



Commission de Surveillance
du Secteur Financier

Circular CSSF 23/829

Application of the
Guidelines on the criteria
for the exemption of
investment firms from
liquidity requirements in
accordance with Article
43(4) of Regulation (EU)
2019/2033
(EBA/GL/2022/10)

Circular CSSF 23/829

Subject: Application of the Guidelines on the criteria for the exemption of investment firms from liquidity requirements in accordance with Article 43(4) of Regulation (EU) 2019/2033 (EBA/GL/2022/10)

Luxembourg, 19 January 2023

To all Investment Firms that meet the conditions for qualifying as small and non-interconnected investment firms set out in Article 12(1) of Regulation (EU) 2019/2033

Ladies and Gentlemen,

The purpose of this circular is to inform you that the CSSF, in its capacity as competent authority, applies the Guidelines on the criteria for the exemption of investment firms from liquidity requirements in accordance with Article 43(4) of Regulation (EU) 2019/2033 (Ref. EBA/GL/2022/10) (the “Guidelines”) published on 29/07/2022. Consequently, the CSSF has integrated the Guidelines into its administrative practice and regulatory approach with a view to promote supervisory convergence in this field at European level.

1. The Guidelines

The Guidelines are issued by EBA in accordance with Article 43(4) of Regulation (EU) 2019/2033 (the “**IFR**”).

The Guidelines have been drafted in the context of the mandatory liquidity requirements that apply under Article 43 of the IFR.

2. Scope of application

The Guidelines specify that small and non-interconnected investment firms as defined in Article 12(1) IFR (the “**In-Scope Entities**”) are eligible for the exemption if they fulfill the criteria set out in sections 4.1 and 4.2 and point 20 of section 4.3 of the Guidelines.

3. Prior authorisation from the CSSF

In-Scope Entities that wish to be exempted from the aforementioned liquidity requirements must receive **prior authorisation** from the CSSF.

The CSSF performs a case-by-case assessment in accordance with sections 4.3 and 4.4 of the Guidelines, taking into account In-Scope Entity’s risks to its clients and the firm itself, the nature, scope and complexity of its activities and the types of activities performed by the firm and, if available, any outcome of the supervisory review and evaluation carried out in accordance with Part III, Chapter 4, Section 4 of the Law of 5 April 1993 on the financial sector as well as any other relevant information.



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In-Scope Entities shall submit their authorisation request by email to their usual point of contact at the CSSF, with copy to ei@cssf.lu.

The Guidelines are available on EBA's website at:
<https://www.eba.europa.eu/regulation-and-policy/investment-firms/guidelines-liquidity-requirements-exemption-investment-firms>

4. Date of application

This circular shall apply with immediate effect.

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