

**Law of 23 December 1998 establishing a financial sector supervisory commission  
("Commission de surveillance du secteur financier"), as amended**

(Mém. A 1998, No 112)

- by the Law of 12 January 2001 transposing Directive 98/26/EC on settlement finality in payment and securities settlement systems into the Law of 5 April 1993 on the financial sector, as amended, and supplementing the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier")  
(Mém. A 2001, No 16)
- by the Law of 9 November 2001 amending the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier")  
(Mém. A 2001, No 136)
- by the Law of 2 August 2003
  - amending the Law of 5 April 1993 on the financial sector, as amended;
  - amending the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended;
  - amending the Law of 31 May 1999 governing the domiciliation of companies, as amended  
(Mém. A 2003, No 112)
- by the Law of 22 March 2004 on securitisation and amending
  - the Law of 5 April 1993 on the financial sector, as amended;
  - the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended;
  - the Law of 27 July 2003 on trusts and fiduciary contracts;
  - the Law of 4 December 1967 on income tax, as amended;
  - the Law of 16 October 1934 on wealth tax, as amended;
  - the Law of 12 February 1979 on value added tax, as amended  
(Mém. A 2004, No 46)
- by the Law of 12 November 2004 on the fight against money laundering and terrorist financing, transposing Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 amending Council Directive 91/308/EEC on the prevention of the use of the financial system for the purpose of money laundering,  
and amending:
  1. the Penal Code;
  2. the Code of Criminal Procedure;
  3. the Law of 7 March 1980 on the organisation of the judicial system, as amended;
  4. the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended;
  5. the Law of 5 April 1993 on the financial sector, as amended;
  6. the Law of 6 December 1991 on the insurance sector, as amended;
  7. the Law of 9 December 1976 on the organisation of the profession of notary, as amended;
  8. the Law of 10 August 1991 on the legal profession, as amended;
  9. the Law of 28 June 1984 on the organisation of the profession of company auditor, as amended;
  10. the Law of 10 June 1999 on the organisation of the accounting profession;
  11. the Law of 20 April 1977 on gaming and betting on sporting events, as amended;
  12. the General Fiscal Code ("Abgabenordnung")  
(Mém. A 2004, No 183)
- by the Law of 10 July 2005 on prospectuses for securities and
  - transposing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC;
  - amending the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended;
  - amending the Law of 23 December 1998 relating to the supervision of securities markets;
  - amending the Law of 30 March 1988 relating to undertakings for collective investment;
  - amending the Law of 20 December 2002 relating to undertakings for collective investment;
  - amending the Law of 15 June 2004 relating to the investment company in risk capital (SICAR);
  - amending the Law of 10 August 1915 on commercial companies  
(Mém. A 2005, No 98)
- by the Law of 19 May 2006 transposing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids  
(Mém. A 2006, No 86)

- by the Law of 13 July 2007 on markets in financial instruments transposing:
  - Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Directive 93/22/EEC;
  - Article 52 of Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
 and amending:
  - the Law of 5 April 1993 on the financial sector, as amended;
  - the Law of 20 December 2002 relating to undertakings for collective investment, as amended;
  - the Law of 12 November 2004 on the fight against money laundering and terrorist financing;
  - the Law of 31 May 1999 governing the domiciliation of companies, as amended;
  - the Law of 23 December 1998 establishing a financial sector supervisory commission (“Commission de surveillance du secteur financier”);
  - the Law of 6 December 1991 on the insurance sector, as amended;
  - the Law of 3 September 1996 concerning the involuntary dispossession of bearer securities;
  - the Law of 23 December 1998 concerning the monetary status and the Banque centrale du Luxembourg;
 and repealing:
  - the Law of 23 December 1998 relating to the supervision of securities markets, as amended;
  - the Law of 21 June 1984 on futures markets, as amended

(Mém. A 2007, No 116)
  
- by the Law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and transposing:
  - Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC;
  - Article 9 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards;
 and amending
  - the Law of 23 December 1998 establishing a financial sector supervisory commission (“Commission de surveillance du secteur financier”), as amended

(Mém. A 2008, No 5)
  
- by the Law of 24 October 2008 improving the legislative framework of the Luxembourg financial centre and amending
  - the provisions relating to mortgage bonds in the Law of 5 April 1993 on the financial sector, as amended;
  - the Law of 15 June 2004 relating to the investment company in risk capital (SICAR), as amended;
  - the Law of 23 December 1998 establishing a financial sector supervisory commission (“Commission de surveillance du secteur financier”), as amended;
  - the Law of 23 December 1998 concerning the monetary status and the Banque centrale du Luxembourg;
  - the Law of 6 December 1991 on the insurance sector, as amended

(Mém. A 2008, No 161)
  
- by the Law of 10 November 2009 on payment services, on the activity of electronic money institution and settlement finality in payment and securities settlement systems and
  - transposing Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC, and 2006/48/EC and repealing Directive 97/5/EC;
  - amending:
    - the Law of 5 April 1993 on the financial sector, as amended;
    - the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended;
    - the Law of 18 December 2006 on financial services provided at distance;
    - the Law of 15 December 2000 on postal services and financial postal services, as amended;
    - the Law of 13 July 2007 on markets in financial instruments;
    - the Law of 20 December 2002 relating to undertakings for collective investment, as amended;
    - the Law of 23 December 1998 establishing a financial sector supervisory commission (“Commission de surveillance du secteur financier”), as amended;
    - the Law of 23 December 1998 concerning the monetary status and the Banque centrale du Luxembourg, as amended;

- the Law of 6 December 1991 on the insurance sector, as amended;
  - repealing title VII of the Law of 14 August 2000 on electronic commerce, as amended (Mém. A 2009, No 215)
- by the Law of 18 December 2009 concerning the audit profession and:
  - transposing Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC;
  - organising the audit profession;
  - amending certain other legal provisions, and
  - repealing the Law of 28 June 1984 on the organisation of the profession of company auditor, as amended (Mém. A 2010, No 22)
- by the Law of 27 October 2010 enhancing the anti-money laundering and counter terrorist financing legal framework; organising the controls of physical transport of cash entering, transiting through or leaving the Grand Duchy of Luxembourg; implementing United Nations Security Council resolutions as well as acts adopted by the European Union concerning prohibitions and restrictive measures in financial matters in respect of certain persons, entities and groups in the context of the combat against terrorist financing; amending:
  1. the Penal Code;
  2. the Code of Criminal Procedure;
  3. the Law of 7 March 1980 on the organisation of the judicial system, as amended;
  4. the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended;
  5. the Law of 19 February 1973 on the sale of medicinal substances and the fight against drug addiction, as amended;
  6. the Law of 11 April 1985 approving the Convention on the Physical Protection of Nuclear Material, opened for signature at Vienna and New York on 3 March 1980, as amended;
  7. the Law of 31 January 1948 on the regulation of air navigation, as amended;
  8. the Law of 20 June 2001 on extradition;
  9. the Law of 17 March 2004 on the European arrest warrant and surrender procedures between Member States of the European Union;
  10. the Law of 8 August 2000 concerning mutual legal assistance in criminal matters;
  11. the Law of 23 December 1998 establishing a financial sector supervisory commission (“Commission de surveillance du secteur financier”), as amended;
  12. the Law of 5 April 1993 on the financial sector, as amended;
  13. the Law of 6 December 1991 on the insurance sector, as amended;
  14. the Law of 9 December 1976 on the organisation of the profession of notary, as amended;
  15. the Law of 10 August 1991 on the legal profession, as amended;
  16. the Law of 10 June 1999 on the organisation of the accounting profession, as amended;
  17. the Law of 18 December 2009 concerning the audit profession;
  18. the Law of 20 April 1977 on gaming and betting on sporting events, as amended;
  19. the Law of 17 March 1992 approving the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances signed in Vienna on 20 December 1988, as amended;
  20. the Law of 14 June 2001 approving the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime, signed in Strasbourg on 8 November 1990, as amended;
  21. the Law of 20 March 1970 reorganising the Administration de l'enregistrement et des domaines (the Luxembourg VAT authority), as amended (Mém. A 2010, No 193)
- by the Law of 28 April 2011
  - transposing Directive 2009/111/EC of the European Parliament and of the Council of 16 September 2009 amending Directives 2006/48/EC, 2006/49/EC and 2007/64/EC as regards banks affiliated to central institutions, certain own funds items, large exposures, supervisory arrangements, and crisis management;
  - transposing for credit institutions Directive 2009/49/EC of the European Parliament and of the Council of 18 June 2009 amending Council Directives 78/660/EEC and 83/349/EEC as regards certain disclosure requirements for medium-sized companies and the obligation to draw up consolidated accounts;
  - completing the transposition of Directive 2009/14/EC of the European Parliament and of the Council of 11 March 2009 amending Directive 94/19/EC on deposit-guarantee schemes and the payout delay;
  - amending the Law of 5 April 1993 on the financial sector, as amended;
  - amending the Law of 17 June 1992 relating to the accounts of credit institutions, as amended;
  - amending the Law of 23 December 1998 establishing a financial sector supervisory commission (“Commission de surveillance du secteur financier”);
  - amending the Law of 31 May 1999 governing the domiciliation of companies;

