

**COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER**

Luxembourg, 16 April 2015

To all entities subject to the
supervision of the CSSF

CIRCULAR CSSF 15/611

Re: Managing the risks related to the outsourcing of systems that allow the compilation, distribution and consultation of management board/strategic documents

Ladies and Gentlemen,

1. There are a number of service providers offering systems that allow the compilation, distribution and consultation of management board / strategic documents to entities subject to the supervision of the CSSF (hereinafter “the entities”). When an entity decides to outsource these tasks to a service provider, the service provider will host and operate the infrastructure on which the data of the respective entity are stored. These service providers do not necessarily have a support PFS¹ license and may even not be located in Luxembourg.
2. The CSSF would like to draw the attention of the entities to the fact that the management board/strategic documents may contain sensitive data, such as strategic company data which are not and might never be released to the public. Strategic documents are, for example, documents required for analysis during a merger/acquisition process which are stored in so-called data rooms.
3. The CSSF considers that it is the choice of the entity, after performing a thorough due diligence, to decide on whether or not to store its data on a system hosted at and operated by such a service provider. The due diligence check shall, amongst other elements, include a detailed evaluation of the security aspects of the service provider, who might be a strategic target for hackers and fraudsters as it

¹ Support PFS: Professional of the Financial Sector, pursuant to Part I, Chapter 2, Section 2, Sub-section 3 of the Law of 5 April 1993 on the financial sector (Articles 29-1, 29-2, 29-3 and 29-4). One characteristic of support PFS is that they do not as such exercise a financial activity themselves, but act as subcontractors of operational functions on behalf of other financial professionals.

potentially stores sensitive information considered to be of high value and/or large volume.

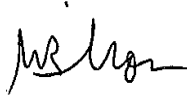
4. In addition, the CSSF would like to remind the entities that it is their responsibility not to disclose any information that is considered confidential under Article 41 of the Law of 5 April 1993 on the financial sector (e.g. the names of clients or investors specifically mentioned in board/strategic documents or meeting minutes) to a service provider who is not subject to professional secrecy obligations.
5. In particular, if the entity is a domiciliation agent (Article 28-9 of the LFS), the CSSF considers that the activity for which the system is used, in this case compilation, distribution and consultation of management board/strategic documents, is a core activity of such a domiciliation agent and, therefore, domiciliation agents are required to choose a service provider that complies with the conditions set out in Circular CSSF 05/178 concerning the outsourcing of IT services to a third party.

Yours faithfully,

COMMISSION de SURVEILLANCE du SECTEUR FINANCIER



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