



Newsletter

No 191 - December 2016

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HUMAN RESOURCES

CSSF staff evolution

Since the publication of the last Newsletter, the CSSF has recruited three new agents who were assigned to the following departments:

Legal department “Consumer Protection/Financial Crime”

Gilles ASSA

Supervision of securities markets departments

Jérôme WEICKER

Information systems of the CSSF

Yannick SAUREN

Following the departure of two agents, the CSSF employs 675 agents on 15 December 2016: 357 men and 318 women.

NEWS

Update of the section “Oversight of the audit profession” of the CSSF’s website

Following the entry into force of the Law of 23 July 2016 concerning the audit profession and of its implementing regulations, the section of the CSSF’s website relating to the oversight of the audit profession has been updated in order to reflect the changes introduced by all these documents. The updated section is available at:

<http://www.cssf.lu/en/supervision/audit-profession/>.

WARNINGS

Warnings published by the CSSF

A warning concerning an entity named Alpha Innovative Strategies Ltd was published on 12 December 2016 and a warning concerning an entity named Sfilbank was published on 16 December 2016. The warnings are available on the CSSF’s website at:

<http://www.cssf.lu/en/consumer/warnings/news-cat/90/>.

Warnings published by IOSCO

Several warnings have been published on IOSCO's website at:

http://www.iosco.org/investor_protection/?subsection=investor_alerts_portal.

NATIONAL REGULATION

CSSF Regulation N° 16-08

CSSF Regulation N° 16-08 concerning systemically important institutions authorised in Luxembourg was published in Mémorial A No 239 of 1 December 2016 and on the CSSF's website.

CSSF Regulation N° 16-09

CSSF Regulation N° 16-09 relating to the establishment of a consultative commission for the access to the audit profession and repealing CSSF Regulation N° 13-05 on the training log to be presented by candidate *réviseurs d'entreprises* (statutory auditors) when applying for registration for the examination of professional competence was published in Mémorial A No 244 of 5 December 2016 and on the CSSF's website.

CSSF Regulation N° 16-10

CSSF Regulation N° 16-10 organising continuing education of *réviseurs d'entreprises* (statutory auditors) and *réviseurs d'entreprises agréés* (approved statutory auditors) was published in Mémorial A No 244 of 5 December 2016 and on the CSSF's website.

CSSF Regulation N° 16-11

CSSF Regulation N° 16-11 relating to the establishment of a list of Master's degrees or diplomas corresponding to equivalent trainings which satisfy the requirements referred to in Article 2(1) and (2) of Grand-ducal Regulation of 9 July 2013 determining the requirements for the professional qualification of *réviseurs d'entreprises* (statutory auditors) and *réviseurs d'entreprises agréés* (approved statutory auditors) and to the establishment of a list of approvals referred to in Article 1, Section D of Grand-ducal Regulation of 9 July 2013 determining the requirements for the professional qualification of *réviseurs d'entreprises* (statutory auditors) and *réviseurs d'entreprises agréés* (approved statutory auditors) was published in Mémorial A No 244 of 5 December 2016 and on the CSSF's website.

CSSF Regulation N° 16-12

CSSF Regulation N° 16-12 relating to the adoption of audit standards in the field of statutory audit under the Law of 23 July 2016 concerning the audit profession and to the adoption of standards on professional ethics and internal quality control under the Law of 23 July 2016 concerning the audit profession was published in Mémorial A No 243 of 5 December 2016 and on the CSSF's website.

CSSF Regulation N° 16-13

CSSF Regulation N° 16-13 relating to the reporting of infringements of the Law of 23 July 2016 concerning the audit profession and Regulation (EU) No 537/2014 on specific requirements regarding statutory audit of public-interest entities was published in Mémorial A No 244 of 5 December 2016 and on the CSSF's website.

BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM

Single Supervisory Mechanism - European Central Bank (ECB)**Publications and Consultations**

3 November 2016 - [ECB launches a consultation on harmonising supervisory rules for banks supervised by national competent authorities](#)

The European Central Bank (ECB) has launched a public consultation on a draft guideline and recommendation concerning the exercise of options and discretions (O&Ds) provided for in Regulation (EU) 575/2013 of the European Parliament and of the Council (CRR) and Directive 2013/36/EU of the European Parliament and of the Council (CRD IV) for banks that the ECB does not directly supervise (i.e. less significant institutions or LSIs). The aim is to harmonise the way banks are supervised by national competent authorities (NCAs) in the 19 countries of the Single Supervisory Mechanism (SSM) and thereby to ensure a level playing field and the smooth functioning of the euro area banking system as a whole. The draft guideline lays out how NCAs should exercise seven O&Ds of general application for LSIs. For these O&Ds a specific policy rationale justifies the adoption of a uniform approach for all credit institutions in the countries in which the SSM applies. The draft recommendation aims to harmonise 43 O&Ds that are not of general application but are assessed on a case-by-case basis.

The public consultation will run until 5 January 2017.