- amending the Law of 13 July 2007 on markets in financial instruments, as amended;
- amending the Law of 11 January 2008 on transparency requirements for issuers of securities;
- amending the Law of 10 November 2009 on payment services  
(Mém. A 2011, No 81)
- by the Law of 20 May 2011
  - transposing:
    - Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on 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;
    - Directive 2009/44/EC of the European Parliament and of the Council of 6 May 2009 amending Directive 98/26/EC on settlement finality in payment and securities settlement systems and Directive 2002/47/EC on the financial collateral arrangements as regards linked systems and credit claims;
  - amending:
    - the Law of 10 November 2009 on payment services, on the activity of electronic money institutions and settlement finality in payment and securities settlement systems;
    - the Law of 5 August 2005 on financial collateral arrangements;
    - the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended;
    - the Law of 5 April 1993 on the financial sector, as amended;
    - the Law of 23 December 1998 establishing a financial sector supervisory commission (“Commission de surveillance du secteur financier”), as amended  
(Mém. A 2011, No 104)
- by the Law of 21 July 2012 on mandatory squeeze-out and sell-out of securities of companies currently admitted or previously admitted to trading on a regulated market or having been subject to a public offer and amending the Law of 23 December 1998 establishing a financial sector supervisory commission  
(Mém. A 2012, No 152)
- by the Law of 21 December 2012 transposing Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010 amending Directives 98/26/EC, 2002/87/EC, 2003/6/EC, 2003/41/EC, 2003/71/EC, 2004/39/EC, 2004/109/EC, 2005/60/EC, 2006/48/EC, 2006/49/EC and 2009/65/EC in respect of the powers of the European Supervisory Authority (European Banking Authority), the European Supervisory Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority) and amending:
  1. the Law of 6 December 1991 on the insurance sector, as amended;
  2. the Law of 5 April 1993 on the financial sector, as amended;
  3. the Law of 23 December 1998 establishing a financial sector supervisory commission (“Commission de surveillance du secteur financier”), as amended;
  4. the Law of 22 March 2004 on securitisation, as amended;
  5. the Law of 15 June 2004 relating to the investment company in risk capital (SICAR), as amended;
  6. the Law of 10 July 2005 on prospectuses for securities, as amended;
  7. the Law of 13 July 2005 on institutions for occupational retirement provision in the form of pension savings companies with variable capital (SEPCAVs) and pension savings associations (ASSEPs), as amended
  8. the Law of 9 May 2006 on market abuse, as amended;
  9. the Law of 13 February 2007 relating to specialised investment funds, as amended;
  10. the Law of 13 July 2007 on markets in financial instruments, as amended;
  11. the Law of 11 January 2008 on transparency requirements for issuers of securities, as amended;
  12. the Law of 10 November 2009 on payment services, as amended;
  13. the Law of 17 December 2010 relating to undertakings for collective investment  
(Mém. A 1998, No 112)
- by the Law of 12 July 2013 on alternative investment fund managers and
  - transposing Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
  - amending:
    - the Law of 17 December 2010 relating to undertakings for collective investment, as amended;
    - the Law of 13 February 2007 relating to specialised investment funds, as amended;
    - the Law of 15 June 2004 relating to the investment company in risk capital (SICAR), as amended;

- the Law of 13 July 2005 on institutions for occupational retirement provision in the form of pension savings companies with variable capital (SEPCAVs) and pension savings associations (ASSEPs), as amended;
  - the Law of 13 July 2005 on the activities and supervision of institutions for occupational retirement provision;
  - the Law of 5 April 1993 on the financial sector, as amended;
  - the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended;
  - the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended;
  - the Law of 10 August 1915 on commercial companies, as amended;
  - the Law of 19 December 2002 on the trade and companies register and the accounting practices and annual accounts of undertakings, as amended;
  - the Commercial Code;
  - the Law of 4 December 1967 on income tax, as amended;
  - the Law of 1 December 1936 on business tax, as amended;
  - the Law of 16 October 1934 on fiscal adjustment, as amended;
  - the Law of 16 October 1934 on the valuation of assets and values, as amended;
  - the Law of 12 February 1979 on value added tax, as amended
- (Mém. A 2013, No 119)
- by the Law of 23 July 2015:
    - transposing Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013;
    - transposing Articles 2 and 3 of Directive 2011/89/EU of the European Parliament and of the Council of 16 November 2011;
    - transposing Article 6(6) of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011;
    - amending:
      1. the Law of 5 April 1993 on the financial sector, as amended;
      2. the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended;
      3. the Law of 12 July 2013 on alternative investment fund managers

(Mém. A 2015, No 149)
  - by the Law of 18 December 2015 on the resolution, reorganisation and winding up measures of credit institutions and certain investment firms and on deposit guarantee and investor compensation schemes,
    1. transposing Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council;
    2. transposing Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on Deposit Guarantee Schemes;
    3. amending:
      - a) the Law of 5 April 1993 on the financial sector, as amended;
      - b) the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended;
      - c) the Law of 5 August 2005 on financial collateral arrangements:
        - transposing Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements;
        - amending the Commercial Code;
        - amending the Law of 1 August 2001 on the circulation of securities and other fungible instruments;
        - amending the Law of 5 April 1993 on the financial sector;
        - amending the Grand-ducal Regulation of 18 December 1981 on fungible deposits of precious metals and amending Article 1 of the Grand-ducal Regulation of 17 February 1971 on the circulation of securities;
        - repealing the Law of 21 December 1994 concerning repurchase agreements;
        - repealing the Law of 1 August 2001 on the transfer of ownership for security purposes;
      - d) the Law of 19 May 2006 transposing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids; and
      - e) the Law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies.

(Mém. A 2015, No 246)

- by the Law of 15 March 2016 on OTC derivatives, central counterparties and trade repositories and transposing:
 

Directive 2013/14/EU of the European Parliament and of the Council of 21 May 2013 amending Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision, Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and Directive 2011/61/EU on Alternative Investment Funds Managers in respect of over-reliance on credit ratings; and

implementing:

  1. Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009;
  2. Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories; and
  3. Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013 amending Regulation (EC) No 1060/2009 on credit rating agencies; and

amending:

  1. the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended;
  2. the Law of 13 July 2005 on institutions for occupational retirement provision in the form of pension savings companies with variable capital (SEPCAVs) and pension savings associations (ASSEPs), as amended;
  3. the Law of 10 November 2009 on payment services, as amended;
  4. the Law of 17 December 2010 relating to undertakings for collective investment, as amended;
  5. the Law of 28 October 2011 implementing Regulation (EC) No 1060/2009 of 16 September 2009; and
  6. the Law of 12 July 2013 on alternative investment fund managers, as amended.

(Mém. A 2016, No 39)
- by the Law of 6 December 2016 amending the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended
 

(Mém. A 2016, No 248)
- by the Law of 17 May 2017 on the application of Regulation (EU) No 655/2014 of the European Parliament and of the Council of 15 May 2014 establishing a European Account Preservation Order procedure to facilitate cross-border debt recovery in civil and commercial matters, amending the New Code of Civil Procedure and the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended
 

(Mém. A 2017, No 502)
- by the Law of 27 February 2018 implementing Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on interchange fees for card-based payment transactions, and amending:
  1. the Law of 5 April 1993 on the financial sector, as amended;
  2. the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended;
  3. the Law of 5 August 2005 on financial collateral arrangements, as amended;
  4. the Law of 11 January 2008 on transparency requirements for issuers, as amended;
  5. the Law of 10 November 2009 on payment services, as amended;
  6. the Law of 17 December 2010 relating to undertakings for collective investment, as amended;
  7. the Law of 12 July 2013 on alternative investment fund managers, as amended;
  8. the Law of 7 December 2015 on the insurance sector, as amended;
  9. the Law of 18 December 2015 on the failure of credit institutions and certain investment firms, as amended, and
  10. the Law of 23 December 2016 on market abuse

(Mém. A 2018, No 150)
- by the Law of 17 April 2018 implementing Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, and:
  1. amending the Consumer Code;
  2. amending the Law of 23 December 1998 establishing a financial sector supervisory commission ("Commission de surveillance du secteur financier"), as amended;
  3. amending the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended; and
  4. amending the Law of 7 December 2015 on the insurance sector.

(Mém. A 2018, No 257)

- by the Law of 30 May 2018 on markets in financial instruments and:
  1. transposing Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU;
  2. transposing Article 6 of Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits;
  3. implementing Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012;
  4. amending:
    - (a) the Law of 5 April 1993 on the financial sector, as amended;
    - (b) the Law of 23 December 1998 establishing a financial sector supervisory commission (“Commission de surveillance du secteur financier”), as amended;
    - (c) the Law of 5 August 2005 on financial collateral arrangements, as amended;
    - (d) the Law of 7 December 2015 on the insurance sector, as amended; and
    - (e) the Law of 15 March 2016 on OTC derivatives, central counterparties and trade repositories and amending different laws relating to financial services; and
  5. repealing the Law of 13 July 2007 on markets in financial instruments, as amended, with the exception of its Article 37

(Mém. A 2018, No 446)



## Section 1: Legal Status of the Commission de surveillance du secteur financier

**Article 1.** (1) A public body with legal personality and financial autonomy, known as the “Commission de surveillance du secteur financier”, and hereinafter referred to as the “CSSF”, is hereby created and placed under the direct authority of the Minister responsible for the financial centre.

(2) The CSSF’s Registered Office shall be located in Luxembourg.

