

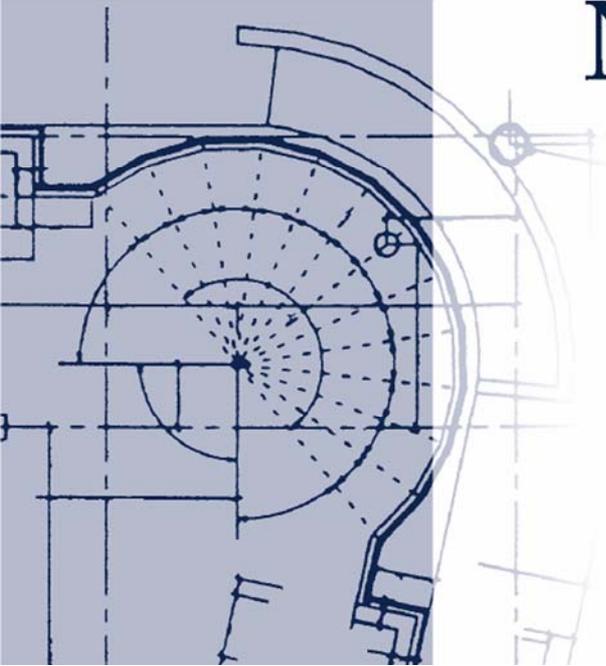
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*October 2004*



# CSSF NEWSLETTER

COMMISSION de SURVEILLANCE  
du SECTEUR FINANCIER



# Securitisation

## Approval of the first two securitisation vehicles

With the aim of promoting the diversification of the financial centre, the new law relating to securitisation has been adopted on 22 March 2004. It provides promoters with a flexible and attractive legal framework for the securitisation of risks linked to all types of assets, commitments or activities.

In September 2004, the CSSF approved the first two securitisation vehicles subject to the provisions of the new law and which issue securities to the public on a continuous basis: Palladium Securities 1 S.A. and Allegro Investment Corporation S.A..

# SICAR

## Approval of the first investment company in risk capital (SICAR)

The CSSF informs that the first SICAR named NAXOS CAPITAL PARTNERS S.C.A. has been registered with effect from 3 September 2004 on the official list of investment companies in risk capital in accordance with article 13 (1) of the law of 15 June 2004 relating to investment companies in risk capital.

# Management companies

## Approval of two management companies under Chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment

Two new management companies have been registered on the official list of management companies governed by Chapter 13 of the law of 20 December 2002 concerning undertakings of collective investment, namely:

- ABN AMRO INVESTMENT FUNDS S.A.. The company will be active in the field of collective management.
- AXXION S.A.. The company will be active in the field of collective management.

Following these approvals, the number of management companies governed by Chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment and allowed to benefit from the European passport as from 13 February 2004 by way of free establishment or free provision of services in another Member State of the European Union amounts to 15 as at 1 October 2004.

## Banks

### Slight decrease in the banks' balance sheet total as at 31 August 2004

As at 31 August 2004, the balance sheet total of the banks established in Luxembourg reached EUR 676.43 billion as compared to EUR 682.55 billion as at 31 July 2004, which is a decrease of 0.9%.

Following the merger of IMI Bank (Luxembourg) S.A. with Sanpaolo Bank S.A., the number of credit institutions registered on the official list as at 30 September 2004 reached 167 entities.

## Professionals of the financial sector (PFS)

### Decrease in the balance sheet total

According to the data provided as at 31 August 2004, the balance sheet total of all the professionals of the financial sector (162 active businesses) amounts to EUR 32.003 billion as against EUR 33.798 billion in the previous month, which represents a decrease of 5.31%.

The net profit of all the professionals of the financial sector reached EUR 265.45 million at the end of August 2004.

