

COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER

CSSF
NEWSLETTER

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NEWS

■ PUBLICATION OF ISSUERS OF SECURITIES FOR WHICH LUXEMBOURG IS THE HOME MEMBER STATE PURSUANT TO THE TRANSPARENCY LAW

The CSSF recently published on its website under [Supervised entities](#) a new list of entities subject to its supervision. The list enumerates issuers for which Luxembourg is the home Member State pursuant to the law of 11 January 2008 on transparency requirements for issuers of securities (the "Transparency Law"). This list includes both issuers for which Luxembourg is automatically the home Member State (as, for example, Luxembourg issuers of shares) and those which chose Luxembourg as their home Member State pursuant to Article 1(9)(b) of the Transparency Law.

Pursuant to Article 22 of the Transparency Law, the CSSF is the competent authority to ensure that the provisions of this law are applied. Consequently, the CSSF shall verify whether the issuers subject to its supervision publish relevant periodic and ongoing information.

From now on, the CSSF will also publish in each [Newsletter](#) statistics providing information on new issuers for which Luxembourg is the home Member State and on those which no longer fall within the scope of the Transparency Law. The statistics will also show the breakdown of issuers by country and by type of security admitted to trading.

NATIONAL REGULATION

■ GRAND-DUCAL REGULATION OF 1 DECEMBER 2009 REPEALING GRAND-DUCAL REGULATION OF 29 JULY 2008 ESTABLISHING THE LIST OF "THIRD COUNTRIES WHICH IMPOSE EQUIVALENT REQUIREMENTS" WITHIN THE MEANING OF THE LAW OF 12 NOVEMBER 2004 ON THE FIGHT AGAINST MONEY LAUNDERING AND TERRORIST FINANCING, AS AMENDED

Grand-ducal regulation of 29 July 2008 was recently repealed by Grand-ducal regulation of 1 December 2009 as a reaction to the different critics from FATF regarding the list of "third countries which impose equivalent requirements".

This list which was developed at Community level in the context of the transposition of Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (3rd anti-money laundering Directive) was criticised by FATF which perceives a risk of loss of responsibility by the professionals concerned.

Thus, the existence of such a list would induce the professionals not to apply a risk-based approach and to adopt automatically simplified due diligence measures for some of their customers.

Furthermore, FATF considers that the mandatory characteristic of a grand-ducal regulation will prevent the professionals which would deem it necessary to be more strict and to apply normal due diligence measures or even enhanced due diligence measures, in some cases relating to equivalent third countries.

The purpose of the repeal of Grand-ducal regulation of 29 July 2008 is to react on the critics and to adopt, like some other countries, a more qualified approach in accordance with the discussions regarding the 3rd anti-money laundering Directive.

■ CIRCULAR CSSF 09/423

The purpose of Circular CSSF 09/423 is to specify the procedures to be applied for the transmission to the CSSF of long form reports and management letters.

In addition to the delivery of the documents in paper form, this circular introduces the transmission of long form reports and management letters by electronic means *via* a secured system for electronic transmission which is accepted by the CSSF. The delivery of a file shall be carried out within four months as from the end of the period which the long form or management letter refers to.

This circular also provides certain technical specifications regarding the format and the nomenclature of the files to be sent.

The documents shall be sent electronically to the CSSF as from 1 January 2010, regardless of their reference date.

INTERNATIONAL REGULATION

■ REGULATION (EC) NO 1060/2009 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 16 SEPTEMBER 2009 ON CREDIT RATING AGENCIES

Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "Regulation") was published on 17 November 2009 in the Official Journal of the European Union (L 302). According to this Regulation, credit rating agencies shall:

- a) register with the competent authorities of the Member States and be supervised by these authorities;
- b) adapt their internal governance models to the provisions of the Regulation in order to better manage and to avoid conflicts of interest as far as possible; and
- c) disclose their risk assessment methods in order to allow banks and other sophisticated investors to assess the soundness of the methods used by the rating agencies and to strengthen market discipline. The rating agencies shall keep the methods used up-to-date and review them regularly.

The Regulation, which is directly applicable in the Member States of the EU, entered into force on 7 December 2009. The provisions of Article 4(1) shall apply as from 7 December 2010.

Article 4(1) also contains provisions which apply to certain entities subject to the CSSF's prudential supervision. It specifies that credit institutions as defined in Directive 2006/48/EC, investment firms as defined in Directive 2004/39/EC, insurance undertakings subject to the First Council Directive 73/239/EEC, assurance undertakings as defined in Directive 2002/83/EC, reinsurance undertakings as defined in Directive 2005/68/EC, undertakings for collective investment in transferable securities (UCITS) as defined in Directive 85/611/EEC and institutions for occupational retirement provision as defined in Directive 2003/41/EC may use credit ratings for regulatory purposes only if they are issued by credit rating agencies established in the Community and registered in accordance with Regulation 1060/2009.

The Regulation lays down two mechanisms which allow the taking into account of certain credit ratings issued by credit rating agencies in third countries: an endorsement regime addressed to credit rating agencies with physical presence in the EU (Article 4) and a certification system based on equivalence decisions addressed to non-systemic credit rating agencies with no physical presence in the EU (Article 5).

Article 4(1) also provides that, where a prospectus published under Directive 2003/71/EC and Regulation (EC) No 809/2004 contains a reference to a credit rating or credit ratings, the issuer, offeror or person asking for admission to trading on a regulated market shall ensure that the prospectus also includes clear and prominent information stating whether or not such credit ratings are issued by a credit rating agency established in the Community and registered under Regulation 1060/2009.

■ PUBLICATION OF 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

Directive 2009/111/EC was published on 17 November 2009 in the Official Journal of the European Union (L 302). This Directive amends several provisions of CRD Directives (2006/48/EC and 2006/49/EC) as a reaction to the lessons learned from the *subprime* crisis and updates other provisions according to the needs of the entire financial system.

The main amendments arising from the Directive are:

- an enhanced cooperation between the authorities in crisis management and a formalisation of a college of supervisors;
- a complete recasting of the large exposure regulation with, in particular, more strict limits regarding inter-bank market;
- an amendment in the own funds regime: the draft Directive seeks to determine clear criteria, at Community level, which allow to assess to what extent "hybrid" instruments, which include both equity and debt characteristics, are eligible as own funds;
- a drawing-up of more strict rules as regards risk management of securitised instruments: those institutions which securitise or re-securitise loans in order to offer them as tradable instruments (the "originators") shall retain part of the risk resulting from the exposure to such instruments, whereas those institutions which invest in such instruments may only make such decisions after conducting all required due diligence.

The Member States shall transpose the Directive by 31 October 2010 at the latest, and the relevant provisions shall be applicable from 31 December 2010.

■ CEBS PUBLISHES ITS GUIDELINES ON LIQUIDITY BUFFERS

On 9 December 2009, the Committee of European Banking Supervisors (CEBS) published a finalised version of its guidelines on the appropriate liquidity buffers of credit institutions, following a public consultation period and a public hearing. These guidelines define the size and composition of liquidity buffers in order to come up against liquidity crisis situations.