## Section 2: Role and Remit of the CSSF

*(Law of 9 November 2001)*

**Article 2.** “(1) *(Law of 22 March 2004)* “The CSSF is the competent authority responsible for the prudential supervision of credit institutions, PFS within the meaning of the Law of 5 April 1993 on the financial sector, “alternative investment fund managers authorised under the Law of 12 July 2013 on alternative investment fund managers,”<sup>1</sup> undertakings for collective investment, pension funds having the form of a SEPCAV or an ASSEP, authorised securitisation undertakings, fiduciary-representatives dealing with securitisation undertakings“, SICARs and payment institutions “and electronic money institutions”<sup>2</sup> within the meaning of the Law of 10 November 2009 on payment services”<sup>3</sup>.”

The prudential supervision of the Entreprise des postes et télécommunications carried out by the CSSF covers all the financial services offered by this Entreprise.”<sup>4</sup>

*(Law of 21 December 2012)*

“The CSSF does not perform prudential supervision of:

- the Banque centrale du Luxembourg;
- the European Investment Bank;
- the European Investment Fund;
- the European Facility for Financial Stability;
- the European Stability Mechanism.”

“(2)”<sup>5</sup> *(Law of 13 July 2007)* “The CSSF is the competent authority for supervision of the securities markets, including their operators.”

*(Law of 17 April 2018)*

“(2a) The CSSF is the competent authority for the supervision of administrators as defined in point (6) of Article 3(1) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (hereinafter “Regulation (EU) 2016/1011”).”

*(Law of 21 December 2012)*

“(3) The CSSF is the competent authority for the public oversight of the audit profession.”

“(4)”<sup>6</sup> *(Law of 12 November 2004)* “The CSSF is the competent authority for monitoring compliance with professional obligations relating to the fight against money laundering and terrorist financing by all persons subject to its supervision, without prejudice to Article 5 of the Law of 12 November 2004 on the fight against money laundering and terrorist financing.” “The CSSF also sees to it that natural or legal persons known to have ties other than strictly professional, either directly or indirectly, with organised crime do not take either direct or indirect control of natural or legal persons under its supervision, whether as beneficial owners, by acquiring a significant or controlling interest, by holding a management function or otherwise. As part of this role, the CSSF assesses whether directors and senior management personnel are fit and proper, which includes an assessment of their expertise and integrity. To this end, the CSSF may request the opinion of the office of the state prosecutor at the Luxembourg district court or the Grand Duchy’s police.”<sup>7</sup>

“(…)”<sup>8</sup>

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<sup>1</sup> Law of 12 July 2013

<sup>2</sup> Law of 20 May 2011

<sup>3</sup> Law of 10 November 2009

<sup>4</sup> Law of 21 December 2012

<sup>5</sup> Law of 21 December 2012

<sup>6</sup> Law of 21 December 2012

<sup>7</sup> Law of 27 October 2010

<sup>8</sup> Law of 21 December 2012



*(Law of 21 December 2012)*

“(5) The CSSF is responsible, within the limits of its legal powers, to promote transparency, simplicity and fairness in the markets of financial products and services.”

*(Law of 10 November 2009)*

“Pursuant to Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (the Regulation on consumer protection cooperation), the CSSF is the competent authority for verifying that the persons subject to its supervision comply with the laws protecting the consumers’ interests.”

“(…)”<sup>9</sup>

*(Law of 17 May 2017)*

“(6) The Commission de Surveillance du Secteur Financier fulfils its functions as information authority of the Member State of enforcement, within the meaning of Article 14 of Regulation (EU) No 655/2014 of the European Parliament and of the Council of 15 May 2014 establishing a European Account Preservation Order procedure to facilitate cross-border debt recovery in civil and commercial matters, in accordance with Article 3 of the Law of 17 May 2017 on the application of Regulation (EU) No 655/2014 of the European Parliament and of the Council of 15 May 2014 establishing a European Account Preservation Order procedure to facilitate cross-border debt recovery in civil and commercial matters, amending the New Code of Civil Procedure and the Law of 23 December 1998 establishing a financial sector supervisory commission (“Commission de surveillance du secteur financier”), as amended.”

*(Law of 21 December 2012)*

“**Article 2-1.** (1) The CSSF is the competent authority in Luxembourg for the purposes of applying Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended. For the purposes of applying that regulation, the CSSF shall work together with the competent authorities of the other Member States and with the European Securities and Markets Authority.

*(Law of 15 March 2016)*

“(1a) For credit institutions, investment firms, management companies, investment companies, alternative investment fund managers and central counterparties as defined in the above-mentioned regulation, established in Luxembourg and subject to the supervision of the CSSF, the latter, taking into account the nature, scale and complexity of these entities’ activities, shall monitor the adequacy of their credit risk assessment processes, assess the use of contractual references to credit ratings and, where appropriate, encourage mitigation of the impact of such references, with a view to reducing sole and mechanistic reliance on credit ratings, in line with the specific regulation applicable to them.”

(2) Where a legal person subject to the supervision of the CSSF or the natural persons responsible for the administration or management of that legal person or a natural person subject to said supervision does not comply with “Article 4(1) or Article 5a, 8b, 8c or 8d”<sup>10</sup> of Regulation (EC) No 1060/2009 as amended, the CSSF shall require, by registered letter, this person to remedy the particular situation within the time limit it shall specify.

(3) If, at the end of the period laid down by the CSSF in accordance with paragraph (2), the particular situation has not been remedied, the CSSF may sanction the persons referred to in paragraph (2). The CSSF may issue, ranked in order of seriousness:

- a warning;
- a reprimand;
- an administrative fine of between 250 and 250,000 euros;
- a temporary or definitive ban from performing one or several operations or activities, as well as any other restriction to the activity of the persons or entity.

(4) The CSSF shall disclose to the public the sanctions imposed pursuant to this Article, unless the disclosure would seriously jeopardise the financial markets or cause disproportionate damage to the parties involved.

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<sup>9</sup> Law of 21 December 2012

<sup>10</sup> Law of 15 March 2016

(5) The decision to impose a sanction may be referred to the *Tribunal administratif* [administrative court] which deals with the substance of the case. The case shall be filed within one month, or else shall be time-barred."

*(Law of 18 December 2015)*

"**Article 2-2.** (1) The CSSF is the Luxembourg resolution authority for the purposes of application of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms.

(2) The CSSF is the national resolution authority in Luxembourg for the purposes of application of Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010.

(3) The CSSF shall carry out the operational tasks of the Fonds de Résolution Luxembourg defined in Article 105 of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms."

*(Law of 18 December 2015)*

"**Article 2-3.** The CSSF shall carry out the operational tasks related to the duties of the CPDI defined in Article 12-10(1) and the operational tasks of the Fonds de Garantie des Dépôts Luxembourg referred to in Article 154 of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms and it shall operate the Système d'Indemnisation des Investisseurs Luxembourg referred to in Article 156 of that law."

**Article 3.** "In the performance of its duties, the CSSF shall:"<sup>11</sup>

(a) examine all requests from undertakings or persons seeking to establish themselves in the Grand Duchy of Luxembourg to engage in one or more of the activities enumerated in Article 2 which require authorisation from the Minister responsible for the CSSF;

*(Law of 21 December 2012)*

"(b) compile statistics and be authorised to gather the necessary data to this end from all the persons subject to its supervision;"

"(...)"<sup>12</sup>

(d) monitor dossiers and participate in negotiations at a Community and international level relating to problems affecting the financial sector;

(e) present to the Government any suggestions likely to improve the financial sector's legislative and regulatory environment;

(f) examine any other question relating to financial activities which the Minister responsible for the CSSF might submit to it.

*(Law of 28 April 2011)*

"**Article 3-1.** In exercising its tasks, the CSSF shall consider the Community and international dimension of the supervision as well as the convergence of supervisory tools and practices, the application of legislative, regulatory and administrative requirements imposed by "EU"<sup>13</sup> law.

To this end,

"– it shall represent Luxembourg within the European Supervisory Authorities "and, as a party to the European System of Financial Supervisors (ESFS), cooperate with trust and full mutual respect, in particular when ensuring the flow of appropriate and reliable information between the CSSF and other parties to the ESFS, in accordance with the principle of sincere cooperation set out in Article 4(3) of the Treaty on European Union."<sup>14</sup> "It"<sup>15</sup> shall participate in the activities of "the European Supervisory Authorities and, as appropriate, in the colleges of supervisors"<sup>16</sup> with due regard to its legal powers;"<sup>17</sup>

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<sup>11</sup> Law of 21 December 2012

<sup>12</sup> Law of 21 December 2012

<sup>13</sup> Law of 21 December 2012

<sup>14</sup> Law of 23 July 2015

<sup>15</sup> Law of 23 July 2015

<sup>16</sup> Law of 23 July 2015

<sup>17</sup> Law of 21 December 2012

- “it shall make every effort to comply with”<sup>18</sup> the guidelines “and recommendations issued”<sup>19</sup> by these “European Supervisory Authorities”<sup>20</sup> “(…)”<sup>21</sup> “, as well as the warnings and recommendations issued by the European Systemic Risk Board;”<sup>22</sup>
- it may not accept a national mandate which would inhibit its performance of the duties as member of “the European System of Financial Supervision”<sup>23</sup> “, the European Systemic Risk Board, where applicable,”<sup>24</sup> or its duties under “EU”<sup>25</sup> law;

(Law of 23 July 2015)

- it shall cooperate closely with the European Systemic Risk Board;
- it shall publish on its website and update, on a regular basis, information on the prudential provisions, criteria and methods used, as well as the statistical data that the authorities competent for the supervision of credit institutions and investment firms are required to publish pursuant to the law of the European Union;
- it shall collect the information required in accordance with the law of the European Union from the institutions under its supervision and use the information as laid down in these provisions.”