14 November 2016 - [ECB launches consultation on guide to assessments of board members](#)

The ECB has launched a public consultation on a draft guide to fit and proper assessments. The guide explains how ECB Banking Supervision evaluates the qualifications, skills and proper standing of a candidate for a position on the board of a bank, for example as chief executive officer or supervisory board member.

The consultation will run until 20 January 2017.

15 November 2016 - [ECB publishes guidelines on assessment and monitoring of institutional protection schemes](#)

The ECB has published two guidelines on how to assess institutional protection schemes (IPs) and coordinate the activities of the ECB and national competent authorities (NCAs). An IP is an arrangement amongst a group of banks to safeguard their solvency and liquidity.

The first of the guidelines aims to ensure that NCAs apply the same criteria as set out in the guide when assessing IP applications from less significant institutions. This has been done to ensure the consistent treatment of IP members across the SSM. The second guideline sets out the principles for coordination between the ECB and NCAs on IP-related supervisory decisions and for the ongoing monitoring of IPs.

21 November 2016 - [Annual assessment of significance brings number of banks directly supervised by the ECB to 127](#)

The 2016 annual review of the significance of credit institutions brings the number of banks and banking groups directly supervised by the ECB to 127.

23 November 2016 - [ECB launches public consultation on a draft guidance on leveraged transactions](#)

The ECB has launched a public consultation on a draft guidance to develop clear and consistent definitions, measures and monitoring with regard to leveraged transactions. The ECB consultation recommends banks to put in place a unique and overarching definition of leveraged transactions and clearly define their strategy for leveraged transactions and appetite for underwriting and syndicating of the latter.

The consultation will run until 27 January 2017.

28 November 2016 - [ECB publishes additional banking supervision statistics](#)

The European Central Bank will publish additional banking supervision statistics on a quarterly basis to further strengthen the transparency and accountability of this task. These statistics offer additional and more detailed data on the financial health of the financial institutions supervised directly by the ECB. These include, for example, information on banks' profitability, capital adequacy and the quality of their assets. Some of the statistics are also broken down by country and by categories of banks. Information on the individual banks is not disclosed.

Interviews and Speeches

2 November 2016 – "[Interview with Süddeutsche Zeitung](#)" - Interview with Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, conducted by Meike Schreiber and Markus Zydra.

4 November 2016 – "[A trans-Atlantic banking divide?](#)" - Speech by Ignazio Angeloni, Member of the Supervisory Board of the ECB, at the 19th Annual International Banking Conference, Chicago.

7 November 2016 – "[Two years and three days of European banking supervision – what has changed?](#)" - Speech by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, Banking and Corporate Evening of the Deutsche Bundesbank's Regional Office in Bavaria, Munich.

9 November 2016 – "[Second ordinary hearing in 2016 of the Chair of the ECB's Supervisory Board at the European Parliament's Economic and Monetary Affairs Committee](#)" - Introductory statement by Danièle Nouy, Chair of the Supervisory Board of the ECB, Brussels.

15 November 2016 – "[The European banking sector – a quick pulse check](#)" - Speech by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at a Euro Finance Week Conference, Frankfurt am Main.

15 November 2016 – "[Times they are a-changin' – the "new normal" and what it means for banks and supervisors](#)" - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, at a Deutsche Bundesbank reception, Frankfurt am Main.

16 November 2016 – "[Remarks at the opening of the Frankfurt office of the Spanish Banking Association](#)" - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, at the opening of the Frankfurt office of the Spanish Banking Association, Frankfurt am Main.

16 November 2016 – "[We aim to improve the resilience of banks and reduce system-wide risks](#)" - Joint interview with Danièle Nouy, Chair of the Supervisory Board of the ECB, and Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, published in Supervision Newsletter (Autumn 2016).

21 November 2016 – “[The European banking sector: New rules, new supervisors, new challenges](#)” - Speech by Danièle Nouy, Chair of the Supervisory Board of the ECB, at Università Sapienza di Roma, Rome.

28 November 2016 – “[Dealing with diversity – the European banking sector](#)” - Speech by Julie Dickson, Member of the Supervisory Board of the ECB, at the 17th Handelsblatt Annual Conference on European Banking Regulation, Frankfurt am Main.

European Commission

Publications

23 November 2016 - [Commission presents amendments to CRR, CRDIV, BRRD and SRMR](#)

The Commission has presented a comprehensive package of reforms to further strengthen the resilience of EU banks. The proposed legislative package aims at amending the CRR, CRDIV, as well as the Bank Recovery and Resolution Directive (BRRD) and the Single Resolution Mechanism Regulation (SRMR). This proposal builds on existing EU banking rules and aims to complete the post-crisis regulatory agenda by making sure that the regulatory framework addresses any outstanding challenges to financial stability, while ensuring that banks can continue to support the real economy. The proposals aim to complete this reform agenda by implementing some outstanding elements, which are essential to further reinforce banks' ability to withstand potential shocks. The proposals also fine-tune some aspects of the new regulatory framework where necessary to make it more growth-friendly and proportionate to banks' complexity, size and business profile. It also includes measures that will support SMEs and investment in infrastructure.

