activities	-	
13.	Profit or loss on ordinary activities after tax	+/-	
14.	Extraordinary income	+	
15.	Extraordinary charges	-	
16.	Extraordinary profit or loss	+/-	
17.	Tax on extraordinary profit or loss	-	
18.	Other taxes	-	
19.	Result for the financial year	+/-	

## Annexe VIII: Table W 4.5: Analysis of shareholdings

### Content

Electronic money institutions shall transmit to the CSSF *on an annual basis* table W 4.5 according to the scheme included below and whose purpose is to allow the CSSF to monitor the analysis of shareholdings of electronic money institutions in accordance with the Law.

Indeed, pursuant to the second indent of Article 24-8(7) of the Law, electronic money institutions are required to submit at least once a year the identity of the shareholders or members with qualifying holdings, as well as the size of those holdings, as mentioned for example in the information communicated for annual general meetings of shareholders or members, or received in accordance with the provisions applicable to the companies whose securities are admitted to trading on a regulated market.

Table W 4.5 shall be transmitted to the CSSF only on paper and only as "L" version (information relating to the entity established in Luxembourg) by the electronic money institutions under Luxembourg law.

### Scheme

<b>Identity of the shareholder</b>	<b>Country of residence</b>	<b>% of capital</b>	<b>% of voting rights</b>	<b>Size of the holding (in €)</b>
...				
...				
...				