

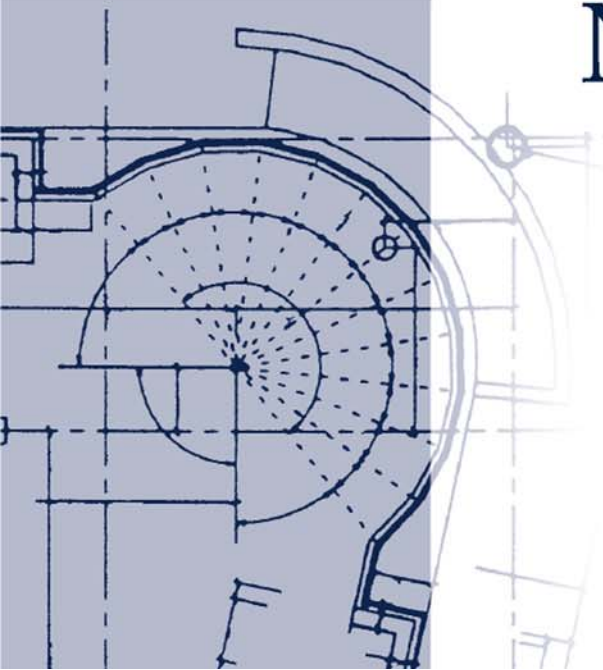
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CSSF NEWSLETTER

COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER



Banks

Banks' balance sheet total as at 31 January 2004 practically unchanged

As at 31 January 2004, the balance sheet total of the banks established in Luxembourg reached EUR 657.44 billion as compared to EUR 655.77 billion as at 31 December 2003, which is a slight increase of 0.25%.

The number of credit institutions registered on the official list as at 29 February 2004 amounted to 169 entities following the liquidation of Kookmin Bank Luxembourg S.A..

Professionals of the financial sector (PFS)

Increase in the balance sheet total

According to the data provided as at 31 January 2004, the balance sheet total of all the professionals of the financial sector (139 active businesses) amounted to EUR 2.622 billion as against EUR 2.546 billion as at 31 December 2003, which represents an increase of 2.96%.

The net profit for all the professionals of the financial sector amounts to EUR 22.12 million at the end of January 2004.

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

(as at 29 February 2004)

Category		Number
<i>Investment firms</i>		
Commission agents	COM	17
Private portfolio managers	GF	47
Professionals acting for their own account	PIPC	15
Distributors of units of investment funds	DIST	45
Underwriters	PF	3
Professional custodians of securities or other financial instruments	DEP	3
Registrar and transfer agent	ATR	1
<i>PFS other than investment firms</i>		
Financial advisors	COF	10
Brokers	COU	5
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
Professional performing credit offering	POP	1
Domiciliation agents of companies	DOM	32
Client communication agents	ACC	2
Professional performing services of setting up and of management of companies	PCG	1
IT systems and communication networks operator of the financial sector	IT	1
TOTAL *		141

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

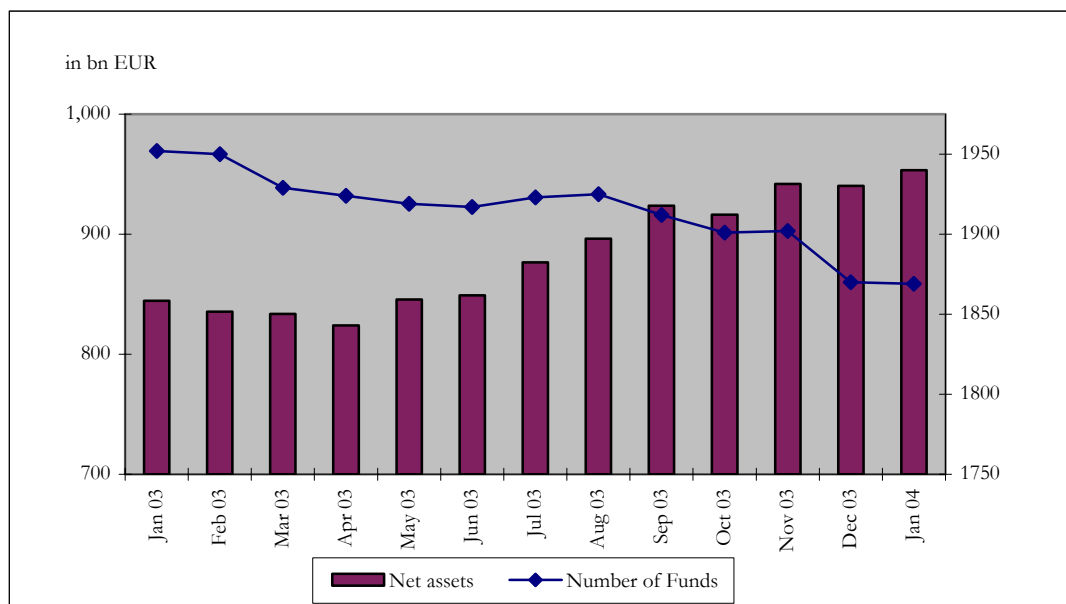
Undertakings for collective investment

Increase in UCI's total net assets at the end of January 2004

As at 31 January 2004, the total net assets of undertakings for collective investment reached EUR 983.655 billion compared to EUR 953.302 billion as at 31 December 2003. Consequently, the Luxembourg undertakings for collective investment sector increased by 3.60% compared to December 2003. Over the last twelve months, the volume of net assets increased by 18.21%.