(Law of 21 December 2012)

“The CSSF shall, without delay, provide the European Supervisory Authorities and the European Systemic Risk Board with the information necessary to carry out their duties, in accordance with EU law.

The CSSF may refer, in accordance with EU law, to the competent European Supervisory Authorities situations where a request for cooperation, in particular to exchange information, has been rejected or has not been acted upon within a reasonable time.”

**Article 3-2.** In exercising its tasks, the CSSF shall duly consider the potential impact of its decisions on the stability of the financial system at national, Community and international level and, in particular, in emergency situations, based on the information available at the relevant time.

In the light of its supervisory mission and in compliance with the legal competences of the parties, the CSSF shall cooperate with the government, the Luxembourg Central Bank and with the other national, Community and international supervisory authorities in order to contribute to ensuring the financial stability, notably within the authorities established for that purpose at these different levels.”

“(…)”<sup>26</sup>

### Section 3: The Board

**Article 4.** The CSSF's administrative structures are the Board, the Executive Board, the Resolution Board and the Council for the Protection of Depositors and Investors (hereinafter the “CPDI”).”<sup>27</sup>

**Article 5.** The board shall exercise the following powers:

(a) It shall determine the annual budget “, including the budget of the Resolution Board,”<sup>28</sup> and approve the Executive Board’s financial accounts and management report, which shall be submitted to it before they are presented to the Government for approval.

“(b) It shall make a proposal to the Government concerning the appointment of the CSSF’s *réviseur d’entreprises agréé* (approved statutory auditor).”<sup>29</sup>

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<sup>18</sup> Law of 23 July 2015

<sup>19</sup> Law of 23 July 2015

<sup>20</sup> Law of 21 December 2012

<sup>21</sup> Law of 23 July 2015

<sup>22</sup> Law of 23 July 2015

<sup>23</sup> Law of 21 December 2012

<sup>24</sup> Law of 23 July 2015

<sup>25</sup> Law of 21 December 2012

<sup>26</sup> Law of 21 December 2012

<sup>27</sup> Law of 18 December 2015

<sup>28</sup> Law of 18 December 2015

<sup>29</sup> Law of 18 December 2009

(c) It shall give an opinion on the general situation concerning the CSSF's conditions and tariffs, and in particular those relating to the terms under which the CSSF's staff costs and operating costs shall be reimbursed by the companies and persons subject to its supervision.

(d) It shall approve the Executive Board's rules and regulations.

(e) It shall give its opinion before any decision is made to dismiss a member of the Executive Board.

"(...)"<sup>30</sup>

*(Law of 24 October 2008)*

"(f)"<sup>31</sup> It shall set the general policy as well as the annual and long-term investment programmes which are submitted to it by the Executive Board before being submitted for approval to the Minister responsible for the CSSF." "The general policy and the annual and long-term investment programmes shall take into account the needs of the department Resolution."<sup>32</sup>

**Article 6.** (1) The board shall consist of seven members appointed by the "Grand Duke on a proposal from the"<sup>33</sup> Government in Council. Four members shall be appointed on a proposal from the Minister responsible for the CSSF. Three members shall be appointed on a proposal from the companies and persons subject to supervision.

(2) The appointments shall be made for a "five"<sup>34</sup>-year term and shall be renewable.

"(...)"<sup>35</sup>

**Article 7.** "(1) On a proposal from the Government in Council, the Grand Duke shall appoint the board's chairman and vice-chairman from among the members nominated on a proposal from the Minister responsible for the CSSF."<sup>36</sup>

(2) The Government in Council shall determine the members of the board's allowances, which shall be paid by the CSSF.

**Article 8.** (1) The board shall be convened by the Chairman or, if he is unable to attend, the Vice-Chairman. It shall be convened whenever at least three members so request or at the request of the Executive Board of the CSSF " , the Resolution Board or the CPDI"<sup>37</sup>.

(2) The board shall deliberate validly if a majority of its members are present or represented by proxy.

(3) The board shall adopt its rules and regulations on a 5/7 majority vote of its members.

(4) The board's secretarial function shall be performed by an employee of the CSSF designated by the Executive Board.

(5) With the exception of communications which the board decides to make official, the members of the board and any person called upon to attend its meetings shall be bound by secrecy regarding its deliberations.

*(Law of 18 December 2015)*

"(6) A member of the Board who, in the discharge of his/her duties, is called upon to decide on a matter in which s/he has direct or indirect personal interests that would jeopardise his/her independence, shall inform the Board and shall not take part in the discussions or decisions in question."

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<sup>30</sup> Law of 28 April 2011

<sup>31</sup> Law of 28 April 2011

<sup>32</sup> Law of 18 December 2015

<sup>33</sup> Law of 24 October 2008

<sup>34</sup> Law of 24 October 2008

<sup>35</sup> Law of 28 April 2011

<sup>36</sup> Law of 24 October 2008

<sup>37</sup> Law of 18 December 2015

## Section 4: The Executive Board

**Article 9.** (1) The Executive Board is the CSSF's highest executive authority.

(2) The Executive Board shall determine the measures and make the decisions that enable the CSSF to perform its functions in accordance with "(...)"<sup>38</sup> this law. It shall be responsible for the reports and proposals which its remit requires it to send to the board and the Government. "Within the limits of its remit and role, the CSSF has the power to make regulations"<sup>39</sup> "These regulations shall be published in the *Mémorial*"<sup>40</sup> "Moreover, "the CSSF"<sup>41</sup> shall put in place a five-year "objectives contract" with the Minister responsible for the CSSF."<sup>42</sup>

(3) The Executive Board shall send the Minister responsible for the CSSF an annual progress report on the financial sector segment which it supervises.

(4) The Executive Board shall be empowered to initiate any act of administration or disposal which is necessary for, or conducive to, fulfilment of the CSSF's remit and its organisation.

(5) The Executive Board "shall recruit, appoint and, without prejudice to Article 5(f), dismiss CSSF staff members."<sup>43</sup>

(6) The Executive Board shall represent the CSSF judicially and extrajudicially.

**Article 10.** "(1) The Executive Board consists of a Director General and two to four Directors."<sup>44</sup>

(2) The members of the Executive Board shall be appointed for a term of "five"<sup>45</sup> years by the Grand Duke on a proposal from the Government in Council. The appointments shall be renewable.

(3) The Government may make proposals to the Grand Duke regarding dismissal of the members of the Executive Board if any fundamental disagreement arises between the Government and the Executive Board concerning policy and execution of the CSSF's remit. In such cases, the dismissal shall apply to the Executive Board overall. Likewise, the Government, after consulting the board of the CSSF, may make a proposal to the Grand Duke regarding dismissal of a member of the Executive Board who no longer meets the conditions stipulated for his duties or who is guilty of serious misconduct.

"(...)"<sup>46</sup>

(5) Prior to taking up their duties, the members of the Executive Board shall take the following oath before the Minister responsible for the CSSF: "I swear loyalty to the Grand Duke and obedience to the Constitution and the laws of the State. I promise to fulfil my duties with integrity, thoroughness and impartiality and to preserve the secrecy of the deliberations."

**Article 11.** (1) The members of the Executive Board shall be classified as civil servants with regard to their status, their remuneration and their pension scheme.

(2) In the event of non-renewal or revocation of the appointment of a member of the Executive Board, such member shall become a general advisor to the CSSF with maintenance of his status and his basic level of remuneration, save for the special allowances pertaining to his previous function. He may be transferred to another administration or a different public body in accordance with Article 6 of the amended Law of 16 April 1979 which sets forth the general civil service regulations.

(3) The functions of the Director General and the Directors shall be respectively graded as S1 of heading VI "Fixed Index Functions" and grade 18 of the "General Administration" heading of Annex A "Classification of Functions" to the amended Law of 22 June 1963 on civil servants' salary scales.

(4) The Government in Council may allocate a special allowance to members of the Executive Board for entertainment expenses.

(5) The remuneration and other allowances of the members of the Executive Board and, where applicable, of the general advisors, shall be paid by the CSSF. Their pensions shall be paid by the State.

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<sup>38</sup> Law of 21 December 2012

<sup>39</sup> Law of 24 October 2008

<sup>40</sup> Law of 21 December 2012

<sup>41</sup> Law of 21 December 2012

<sup>42</sup> Law of 24 October 2008

<sup>43</sup> Law of 9 November 2001

<sup>44</sup> Law of 24 October 2008

<sup>45</sup> Law of 24 October 2008

<sup>46</sup> Law of 28 April 2011

**Article 12.** The Executive Board's decisions shall be made collegiately. It shall adopt its rules and regulations on a unanimous vote of its members. The rules and regulations shall come into force when they have been approved by the board of the CSSF.

*(Law of 18 December 2015)*

#### **“Section 4-1: Resolution Board**

**Article 12-1.** (1) The Resolution Board shall exercise the duties and powers conferred on the CSSF as the resolution authority by the Law of 18 December 2015 on the failure of credit institutions and certain investment firms, Article 2-2 of this law and Regulation (EU) No 806/2014 and their implementing measures.

