

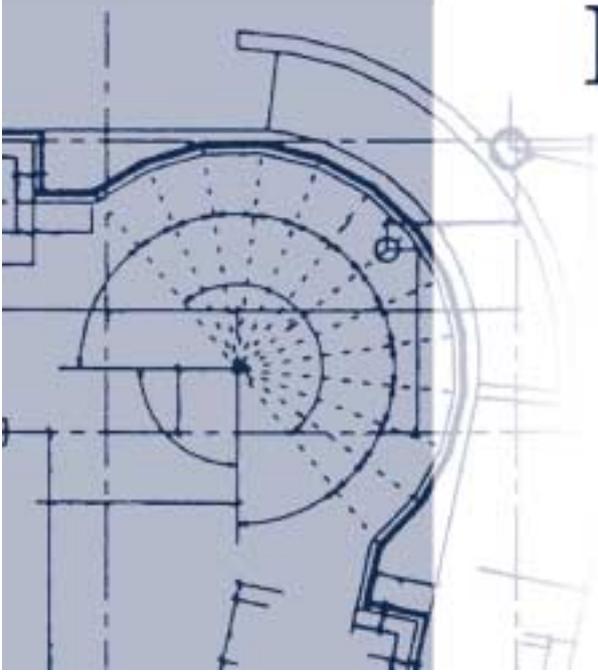
N°18

July 2002



CSSF NEWSLETTER

COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER



Swearing-in of new agents

The CSSF held exams on 16 March and 13 April 2002 in order to increase its staff by taking on new trainee agents.

On 1 July 2002, 22 new agents, 15 of whom in the « carrière supérieure » (3 legal experts, 11 economists, 1 qualified in languages, all holding at least a university degree) and 7 agents in the « carrière moyenne » (*rédacteurs*, secondary school diploma) were sworn in by Mr. Jean-Nicolas Schaus, Director General of the Commission de Surveillance du Secteur Financier.

They are assigned to different departments within the CSSF, which now counts a total of 204 agents, 104 of whom are men and 100 women; half of the newly recruited agents are women.

Department for the Supervision of Banks

Carlos Adriano AZEVEDO
Jean-Louis DUARTE
Alain HOSCHEID
Ronald KIRSCH
Patrick MAAR
Marina SARMENTO
Yves SIMON
Jacques STREWELER

Department for the Supervision of Undertakings for Collective Investment

Nathalie CUBRIC
Sonja BACKES
Stéphanie BONIFAS
Anne-Marie HOFFELD
Martin MANNES
Dave REUTER

Department for the Supervision of Investment Activities

Carlo FELICETTI
Simone GLOESENER-MULLER
Gérard BRIMEYER
Maggy WAMPACH

General secretariat

Carine CONTÉ
Natasha DELOGE
Christiane FRIEDERICH-TRAUSCH
Ngoc Dinh LUU

Banks' balance sheet total as at 31 May 2002 reports a slight decrease compared to April 2002

The balance sheet total for the banks established in Luxembourg reached EUR 710.60 billion as at 31 May 2002 compared to EUR 711.70 billion as at 30 April 2002, which is a decrease of 0.15 %.

Due to the changes in the official list of banks during June 2002, i.e. the approval of BNP Paribas Securities Services and the withdrawal of Banca Popolare di Verona-Banco S. Germiniano e S. Prospero Scarl, Verona (Italy), Luxembourg branch, following its merger with Banca Popolare di Novara, the number of credit institutions registered on the official list of banks remained unchanged (184 entities).

Professionals of the financial sector (PFS)

Decrease in the balance sheet total

According to the data provided as at 31 May 2002, the balance sheet total of all the professionals of the financial sector (145 active businesses) comes to EUR 2.901 billion compared to EUR 3.062 billion the previous month, which is a decrease of 5.3 %.

The net profit of the PFS reached EUR 194.84 million.