19 November 2016 – Publication of the [Commission Delegated Regulation \(EU\) 2016/2020 of 26 May 2016](#) supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on criteria for determining whether derivatives subject to the clearing obligation should be subject to the trading obligation.

19 November 2016 – Publication of the [Commission Delegated Regulation \(EU\) 2016/2021 of 2 June 2016](#) supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on access in respect of benchmarks.

29 November 2016 – Publication of the [Commission Regulation \(EU\) 2016/2067 of 22 November 2016](#) amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 9.

European Parliament

23 November 2016 - [European Parliament \(EP\) adopted resolution on the finalisation of Basel III](#)

The resolution stresses, among others, that the current revision should respect the principle stated by the oversight body of the Basel Committee on Banking Supervision (BCBS), the Group of Governors and Heads of Supervision (GHOS), of not significantly increasing overall capital requirements, and to mitigate the differences between jurisdictions and banking models. The European Parliament calls on the BCBS to revise its proposals and on the ECB and the SSM to ensure principles are respected in the finalisation and monitoring of the new standard.

European Banking Authority (EBA)

Publications

Capital Requirements Directive and Regulation

3 November 2016 - [EBA publishes final guidelines on ICAAP and ILAAP information](#)

The European Banking Authority (EBA) has published its final Guidelines on the collection of information related to the internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (ILAAP). These Guidelines aim at facilitating a consistent approach to the supervisory assessment of ICAAP and ILAAP frameworks across the EU as part of the supervisory review and evaluation process (SREP). The Guidelines will apply from 1 January 2017.

10 November 2016 - [EBA provides its views on the implementation of IFRS 9 and its impact on banks across the EU](#)

The EBA has published a report including some qualitative and quantitative observations of its first impact assessment of IFRS 9. This exercise, which helped the EBA understand the way in which institutions are preparing for the application of IFRS 9, also contains some recommendations relevant to the observations as well as some future actions, including the interaction of IFRS 9 with existing prudential requirements.

18 November 2016 - [EBA publishes list of public sector entities for the calculation of capital requirements](#)

The EBA has published the list of public sector entities (PSEs), which has been developed on the EBA's own initiative to supplement the requirements laid down in Article 116 CRR, and which may be treated as regional governments, local authorities or central governments in the area of credit risk, in accordance with the CRR. This list will assist EU institutions in determining their capital requirements for credit risk.

21 November 2016 - [EBA provides overview on the proportionate application of remuneration requirements across the EU](#)

The EBA has published additional information on the application of the proportionality principle to the remuneration provisions laid down in the CRD in response to a request for advice from the European Commission. The additional information included in the report is a follow-up to the Opinion on the application of proportionality, issued in December 2015, where the EBA called for a harmonised and consistent approach on the proportionate application of remuneration requirements across the European Union (EU) taking into account the compliance costs. In particular, the Opinion recommended that the CRD be amended to allow for waivers regarding the application of deferral arrangements and the pay out in instruments for small and non-complex institutions and for identified staff that receive only a low amount of variable remuneration when specific criteria are met.

22 November 2016 - [EBA publishes final technical standards on assessment methodology to validate market risk models](#)

In accordance with points b) and c) of Article 363(4) CRR, the EBA has published its final draft Regulatory Technical Standards (RTS) that specify the conditions under which competent authorities assess the significance of positions included in the scope of market risk internal models, as well as the methodology they shall apply when assessing an institution's compliance with the requirements to use an Internal Model Approach (IMA) for market risk. These draft RTS are a key component of the EBA's work to ensure consistency in models' outputs and comparability of risk-weighted exposures and will contribute to harmonise the supervisory assessment methodology across all EU Member States and, ultimately, to restore confidence in the use of such models for regulatory purposes.

24 November 2016 - [EBA launches second impact assessment of IFRS 9 on EU banks](#)

The EBA has launched a second impact assessment of IFRS 9, which builds on the results of its first exercise published on 10 November 2016. The EBA expects that institutions will be able to provide more detailed and accurate insights into their implementation of IFRS 9 as the information provided by the respondents in the first exercise reflected the early stage of implementation.

30 November 2016 - [EBA amends supervisory reporting standards due to the new IFRS 9](#)

The EBA has published its amended final draft implementing technical standards (ITS) on the reporting of financial information. The amended ITS, which have been developed in accordance with Article 99 CRR, follow the finalisation of IFRS 9 in July 2014 by the International Accounting Standards Board (IASB) and its endorsement into EU law on 22 November 2016 and aim at aligning the reporting framework with the new IFRS 9 requirements while ensuring reporting institutions have adequate implementation time.