(2) By way of derogation from Article 9(1), the Resolution Board is the CSSF's highest executive authority for the purpose of exercising the duties and powers conferred on the CSSF as the resolution authority.

By way of derogation from Article 9(2), the Resolution Board shall prepare and make decisions required for fulfilling its duties. It shall be competent to decide on the resolution action and ensure its implementation.

(3) By way of derogation from Article 9(4), the Resolution Board shall be empowered to initiate any act of administration or disposal which is necessary for, or conducive to, fulfilment of its duties.

(4) The Resolution Board shall draw up the budget of the department Resolution and cooperate, within the limits of its duties, to the drawing up of reports and other documents to be submitted to the Board pursuant to Article 5.

(5) By way of derogation from Article 9(6), the Resolution Board shall represent the CSSF judicially and extrajudicially for the purpose of exercising the duties and powers conferred on the CSSF as the resolution authority.

**Article 12-2.** (1) The Resolution Board shall comprise five members:

- (a) the Director Resolution referred to in Article 12-7;
- (b) the Director of the Treasury;
- (c) the Director General of the Banque Centrale du Luxembourg;
- (d) the Director of the CSSF responsible for banking supervision; and
- (e) the magistrate appointed by the Grand Duke on the proposal of the Government in Council.

(2) The member referred to in letter (e) of paragraph 1 shall be appointed for a term of five years that shall be renewable.

(3) The Grand Duke on proposal of the Government in Council shall appoint a substitute for the member referred to in letter (e) of paragraph 1. Every member referred to in letters (a) to (d) of paragraph 1 shall designate a substitute within its authority who will replace that member if s/he is prevented from attending. The substitute of the Director Resolution shall be a person from the department Resolution referred to in Article 12-6.

(4) The Chairman of the Resolution Board is the Director Resolution referred to in Article 12-7 and, if s/he is unable to chair, the Director of the Treasury.

In case a member is replaced by its substitute, the latter shall be considered as member and exercise the voting right of the member.

(5) If a seat of a member or substitute of the Resolution Board becomes vacant for any reason whatsoever, that member or substitute shall be replaced for the remaining term of the office.

A member of the Resolution Board or his/her substitute may be dismissed in the same way as his/her appointment.

(6) The Government in Council shall set the allowances of the members of the Resolution Board, which shall be paid by the CSSF.

(7) The secretariat of the Resolution Board shall be provided by an employee from the the department Resolution referred to in Article 12-6 to be appointed by the Resolution Board.

**Article 12-3.** (1) The Chairman of the Resolution Board or, if s/he is unavailable, the Director of the Treasury shall convene the meetings of the Resolution Board either on his/her own initiative or in case the Resolution Board is resorted to pursuant to paragraph 3.

(2) The Resolution Board shall meet on a half-yearly "at least"<sup>47</sup>.

(3) Moreover, the Minister responsible for the financial sector, the Director General of the Banque Centrale du Luxembourg, the Director General of the CSSF or the Director Resolution may refer the situation of an institution to the Resolution Board in order to implement a possible resolution action.

(4) The Chairman of the Resolution Board or, if s/he is unavailable, the Director of the Treasury shall convene a meeting of the Resolution Board without delay in the event the European Central Bank, the Single Resolution Board or the European Commission refers the situation of an institution to the Resolution Board.

(5) In urgent cases identified by the Chairman of the Resolution Board or, if s/he is unavailable, by the Director of the Treasury, the Resolution Board may hold a meeting by using a voice communication system.

**Article 12-4.** The Resolution Board shall take its decision collectively. The deliberations of the Resolution Board shall be valid if the majority of the members are present. The decisions shall be taken by a majority of the votes cast. Each member shall have one vote. In the event of a tie vote, the Chairman shall have a casting vote.

(2) The Resolution Board shall inform, without delay, the Minister responsible for the financial sector of draft decisions which lead, immediately or in the future, to a call for public support, irrespective of the form of support or which may have systemic consequences. These draft decisions shall be subject to prior approval by the Minister responsible for the financial sector.

(3) The members of the Resolution Board, their substitutes, the experts and any other person attending the meetings shall be bound by the obligation of professional secrecy within the meaning of Article 16.

(4) The Resolution Board shall, where appropriate, make its decisions public pursuant to Article 83 of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms. It may decide to make public any information if this disclosure helps to fulfil its duties.

(5) The Resolution Board shall have internal rules to be adopted by a majority of the votes cast.

(6) A member of the Resolution Board who, in the discharge of his/her duties, is called upon to decide on a matter in which s/he has direct or indirect personal interests that would jeopardise his/her independence, shall inform the Resolution Board and shall not take part in the discussions or decisions in question.

**Article 12-5.** The civil liability under Article 20(2) and (3) shall apply to the Resolution Board, its members, its substitutes as well as to the staff of the department Resolution referred to in Article 12-6.

The expenses shall be borne by the CSSF which may claim reimbursement in the event of a final conviction for gross negligence.

**Article 12-6.** A department of the CSSF which shall carry out the operational tasks related to the duties of the Resolution Board referred to in Articles 2-2 and 12-1 shall assist the Resolution Board in the exercise of its duties (hereinafter the "department Resolution"). The department Resolution shall have its operational tasks separate from the other departments of the CSSF, shall report directly to the Director Resolution and shall have a specific budget. The Resolution Board shall have access to the information held by the department Resolution in order to carry out its duties.

**Article 12-7.** (1) The Director Resolution shall head the department Resolution.

(2) The Director Resolution may assist ipso jure as observer and has advisory capacity in the meetings of the Executive Board.

(3) Article 10(2), (3) and (5) and Article 11 shall apply to the Director Resolution.

(4) By way of derogation from Article 9(5), the Director Resolution shall recruit, appoint and dismiss CSSF staff members of the department Resolution.

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<sup>47</sup> Law of 27 February 2018



(5) The Director Resolution shall represent the CSSF in the Single Supervisory Board.

**Article 12-8.** The Resolution Board may use the services of experts.

**Article 12-9.** (1) The Resolution Board and the Executive Board shall exchange information and cooperate for the purpose of exercising their respective duties. In particular, the Resolution Board and the department Resolution shall have access to information held by the other departments of the CSSF in order to exercise their duties.

The Resolution Board and the Fonds de Résolution Luxembourg shall exchange information when necessary to exercise their respective duties.

The Resolution Board and the CPDI shall exchange information and cooperate when necessary to exercise their respective duties. Moreover, the Resolution Board shall exchange information and cooperate with the Fonds de Garantie des Dépôts Luxembourg when necessary to exercise their respective duties.

The arrangements for the information exchange and the cooperation between the Resolution Board, the Executive Board and the CPDI shall be laid down in the internal rules of the Resolution Board, the Executive Board and the CPDI.

(2) In keeping with the competences and independence of the Banque Centrale du Luxembourg and without prejudice to Article 37 of the Statute of the European System of Central Banks and of the European Central Bank, the Resolution Board may:

- (a) exchange information and cooperate with the Banque Centrale du Luxembourg where necessary for the fulfilment of their respective duties;
- (b) request the Banque Centrale du Luxembourg any information necessary to carry out its duty, by means of an unanimous decision taken each time by the members of the Resolution Board.

(3) The Resolution Board and the Systemic Risk Board may exchange information in the framework and within the limits of their respective duties.

(4) The Resolution Board may exchange information with the special managers referred to in Part I of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms and the administrators referred to in Part II of that law where necessary to fulfil their respective duties.

(5) The Resolution Board may exchange information and cooperate with the following authorities and bodies of the other Member States, third countries and the European Union:

- (a) the resolution authorities;
- (b) the supervisory authorities of credit institutions and investment firms;
- (c) the authorities designated in Article 163 of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms;
- (d) the resolution financing arrangements referred to in Article 100 of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council;
- (e) the deposit guarantee schemes;
- (f) the Single Resolution Board;
- (g) the Single Resolution Fund;
- (h) the European Central Bank; and
- (i) the European Banking Authority,

where necessary to fulfil their respective duties.

Where the Resolution Board communicates information to the authorities or bodies referred to in the first subparagraph, it may indicate at the time of communication that such information must not be disclosed without its express consent, in which case such information may be exchanged solely for the purposes for which the Resolution Board gave its consent.

The Resolution Board may not disclose information received pursuant to paragraphs 1, 2, 3 and 4 as well as information received from the authorities and bodies referred to in the first subparagraph or use this information for other purposes than those to which the authorities and bodies gave their consent, where the authorities or bodies indicated it at the time of communication of the information.

#### **Section 4-2: Council for the Protection of Depositors and Investors**

**Article 12-10.** (1) The Council for the Protection of Depositors and Investors (hereinafter the "CPDI") shall carry out the duties and powers conferred on it by Part III of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms and its implementing measures.

(2) By way of derogation from Article 9(1), the CPDI is the CSSF's highest executive authority to carry out the duties and powers conferred on it by Part III of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms and its implementing measures.

By way of derogation from Article 9(2), the CPDI shall prepare and make decisions required for fulfilling its duties.

(3) By way of derogation from Article 9(4), the CPDI shall be empowered to initiate any act of administration or disposal which is necessary for, or conducive to, fulfilment of its duties.