### Distribution of the professionals of the financial sector according to their status (as at 30 September 2004)

Category		Number
<i>Investment firms</i>		
Commission agents	COM	15
Private portfolio managers	GF	46
Professionals acting for their own account	PIPC	15
Distributors of units of investment funds	DIST	38
Underwriters	PF	3
Professional custodians of securities or other financial instruments	DEP	3
Registrar and transfer agents	ATR	9
<i>PFS other than investment firms</i>		
Financial advisors	COF	10
Brokers	COU	4
Market makers	TM	2
Currency exchange dealer	CHES	1
Debt recovery	RECO	3
Professionals performing credit offering	POP	6
Professionals performing securities lending	PPT	1
Administrators of collective savings funds	AFCE	1
Domiciliation agents of companies	DOM	31
Client communication agents	ACC	7
Administrative agents of the financial sector	AA	5
IT systems and communication networks operator of the financial sector	IT	10
Professionals performing services of setting up and of management of companies	PCG	2
Professionals of the financial sector authorised to exercise any activity referred to in section 1 of chapter 2 of part I of the amended law of 5 April 1993 on the financial sector, with the exception of the categories of PFS also referred to in section 2 of the same chapter	ART. 13	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
<b>TOTAL*</b>		<b>165</b>

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

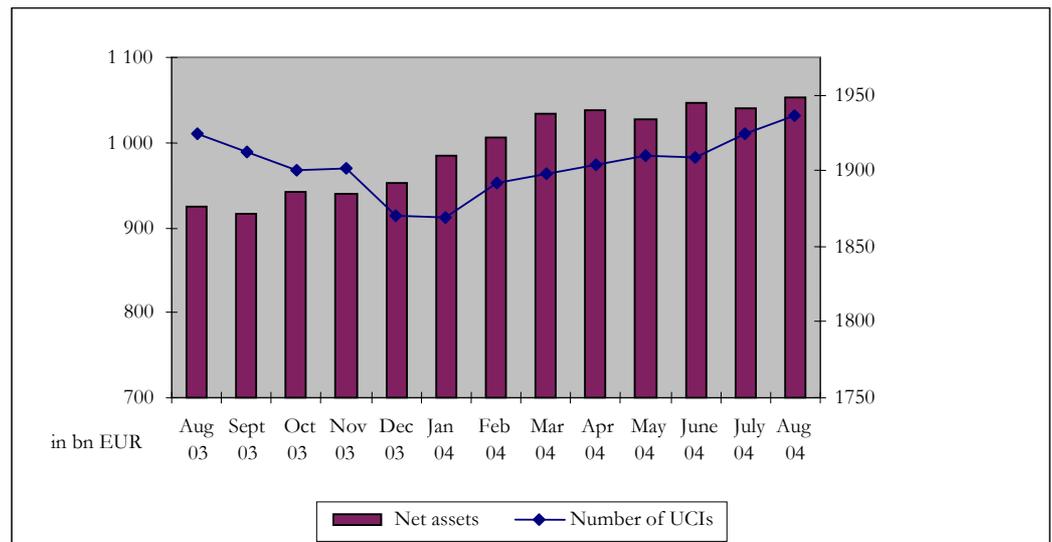
## Undertakings for collective investment

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

As at 31 August 2004, the total net assets of undertakings for collective investment reached EUR 1,053.042 billion compared to EUR 1,039.158 billion as at 31 July 2004. Consequently, the Luxembourg undertakings for collective investment sector increased by 1.34% compared to July 2004. In August 2004, the sector increased by 10.46% compared to 31 December 2003 when the total net assets amounted to EUR 953.302 billion. Over the last twelve months, the volume of net assets increased by 13.99%.

During the month of August 2004, the net capital investment amounted to EUR 10.264 billion. Compared to 31 December 2003, the net capital investment amounts to EUR 75.776 billion.

The number of undertakings for collective investment taken into consideration totals 1,936 as against 1,924 the previous month. 1,205 UCIs have adopted the multiple compartment structure, which represents 7,016 compartments. When adding 731 UCIs with a traditional structure, a total of 7,747 compartments are active in the financial centre.



## Circular CSSF 04/155 Concerning the Compliance function

On 27 September 2004, the CSSF published a circular aiming at strengthening the sound administrative and accounting organisation that each credit institution and investment firm (hereinafter “institutions”) must have in accordance with the law of 5 April 1993 on the financial sector as amended.

By means of this circular, which lays down that each institution shall set up a Compliance function, the CSSF responds to an increasing demand from institutions under its supervision for guidelines in this field just ahead of the publication of rules at international level, and more particularly by the Basel Committee on banking supervision.

Before defining the principles of the Compliance function, which for a great number of institutions does not constitute a new function, the circular provides a certain number of definitions of a conceptual nature and discusses the responsibilities of the board of directors and the management of an institution.