Others**4 November 2016** - [EBA issues recommendations on the implementation of new counterparty and market risk frameworks](#)

The EBA has published a report in response to two calls for advice to assist the European Commission in the adoption into European legislation of two new international frameworks proposed by the BCBS: (i) a new standardised framework for counterparty risk (CCR), i.e. the so-called SA-CCR, and (ii) a new market risk (MKR) framework - the so-called fundamental review of the trading book (FRTB). In the report, the EBA focuses on the envisaged impact of these two frameworks, for both large and small firms, and issues recommendations on their implementation.

Consultations**Capital Requirements Directive and Regulation****4 November 2016** - [EBA seeks views on new prudential regime for investment firms](#)

The EBA has launched a consultation in response to the European Commission's call for technical advice on the design of a new prudential regime for investment firms, which is specifically tailored to the needs of investment firms' different business models and inherent risks. The aim of this work is to develop a single, harmonised set of requirements that are reasonably simple, proportionate, and more relevant to the nature of investment business.

The consultation will run until 2 February 2017.

8 November 2016 - [EBA consults on standards specifying information requirements for the authorisation of credit institutions](#)

The EBA has launched a consultation on (i) RTS on the information to be provided to competent authorities for the authorisation of credit institutions developed in accordance with Article 8(2) CRD and (ii) ITS on the templates and procedures for the provision of such information developed in accordance with Article 8(3) CRD. These standards aim at harmonising the information requirements in the authorisation process across the EU, thus facilitating the application process and ensuring a level playing field.

The consultation will run until 8 February 2017.

14 November 2016 - [EBA consults on revised standards on supervisory reporting](#)

The EBA has published for consultation revised ITS on supervisory reporting developed in accordance with Article 99(5) CRR. The proposed amendments concern new requirements for the reporting of information on sovereign exposures and changed requirements for the reporting of operational risk data. The standards on supervisory reporting aim at collecting information on institutions' compliance with prudential requirements in a consistent way and need to be updated whenever prudential or supervisory requirements change.

This consultation will run until 7 January 2017.

14 November 2016 - [EBA consults on guidelines for the application of the IRB approach](#)

The EBA has launched a consultation on its draft Guidelines on the estimation of risk parameters for non-defaulted exposures, namely of the probability of default (PD) and the loss given default (LGD), and on the treatment of defaulted assets. These draft Guidelines are part of the EBA's broader work on the review of the IRB approach aimed at reducing the unjustified variability in the outcomes of internal models, while preserving the risk sensitivity of capital requirements.

The consultation will run until 10 February 2017.

16 November 2016 - [EBA seeks views on how to review the maturity ladder for liquidity reporting](#)

The EBA has launched for consultation a proposal to review its ITS on additional monitoring metrics for liquidity, which mainly consists of reintroducing a maturity ladder in line with the reporting requirements laid down in the Commission's Delegated Act on the Liquidity Coverage Ratio (LCR). These revised ITS, which have been developed in accordance with Article 415(3)(b) CRR, aim at providing competent authorities with harmonised information on institutions' liquidity risk profile, taking into account the nature, scale and complexity of their activities.

The consultation will run until 2 January 2017.

Payment Services Directive

3 November 2016 - [EBA consults on Guidelines on authorisation and registration under PSD2](#)

The EBA has launched a consultation on its draft Guidelines specifying the information to be provided by applicants intending to obtain authorisation as payment and electronic money institutions as well as to register as account information service providers under the revised Directive (EU) 2015/2366 on payment services in the internal market (PSD2). These Guidelines, which have been developed in accordance with Article 5(5) PSD2, are in support of the objective of PSD2 of strengthening an integrated payments market across the European Union, ensuring a consistent application of the legislative framework, and promoting equal conditions for competition.

The consultation will run until 3 February 2017.

Joint Committee of the European Supervisory Authorities (ESAs)

Publications

16 November 2016 - [ESAs provide guidance on anti-money laundering and counter-terrorist financing supervision](#)

The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) has published its final Guidelines on the characteristics of a risk-based approach to anti-money laundering and terrorist financing supervision and the steps to be taken when conducting supervision on a risk-sensitive basis. These guidelines form part of the Joint Committee's work to establish

consistent, effective and risk-based supervisory practices across the European Union and contribute to a more robust European anti-money laundering and countering the financing of terrorism (AML/CFT) regime. They are consistent with international AML/CFT standards.

European Systemic Risk Board (ESRB)

Publications

28 November 2016 - [ESRB issued eight warnings on medium-term residential real estate vulnerabilities and a recommendation on closing real estate data gaps \(ESRB/2016/14\)](#)

The [warnings](#) are addressed to the relevant ministers in Austria, Belgium, Denmark, Finland, the Netherlands, Sweden, the UK and Luxembourg. Additionally, the [recommendation](#) adopted on 31 October 2016 provides a common set of indicators that national macroprudential authorities are recommended to monitor in assessing risks originating from the real estate sector along with definitions of these indicators.

See also the [response of the Luxembourg Minister of Finance](#).