(4) The CPDI shall cooperate, within the limits of its duties, to the drawing up of reports and other documents to be submitted to the Board pursuant to Article 5.

(5) By way of derogation from Article 9(6), the CPDI shall represent the CSSF judicially and extrajudicially for the purpose of carrying out the duties and powers conferred on it by Part III of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms and its implementing measures.

**Article 12-11.** (1) The CPDI shall comprise five to six members:

- (a) the Director of the CSSF in charge of the department referred to in Article 12-15;
- (b) the Director of the Treasury;
- (c) the Director General of the Banque Centrale du Luxembourg;
- (d) the Director of the CSSF in charge of banking supervision if different from the Director referred to in letter (a);
- (e) the Chief Executive Officer of the Luxembourg Bankers' Association (ABBL); and
- (f) the magistrate appointed by the Grand Duke on the proposal of the Government in Council.

(2) The member referred to in letter (f) of paragraph 1 shall be appointed for a term of five years that shall be renewable.

(3) The Grand Duke on proposal of the Government in Council shall appoint a substitute for the members referred to in letters (e) and (f) of paragraph 1. Every member referred to in letters (a) to (d) of paragraph 1 shall designate a substitute within its authority who will replace that member if s/he is prevented from attending.

(4) The Chairman of the CPDI is the Director of the CSSF in charge of the department referred to in Article 12-15 and, if s/he is unable to chair, the Director of the Treasury.

In case a member is replaced by its substitute, the latter shall be considered as member and exercise the voting right of the member.

(5) If a seat of a member or substitute of the CPDI becomes vacant for any reason whatsoever, that member or substitute shall be replaced for the remaining term of the office.

A member of the CPDI or his/her substitute may be dismissed in the same way as his/her appointment.

(6) The Government in Council shall set the allowances of the members of the CPDI, which shall be paid by the CSSF.

(7) A CSSF agent, to be designated by the CPDI, shall carry out the tasks of the secretariat of the CPDI.

**Article 12-12.** (1) The Chairman of the CPDI or, if s/he is unavailable, the Director of the Treasury shall convene the meetings of the CPDI.

(2) The CPDI shall meet on a half-yearly basis “at least”<sup>48</sup>.

Moreover, the Chairman of the CPDI or, if s/he is unavailable, the Director of the Treasury shall convene a meeting of the CPDI without delay in the event the Executive Board of the CSSF, the Resolution Board, the Banque Centrale du Luxembourg, the Minister responsible for the financial sector, the European Central Bank, the Single Resolution Board or the European Commission refers the situation of an institution to the CPDI.

(3) In urgent cases identified by the Chairman of the CPDI or, if s/he is unavailable, by the Director of the Treasury, the CPDI may hold a meeting by using a voice communication system.

**Article 12-13.** The CPDI shall take its decision collectively. The deliberations of the CPDI shall be valid if at least three members are present. The decisions shall be taken by a majority of the votes cast. Each member shall have one vote. In the event of a tie vote, the Chairman shall have a casting vote.

(2) Besides the information that the CPDI decides to make official, the members of the CPDI, their substitutes, the experts and any other person attending the meetings shall be bound by the obligation of professional secrecy within the meaning of Article 16.

(3) The CPDI shall have internal rules to be adopted by a majority of the votes cast.

(4) A member of the CPDI who, in the discharge of his/her duties, is called upon to decide on a matter in which s/he has direct or indirect personal interests that would jeopardise his/her independence, shall inform the CPDI and shall not take part in the discussions or decisions in question.

**Article 12-14.** The civil liability under Article 20(2) and (3) shall apply to the CPDI, its members and its substitutes.

The expenses shall be borne by the CSSF which may claim reimbursement in the event of a final conviction for gross negligence.

**Article 12-15.** The department of the CSSF which carries out the operational tasks related to the duties of the CPDI defined in Article 12-10(1) and those of the Fonds de Garantie des Dépôts Luxembourg and which operates the Système d'Indemnisation des Investisseurs Luxembourg shall assist the CPDI to fulfil its duties. The CPDI shall have access to the information held by this department in order to carry out its duties.

**Article 12-16.** The CPDI may use the services of experts.

**Article 12-17.** (1) The CPDI and the department of the CSSF referred to in Article 12-15 shall have access to information held by the other departments of the CSSF in order to exercise their duties.

The CPDI and the Fonds de Garantie des Dépôts Luxembourg shall exchange information when necessary to exercise their respective duties.

The third and fourth subparagraphs of Article 12-9(1) shall apply.

(2) In keeping with the competences and independence of the Banque Centrale du Luxembourg and without prejudice to Article 37 of the Statute of the European System of Central Banks and of the European Central Bank, the CPDI may:

(a) exchange information and cooperate with the Banque Centrale du Luxembourg where necessary for the fulfilment of their respective duties;

(b) request the Banque Centrale du Luxembourg any information necessary to carry out its duty, by means of an unanimous decision taken each time by the members of the CPDI.

(3) The CPDI and the Systemic Risk Board may exchange information in the framework and within the limits of their respective duties.

(4) The CPDI may exchange information with the administrators and liquidators of the credit institution or the investment firm referred to in Part II of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms where necessary to fulfil their respective duties.

(5) The CPDI may exchange information and cooperate with the following authorities and bodies of the other Member States, third countries and the European Union:

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<sup>48</sup> Law of 27 February 2018

- (a) the supervisory authorities of credit institutions and investment firms;
- (b) the resolution authorities;
- (c) the authorities designated in Article 163 of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms;
- (d) the deposit guarantee schemes;
- (e) the investor compensation schemes;
- (f) the Single Resolution Board;
- (g) the European Central Bank; and
- (h) the European Banking Authority,

where necessary to fulfil their respective duties.

Where the CPDI communicates information to the authorities or bodies referred to in the first subparagraph, it may indicate at the time of communication that such information must not be disclosed without its express consent, in which case such information may be exchanged solely for the purposes for which the CPDI gave its consent.

The CPDI may not disclose information received pursuant to paragraphs 1 to 4 as well as information received from the authorities and bodies referred to in the first subparagraph or use this information for other purposes than those to which the authorities and bodies gave their consent, where the authorities or bodies indicated it at the time of communication of the information.”

#### **Section 5: “Staff”<sup>49</sup>**

*(Law of 9 November 2001)*

“**Article 13.** (1) “The CSSF’s staff is composed of agents”<sup>50</sup> treated as civil servants who are subject to the laws and regulations governing civil servants, without prejudice to the provisions of this law.

“(2) The CSSF’s staff is composed of agents belonging to different remuneration categories as provided for by the Law of 25 March 2015 on civil servants’ salary scales and the terms and conditions of promotions for civil servants. The number of posts of *premiers conseillers de direction* in salary category A, salary group A1, special duties sub-group, is limited to 12 agents.”<sup>51</sup>

(3) The CSSF’s staff may be supplemented by trainee agents, professional staff treated as *employés de l’Etat* and “*saliés*”<sup>52</sup> treated as “*saliés*”<sup>53</sup> *de l’Etat* to whom the laws and regulations and collective agreements applicable to such staff categories respectively apply, without prejudice to the provisions of this law.

(4) The CSSF’s establishment plan shall be laid down annually on the basis of an organisation chart annexed to the budget and forming an integral part thereof which shall be subject to approval from the board of the CSSF in accordance with Article 22.

The organisation chart shall consist of tables showing all the staff members in post or planned for based on the categories indicated in this Article.

*(Law of 18 December 2015)*

“The organisation chart shall include the staff of the department Resolution.”

The organisation chart shall determine the number of posts for the different functions within the *cadre fermé* planned for the various categories of employees treated as civil servants in accordance with the amended Law of 28 March 1986 harmonising the terms and conditions of promotion in the various job categories within the State’s administrations and departments.

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<sup>49</sup> Law of 9 November 2001

<sup>50</sup> Law of 6 December 2016

<sup>51</sup> Law of 6 December 2016

<sup>52</sup> Law of 6 December 2016

<sup>53</sup> Law of 6 December 2016

The staff representation's opinion concerning the organisation chart shall be sought before it is approved by the board.

**Article 14.** (1) Prior to taking up their duties within the CSSF, all staff members shall take the following oath before one of the members of the Executive Board of the CSSF: "I swear loyalty to the Grand Duke and obedience to the constitution and the laws of the State. I promise to fulfil my duties with integrity, thoroughness and impartiality and to maintain secrecy regarding the facts I become aware of while, or on account of, fulfilling my duties." (...) <sup>54</sup>

(Law of 18 December 2015)

"The members of staff assigned to the department Resolution shall take an oath before the Director Resolution."

(2) The functions devolved upon the Grand Duke, the Government, the council of the Government, a minister or the authority invested with the power to make appointments by the Grand-Ducal laws and regulations applicable to civil servants " ,*employés* and *saliariés de l'État*" <sup>55</sup> shall be exercised, in respect of the CSSF's staff, by the Executive Board of the CSSF; those which are devolved upon the Head of Administration shall be exercised by the Director General or a Director delegated by him.

(Law of 18 December 2015)

"As regards the staff of the department Resolution, the functions devolved upon the Grand Duke, the Government, the Council of the Government, a minister or the authority invested with the power to make appointments by the laws and grand-ducal regulations applicable to civil servants and other employees of the State shall be exercised, in respect of the CSSF's staff of the department Resolution, by the Resolution Board; those which are devolved upon the Head of Administration shall be exercised by the Director Resolution."