Thus, these measures recommend credit institutions to consider that their liquidity buffers are:

- subject to three types of stress test scenarios: idiosyncratic shock, market specific shock and a combination of the two;
- permanently sufficient in order to enable banks to withstand a liquidity stress for a period of at least one month without changing their business models;
- built using cash and assets that ensure the generation of liquidity within a short period at a predictable value;
- only assets that are both highly liquid in private markets and eligible at central bank standard facilities for the very short term (at least one week).

CEBS expects that the application of these guidelines by banking organisations takes place by 30 June 2010.

The document in full as well as the responses received under the public consultation are available on the CEBS' website (www.c-ebs.org).

■ PUBLICATION OF GUIDELINES ON HYBRID CAPITAL INSTRUMENTS BY CEBS

On 10 December 2009, CEBS (Committee of European Banking Supervisors) published guidelines regarding the requirements for the inclusion of hybrid capital instruments into original own funds (Tier 1) of a credit institution pursuant to Directive 2006/48/EC, as amended by Directive 2009/111/EC. Indeed, the above-mentioned Directive only provides broad guidelines regarding these requirements and calls on CEBS to elaborate them in greater detail for a common EU definition in this matter.

The guidelines provide details on loss absorbency mechanisms which these instruments require in going concern and in case of liquidation. They also cover the rules to observe regarding the flexibility of payments of coupons attached to such instruments as well as the requirements to be fulfilled in order to redeem the instruments concerned.

The guidelines may be downloaded on the CEBS website under "Publications", "Standards & Guidelines".

These guidelines shall be applied by 31 December 2010 at the latest together with the provisions of Directive 2009/111/EC.

PRESS RELEASES

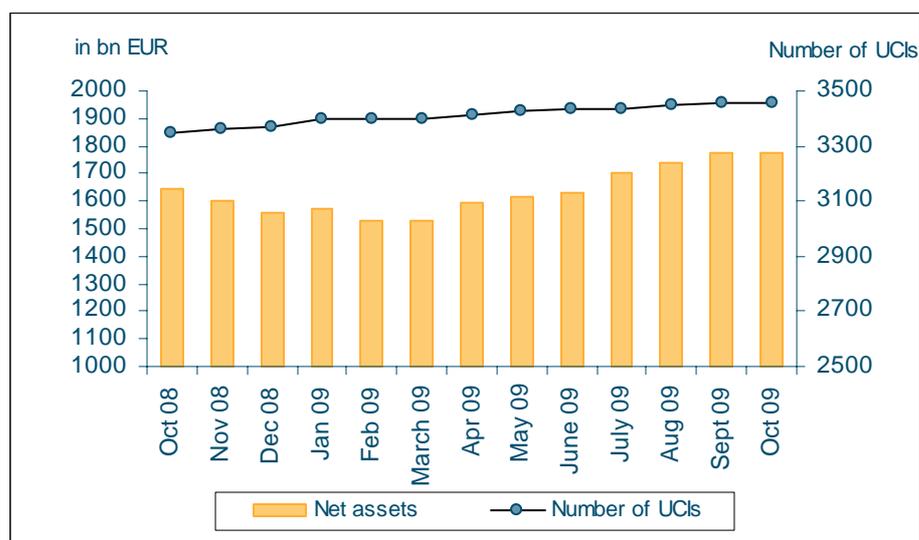
■ GLOBAL SITUATION OF UNDERTAKINGS FOR COLLECTIVE INVESTMENT AND SPECIALISED INVESTMENT FUNDS AT THE END OF OCTOBER 2009

Press release of 7 December 2009

I. Overall situation

As at 31 October 2009, total net assets of undertakings for collective investment and specialised investment funds reached EUR 1,777.528 billion compared to EUR 1,773.834 billion as at 30 September 2009, i.e. a 0.21% growth over one month. Over the last twelve months, the volume of net assets increased by 7.92%.

Overall, the Luxembourg UCI industry registered a positive variation amounting to EUR 3.694 billion during October. This positive variation is composed of EUR -9.951 billion (-0.56%) resulting from the negative impact of the financial markets and EUR 13.645 billion (+0.77%) originating from positive net issues.



The number of undertakings for collective investment (UCIs) and specialised investment funds (SIFs) taken into consideration totals 3,454 as against 3,457 in the previous month. A total of 2,081 UCIs have adopted an umbrella structure, which represents 10,874 sub-funds. When adding the 1,373 entities with a traditional structure to the previous figure, a total of 12,247 entities are active in the financial centre.

In October, most equity markets registered negative performances except Eastern European and Latin American equity markets. The main reasons were the uncertainties regarding prospects of equity markets and the disinvestments by investors due to profit taking. However, Luxembourg equity UCIs registered positive net subscriptions for nearly all categories during October.

The development of net assets of Luxembourg equity UCIs during the month of October is illustrated in the table below:

Development of equity UCIs during the month of October 2009*

	Market variation	Net issues
Global market equities	-1.78%	1.09%
European equities	-2.41%	0.13%
US equities	-2.08%	0.99%
Japanese equities	-4.14%	-1.76%
Eastern Europe equities	1.39%	2.06%
Asian equities	-0.61%	2.03%
Latin American equities	1.20%	3.23%
Other equities	0.26%	2.01%

* Variation in % of net assets as compared to the previous month

As regards bond markets, the yields of government bonds increased slightly in Europe and substantially in the United States, mainly due to an increase in the volume of issues of public borrowings in October and an improved macro-economic outlook. On the private sector bond market, the improved economic outlook for the private sector as well as the decline in the investors' risk aversion contributed to the continuous tightening of risk premiums.

The USD depreciation of over 1% as compared to EUR negatively impacted the net assets of several Luxembourg UCI categories in the month of October.

Development of fixed-income UCIs during the month of October 2009*

	Market variation	Net issues
EUR money market	0.07%	-0.70%
USD money market	-1.05%	1.19%
Global market money market	0.34%	-2.58%
European bonds	0.44%	0.71%
US bonds	-0.22%	2.13%
Global market bonds	0.16%	1.98%
High Yield bonds	0.09%	4.91%
Other	-0.01%	1.16%

* Variation in % of net assets as compared to the previous month

The development of net assets of Luxembourg diversified income UCIs and of funds of funds during the month of October is illustrated in the table below:

Diversified income UCIs and funds of funds during the month of October 2009*

	Market variation	Net issues
Diversified UCIs	-0.68%	0.93%
Funds of funds	-0.91%	0.19%