Distribution of the professionals of the financial sector according to their status

(as at 30 June 2002)

Category		Number
Commission agents	COM	15
Financial advisors	COF	9
Brokers	COU	6
Professional custodians of securities or other financial instruments	DEP	4
Distributors of units of investment funds	DIST	45
Domiciliation agents of companies	DOM	37
Private portfolio managers	GF	49
Underwriters	PF	4
Professionals acting for their own account	PIPC	17
Market makers	TM	2
Entity authorised to exercise all the activities as PFS permitted by article 28 of the law of 15 December 2000 on postal services and financial postal services	EPT	1
TOTAL *		146

* the same establishment can appear in several categories at the same time

Undertakings for collective investment

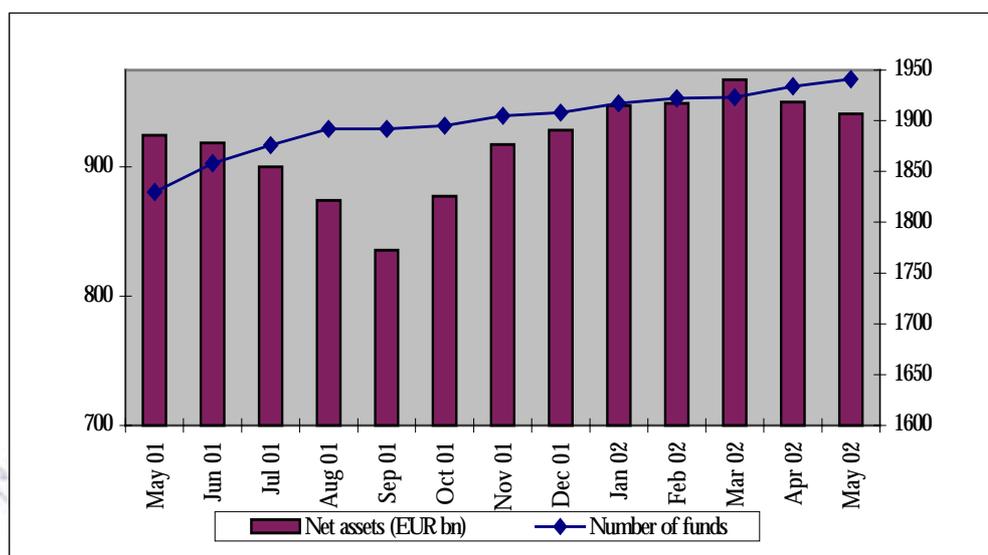
*Slight decrease in UCI's net assets at the end of May 2002
(press release 3 July 2002)*

As at 31 May 2002, the total net assets for undertakings for collective investment reached EUR 940.892 billion compared to EUR 950.197 billion as at 30 April 2002. As a result the Luxembourg undertakings for collective investment sector has decreased by 0.98 % compared to April 2002. This decrease can be explained by a general fall in financial markets, as well as by the rise of the Euro against the US dollar.

For the month of May 2002, the sector increased by 1.34% compared to 31 December 2001 when the total net assets amounted to EUR 928.447 billion. Over the last twelve months, the volume of net assets increased by 1.77%.

During the month of May 2002 the net capital investment amounted to EUR 10.718 billion. Compared to 31 December 2001 the net capital investment reaches EUR 49.019 billion.

The number of undertakings for collective investment taken into consideration totals 1,941 compared to 1,934 for the previous month. 1,172 UCIs have adopted the multiple compartment structure, which represents a total of 7,008 compartments. When adding 769 UCIs with a traditional structure to the previous figure, a total of 7,777 compartments are active in the financial centre.



Recent regulatory developments

CSSF Circular 02/63

The CSSF draws the attention of the institutions under its supervision to the implementation as from 1 July 2002 of (EC) Regulation no. 2560/2001 of the European Parliament and the Council of 19 December 2001 on cross-border payments in Euro.

This regulation lays down rules on cross-border payments in Euro within the Community in order to ensure that the charges for these payments are the same as for payments in Euro within a Member State. This regulation does not apply to cross-border payments made between institutions for their own account.

CSSF Circular 02/64

The CSSF Circular published on 1 July 2002, draws the attention of the professionals of the financial sector to the direct applicability in Luxembourg of Decision 2002/460/EC of the Council of 17 June 2002, which updates the list of people, groups and entities subject to the (EC) Regulation no. 2580/2001, concerning the adoption of restrictive measures against certain people and entities with regard to the fight against terrorism.

CSSF Circular 02/65

The CSSF Circular 02/65 of 8 July 2002, draws the attention of the professionals of the financial sector carrying out company domiciliation activities to the practical meaning of the term "seat" ("*siège*") as laid down by the Law of 31 May 1999 governing the domiciliation of companies.