28 November 2016 - [ESRB presented a report on the macroprudential policy issues arising from low interest rates and structural changes in the EU financial system](#)

The ESRB has identified in the [analysis](#) three main areas of risk related to financial stability: (i) the sustainability of certain financial institutions' business models; (ii) broad-based risk taking; and (iii) the move towards a market-based financial system. These risks are interrelated and their magnitude varies across financial sectors and Member States.

See also the [Q&A](#) on the ESRB report on the macroprudential policy issues arising from low interest rates and structural changes in the EU financial system.

Basel Committee on Banking Supervision (BCBS)

Publications

23 November 2016 - [BCBS presented a consultative document on the Revised annex on correspondent banking to the Basel Committee guidelines on the Sound management of risks related to money laundering and financing of terrorism](#)

The proposed revisions guide the banks in the application of the risk-based approach for correspondent banking relationships, recognising that not all correspondent banking relationships bear the same level of risk. The proposed revisions also clarify supervisors' expectations regarding the quality of payment messages as well as conditions for using Know Your Customer (KYC) utilities.

The consultation will run until 22 February 2017.

Financial Stability Board (FSB)

Publications

21 November 2016 - [FSB released the 2016 list of global systemically important banks \(G-SIBs\)](#)

The 2016 list comprises the same 30 banks as the 2015 list. Four banks moved to a higher bucket, and three banks moved to a lower bucket. The changes in the allocation across buckets of the institutions on the list reflect the combined effects of data quality improvements, changes in underlying activity, and the use of supervisory judgement.

SANCTIONS

Specialised investment funds (SIFs)

In accordance with Article 51(1) of the Law of 13 February 2007 relating to specialised investment funds, the CSSF imposed an administrative fine on the *dirigeants* (directors) of three specialised investment funds for non-filing of the management letter.

In accordance with Article 51(1) of the Law of 13 February 2007 relating to specialised investment funds, the CSSF imposed an administrative fine on the *dirigeants* (directors) of a specialised investment fund for filing of incomplete documents.

Issuers of securities

Since the publication of the last Newsletter, the CSSF imposed two administrative fines on issuers which failed to act in response to orders of the CSSF as regards the publication of financial reports in the framework of the Law of 11 January 2008 on transparency requirements for issuers (the "Transparency Law").

COMMUNIQUÉS

Investment funds – Public-interest entities ("PIEs")

Press release 16/45 of 16 December 2016

Investment funds having their units admitted to trading on a regulated market within the meaning of point 14 of Article 4(1) of MiFID are PIEs.

In addition to the requirements of the Audit Directive and PIE Regulation as described in the [FAQ of the CSSF dated 24 August 2016](#) i.e. mandatory audit firm rotation, provision of non-audit services, extended audit report and exemption to have an audit committee, we would like to highlight further diligences to be performed by the "Réviseur d'entreprises agréé" on these entities linked to their PIE status:

- the completion of an engagement quality control review prior to the issuance of the audit report (Article 8 of the PIE Regulation);
- the internal rotation of the key audit partner responsible for carrying out the audit (Article 17 of the PIE Regulation);
- the inclusion in the transparency report of these PIEs.

These measures will be applicable for periods beginning on or after 17 June 2016.

Dissolution and judicial liquidation: Valor Capital S.A. - appointment of a liquidator

Press release 16/44 of 16 December 2016

Pursuant to Article 129 of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms and following the permanent withdrawal of the authorisation of VALOR CAPITAL S.A.

by the Minister of Finance, the Luxembourg *Tribunal d'Arrondissement* (District Court) sitting in commercial matters ordered the dissolution and liquidation of the investment firm incorporated under Luxembourg law VALOR CAPITAL S.A. on 15 December 2016. This liquidation follows the suspension of payments of VALOR CAPITAL S.A. ordered on 11 October 2016.

VALOR CAPITAL S.A. is an investment firm within the meaning of Article 1 of the Law of 5 April 1993 on the financial sector and carries out activities as investment adviser, broker in financial instruments, commission agent, private portfolio manager, corporate domiciliation agent and professional providing company incorporation and management services pursuant to Articles 24, 24-1, 24-2, 24-3, 28-9 and 28-10 of this law.

Me Laurent FISCH, *avocat à la Cour*, was appointed as liquidator by the same judgement. Mrs Anick WOLFF, Vice-president of the Luxembourg *Tribunal d'Arrondissement*, was appointed as official receiver.

In accordance with Article 129(7) of said law, the judgement determines the manner in which the liquidation is to be carried out.

Communication regarding Article 26 (Obligation to report transactions) of MiFIR

Press release 16/43 of 13 December 2016

Article 26 of Regulation No 600/2014 on markets in financial instruments (hereafter, "MiFIR") contains the obligation for credit institutions and investment firms which execute transactions in financial instruments to report complete and accurate details of such transactions to the competent authority. As required by Article 26(9) of MiFIR, ESMA developed the draft regulatory technical standards for the reporting of transactions to competent authorities (hereafter, "RTS 22"). Further guidance in relation to transaction reporting is provided by [ESMA's Guidelines on transaction reporting, order record keeping and clock synchronisation under MiFID II](#) (hereafter, the "Guidelines"), [ESMA's Technical reporting instructions on the MiFIR transaction reporting](#) and their annexes ([Data validation rules](#), [Message schemas](#)) (hereafter, the "Technical reporting instructions").