* Variation in % of net assets as compared to the previous month

II. Breakdown of the number and the net assets of UCIs according to Parts I and II of the 2002 law and SIFs

	PART I UCIs		PART II UCIs		SIFs		TOTAL	
	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)
31/12/2006	1,469	1,516.540 €	552	249.916 €	217	78.394 €	2,238	1,844.850 €
31/01/2007	1,482	1,558.650 €	556	256.698 €	222	80.462 €	2,260	1,895.810 €
28/02/2007	1,490	1,568.660 €	561	259.029 €	227	81.018 €	2,278	1,908.707 €
31/03/2007	1,457	1,580.732 €	563	265.013 €	228	81.615 €	2,248	1,927.360 €
30/04/2007	1,461	1,613.851 €	571	269.882 €	244	83.263 €	2,276	1,966.996 €
31/05/2007	1,469	1,660.616 €	578	277.244 €	255	86.802 €	2,302	2,024.662 €
30/06/2007	1,492	1,675.029 €	584	283.491 €	276	88.502 €	2,352	2,047.022 €
31/07/2007	1,519	1,676.027 €	586	285.907 €	302	91.043 €	2,407	2,052.977 €
31/08/2007	1,538	1,649.820 €	585	288.727 €	337	96.757 €	2,460	2,035.304 €
30/09/2007	1,547	1,668.478 €	588	289.818 €	366	100.848 €	2,501	2,059.144 €
31/10/2007	1,599	1,713.963 €	608	297.171 €	411	112.385 €	2,618	2,123.519 €
30/11/2007	1,639	1,652.126 €	618	294.554 €	504	117.117 €	2,761	2,063.797 €
31/12/2007	1,653	1,646.341 €	643	295.939 €	572	117.115 €	2,868	2,059.395 €
31/01/2008	1,662	1,539.494 €	653	293.197 €	617	118.450 €	2,932	1,951.141 €
29/02/2008	1,680	1,543.385 €	654	296.900 €	638	122.560 €	2,972	1,962.845 €
31/03/2008	1,700	1,480.352 €	663	292.614 €	649	122.479 €	3,012	1,895.445 €
30/04/2008	1,733	1,541.312 €	675	296.483 €	675	126.281 €	3,083	1,964.076 €
31/05/2008	1,736	1,566.198 €	678	303.800 €	691	126.961 €	3,105	1,996.959 €
30/06/2008	1,755	1,480.895 €	682	292.539 €	716	128.658 €	3,153	1,902.092 €
31/07/2008	1,784	1,471.973 €	688	292.279 €	748	132.105 €	3,220	1,896.357 €
31/08/2008	1,817	1,487.918 €	695	293.025 €	772	137.050 €	3,284	1,917.993 €
30/09/2008	1,827	1,375.104 €	699	285.360 €	796	136.232 €	3,322	1,796.696 €
31/10/2008	1,845	1,243.344 €	701	270.891 €	805	132.793 €	3,351	1,647.028 €
30/11/2008	1,840	1,206.535 €	709	265.744 €	815	131.958 €	3,364	1,604.237 €
31/12/2008	1,826	1,169.389 €	708	259.809 €	837	130.455 €	3,371	1,559.653 €
31/01/2009	1,837	1,183.116 €	710	252.878 €	851	135.540 €	3,398	1,571.534 €
28/02/2009	1,838	1,149.100 €	709	246.367 €	855	134.824 €	3,402	1,530.291 €
31/03/2009	1,840	1,154.891 €	698	240.229 €	858	131.443 €	3,396	1,526.563 €
30/04/2009	1,847	1,213.147 €	697	240.906 €	871	138.879 €	3,415	1,592.932 €
31/05/2009	1,849	1,243.508 €	693	235.626 €	883	140.135 €	3,425	1,619.269 €
30/06/2009	1,846	1,255.762 €	691	232.770 €	898	142.724 €	3,435	1,631.256 €
31/07/2009	1,848	1,327.841 €	684	234.610 €	906	143.579 €	3,438	1,706.030 €
31/08/2009	1,851	1,360.316 €	678	232.282 €	920	146.819 €	3,449	1,739.417 €
30/09/2009	1,849	1,394.016 €	670	229.669 €	938	150.149 €	3,457	1,773.834 €
31/10/2009	1,844	1,399.816 €	664	227.254 €	946	150.458 €	3,454	1,777.528 €

■ LIFEMARK S.A.

Press release of 19 November 2009

*The CSSF may confirm that on 18 November 2009, at its request, the 1st vice-president of the Luxembourg district court, sitting in commercial matters, appointed, in accordance with article 25(2) of the Luxembourg securitisation law of 22 March 2004, KPMG ADVISORY s.à r.l., represented by Mr. Eric COLLARD, as provisional administrator (administrateur provisoire) of the société anonyme LIFEMARK S.A. ("**Lifemark**"), with registered office at 46A, avenue John F. Kennedy, Luxembourg, for a period of three months from the delivery of this order, with a mission of auditing, initiative and investigation.*

The nomination of KPMG as administrateur provisoire within this limited scope does not deprive, except for possible emergency measures, the board of directors of Lifemark from its statutory powers. The board of directors must however inform KPMG of all future decisions before they can validly be taken by the board. The provisional administrator has been appointed to develop, together with Lifemark's board of directors, a long-lasting solution to the company's current problems. It is important to understand, and the court has expressly confirmed in its decision of 18 November 2009, that "this measure shall not qualify as an insolvency procedure such as bankruptcy (faillite), controlled management (gestion contrôlée), a procedure of suspension of payments (sursis de paiement) or judicial liquidation (liquidation judiciaire)."

*Lifemark issued a series of bonds which were used to underpin a number of retail investment products provided and administered by a UK company, Keydata Investment Services Limited ("**Keydata**"), to UK consumers. Keydata was placed into administration by the UK regulator, the Financial Services Authority (the "**FSA**"), on 8 June 2009 due to substantial tax liabilities arising from irregularities with its products. The investors in these Keydata products are the ultimate beneficial owners of the majority of the bonds issued by Lifemark.*

The CSSF and the FSA are working together in close cooperation in this matter.

■ MADOFF CASE

Press release of 18 November 2009

Eleven months after the discovery of the fraud committed within the US-American entity Bernard L. Madoff Investment Securities ("**BMIS**"), the CSSF wishes to inform on the status of its interventions with the Luxembourg entities affected by the "Madoff case". The CSSF took action, in accordance with its legal missions, at three levels:

- In December 2008, the CSSF first analysed the potential effects of the case on the financial stability of entities under its supervision and of the financial sector in its entirety (cf. CSSF press releases of 22 December 2008, 2 January 2009 and 23 January 2009).
- At the same time, the CSSF, under its prudential supervisory powers, opened investigations into those supervised Luxembourg entities concerned with the Madoff case. During its inquiries, the CSSF at first prioritised the examination of the quality of the general administrative organisation and of the internal and external control of the supervised entities in order to ensure, generally, the protection of all investors which entertained business relations with these entities. It was the CSSF's role, in its capacity as prudential supervisory authority, to detect any potential violations by the different parties and service providers of their respective legal duties. In particular, the CSSF conducted inquiries relating to the different service providers (cf. CSSF press releases of 25 February and of 27 May 2009). In this context, the CSSF did not limit its investigations to those entities which acted on behalf of the UCIs directly impacted by the Madoff affair at the time of its breakout, but extended its inquiry to those entities which had been involved with the structure of these UCIs since they were set up.
- Furthermore, the members of the administrative, management and supervisory bodies and the shareholders or associates of a supervised entity shall at any given moment prove their professional repute to the CSSF. Thus the CSSF examines in particular whether the directors or members of the board of directors of each implicated supervised entity personally produced evidence of their professional repute in the course of their duties. A multitude of procedures were opened in this context. The investigations relating to natural persons fall under the CSSF's duty of professional secrecy and the result of such investigations will in principle not be communicated to the public.