A company is deemed to have a seat pursuant to the Law as soon as a third party places a Luxembourg address at its disposal, which is to be used vis-à-vis other third parties, even in the absence of any real material presence (offices, personnel, etc) at such address.

When a company concludes a hold mail agreement with the professional, the existence of this agreement does not imply that the company disposes of a seat at the professional's address, as this address is not available to third parties. Neither does the fact that the company gives the instruction to the professional to send post (issued by the professional) to a third party in Luxembourg automatically imply the existence of a seat at this third party's address.

Furthermore, the Circular clarifies the situation with respect to certain rental practices, which do actually conceal a domiciliation activity. Renting one or several premises to firms is likely to be considered as domiciliation activity if the number of tenant firms is disproportionate to the size of the rented premises. The newer practice of renting technically and administratively equipped offices does as such not fall under the Law of 31 May 1999, provided that it meets the renting criteria.

The practice of time-sharing (part-time renting of the same offices to one or several firms) is considered as company domiciliation activity if it intends to bypass the Law of 31 May 1999.

Fourth meeting of the CESR

During their fourth meeting on 11 and 12 June 2002 in Copenhagen, the Committee of European Securities Regulators (CESR) decided to release a consultation paper developed under a provisional mandate given to the CESR by the European Commission to elaborate technical measures needed to implement the proposed Directive on insider dealing and market manipulation (market abuse).

The proposed technical measures cover:

- the definitions of inside information and market manipulation (article 1 of the proposed Directive)
- the disclosure obligations of issuers (article 6 of the proposed Directive)
- the requirements for research (article 6 of the proposed Directive)
- the safe harbours for share “buy-backs” and stabilisation programmes (article 8 of the proposed Directive).

During this meeting, the CESR agreed on two other documents resulting from the consultation process, the first being “Standards for Alternative Trading Systems”, establishing a regulatory framework for multilateral systems of alternative trading within the scope of the European legislation in force. The second document “A European Regime of Investor Protection – the Professional and the Counterparty Regimes” complements the rules of conduct of the financial sector applicable to non-professional customers, previously published by the CESR. The annexe contains a revised document relating to the categorisation of investors within the scope of these rules of conduct.

The above-mentioned documents are available on the CESR website: <http://www.europefesco.org>.

Institut Francophone de la Régulation Financière (IFREFI)

During the francophone conference on financial regulation, held on 24 and 25 June 2002 in Rabat, the Presidents and representatives of the financial regulatory authorities from nine French-speaking countries, including Luxembourg, signed a charter founding the *Institut francophone de la régulation financière* (IFREFI, Francophone Institute for Financial Regulation).

According to this charter, the financial regulatory authorities of the French-speaking area (Morocco, Algeria, Belgium, France, Guinea, Luxembourg, Quebec, Switzerland and the West-African Monetary Union) will focus on promoting training, co-ordination and technical co-operation. The IFREFI being a flexible structure of co-operation and dialogue, aims at furthering the exchange of knowledge and experience, drawing up studies and exchanging essential information relating to the financial markets between the Member-States of the Institute.

LIST OF BANKS

New establishment:

BNP Paribas Securities Services, Paris (France), Luxembourg branch
23, avenue de la Porte-Neuve, L-2085 LUXEMBOURG
Ministerial authorisation of 1 June 2002

Withdrawal on 1 June 2002

Banca Popolare de Verona - S. Geminiano e S. Prospero Scarl,
Luxembourg branch

Change of name:

Banca Popolare di Novara, Luxembourg branch, has become
Banca Popolare di Verona e Novara Scarl, Luxembourg branch

Cardine Banca, Luxembourg branch, has become
Sanpaolo IMI SpA, Luxembourg branch

LBLux S.A., has become
Banque LBLux. S.A.

Change of address:

DZ Bank AG, Luxembourg branch
4, rue Thomas Edison, L-1445 LUXEMBOURG
Postal address: B.P. 785, L-2017 LUXEMBOURG

State Street Bank Luxembourg S.A.
49, avenue J.-F. Kennedy, L-1855 LUXEMBOURG
Postal address: B.P. 275, L-2012 LUXEMBOURG

LIST OF THE PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

New establishment:

GESTADOR S.A. domiciliation agent of companies
282, route de Longwy, L-1940 Luxembourg
Ministerial authorisation of 4 June 2002

Change of name:

RABOBANK TRUST COMPANY LUXEMBOURG S.A., has become
RABOBANK CORPORATE SERVICES LUXEMBOURG S.A.