Please note that as RTS 22 has not yet been published in the Official Journal, the Guidelines and the Technical reporting instructions are without prejudice to a possible modification to RTS 22.¹

In the context of the obligation to report transactions as foreseen by Article 26 of MiFIR, the CSSF would like to provide some additional information.

1. Adherence to the Guidelines and the Technical reporting instructions

Once the final RTS 22 will have been published, ESMA will, if necessary, adapt the Guidelines and translate those in all relevant languages. The CSSF will implement the Guidelines through the publication of a circular.

Supporting the efforts made to harmonise the transaction reporting formats across Europe, the CSSF's reporting system will be based on the Technical reporting instructions.

2. File transport

The method of transmission of transaction reports will remain unchanged. As such, the current system, based on transmission channels offered by external service providers and used for the current transaction reporting regime under Directive 2004/39/EC on markets in financial instruments (hereafter, "MiFID I"), will remain in place.

¹ Please note that at the time of publication, the most recent version of RTS 22 is the one adopted by the European Commission on 28 July 2016, and the most recent version of the Guidelines is the document published on 10 October 2016 under the reference ESMA/2016/1452.

3. Transition period

MiFIR will enter into force on 3 January 2018, meaning that the new transaction reporting regime will also be applicable from that date onwards. In order to ensure a smooth transition from the MiFID I regime to the new MiFID II/MiFIR regime, the CSSF will operate both the new and the old transaction reporting systems in parallel until 31 January 2018. In this context, it must be noted that the old system will reject any transaction report referring to a trading date after 2 January 2018, since the parallel run is only intended to allow for late declarations and error corrections of transactions executed prior to the entry into force of MiFIR.

After 31 January 2018, the MiFID I transaction reporting system will be switched off, meaning that only the MiFID II/MiFIR system will continue to operate.

4. Transaction reporting by branches

In accordance with the standard procedure laid down in Article 14 of the latest version of RTS 22, credit institutions and investment firms incorporated under Luxembourg law shall report to the CSSF all the transactions executed wholly or partly through their branches established in other Member States. The CSSF will transmit such transaction reports, via the transaction reporting exchange mechanism ("TREM"), to the competent authorities of the Member States where the involved branches are established. The CSSF would like to clarify that it does not intend to derogate from the aforementioned standard procedure.

5. Further details

Please note that for all further details that require national coordination, the CSSF will provide further guidance as soon as possible.

Réviseur d'entreprises (statutory auditor): Exemption from initial diploma

Press release 16/42 of 8 December 2016

Many business schools - whether they be French or Belgian - have not necessarily adapted their courses to the specific needs of the audit profession. Thus, in the absence of a Master's degree or an equivalent degree complying with the courses required under Article 2 of Grand-ducal Regulation of 9 July 2013 determining the requirements for the professional qualification of *réviseurs d'entreprises* (statutory auditors), as amended, a lot of candidates cannot register to the professional training upon being hired.

This option is, however, granted to them after having carried out professional activities in the financial, legal and accounting fields during seven years in accordance with Article 9(3)(b) of the Law of 23 July 2016 concerning the audit profession. Although this exemption has been very successful, it must be acknowledged that a period of seven years represents a long break between the date at which they completed their studies and the date at which they take new examinations; many candidates may become discouraged in the meantime.

Nevertheless, any person who has carried out professional activities during at least three years in the field of statutory audit, may request the validation of prior experience to justify all or part of his/her knowledge and skills required for obtaining a degree.

In this way, the person will not be granted a diploma but will be authorised, under certain conditions, to continue his/her university studies, i.e. in this case, the courses for the complementary training certificate referred to in Article 3 of Grand-ducal Regulation of 9 July 2013, as amended.

The candidates who are interested must apply with the University of Luxembourg by complying with the formal requirements.