In accordance with general principles of Luxembourg law, the CSSF, in its capacity as public supervisory authority, has therefore taken all necessary administrative measures with regard to the supervised entities concerned and their respective directors. However, the final decision regarding contractual liability between private parties can only be taken conclusively by a competent Luxembourg court. Hence, in accordance with the principle of separation of powers, the competence of deciding on the civil liability of an entity towards individual investors (including tort, damage suffered and their causal link) lies exclusively within the power of the judiciary and therefore of the courts with civil and commercial jurisdiction.

* * *

In line with the above, the CSSF's investigations as regards prudential supervision included HSBC Securities Services (Luxembourg) S.A. ("HSSL") in order to establish the nature and degree of responsibility of this entity in connection with the fund HERALD (Lux), incorporated on 18 February 2008 and registered on the official list of the Luxembourg undertakings for collective investment in accordance with Article 94(1) of the law of 20 December 2002. It should be noted, in this context, that HSSL acted as depositary bank and central administration for HERALD (Lux). It has to be added that Bank Medici AG, a credit institution set up under Austrian law, from which Finanzmarktaufsicht (FMA), the Austrian supervisory authority, withdrew its authorisation on 28 May 2009, had been appointed sponsor (promoteur) and investment manager of HERALD (Lux). The investment company HERALD (Lux) qualifies as a so-called self-managed investment company given the fact that it had not appointed a management company within the meaning of article 27 of the law of 20 December 2002. The company has been in judicial liquidation since 2 April 2009 (cf. CSSF press release dated 15 April 2009).

In relation to its examination of the different responsibilities involving HERALD (Lux), the CSSF completed its first investigations on 9 March 2009 with an on-site inspection at HSSL's premises. Following its analysis of the documents and information received by HSSL, the CSSF took the following decision towards HSSL on 17 November 2009:

"In accordance with article 59 of the Law of 5 April 1993 and pursuant to Circular IML 91/75 as well as to the Law of 20 December 2002, the Commission, while noting positive and satisfactory elements in existing procedures, orders HSSL to continue to review and complete the necessary internal rules and relevant forms in order to fulfil all the tasks relating to its function of depositary bank of a Luxembourg UCI in accordance with the Law of 20 December 2002 and with Circular IML 91/75 within a period of three months, specifically as regards: (i) its duty to request all specific and necessary responses from Luxembourg UCIs for which HSSL acts as depositary bank and, in case of questions relating to the structure actually set in place and the role potentially taken on in practice by sub-custodians or other correspondents at different levels of this structure and (ii) its obligations of "due diligence" within the HSBC group, by providing exact information in particular as regards the duties exercised by HSSL in Luxembourg or those carried out by a different group company. Furthermore, the Commission orders HSSL to, within a period of three months, continue to review and, where appropriate, complete on a case by case basis its process of liquidation of the transactions and more specifically to prove that the procedures and means in place enable an independent and objective reconciliation of the securities held with sub-custodians or other correspondents.

The Commission points out that HSSL will have to participate in the indemnification of damages in case it breached contractual obligations of a depositary bank under Luxembourg law, without prejudice to a possible court decision. The Commission emphasises that it falls exclusively to the courts and tribunals of the judicial order to decide whether HSSL committed a civil tort which would oblige it to contribute, together with all other persons held liable, to the indemnification of the damages." »

* * *

Finally, as regards the three Luxembourg investment companies affected by the Madoff case and currently in judicial liquidation (the "Sicav", cf. CSSF press releases of 15 April 2009 and of 13 May 2009), the CSSF wishes to recall and specify the following points:

- During an authorisation process, the CSSF approves a UCI's incorporation documents, i.e.: the prospectus and the articles of incorporation or the management regulations of the UCI in question. In accordance with the law of 20 December 2002 relating to undertakings for collective investment, a UCI's prospectus has to contain all the necessary information for an investor to reach a properly informed decision on the proposed investment. Internal documents which merely govern the practical terms and conditions between professionals (such as operating memoranda) have to comply with the contents of the approved and published prospectus and cannot deviate therefrom. These internal documents are not submitted to the CSSF.
- The documents submitted to the CSSF in the framework of the authorisation procedure for each of the three Sicav,¹ on the basis of which they were registered on the official list of UCIs, included no reference neither to the identity of BMIS nor, more importantly, to the multiplicity of functions carried on de facto by one entity. Between the launch of the various Sicav and the breakout of the Madoff affair in December 2008, the CSSF was never informed in a transparent manner, by the professionals involved, of the structure actually set in place nor of the role played in practice by BMIS at different levels of this structure.

¹ As regards the sicav Luxembourg Investment Fund which contained multiple compartments, this applies equally to the authorisation procedure of the sicav itself and that of the relevant compartment, US Equity Plus, which was set up at a later stage. At the time of their registration on the official list of UCIs, both Luxalpha Sicav and Herald (Lux) had a single compartment and no new compartment had been set up within their structures until their judicial liquidation.

STATISTICS

■ BANKS

Decrease in the banks' balance sheet total as at 31 October 2009

As at 31 October 2009, the balance sheet total of the banks established in Luxembourg reached EUR 785.388 billion as compared to EUR 814.658 billion as at 30 September 2009, which represents a decrease of 3.72% over one month.

Following the registration on the official list of RBS Global Banking (Luxembourg) S.A., the number of banks registered on the official list as at 7 December 2009 reached 149 entities.

■ PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

Decrease in the PFS balance sheet total as at 31 October 2009

According to the provisional data as at 31 October 2009, the balance sheet total of all the professionals of the financial sector amounted to EUR 26.905 billion as against EUR 27.102 billion as at 30 September 2009, which represents a 0.73% decrease over a period of one month.

Provisional net profit for all PFS at the end of October 2009 amounted to EUR 1,448.06 million against EUR 1,325.62 million as at 30 September 2009.

■ PENSION FUNDS, SICARS AND AUTHORISED SECURITISATION UNDERTAKINGS

Authorisation of four new investment companies in risk capital (SICARs)

Since the publication of the last Newsletter, the following four new SICARs have been registered on the official list of SICARs governed by the law of 15 June 2004 relating to investment companies in risk capital (SICAR), as amended:

- TRAMUNTANA S.C.A., SICAR, 47, boulevard Royal, L-2449 Luxembourg
- AZTIQ PHARMA PARTNERS S.C.A., SICAR, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- SUSTAINABLE DEVELOPMENT FUND, S.C.A., SICAR, 6, Parc d'Activité Syrdall, L-5365 Munsbach
- L REAL ESTATE S.C.A. SICAR, 26, boulevard Royal, L-2449 Luxembourg

The number of SICARs registered on the official list amounted to 239 entities as at 7 December 2009.

The number of securitisation undertakings authorised by the CSSF in accordance with the law of 22 March 2004 on securitisation amounted to 24 entities as at 7 December 2009.