"(3) The CSSF organises the training course for its agents under its own responsibility. It lays down the conditions and formalities to be fulfilled by candidate trainees, the programme and the procedure of the competitive examination for admission to training, the traineeship modalities, including the training programme and the examinations during traineeship, as well as the programme and procedure for the final examination." <sup>56</sup>

(4) The training course for the CSSF's employees shall not include any training at the *Institut National d'administration publique*; the CSSF may nevertheless enter into agreements with the Institute to enable its staff members to take specific courses there.

"(5) The duration of the traineeship within the CSSF is two years for trainees admitted to training for a full-time position, and three years for trainees admitted to training for a part-time position. Notwithstanding the exceptions and attenuations in respect of the traineeship and examination conditions that the CSSF may grant in accordance with Article 2 of the Law of 16 April 1979 on the general status of civil servants, the minimum training period cannot be less than one year for full-time positions, or less than two years for part-time positions." <sup>57</sup>

"(6) The CSSF shall organise the management objectives, training sessions, assessments and examinations required for the professional development and for the promotion of its agents in the different sub-groups and of its employees." <sup>58</sup>

(7) The CSSF's staff members may benefit individually from a non-pensionable pay supplement determined by the Executive Board of the CSSF on the basis of their specific functions or qualifications "and, as regards the members of staff assigned to the department Resolution, by the Director Resolution" <sup>59</sup>. The guidelines for awarding pay supplements form an integral part of the organisation chart referred to in Paragraph (4) of Article 13.

(8) The remuneration of all CSSF staff members shall be paid by the CSSF. Their pension shall be paid by the State if they belong to the civil service pension scheme."

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<sup>54</sup> Law of 6 December 2016

<sup>55</sup> Law of 6 December 2016

<sup>56</sup> Law of 6 December 2016

<sup>57</sup> Law of 6 December 2016

<sup>58</sup> Law of 6 December 2016

<sup>59</sup> Law of 18 December 2015

## Section 6: “Consultative Committees”<sup>60</sup>

**Article 15.** (1) A consultative committee for prudential regulation is hereby created within the CSSF which may be sought for an opinion intended for the Government on any bill or draft grand-ducal regulation pertaining to financial sector supervision within the CSSF’s remit. “The Executive Board shall seek an opinion of this consultative committee on any draft regulation of the CSSF other than related to statutory audits “or to resolution”<sup>61</sup> and the audit profession.”<sup>62</sup>

(2) A member of the consultative committee for prudential regulation may refer the implementation or application of prudential regulation overall, or specific questions, to the said committee.

(3) The consultative committee for prudential regulation shall consist of the following members:

a) the competent Minister or a representative designated by him;

“b) the Executive Board of the CSSF considered as a college and counting as one member;”<sup>63</sup>

c) six members designated by the competent minister to respectively represent the banks, the undertakings for collective investment, the other professionals and the stock exchanges subject to the CSSF’s prudential supervision.

(4) The term of office of a member referred to in c) of Paragraph (3) shall be four years and shall be renewable.

(5) The consultative committee shall draw up rules and regulations and choose a CSSF agent as its secretary on a proposal from the Executive Board.

*(Law of 28 April 2011)*

**“Article 15-1.** (1) A consultative committee for the audit profession is hereby created within the CSSF which may be sought for an opinion intended for the Government on any draft law or draft grand-ducal regulation pertaining to regulation related to statutory audits and the audit profession subject to the oversight of the CSSF. “The Executive Board shall seek an opinion of this consultative committee on any draft regulation of the CSSF related to statutory audits and the audit profession.”<sup>64</sup>

(2) A member of the consultative committee for the audit profession may refer the implementation or the application of the legislation regarding the oversight of the audit profession in its whole or for specific issues to the said committee.

(3) The consultative committee for the audit profession shall consist of the following members:

(a) the Minister of Justice or a representative designated by him;

(b) the Minister of Finance or a representative designated by him;

“(c) the Executive Board of the CSSF considered as a college and counting as one member;”<sup>65</sup>

(d) a member of the Executive Board of the Commissariat aux assurances designated by said Executive Board or a representative designated by it;

(e) three members of the Institut des réviseurs d’entreprises designated by it;

(f) a member of the Association des banques et banquiers, Luxembourg (ABBL) designated by it;

(g) a member of the Association luxembourgeoise des fonds d’investissement (ALFI) designated by it;

(h) a member of the Chambre de Commerce designated by it.

(4) The term of office of a member referred to in (e) to (g) of Paragraph (3) shall be four years and shall be renewable.

(5) The consultative committee for the audit profession shall draw up rules and regulations and choose a CSSF agent as its secretary on a proposal from the Executive Board.”

*(Law of 18 December 2015)*

**“Article 15-2.** (1) A consultative committee for resolution is hereby created within the CSSF which may be sought for an opinion intended for the Government on any bill or draft grand-ducal regulation

<sup>60</sup> Law of 28 April 2011

<sup>61</sup> Law of 18 December 2015

<sup>62</sup> Law of 28 April 2011

<sup>63</sup> Law of 28 April 2011

<sup>64</sup> Law of 28 April 2011

<sup>65</sup> Law of 28 April 2011

pertaining to regulation related to resolution within the CSSF's remit. The Resolution Board shall seek an opinion of this consultative committee on any draft regulation of the CSSF relating to resolution.

(2) A member of the consultative committee for resolution may refer the implementation or application of regulation relating to resolution overall, or specific questions, to the said committee.

(3) The consultative committee for resolution shall consist of the following members:

- (a) the Minister responsible for the financial sector or a representative designated by him/her;
- (b) the Resolution Board as a college and counting as one member, where appropriate, represented by the Director Resolution;
- (c) the Director of the CSSF in charge of the department referred to in Article 12-15;
- (d) four members designated by the Minister responsible for the financial sector to represent the banks and investment firms respectively;
- (e) one member of the Institut des Réviseurs d'Entreprises designated by it;

(4) The term of office of a member referred to in letters (d) and (e) of paragraph (3) shall be four years and shall be renewable.

(5) The Chairman of the consultative committee is the Director Resolution. The consultative committee shall draw up rules and regulations and choose a secretary among the staff of the department Resolution on a proposal from the Resolution Board."

“(…)”<sup>66</sup>

“(…)”<sup>67</sup>

## Section 7: Secrecy

**Article 16.** “Save for the exceptions provided for by law or by virtue of a law, the members of the administrative structures, the *réviseur d’entreprises agréé* (approved statutory auditor), and all persons performing, or having performed, a duty for the CSSF, shall be required to maintain secrecy relative to any confidential information received while, or on account of, performing such duties, failing which they shall incur the penalties referred to in Article 458 of the Penal Code.”<sup>68</sup>

Such secrecy implies that, without prejudice to the provisions of the laws and regulations governing supervision, confidential information they receive in connection with their work shall not be disclosed to any person or authority whatsoever other than in summary or aggregated form which does not permit identification of individual companies under supervision, without prejudice to cases within the scope of criminal law.

The previous subparagraph shall not apply to information exchanges between the Commission de surveillance du secteur financier and the Banque centrale “, to the exchanges between the Commission de surveillance du secteur financier and the Systemic Risk Board”<sup>69</sup> or to cases where the persons mentioned are called upon to testify in court, or in the event of an action against a decision taken by the CSSF in the exercise of its mission, or to cases where the law authorises or obliges them to disclose certain facts, particularly in regard to the laws and regulations governing supervision.

(Law of 28 April 2011)

“In all cases where a specific law governing the supervision does not expressly authorise the CSSF to disclose certain facts, the CSSF shall be authorised to receive, exchange and transmit confidential information in the interest of investor and depositor protection and of financial stability when the following conditions are fulfilled:

- the information communicated to the competent authorities of a Member State responsible for the supervision shall be intended to carry out the supervisory duties of the authorities receiving it;
- the information communicated to the competent authorities of a third country, to other authorities, to bodies or persons of a third country shall be required for exercising their tasks;

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<sup>66</sup> Repealed by the Law of 21 December 2012

<sup>67</sup> Law of 28 April 2011

<sup>68</sup> Law of 18 December 2009

<sup>69</sup> Law of 23 July 2015



- the information communicated by the CSSF shall be covered by the professional secrecy of the competent authorities, other authorities, bodies and persons receiving it and the professional secrecy of these competent authorities, other authorities, bodies and persons shall provide guarantees which are at least equivalent to the professional secrecy the CSSF is subject to;
- the competent authorities, other authorities, bodies and persons which receive the information from the CSSF may use it only for the purpose for which it was communicated to them and shall be able to ensure that it will not be used for any other purpose;
- the competent authorities, other authorities, bodies and persons of a third country which receive information from the CSSF shall grant the same information right to the CSSF;
- information received from the competent authorities, other authorities, bodies or persons may be disclosed only with the express consent of these competent authorities, other authorities, bodies and persons and, as the case may be, solely for the purpose for which these competent authorities, other authorities, bodies and persons have given their consent, except in duly justified circumstances. In the latter case, the CSSF immediately informs the competent authority which communicated the transmitted information.

A specially reasoned decision is required in this case.