While drafting the circular, the CSSF endeavoured to devise principles allowing to reach the goal of efficiency and sound performance without however prescribing or regulating the organisation of this function in detail. The circular therefore allows institutions to be flexible enough in order not to bring about important or costly changes to existing structures. This flexibility is not reserved for small-sized institutions or those with smaller risks, which can, for instance, be granted an exemption from creating a full-time post of compliance officer. Even the other institutions are flexible as regards organisation due to fact that some tasks of the Compliance function may, under its responsibility, be delegated to other divisions or departments.

The coming into force of the circular, which is immediate while allowing institutions to comply by 1 January 2006, does not imply the creation of an additional control level or that of an additional regulatory responsibility. It rather intends to coordinate and structure controls already carried out pursuant to other regulations in force, but which are currently often spread over different organisational levels.

The full text of the circular can be downloaded from the CSSF Internet site at [http://www.cssf.lu/docs/cssf04\\_155.pdf](http://www.cssf.lu/docs/cssf04_155.pdf).



## Circular CSSF 04/156

### Re: Circular CSSF 2000/10

- **Abrogation of the reporting of details of the calculation of the overall capital requirement (tables B 3.2 and B 7.3)**
- **List of currencies of Member States of the European Union not participating in the Euro**

1. Circular CSSF 04/156 stipulates that the provisions of points 1.2 and 1.4 of part VI “Reporting on own funds and risks” of circular CSSF 2000/10 by which the credit institutions are bound to communicate respectively on a half-yearly basis the details of the calculation of the denominator of the integrated ratio / simplified ratio (table B 3.2) on a non-consolidated basis and, on a yearly basis, the detail of the calculation of the denominator of the integrated ratio / simplified ratio on a consolidated basis (table 7.3), are repealed with immediate effect. The tables B 3.2 and B 7.3 are henceforth not to be transmitted to the CSSF anymore. These tables are therefore not requested as at 31 December 2004, nor at the subsequent dates.

Credit institutions must however continue to transmit to the CSSF, on a monthly basis, the result of the calculation of the integrated ratio / simplified ratio on a non-consolidated basis (table B 1.4) and, on a quarterly basis, the result of the calculation of the integrated ratio / simplified ratio on a consolidated basis (table B 6.4).

2. By virtue of point 6.4 of part IX “Foreign exchange risk coverage” of circular CSSF 2000/10, the position matched in Euro and in the currencies of the EU Member States not participating in the Euro, may be subject to a capital requirement of 1.6%, where the standard method is used to define the capital requirements on account of exchange risk coverage. Following the enlargement of the European Union on 1 May 2004, a new list of the currencies of the EU Member States not participating in the Euro has been published in circular CSSF 04/156.

## Official lists

### LIST OF BANKS

#### Withdrawal:

**Imi Bank (Luxembourg) S.A.**

Merger with Sanpaolo Bank S.A. on 1 September 2004

#### Change of name:

Bank of China Luxembourg Branch

into

**Bank of China Limited Luxembourg Branch**

Change of name and address:

Bank of Bermuda (Luxembourg) S.A.  
into  
**HSBC Securities Services (Luxembourg) S.A.**  
40, avenue Monterey, L-2163 Luxembourg

## LIST OF PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

New establishments:

**ATC-RCS CORPORATE SERVICES**

Domiciliation agent of companies  
287-289, route d'Arlon, L-1150 Luxembourg  
Ministerial authorisation of 4 August 2004, incorporation on 29 September 2004

**E-BUSINESS & RECOVERY CENTRE**, in abbreviated form "EBRC"

Client communication agent and IT systems and communication networks operators of the financial sector  
5, rue Eugène Ruppert, L-2453 Luxembourg  
Ministerial authorisation of 23 September 2004

**EDS PROFESSIONNEL SECTEUR FINANCIER (PSF) LUXEMBOURG S.A.**

IT systems and communication networks operators of the financial sector  
13A, rue de Bitbourg, Hamm-Office Park  
L-1273 Luxembourg  
Ministerial authorisation of 23 August 2004, incorporation on 23 September 2004

Withdrawal:

ABN AMRO INVESTMENT FUNDS S.A.  
Distributor of units/shares of investment funds  
Withdrawal on 2 September 2004

Change of name:

SKANDIA & PARTNERS S.A.  
into  
**ERIK PENSER LUXEMBOURG S.A.**

## LIST OF MANAGEMENT COMPANIES

New companies:

**ABN AMRO INVESTMENT FUNDS S.A.**  
46, avenue J.-F. Kennedy, L-1855 Luxembourg

**AXXION S.A.**  
14, boulevard Royal, L-2449 Luxembourg

## LIST OF SECURITISATION VEHICLES

### New vehicles:

#### **Allegro Investment Corporation S.A.**

7, Val Ste Croix, L-1371 Luxembourg

#### **Palladium Securities 1 S.A.**

2, boulevard Konrad Adenauer, L-1115 Luxembourg

## LIST OF INVESTMENT COMPANIES IN RISK CAPITAL (SICAR)

### New company:

#### **Naxos Capital Partners S.C.A.**

40, boulevard Joseph II, L-2449 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, the law of 20 December 2002 and the law of 19 July 1991, during the **month of August 2004**

### Registrations

- ACTIVEST GELDMARKT 11/2005, 4, rue Alphonse Weicker, L-2721 Luxembourg
- CAPITAL@WORK ALTERNATIVE FUND, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- CEROS FUND, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- DB PRIVATMANDAT COMFORT, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- DEKA-ZINSBUCH PLUS, 5, rue des Labours, L-1912 Luxembourg
- DIT-LAUFZEITFONDS 02/2006, 6A, route de Trèves, L-2633 Senningerberg
- DIT-RENTEN GLOBAL >>K<<, 6A, route de Trèves, L-2633 Senningerberg
- INTERNATIONAL ASSET MANAGEMENT FUND, 69, route d'Esch, L-1470 Luxembourg
- IXIS LOOMIS SAYLES SENIOR LOAN FUND, 69, route d'Esch, L-1470 Luxembourg
- LIFE ONE, 25, rue Edward Steichen, L-2540 Luxembourg
- LUX-PROVEST, 2, place Dargent, L-1413 Luxembourg
- PARTNERS GROUP INVEST, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- PRIMA 2010, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- SF (LUX) SICAV 2, 291, route d'Arlon, L-1150 Luxembourg
- SIREO IMMOBILIENFONDS NO. 4 SICAV, 8A, boulevard Joseph II, L-1840 Luxembourg
- UNI-DEFF SICAV, 23, avenue de la Porte-Neuve, L-2227 Luxembourg
- VCM GOLDING MEZZANINE SICAV, 21, avenue de la Liberté, L-1931 Luxembourg
- WORLDSELECT ONE, 5, rue Jean Monnet, L-2180 Luxembourg

### Withdrawals

- 001 INVEST WORLD OPPORTUNITIES FUND, 14, boulevard Royal, L-2449 Luxembourg
- ALFRED BERG SICAV, 291, route d'Arlon, L-1150 Luxembourg
- CONCERTO FUND, 69, route d'Esch, L-1470 Luxembourg
- ESTENSE LUX SICAV, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- PLANEX, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- VMS LUXINTER SICAV, 54, rue Charles Martel, L-2134 Luxembourg

# Financial centre

Main updated figures regarding the financial centre:

Number of banks: **167** (30 September 2004)

Balance sheet total: **EUR 676.430 billion** (31 August 2004)

Profit before provision: **EUR 2.000 billion** (30 June 2004)

Employment: **22,470 people** (30 June 2004)

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Number of UCIs: **1,941** (11 October 2004)

Total net assets: **EUR 1,053.042 billion** (31 August 2004)

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Number of SICAR: **1** (30 September 2004)

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Number of pension funds: **11** (30 September 2004)

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Number of management companies: **15** (30 September 2004)  
(Chapter 13 of the Law of 20 December 2002)

Balance sheet total: **EUR 867.918 million** (30 June 2004)

Employment: **419 people** (30 June 2004)

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Number of PFS: **165** (30 September 2004)

Balance sheet total: **EUR 32.003 billion** (31 August 2004)

Net profit: **EUR 265.45 million** (31 August 2004)

Employment: **4,928 people** (30 June 2004)

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Number of securitisation vehicles: **2** (30 September 2004)

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

Total employment in the supervised establishments: **27,817 people** (30 June 2004)

## Newsletter de la CSSF

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110, route d'Arlon

L-2991 LUXEMBOURG

Tel.: (+352) 26 251 237 / 327

E-mail: [direction@cssf.lu](mailto:direction@cssf.lu)

Website: [www.cssf.lu](http://www.cssf.lu)