http://www.en.uni.lu/etudiants/informations_utiles_de_a_a_z/validation_d_acquis

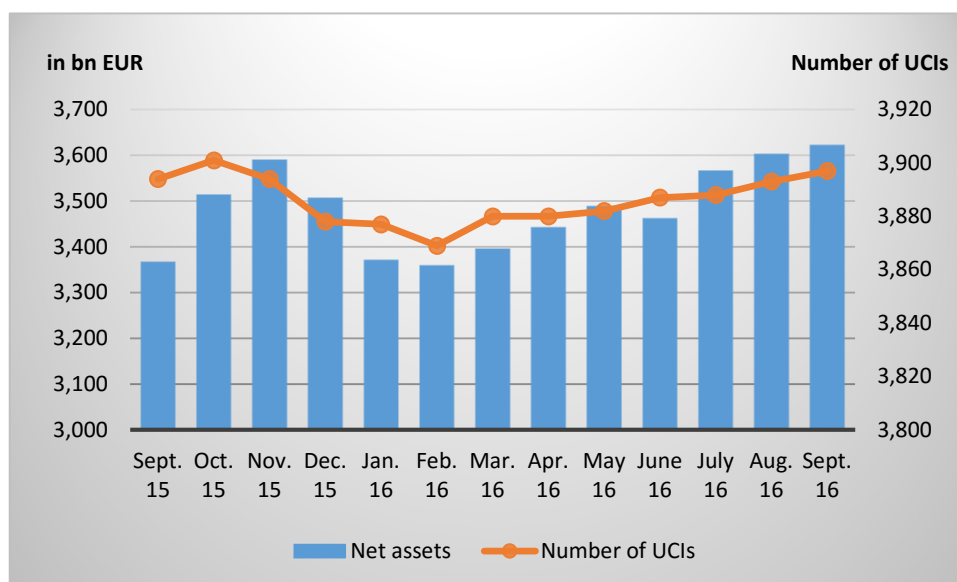
Global situation of undertakings for collective investment and specialised investment funds at the end of September 2016

Press release 16/41 of 7 December 2016

I. Overall situation

As at 30 September 2016, total net assets of undertakings for collective investment and specialised investment funds amounted to EUR 3,621.929 billion compared to EUR 3,602.162 billion as at 31 August 2016, i.e. a 0.55% increase over one month. Over the last twelve months, the volume of net assets rose by 7.58%.

The Luxembourg UCI industry thus registered a positive variation amounting to EUR 19.767 billion in September. This increase represents the balance of positive net issues of EUR 25.868 billion (0.72%) and of the negative development in the financial markets amounting to EUR 6.101 billion (-0.17%).



The number of undertakings for collective investment (UCIs) and specialised investment funds (SIFs) taken into consideration totalled 3,897 as against 3,893 in the previous month. 2,590 entities have adopted an umbrella structure, which represents 12,976 sub-funds. When adding the 1,307 entities with a traditional structure to that figure, a total of 14,283 fund units are active in the financial centre.

As regards, on the one hand, the impact of financial markets on Luxembourg UCIs and SIFs (hereafter "UCIs") and, on the other hand, the net capital investment in these UCIs, the following can be said about September 2016.

The categories of equity UCIs developed differently during the month under review.

As far as developed countries are concerned, the European equity UCI category registered a slight decrease due, in particular, to the absence of new accommodating monetary policy measures announced by the European Central Bank. US economic indicators below expectations as well as the Fed maintaining its key interest rates at the current level provide an explanation for the mild decline in the prices of US equity UCIs. Japanese equity UCIs improved while the decline of stock exchange

prices as a result of the appreciation of the YEN and the new monetary policy guidelines taken by the Bank of Japan was largely offset by the appreciation of the YEN vs. EUR.

Concerning emerging countries, Asian equity UCIs recorded an overall positive performance, in particular, due to China's economic data which continue to show a stabilisation of the Chinese economy. Eastern European equity UCIs ended the month positively mainly under the effect of stabilising oil prices entailing a slowing recession in Russia despite the lingering geopolitical issues in the region. The losses registered by the Latin American equity UCIs can be mainly explained by the depreciation of the main currencies of the region in a context of stagnating stock exchange prices.

In September, equity UCI categories registered an overall negative net capital investment.

Development of equity UCIs during the month of September 2016*

	Market variation in %	Net issues in %
Global market equities	-0.23%	0.81%
European equities	-0.53%	-0.93%
US equities	-0.50%	-1.67%
Japanese equities	2.39%	-1.74%
Eastern European equities	1.28%	1.83%
Asian equities	0.80%	0.22%
Latin American equities	-1.12%	-3.30%
Other equities	0.25%	0.66%

* Variation in % of Net Assets in EUR as compared to the previous month

In Europe, government and private sector bond yields remained more or less stable in the context, in particular, of maintained monetary policy measures by the European Central Bank. Consequently, EUR-denominated bond UCIs varied only slightly in the month under review.

The Fed's decision to maintain the level of its key interest rates entailed only a slight change in the USD-denominated government bond yields over the month under review. The low USD vs. EUR depreciation saw the USD-denominated bond UCIs end the month with a small decrease.

The maintenance of the key interest rates in the United States and the agreement signed between the OPEC countries on the oil production curb resulted in small gains for the emerging countries bond UCI category.

In September, fixed-income UCIs registered an overall positive net capital investment.