Without prejudice to cases covered by criminal law, the CSSF may use confidential information received pursuant to a specific law governing the supervision only in the performance of its duties and for the exercise of functions within the scope of this law, or in the context of administrative or judicial proceedings specifically related to the exercise of these functions. However, the CSSF may use the received information for other purposes if the competent authority, the authority, the body or the person which communicated the information to the CSSF gives its consent.”

## **Section 8: Assets**

**Article 17.** (1) Upon its creation, the CSSF’s assets consisted of:

- (a) all the assets previously held by the Commissariat aux Bourses;
- (b) the movable property, documents and archives relating to the prudential supervision of the companies and persons subject to supervision previously held by the Banque centrale;
- (c) a cash allocation of “five million euros”<sup>70</sup> from the State budget.

(2) In the event of the CSSF being liquidated, all of its assets shall pass to the State.

**Article 18.** The CSSF may acquire and sell real property and movable property and enter into service contracts which are necessary for its smooth operation and fulfilment of its remit. “It may borrow with the prior consent of the Minister responsible for the CSSF and the Minister for the Budget.”<sup>71</sup>

**Article 19.** The CSSF is exempt from all duties and taxes payable to the State and the communes, with the exception of value added tax.

**Article 20.** (1) The supervision carried out by the CSSF is not intended to safeguard the individual interests of the companies or professionals subject to supervision or of their clients or third parties, and shall be carried out solely in the public interest.

(2) For the CSSF to assume civil liability for individual damage incurred by the companies or professionals subject to its supervision, their clients or third parties, it must be demonstrated that the damage was caused through gross negligence in the choice and application of the means implemented to carry out the CSSF’s public service remit.

*(Law of 18 December 2015)*

“(3) Paragraph 2 shall also apply to the CSSF’s members of the Executive Board or of the staff individually, where the latter carry out the CSSF’s public service remit within bodies, institutions, committees, authorities or independent agencies.”

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<sup>70</sup> Law of 9 November 2001

<sup>71</sup> Law of 9 November 2001

## Section 9: Rendering of Accounts

**Article 21.** The CSSF's financial year shall coincide with the calendar year.

**Article 22.** "(1) By 31 March each year, the Executive Board shall submit the balance sheet and profit and loss account closed off on 31 December of the previous year to the board for approval, together with the Executive Board's Management Report and the report of the *réviseur d'entreprises agréé* (approved statutory auditor)."<sup>72</sup> By 30 September each year, the Executive Board shall submit the budget for the following year to the board for approval "which includes the budget drawn up by the Resolution Board"<sup>73</sup>.

(2) The budget, the annual accounts and the reports approved by the board of the CSSF shall be sent to the Government for a decision on the discharge to be given to the CSSF's administrative structures. The decision concerning the discharge granted to the CSSF's administrative structures shall be published in the *Mémorial*, together with its annual accounts.

## Section 10: Auditing of the CSSF's Accounts

**Article 23.** "(1) The Government shall appoint a *réviseur d'entreprises agréé* (approved statutory auditor) on a proposal from the board of the CSSF."<sup>74</sup>

"(2) The *réviseur d'entreprises* (statutory auditor) shall fulfill the requirements to carry out the profession of *réviseur d'entreprises agréé* (approved statutory auditor)."<sup>75</sup> He shall be appointed for a term of 3 years, which appointment shall be renewable.

"(3) The *réviseur d'entreprises agréé* (approved statutory auditor) shall be responsible for verifying and certifying the *accuracy* and completeness of the CSSF's accounts."<sup>76</sup> He shall draw up a detailed report on the CSSF's accounts at the close of the financial year for the board and the Government. The board may request him to carry out specific verifications.

"(4) The fees of the *réviseur d'entreprises agréé* (approved statutory auditor) shall be paid by the CSSF."<sup>77</sup>

(Law of 24 October 2008)

"(5) The CSSF shall be subject to the control of the Cour des comptes (Court of Auditors) for the compliant use of the public financial participation it receives."

## Section 11: Covering of the CSSF's Costs

**Article 24.** (1) The CSSF shall be authorised to collect the sums required to meet its staff costs, "financial costs"<sup>78</sup> and operating costs through fees payable by the persons and undertakings subject to its supervision " , by regulated markets authorised in Luxembourg, by operators of such regulated markets and by a person operating an MTF or an OTF"<sup>79</sup> in Luxembourg"<sup>80</sup>.

(Law of 10 July 2005)

"The CSSF shall be authorised to collect the sums required to meet its operating costs through fees payable by the persons who apply for admission to trading on a regulated market and offerors or issuers requesting approval for a prospectus."

(Law of 19 May 2006)

"The CSSF shall be authorised to collect the sums required to meet its operating costs through fees payable by offerors requesting approval of a takeover bid document."

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<sup>72</sup> Law of 18 December 2009

<sup>73</sup> Law of 18 December 2015

<sup>74</sup> Law of 18 December 2009

<sup>75</sup> Law of 18 December 2009

<sup>76</sup> Law of 18 December 2009

<sup>77</sup> Law of 18 December 2009

<sup>78</sup> Law of 9 November 2001

<sup>79</sup> Law of 30 May 2018

<sup>80</sup> Law of 13 July 2007

(Law of 21 July 2012)

"The CSSF shall be authorised to collect the sums required to meet its operating costs through fees payable by issuers of securities in the event of mandatory squeeze-out or mandatory sell-out transactions."<sup>81</sup>

(Law of 18 December 2009) "The CSSF shall be authorised to collect the sums required to meet its staff costs, financial costs and operating costs resulting from the public oversight of the audit profession through fees payable by the persons subject to this public oversight."

"(...)"<sup>82</sup>

(Law of 11 January 2008)

"In the cases referred to in points (b) and (c) of article 4(2) of the Law of 19 May 2006 on the implementation of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, the CSSF shall also be authorised to meet its operating costs through fees payable by the offeror for handling matters relating to company law, where the company concerned has its registered office in Luxembourg.

The CSSF shall be authorised to meet its operating costs through fees payable by

- issuers as defined by the Law on transparency requirements, the person who has applied for admission to trading on a regulated market without the issuer's consent and the persons that must make a notification as set out in Chapter III, Section I of the Law on transparency requirements;
- persons discharging managerial responsibilities within an issuer having its registered office in Luxembourg and subject to the obligation to notify transactions conducted on own account relating to shares of the issuer admitted to trading on a regulated market as laid down in the Law on market abuse; and
- issuers subject to disclosure obligations relating to buy-back programmes and stabilisation as set out in Commission Regulation (EC) No 2273/2003 of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programmes and stabilisation of financial instruments."

(Law of 18 December 2015)

"The CSSF shall be authorised to collect the sums required to meet its staff costs, financial costs and operating costs related to the duties laid down in Articles 2-2, 2-3, 12-1 and 12-10 through fees payable by credit institutions and investment firms."

(Law of 17 April 2018)

"The CSSF shall be authorised to collect the sums required to meet its staff costs, financial costs and operating costs related to the duties laid down in Regulation (EU) 2016/1011 through fees payable by the persons for which it is competent under Article 2(1) of the Law of 17 April 2018 on benchmarks."

(2) A grand-ducal regulation shall determine the amount of the fees and this Article's implementing rules.

## Section 12: Transitional and Repealing Provisions

**Article 25.** (1) The civil servants and other staff employed by the existing Commissariat aux Bourses upon the entry into force of this law shall be transferred to the CSSF.

(2) Agents of the Banque centrale du Luxembourg assigned to tasks within the CSSF's remit upon the entry into force of this law shall be automatically transferred to the CSSF.

(3) The civil servants and other staff transferred shall maintain their rights in regard to their grade, their seniority, their remuneration and their pension entitlement.

(4) Upon their transfer to the CSSF, the agents of the Banque centrale du Luxembourg shall become civil servants or *employés de l'Etat*, as applicable. (...) <sup>83</sup>

(5) The State shall assume sole responsibility for all the obligations previously met by the Banque centrale in respect of the pensions of the Banque centrale du Luxembourg's agents transferred to the

<sup>81</sup> Law of 21 July 2012 entering into force on the 1<sup>st</sup> day of the 3<sup>rd</sup> month following its publication in the *Mémorial*

<sup>82</sup> Law of 21 December 2012

<sup>83</sup> Law of 9 November 2001

CSSF, and likewise those of the Banque centrale's former agents already receiving a pension upon the entry into force of this Law.

**Article 26.** The CSSF shall assume and exercise all the powers conferred on the Banque centrale du Luxembourg and the Commissariat aux Bourses by the laws and regulations pertaining to prudential supervision, as their legal successor.

**Article 27.** This law repeals the Law of 21 September 1990 relating to stock exchanges.

**Article 28.** In all laws and regulations pertaining to financial sector supervision in which the designations Institut Monétaire Luxembourgeois, Banque centrale du Luxembourg and Commissariat aux Bourses are used, they shall be replaced by "Commission de surveillance du secteur financier".

### **Section 13: Additional Provision**

**Article 29.** The following amendment is made to the amended Law of 22 June 1963 on civil servants' salary scales:

Annex A – Classification of Functions – Heading I. General Administration – is amended as follows: in grade 17, the reference to Commissariat aux assurances – *premier conseiller de direction* is replaced by a reference to *Différentes administrations – premier conseiller de direction*.

### **Section 14: Entry into Force**

**Article 30.** This law shall enter into force on 1 January 1999 or, if it is published at a later date, on the first day of the month following its month of publication.