During the month of January 2004, the net capital investment amounted to EUR 15.875 billion.

The number of undertakings for collective investment taken into consideration totals 1,869 as against 1,870 the previous month. A total of 1,181 UCIs have adopted the multiple compartment structure, which represents 6,827 compartments. When adding 688 UCIs with a traditional structure to the previous figure, 7,515 compartments are active in the financial centre.



International co-operation

Publication of the Annual Report of CESR

On 3 March 2004, CESR published its 2003 Annual Report for the European Commission, the European Parliament and the ECOFIN Council. The Annual Report is an excellent means to become familiar with the work of CESR. It includes a detailed overview of the work accomplished in 2003 within the scope of the creation of the single market for financial services. The report also sets out the work plan for 2004. The report is available on the CESR website: www.cesr-eu.org, which has been completely overhauled.

Provisional conclusions of the CSSF's survey on late trading and market timing

(press release of 17 February 2004)

Within the framework of the international endeavours to prohibit late trading and market timing, the CSSF sent a circular letter to 407 service providers in November 2003, inviting them to answer a set of questions.

The responses the CSSF collected show that the vast majority of the entities surveyed co-operated with the CSSF by providing extensive information. Even if the CSSF has not finalised its survey to date, it can already state that considering the responses received the situation is overall under control, even though supplementary information will be required in certain isolated cases. Moreover, it is not ruled out that the CSSF will carry out on-site inspections at certain entities' premises to verify the information provided.

The CSSF is satisfied to note that the entities surveyed have taken or are taking the necessary additional measures of protection.

After the professionals of the financial sector have been consulted, the CSSF has decided to publish a circular intended to provide the latter with appropriate guidelines. This circular will notably serve as a reference for their future decisions and choices. The CSSF will take into account the specificities of the Luxembourg investment fund industry. Indeed, many Luxembourg funds are invested as well as distributed across all the time zones and marketed through intermediaries subject to a foreign supervisory authority.

As a conclusion, the CSSF stresses that the protection and fair treatment of the investors has always been its absolute priority. This will therefore be the leitmotiv of the future circular, whose purpose will be to avoid that investors are financially harmed when the above-mentioned improper practices are used.

Launch of the Observatoire juridique de la place financière de Luxembourg (Legal observatory of the Luxembourg financial sector)

(press release of 5 March 2004)

The CODEPLAFI (Comité pour le développement de la place financière de Luxembourg, Committee for the development of the Luxembourg financial centre) announces the launch of its Internet website at www.codeplafi.lu. This website contains the Observatoire juridique de la place financière de Luxembourg, a vast database on banking and financial law, as well as on Luxembourg insurance law. The Codeplafi thereby enables all the persons interested in the legal environment of the financial centre to easily and freely access all the rules and regulations governing the status and activities of the banks, investment firms and other professionals of the financial sector, insurance and reinsurance undertakings or governing the financial markets and instruments and the Luxembourg monetary status. Indeed, the website contains all the laws and regulations in force, as well as the circulars of the supervisory authorities. The website also includes certain international or European standards, in particular a series of Community Directives. In addition to these primary sources, the database also contains indications on the Luxembourg case law and writings.

All these data are gathered under a detailed table of contents divided into four parts: the first two parts concentrate on the market participants and their activities and the last two on financial and monetary markets. Navigating through this table of contents is the easiest way to access the data on this website. A search engine supplements this option and allows the reader to consult the database according to various search and sort criteria.

The website is available in three languages, allowing the reader to search the website from any of the three versions: French, German or English. For the time being, however, most of the documents are only available in their original version, i.e. in French. The most important texts will be translated into German and English.

Aiming at professionals as well as laypersons, the Observatoire juridique de la place financière de Luxembourg not only represents an powerful tool, it also contributes to the radiance of the financial centre by promoting the quality of a legal infrastructure, which is constantly adapting to the requirements of an efficient economy and concerned about meeting the expectations of a modern society. This ambition can however only be achieved on the condition that all those to whom this website is useful also contribute to the constant development of the database.

Expiry of the time limit granted to the persons subject to the law of 2 August 2003 to regularise their situation

(press release of 8 March 2004)

The law of 2 August 2003 amending the law of 5 April 1993 on the financial sector as amended, the law of 23 December 1998 creating a commission de surveillance du secteur financier as amended, as well as the law of 31 May 1999 governing company domiciliation as amended, came into effect on 1 October 2003.

The law primarily aims at ensuring that the entire financial sector is subject to a prudential supervision.

Moreover, it defines new categories of professionals of the financial sector (PFS), which correspond either to existing activities or to new activities resulting from specialisation and outsourcing phenomena.

In order to ensure adequate investor protection, the law also specifies the tasks and obligations of the persons responsible for collective savings systems.