CARLSON ASSET MANAGEMENT LUXEMBOURG S.A., has become
SKANDIA & PARTNERS S.A.

Official lists

Change of name and extension of status:

PARBEL GESTION S.A., has become

BNP PARIBAS FUND SERVICES (BPFS)

Status as private portfolio manager extended to **distributor of units of investment funds not authorised to accept and effect payments.**

Ministerial authorisation of 7 June 2002

Change of address:

FORTIS INVESTMENT FINANCE LUXEMBOURG S.A.

(F.I.F. LUXEMBOURG S.A.)

(Office 6 114) 14, rue Aldringen, L-1118 Luxembourg

LIST OF UNDERTAKINGS FOR COLLECTIVE INVESTMENT (UCI)

Registrations on and withdrawals from the official list of the Luxembourg undertakings for collective investment which fall under the law of 30 March 1988 and the official list of undertakings for collective investment which fall under the law of 19 July 1991, during the **month of May 2002**

Registrations

- ACTIVEST LUX OPTIRENT, 4, rue Alphonse Weicker, L-2721 Luxembourg-Kirchberg
- ADIG WM ZINSPLUS 6/2006, 1a-1b, rue Thomas Edison, L-1445 Luxembourg-Strassen
- ANF, 14, boulevard Royal, L-2449 Luxembourg
- APERTA SICAV, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- BL KINGFISHER FUND OF FUNDS, 14, boulevard Royal, L-2449 Luxembourg
- CENTRAL AFRICA GROWTH FUND, 13, rue Goethe, L-1637 Luxembourg
- FIDES, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- FORTIS PERSONAL PORTFOLIO FOF, 50, avenue J-F Kennedy, L-1855 Luxembourg-Kirchberg
- FUND PARTNERS, 11, rue Aldringen, L-1118 Luxembourg
- H & A LUX VERMÖGENSAUFBAU-FONDS, 21, avenue de la Liberté, L-1931 Luxembourg
- HELVETIA PATRIA FUND, 1A, Parc d'activité Syrdall, L-5365 Munsbach
- ING (L) LIQUID, 52, route d'Esch, L-1470 Luxembourg
- METALLRENTE FONDS PORTFOLIO, 6A, route de Trèves, L-2633 Senningerberg
- ROBECO ALTERNATIVE INVESTMENT STRATEGIES, 39, allée Scheffer, L-2520 Luxembourg
- SCHUMANN - LAVEDRINE ASSET MANAGEMENT I, 14, boulevard Royal, L-2449 Luxembourg
- THE CMI MANAGED FUND, 166, route d'Arlon, L-8010 Strassen

Withdrawals

- A.L.S.A.-SYSTEM D 5/2002, 1a-1b, rue Thomas Edison, L-1445 Luxembourg-Strassen
- CITIBOND, 58, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg
- COLBERT DOLLAR BOND, 1A, rue Höhenhof, L-1736 Senningerberg
- COLBERT EUROPE BOND, 1A, rue Höhenhof, L-1736 Senningerberg
- EXTOR SICAV, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- GB INTERNATIONAL FONDS SPÉCIAL, 14, boulevard Royal, L-2449 Luxembourg
- JEFFERIES EQUITY FUND, 11, rue Aldringen, L-1118 Luxembourg
- SEB INVEST CONCEPT NEWENERGY, 6B, route de Trèves, L-2633 Senningerberg
- SELECTINVEST TURKEY, 4, boulevard Royal, L-2449 Luxembourg

Financial centre

Main updated figures regarding the financial centre:

Number of banks: **184** (30 June 2002)

Balance sheet total: **EUR 710.596 billion** (31 May 2002)

Profit before reserves: **EUR 1.21 billion** (31 March 2002)

Employment: **23,564 people** (31 March 2002)

Number of UCIs: **1,944** (10 July 2002)

Total net assets: **EUR 940.892 billion** (31 May 2002)

Number of pension funds: **4** (30 June 2002)

Number of PFS: **146** (30 June 2002)

Balance sheet total: **EUR 2.90 billion** (31 May 2002)

Net profit: **EUR 194.84 million** (31 May 2002)

Employment: **4,348 people** (31 March 2002)

Total employment in the supervised establishments: **27,912 people** (31 March 2002)

CSSF Newsletter

Design and editing : Secrétariat général de la CSSF

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