As at 7 December 2009, 14 pension funds in the form of pension savings companies with variable capital (sepcav) and pension savings associations (assep) and subject to the law of 13 July 2005 were registered on the official list.

The number of professionals authorised to act as liability managers for pension funds amounted to 13 as at 7 December 2009.

■ MANAGEMENT COMPANIES

Authorisation of a new management company under chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment

The following management company was registered on the official list of management companies:

ANDBANC ASSET MANAGEMENT LUXEMBOURG.

The above management company is active exclusively in the field of collective management.

Following this approval, 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 since 13 February 2004 by way of free establishment or free provision of services in an EU Member State amounts to 192 as at 30 November 2009.

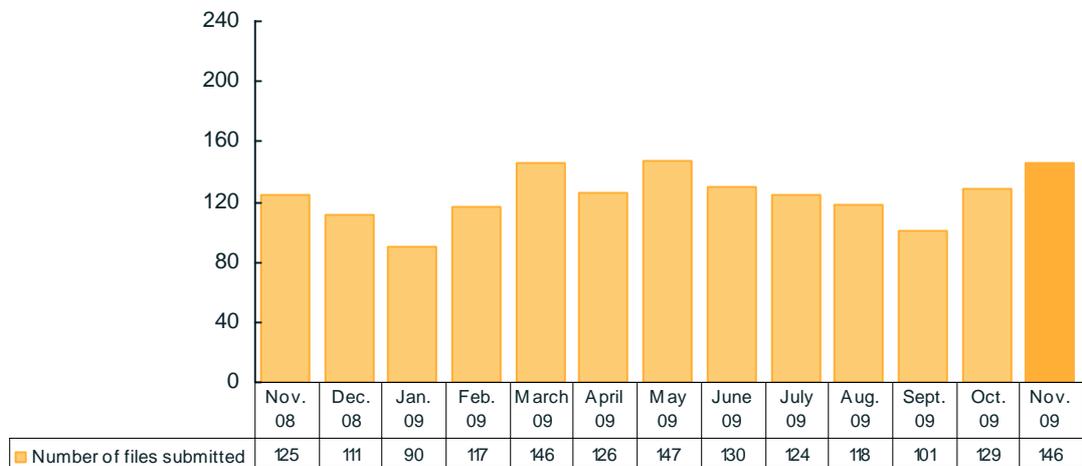
■ PROSPECTUSES FOR SECURITIES IN THE EVENT OF AN OFFER TO THE PUBLIC OR ADMISSION TO TRADING ON A REGULATED MARKET (PART II AND PART III, CHAPTER 1 OF THE LAW ON PROSPECTUSES FOR SECURITIES)

1. APPROVALS

1.1. Applications for approval

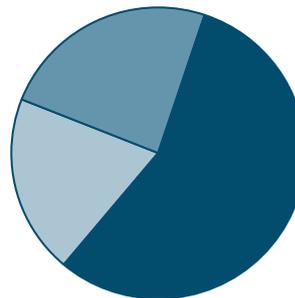
In November 2009, a total of 146 applications for approval have been submitted to the CSSF, i.e. 35 prospectuses, 29 base prospectuses and 82 supplements.

Number of files submitted from November 2008 to November 2009



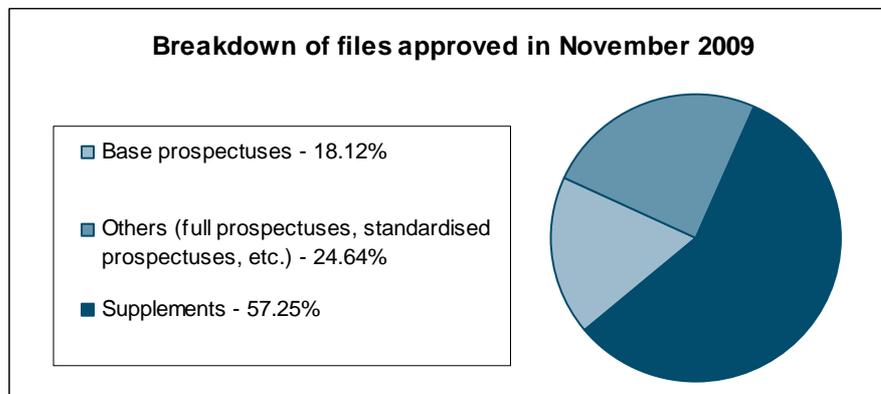
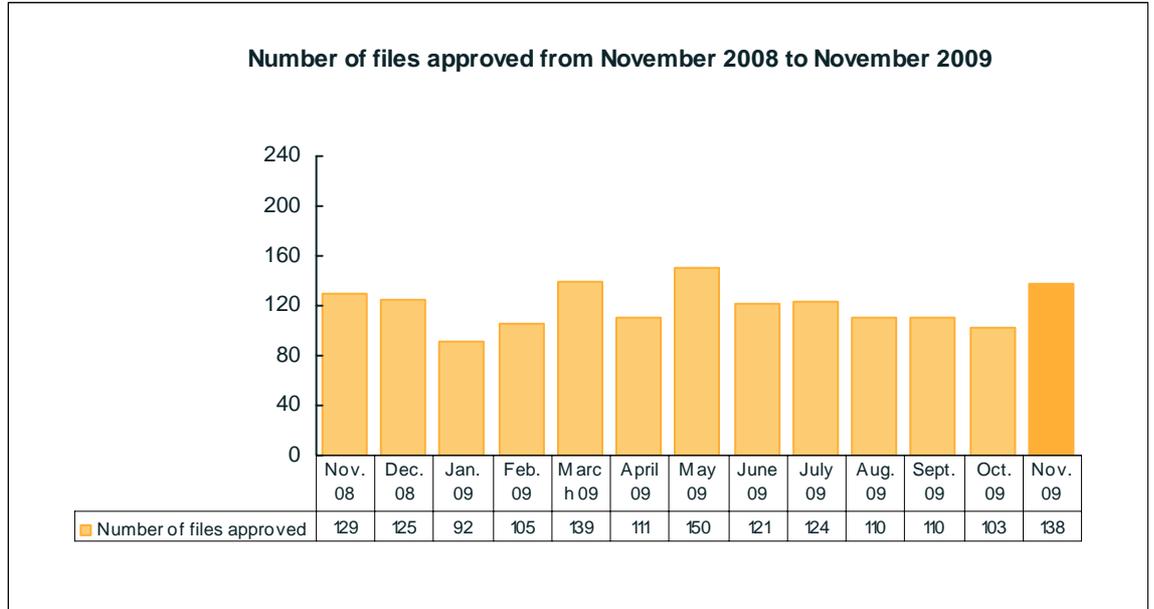
Breakdown of files submitted in November 2009

- Base prospectuses - 19.86%
- Others (full prospectuses, standardised prospectus, etc.) - 23.97%
- Supplements - 56.16%



