

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

Luxembourg, 26 July 2019

To all support PFS

**CIRCULAR CSSF 19/727**

**Re: New arrangements for the transmission of the documents required under Circular CSSF 12/544**

Ladies and Gentlemen,

This circular applies to all support PFS exercising one or several activities under Articles 29-1, 29-2, 29-3, 29-4, 29-5 and 29-6 of the Law of 5 April 1993 on the financial sector and classified by the CSSF with the identification code "I" followed by a number. Please refer to the identification codes as published on the CSSF website in the "Search entities" application.

The purpose of this circular is to define the new arrangements for the transmission of the documents required under Circular CSSF 12/544. With a view to optimising supervision and simplifying the processing, it has been decided that the required documents must be sent electronically. This circular includes a file naming convention.

Moreover, this circular restates all the documents that must be sent in the context of the Risk Assessment Report (RAR), Descriptive Report (DR) and financial year-end.

This circular concerns only the document transmission arrangements and deadlines.

**I. New arrangements for the transmission of documents to be received**

The documents to be received must be transmitted in digital format in a PDF version allowing text selection for typed documents and, if possible, in OCR<sup>1</sup> format for scanned documents.

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<sup>1</sup> Use of an Optical Character Recognition (OCR) software which allows transforming the image of a scanned printed document into a text document and saving it in the transmitted file, although the visualisation remains that of an image.

Moreover, any document with a handwritten signature, and, in particular, the cover letter accompanying these documents, must also be transmitted on paper. For instance, for RARs and DRs, only the signed pages must be transmitted on paper.

For each document received in digital form, we require you to name the file using the prefixes used in the summary tables of the documents to be received as set out under point II of this circular and by adding the internal CSSF “Ixxx” identification number, as well as the year concerned, formatted as “yyyy” here below.

For instance, the RAR file will be named “Ixxx-RAR-0-yyyy”<sup>2</sup>.

The RAR and the DR must be submitted in two versions: a final version (without comments) and a “track changes”<sup>3</sup> version identifying all the changes as compared to the previous financial year.

The documents must be transmitted in a secured way and deposited with the CSSF through its online MFT system.

To obtain an ID allowing to connect to the online system, the support PFS concerned must indicate the following information to the CSSF, at the email address [psfsupport@cssf.lu](mailto:psfsupport@cssf.lu):

- Identification number allocated by the CSSF (“Ixxxx”)
- Name of the company
- Last name and first name of the contact person for the transmission
- Contact email address<sup>4</sup>
- Contact phone number.

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<sup>2</sup> For example: I210-RAR-0-2018.pdf

<sup>3</sup> PDF version of the document corresponding to a printed version including the changes and comments in “track changes”.

<sup>4</sup> It is recommended to use a permanent generic email address rather than the personal email address of an employee who might be appointed to other functions over time, or even leave the company.

## II. Summary of the documents expected in the context of the RAR, DR and financial year-end

A) Documents expected in the context of the RAR	Prefix
<p><b>RAR.</b>  <u>As a reminder:</u></p> <ul style="list-style-type: none"> <li>- It must be signed by the members in charge of the day-to-day management.</li> <li>- It must be sent in two versions (final and track changes).</li> <li>- It must include a description of your risk management system, as well as the risk register indicating a summary of risks in decreasing net importance order.</li> <li>- It must contain the 20 major direct risks and the 5 major indirect risks, determined before mitigation measures are taken.</li> <li>- The risk sheets must include: <ul style="list-style-type: none"> <li>▪ an ID number;</li> <li>▪ a title;</li> <li>▪ a brief description;</li> <li>▪ an indication on whether this risk concerns all or several clients of the PFS that are professionals of the financial sector (names to be indicated);</li> <li>▪ a risk category;</li> <li>▪ the probability level, impact level(s) and materiality of the risk without taking into account the existing risk controls (gross risk), and a justification of this materiality;</li> <li>▪ the existing means implemented by your company to reduce (mitigation) or transfer (insurance) and monitor these risks;</li> <li>▪ the reference to the internal audits;</li> <li>▪ the probability level, impact level(s) and materiality of the risk after taking into account the existing means to reduce or transfer the risk;</li> <li>▪ the argued response strategy in relation to risks having regard to their net materiality;</li> <li>▪ a brief description of the future action plan to reduce or transfer the risk, when it is deemed unacceptable;</li> <li>▪ the expected risk materiality once the action plan has been implemented.</li> </ul> </li> </ul>	RAR-0
The minutes of the Board of Directors indicating that the RAR has effectively been transmitted to its members.	RAR-1