The new categories are as follows:

- registrar and transfer agents (article 24 G);
- professionals performing credit offering (article 28-4);
- professionals performing securities lending (article 28-5);
- professionals performing money transfer services (article 28-6);
- administrators of collective savings funds (article 28-7);
- management companies of non-coordinated UCIs (article 28-8);
- client communication agents (article 29-1);
- administrative agents of the financial sector (article 29-2);
- IT systems and communication networks operators of the financial sector (29-3);
- professionals performing services of setting up and of management of companies (article 29-4).

The Commission de Surveillance du Secteur Financier (CSSF) informs that the regularisation time limit, granted to the persons who carried out, when the law of 2 August 2003 came into effect, an activity subject to a new category or to new obligations in accordance with the law, expires on 31 March 2004.

The CSSF therefore invites the persons who are not yet complying with the provisions of the law of 2 August 2003 to contact the CSSF as soon as possible.

Finally, the CSSF draws the attention of all the persons on the fact that they are not allowed to carry out an activity of the financial sector subject to a new PFS status unless they hold a written approval of the Minister of Treasury and Budget and that they are subject to criminal penalties of up to 5 years of imprisonment and a fine of 125,000 euro in case of infringement or attempted infringement.

LIST OF BANKS

Withdrawal:

Kookmin Bank Luxembourg S.A.
Withdrawal on 18 February 2004.

LIST OF PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

New establishments:

JOHN DEERE FINANCE S.A.
Professional performing credit offering
5, rue Eugène Ruppert, L-1016 Luxembourg
Ministerial authorisation of 27 February 2004

LWM S.A.
Professionals performing services of setting up and of management of companies
6a, circuit de la Foire internationale, L-1347 Luxembourg
Ministerial authorisation of 11 February 2004

MEESPIERSON INTERTRUST FINANCIAL ENGINEERING S.A.
Domiciliation agent of companies
121, avenue de la Faïencerie, L-1511 Luxembourg
Ministerial authorisation of 17 February 2004

Withdrawals:

NORDEA INVESTMENT FUNDS S.A.
Withdrawal on 1 March 2004.

EUROSKANDIC S.A.
Withdrawal on 16 February 2004.

Changes of name:

AIG FINANCIAL ADVISOR SERVICES (EUROPE) S.A.
has become on 9 February 2004
FINANCIAL ADVISOR SERVICES (EUROPE) S.A.

ARBITRAGE CHANGE S.A.
has become on 2 February 2004
TRADITION LUXEMBOURG S.A.

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, the law of 20 December 2002 and the law of 19 July 1991, during the **month of January 2004**

Registrations

- ARCIPELAGOS SICAV, 4, boulevard Royal, L-2449 Luxembourg
- BANK HOFMANN TECHNICAL STRATEGIES, 11, rue Aldringen, L-1118 Luxembourg
- DEUTSCHE BANK (PWM) SICAV, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- INGENIUM, 14, boulevard Royal, L-2449 Luxembourg
- MARKSMEN INTERNATIONAL FUND, 14, boulevard Royal, L-2449 Luxembourg
- ÖKOTREND, 69, route d'Esch, L-1470 Luxembourg
- UBP MULTIFUNDS II, 39, allée Scheffer, L-2520 Luxembourg

Withdrawals

- AL THIMAR SICAV, 5, rue Plaetis, L-2338 Luxembourg
- CAPITAL INTERNATIONAL GLOBAL SMALL COMPANIES FUND, 5, rue Plaetis, L-2338 Luxembourg
- CDC IXIS GLOBAL SECTORIEL, 69, route d'Esch, L-1470 Luxembourg
- COPERNICUS UMBRELLA FUND, 1B, Parc d'activité Syrdall, L-5365 Munsbach
- DA VINCI MED, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- GREEN LINE FRANCE, 39, allée Scheffer, L-2520 Luxembourg
- PICTET INSTITUTIONAL FUND, 1, boulevard Royal, L-2449 Luxembourg
- SAM SUSTAINABILITY, 50, avenue J-F Kennedy, L-1855 Luxembourg

Financial centre

Main updated figures regarding the financial centre:

Number of banks: **169** (29 February 2004)

Balance sheet total: **EUR 657.435 billion** (31 January 2004)

Net profit: **EUR 2.882 billion** (31 December 2003)

Employment: **22,529 people** (31 December 2003)

Number of UCIs: **1,878** (10 March 2004)

Total net assets: **EUR 983.655 billion** (31 January 2004)

Number of pension funds: **10** (29 February 2004)

Number of management companies: **4** (29 February 2004)
(Chapter 13 of the Law of 20 December 2002)

Employment: **98 people** (31 December 2003)

Number of PFS: **141** (29 February 2004)

Balance sheet total: **EUR 2.622 billion** (31 January 2004)

Net profit: **EUR 22.12 million** (31 January 2004)

Employment: **4,455 people** (31 December 2003)

Total employment in the supervised establishments: **27,699 people** (31 Dec. 2002)

Total employment in the supervised establishments: **27,082 people** (31 Dec. 2003)

CSSF Newsletter

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