1.2. Documents approved

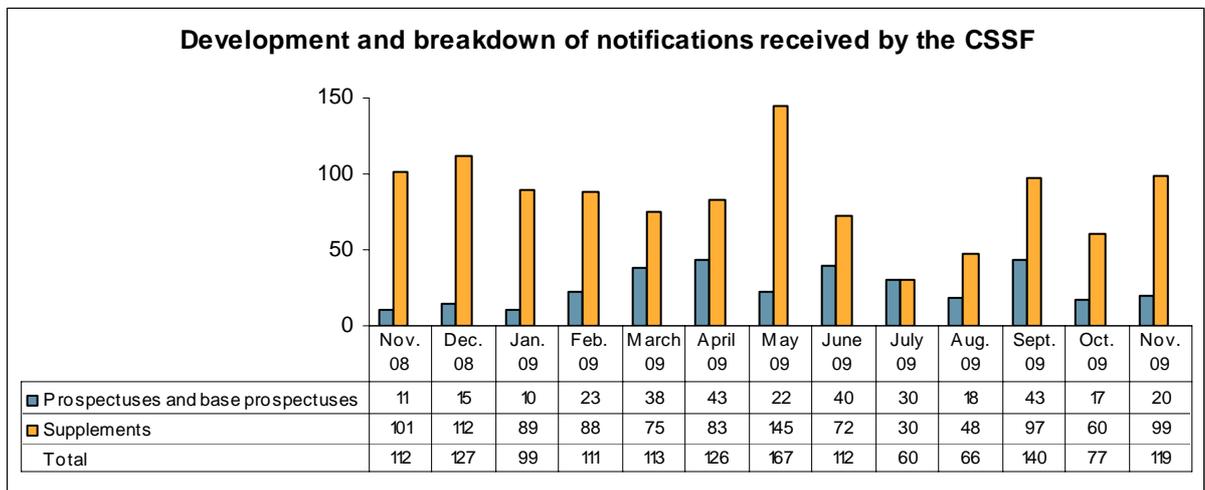
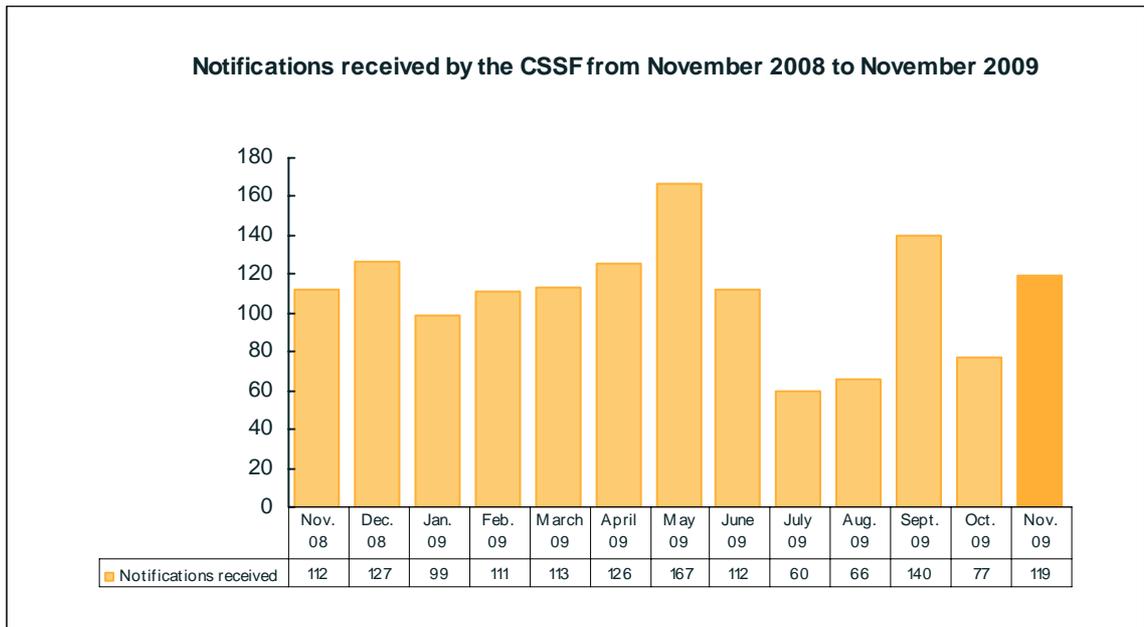
In November 2009, a total of 138 documents have been approved by the CSSF, i.e. 34 prospectuses, 25 base prospectuses and 79 supplements.



2. NOTIFICATIONS

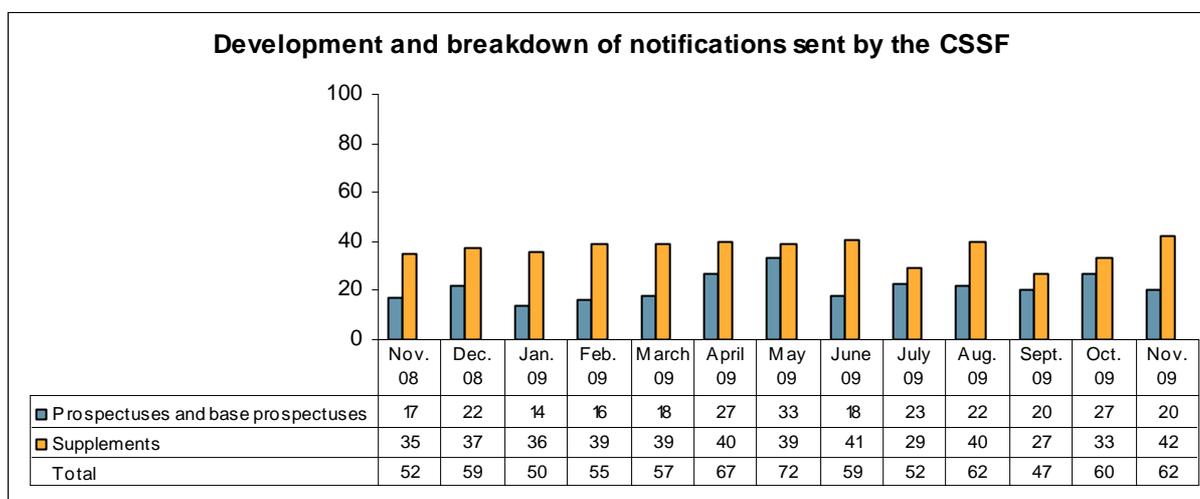
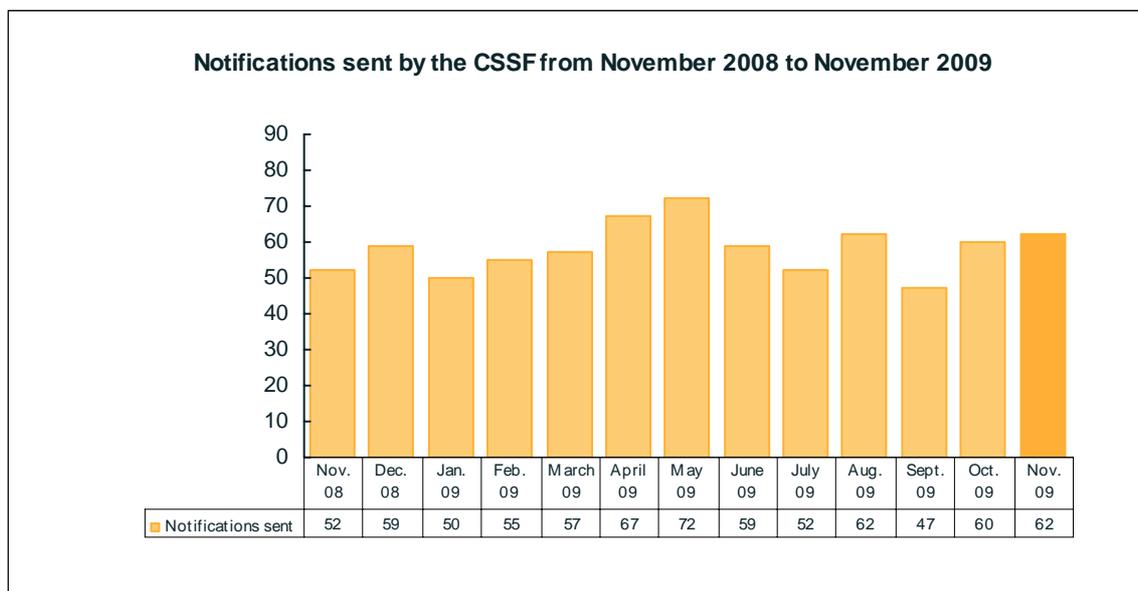
2.1. Notifications received by the CSSF