B) Documents expected in the context of the DR	Prefix
<p><b>DR.</b>  <u>As a reminder:</u></p> <ul style="list-style-type: none"> <li>- It must be signed by the members in charge of the day-to-day management;</li> <li>- It must be sent in two versions (final and track changes).</li> </ul>	RD-0
A copy of the report on annual accounts and of the annual accounts of the direct majority shareholder (as well as of its management report, where applicable).	RD-1
The internal organisation chart indicating hierarchical and functional lines and the number of employees per department.	RD-2
The recent organisation chart of the group showing the position of your company within the group.	RD-3
The written report of the management on the state of the internal control.	RD-4
The summary report on the controls carried out by the internal audit during the previous financial year.	RD-5
A copy of the letter(s) of assignment entrusted to the internal auditor (alternatively, your confirmation that the letter of assignment has not been modified since the previous financial year).	RD-6

The multi-annual programme of the internal audit approved by the management and/or the Board of Directors (alternatively, your confirmation that the programme has not been modified since the previous financial year).	RD-7
The internal audit charter (alternatively, your confirmation that the latter has not been modified since the previous financial year).	RD-8
A table relating to the persons designated as responsible for certain functions pursuant to the CSSF circulars.	RD-9
An up-to-date list of the members of the management in charge of the day-to-day management.	RD-10
A summary table of information systems for internal use.	RD-11
A description and/or scheme of the network architecture of your company (for internal and external connections).	RD-12
The list of connections useful to the internal functioning to or from the exterior.	RD-13
The nominative list of Luxembourg or foreign financial sector clients for which you provide services requiring a PFS authorisation.	RD-14
The copy of a client agreement on the service provisions requiring a PFS authorisation, for each different PFS authorisation that you hold.	RD-15
The summary table of information systems for external use.	RD-16
The list of connections useful to the functioning of the activities carried out in the financial sector to or from the exterior.	RD-17
The functional scheme of the flows (alternatively, your confirmation that the latter has not been modified since the previous financial year).	RD-18
The annual report or, otherwise, the annual accounts of your subsidiaries or majority holdings.	RD-19

<b>C) Documents expected in the context of the financial year-end</b>	<b>Prefix</b>
The report of the <i>réviseur d'entreprises agréé</i> (approved statutory auditor) and the audited annual accounts.	CL -1
The minutes and attendance list of the ordinary general meeting of shareholders approving the audited annual accounts.	CL -2
The management report of the Board of Directors for the financial year concerned (where applicable).	CL -3
The proof of the filing of the audited annual accounts with the Registre de Commerce et des Sociétés (Luxembourg Business Register) within the month of their approval, and at the latest seven months after the end of the financial year.	CL -4
A copy of the letter of assignment entrusted to the external auditor (alternatively, your confirmation that the letter of assignment has not been modified since the previous financial year).	CL -5
Confirmation of compliance with the financial sector laws, regulations and circulars.	CL -6
The management letter of the <i>réviseur d'entreprises</i> (statutory auditor) which details all the material elements that the <i>réviseur d'entreprises agréé</i> (approved statutory auditor) must bring to the attention of the support PFS. Where no weaknesses or irregularities have been identified, the <i>réviseur d'entreprises agréé</i> (approved statutory auditor) will provide a certificate of non-issuance of a management letter.	CL-7
The electronic transmission of the final figures of your company on the date of your company's accounting closing date <sup>5</sup> .	CL-8

<sup>5</sup> Through the usual transmission channels E-File or SOFiE.

**III. Deadlines for the transmission of documents**

All the documents relating to the RAR, DR and financial year-end must be transmitted within seven months of the closing date of the financial year, at the latest.

**IV. Entry into force and various provisions**

This circular enters into force with immediate effect.

Yours faithfully,

COMMISSION de SURVEILLANCE du SECTEUR FINANCIER

Claude WAMPACH  
Director

Marco ZWICK  
Director

Jean-Pierre FABER  
Director

Françoise KAUTHEN  
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