In November 2009, the CSSF received 119 notifications (relating to 20 prospectuses and base prospectuses and to 99 supplements) from the competent authorities of several EU Member States.



2.2. Notifications sent by the CSSF

In November 2009, the CSSF sent notifications concerning 62 documents¹ (20 prospectuses and base prospectuses and 42 supplements) it has approved to the competent authorities of the EU Member States.



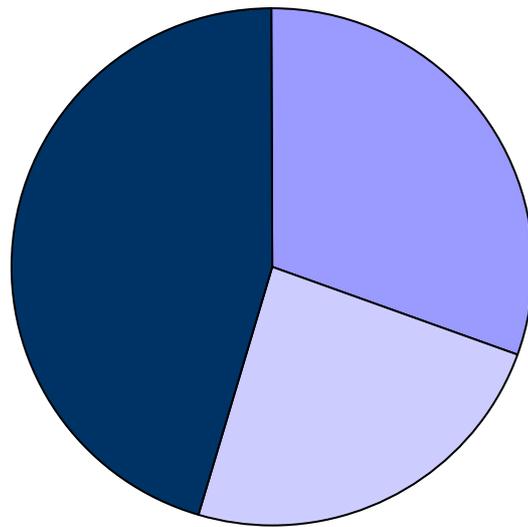
¹ This figure is the number of documents for which the CSSF sent one or several notifications. Where notifications have been sent at different dates and/or to several Member States, only the first one has been taken into account for the purposes of these statistics. Thus, every document notified in one or several Member States only counts once.

■ ISSUERS FOR WHICH LUXEMBOURG IS THE HOME MEMBER STATE PURSUANT TO THE LAW OF 11 JANUARY 2008 ON TRANSPARENCY REQUIREMENTS FOR ISSUERS OF SECURITIES (THE "TRANSPARENCY LAW").

As at 8 December 2009, 763 issuers, subject to the supervision of the CSSF, were included in the list of issuers for which Luxembourg is the home Member State pursuant to the Transparency Law.

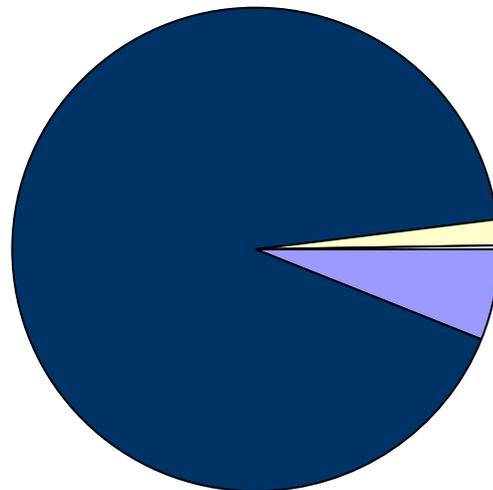
Breakdown of issuers according to countries

- Luxembourg: 30.67%
- European Economic Area: 23.72%
- Third countries: 45.61%



Breakdown of issuers according to type of securities admitted to trading

- Shares: 6.16%
- Debt instrument: 92.01%
- Depository receipts: 1.57%
- Warrants: 0.26%



OFFICIAL LISTS

■ LIST OF BANKS

New authorisation:

RBS Global Banking (Luxembourg) S.A.

46, avenue J. F. Kennedy, L- 1855 Luxembourg

■ LIST OF OTHER PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

New authorisations:

GOLDING CAPITAL PARTNERS (LUXEMBOURG) S.A R.L.

43, avenue J.F. Kennedy, L-1855 Luxembourg

Statuses: registrar agent, domiciliation agent of companies, client communication agent, administrative agent of the financial sector and professional performing services of setting-up and of management of companies

B2HUB S.A.

121, avenue de la Faïencerie, L-1511 Luxembourg

Status: secondary IT systems and communication networks operator of the financial sector

SHAFTESBURY CORPORATE MANAGEMENT SERVICES (LUXEMBOURG) S.A.

23, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg

Statuses: domiciliation agent of companies and professional performing services of setting-up and of management of companies

Withdrawals:

TRIAXIOM INVESTMENT S.A R.L.

76, rue de Luxembourg, L-8077 Bertrange

STANDARD CHARTERED FINANCIAL SERVICES (LUXEMBOURG) S.A.

26, boulevard Royal, L-2449 Luxembourg

MUTUALITE D'ASSISTANCE AUX COMMERCANTS S.C.

26, rue Marguerite de Brabant, L-1254 Luxembourg

Change of address:

CONRAD HINRICH DONNER VERMÖGENSVERWALTUNG LUXEMBOURG S.A.

14, Parc d'Activité Syrdall, L-5365 Munsbach

Change of denomination:

AIG INVESTMENT EUROPE LTD LUXEMBOURG BRANCH has become
PINEBRIDGE INVESTMENTS EUROPE LTD LUXEMBOURG BRANCH

■ LIST OF MANAGEMENT COMPANIES

New authorisation:

Andbanc Asset Management Luxembourg

7A, rue Robert Stümper, L-2557 Luxembourg

Changes of address:

LEMANIK ASSET MANAGEMENT LUXEMBOURG S.A.

14B, rue des Violettes, L-8023 Strassen

SWISSCANTO (LU) EQUITY FUNDS MANAGEMENT COMPANY S.A.

69, route d'Esch, L-1470 Luxembourg

SWISSCANTO (LU) MONEY MARKET FUNDS MANAGEMENT COMPANY S.A.

69, route d'Esch, L-1470 Luxembourg

SWISSCANTO (LU) PORTFOLIO FUNDS MANAGEMENT COMPANY S.A.

69, route d'Esch, L-1470 Luxembourg

■ **LIST OF PENSION FUNDS**

New authorisation:

GENO-PENSIONS FONDS

4, rue Thomas Edison, L-1445 Strassen

■ **LIST OF LIABILITY MANAGERS**

New authorisation:

PECOMA INTERNATIONAL S.A.

47, boulevard Royal, L-2449 Luxembourg

■ **LIST OF SICARS**

New companies:

SUSTAINABLE DEVELOPMENT FUND, S.C.A., SICAR

6, Parc d'Activité Syrdall, L-5365 Munsbach

AZTIQ PHARMA PARTNERS S.C.A., SICAR

20, boulevard Emmanuel Servasi, L-2535 Luxembourg

L REAL ESTATE S.C.A. SICAR

26, boulevard Royal, L-2449 Luxembourg

GALAXY S.à r.l. SICAR

99, Grand'rue, L-1661 Luxembourg

TRAMUNTANA S.C.A., SICAR

47, boulevard Royal, L-2449 Luxembourg

Changes of address:

LFPE S.C.A. SICAR

5, avenue Gaston Diderich, L-1420 Luxembourg

LAYATENA DEVELOPMENT PARTNERS 1 – LUX, S.C.A., SICAR

5, rue Guillaume Kroll, L-1025 Luxembourg

OPERA MASTERS SCA, SICAR

1B, Heienhaff, L-1736 Senningerberg

■ LIST OF UNDERTAKINGS FOR COLLECTIVE INVESTMENT (UCIS)

Registrations and withdrawals from the official list of the Luxembourg undertakings for collective investment during the month of October 2009

During the month under review, the following eighteen undertakings for collective investment and specialised investment funds have been registered on the official list:

1) Part I UCIs:

- AMERICAN CENTURY SICAV, 6C, route de Trèves, L-2633 Senningerberg
- AURIGA INVESTORS, 11, rue Aldringen, L-1118 Luxembourg
- DEKA-VOLATILITYCASH, 5, rue des Labours, L-1912 Luxembourg
- RBC FUNDS (LUX), 14, Porte de France, L-4360 Esch-sur-Alzette
- STABILE RENDITE, 23, avenue de la Liberté, L-1931 Luxembourg
- UNIEURORENTA EM 2015, 308, route d'Esch, L-1471 Luxembourg

2) Part II UCIs:

- PROSPERITY RETURN FUND, 1-7, rue Nina et Julien Lefèvre, L-1952 Luxembourg
- RENAISSANCE HIGH GRADE BOND FUND, 1-7, rue Nina et Julien Lefèvre, L-1952 Luxembourg

3) SIFs:

- AVIARENT S.C.A. SICAV-FIS, 2, place Dargent, L-1413 Luxembourg
- BARCLAYS CAPITAL EQUITY LUXEMBOURG SICAV SIF S.A R.L., 26B, boulevard Royal, L-2449 Luxembourg
- BAYVK P2-FONDS, 18-20, Parc d'activité Syrdall, L-5365 Munsbach
- DWS BRAZIL BOND BASKET 2014, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- DWS EMERGING SOVEREIGN BOND MASTER FUND, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- FUNDTAP LUXEMBOURG FUNDS, 58, rue Charles Martel, L-2134 Luxembourg
- GLENIC ENERGY OCEAN, 32, avenue Monterey, L-2163 Luxembourg
- MERIDIAN, 20, rue de la Poste, L-2346 Luxembourg
- SEB PRIVATE BANKING FUND, 6A, Circuit de la Foire Internationale, L-1347 Luxembourg
- SEE PRIVATE EQUITY GROUP, 4, rue Jean Monnet, L-2180 Luxembourg

The following 21 undertakings for collective investment and specialised investment funds have been withdrawn from the official list in October 2009:

1) Part I UCIs:

- ALLIANZ RCM SINGLE EXPRESS, 6A, route de Trèves, L-2633 Senningerberg
- ALLIANZ TOP PROTECT, 6A, route de Trèves, L-2633 Senningerberg
- CITIGROUP PROPERTY INVESTORS REAL ESTATE SECURITIES SICAV, 31, Z.A. Bourmicht, L-8070 Bertrange
- DEKA-WELTZINS, 5, rue des Labours, L-1912 Luxembourg
- DWS ABS FUND, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- DWS BEST 80 GARANT, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- DWS OPTIRENT (FLEX), 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- FIDELITY MULTIMANAGER SICAV, place de l'Etoile, L-1479 Luxembourg
- GIS HIGH CONVICTION EQUITY (EUR), 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- M & W FONDSCONCEPT, 2, place Dargent, L-1413 Luxembourg
- VV MADAUS FUND FAMILY, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen

2) Part II UCIs:

- ARISTOLUX INVESTMENT FUND, 5, rue Jean Monnet, L-2180 Luxembourg
- CENTUM FUND, 6A, Circuit de la Foire Internationale, L-1347 Luxembourg
- FFTW FUNDS SELECTION II, 2-8, avenue Charles de Gaulle, L-1653 Luxembourg
- H. Q. ALPHA STRATEGIES FUND, 21, avenue de la Liberté, L-1931 Luxembourg
- J.P. MORGAN MULTI-MANAGER STRATEGIES FUND, 8, rue de la Grève, L-1643 Luxembourg
- JPMORGAN FUND SERIES, 6H, route de Trèves, L-2633 Senningerberg
- KAUPTHING INVESTMENT FUNDS, 35a, avenue J-F Kennedy, L-1855 Luxembourg
- PARTNERS GROUP INTERNATIONAL PRIVATE EQUITY SICAV, 16, boulevard d'Avranches, L-1160 Luxembourg

3) SIFs:

- HESSE NEWMAN FUND SICAV-FIS, 69, route d'Esch, L-1470 Luxembourg
- VARIOSPECIAL SICAV-SIF, 69, route d'Esch, L-1470 Luxembourg

FINANCIAL CENTRE

Main updated figures regarding the financial centre:

Number of banks: **149** (7 December 2009)
Balance sheet total: **EUR 785.388 billion** (31 October 2009)
Profit before provisions: **EUR 4.87 billion** (30 September 2009)
Employment: **26,497 persons** (30 September 2009)

Number of UCIs: **3,471** (9 December 2009)
of which 963 specialised investment funds (SIFs)
Total net assets: **EUR 1,777.528 billion** (31 October 2009)

Number of SICARs: **239** (7 December 2009)

Number of pension funds: **14** (7 December 2009)

Number of management companies: **192** (7 December 2009)
(chapter 13 of the law of 20 December 2002)
Employment: **2,287 persons** (30 September 2009)

Number of PFS: **289** of which 10 branches (7 December 2009)
Balance sheet total: **EUR 26.905 billion** (31 October 2009)
Provisional net profit: **EUR 1.44 billion** (31 October 2009)
Employment: **13,362 persons** (30 September 2009)

Number of authorised securitisation undertakings: **24** (7 December 2009)

Number of issuers of securities for which Luxembourg is the home Member State pursuant to the Transparency Law: **763** (8 December 2009)

Total employment in the supervised establishments: **42,146 persons** (30 September 2009)

CSSF Newsletter

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