Development of fixed-income UCIs during the month of September 2016*

	Market variation in %	Net issues in %
EUR money market	-0.03%	2.72%
USD money market	-0.25%	3.18%
Global market money market	-0.66%	2.38%
EUR-denominated bonds	0.27%	0.76%
USD-denominated bonds	-0.20%	0.11%
Global market bonds	-0.39%	1.16%
Emerging market bonds	0.40%	2.42%
High Yield bonds	-0.09%	-0.34%
Others	-0.13%	0.43%

* Variation in % of Net Assets in EUR as compared to the previous month

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

Diversified income UCIs and funds of funds during the month of September 2016*

	Market variation in %	Net issues in %
Diversified UCIs	-0.31%	0.56%
Funds of funds	-0.34%	1.05%

* Variation in % of Net Assets in EUR 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 2010 Law and of SIFs, respectively, according to the 2007 Law

	PART I UCITS		PART II UCIs		SIFs		TOTAL	
	NUMBER	NET ASSETS (in bn EUR)	NUMBER	NET ASSETS (in bn EUR)	NUMBER	NET ASSETS (in bn EUR)	NUMBER	NET ASSETS (in bn EUR)
31/12/2013	1,817	2,121.458 €	523	187.380 €	1,562	306.525 €	3,902	2,615.363 €
31/01/2014	1,817	2,128.746 €	518	186.766 €	1,550	308.324 €	3,885	2,623.836 €
28/02/2014	1,823	2,182.477 €	515	186.477 €	1,543	310.557 €	3,881	2,679.511 €
31/03/2014	1,824	2,216.005 €	510	181.493 €	1,551	311.703 €	3,885	2,709.201 €
30/04/2014	1,831	2,250.792 €	509	179.885 €	1,558	311.531 €	3,898	2,742.208 €
31/05/2014	1,829	2,318.076 €	502	181.248 €	1,569	316.545 €	3,900	2,815.869 €
30/06/2014	1,824	2,355.462 €	490	179.083 €	1,570	320.095 €	3,884	2,854.640 €
31/07/2014	1,868	2,405.883 €	452	170.630 €	1,571	327.623 €	3,891	2,904.136 €
31/08/2014	1,884	2,461.916 €	446	171.092 €	1,566	337.512 €	3,896	2,970.520 €
30/09/2014	1,887	2,497.035 €	441	172.581 €	1,572	337.146 €	3,900	3,006.762 €
31/10/2014	1,883	2,525.079 €	436	169.371 €	1,585	340.008 €	3,904	3,034.458 €

30/11/2014	1,895	2,567.847 €	433	169.526 €	1,585	345.981 €	3,913	3,083.354 €
31/12/2014	1,893	2,578.423 €	422	168.915 €	1,590	347.649 €	3,905	3,094.987 €
31/01/2015	1,896	2,734.590 €	412	178.286 €	1,577	364.137 €	3,885	3,277.013 €
28/02/2015	1,896	2,851.312 €	409	181.463 €	1,588	371.091 €	3,893	3,403.866 €
31/03/2015	1,891	2,955.916 €	405	186.664 €	1,592	382.213 €	3,888	3,524.793 €
30/04/2015	1,895	2,970.878 €	403	185.177 €	1,596	382.531 €	3,894	3,538.586 €
31/05/2015	1,900	3,027.262 €	401	187.084 €	1,600	387.179 €	3,901	3,601.525 €
30/06/2015	1,903	2,962.778 €	399	182.163 €	1,599	383.190 €	3,901	3,528.131 €
31/07/2015	1,901	3,015.582 €	392	181.228 €	1,602	386.300 €	3,895	3,583.110 €
31/08/2015	1,899	2,871.083 €	391	173.038 €	1,601	378.866 €	3,891	3,422.987 €
30/09/2015	1,900	2,820.370 €	391	169.729 €	1,603	376.727 €	3,894	3,366.826 €
31/10/2015	1,903	2,952.296 €	391	173.421 €	1,607	387.676 €	3,901	3,513.393 €
30/11/2015	1,895	3,019.572 €	386	175.406 €	1,613	394.693 €	3,894	3,589.671 €
31/12/2015	1,892	2,946.860 €	384	169.896 €	1,602	389.445 €	3,878	3,506.201 €
31/01/2016	1,903	2,819.861 €	378	164.531 €	1,596	386.607 €	3,877	3,370.999 €
29/02/2016	1,904	2,813.421 €	373	157.278 €	1,592	387.785 €	3,869	3,358.484 €
31/03/2016	1,905	2,847.418 €	371	157.047 €	1,603	390.939 €	3,879	3,395.404 €
30/04/2016	1,904	2,888.262 €	370	159.477 €	1,606	394.341 €	3,880	3,442.080 €
31/05/2016	1,902	2,928.461 €	371	159.174 €	1,609	400.345 €	3,882	3,487.980 €
30/06/2016	1,899	2,906.498 €	367	156.893 €	1,621	398.513 €	3,887	3,461.904 €
31/07/2016	1,892	2,997.551 €	365	159.356 €	1,631	408.849 €	3,888	3,565.756 €
31/08/2016	1,894	3,033.413 €	363	159.141 €	1,636	409.608 €	3,893	3,602.162 €
30/09/2016	1,891	3,051.016 €	362	159.088 €	1,644	411.825 €	3,897	3,621.929 €

During the month under review, the following 19 undertakings for collective investment and specialised investment funds have been registered on the official list:

1) UCITS Part I 2010 Law:

- DEUTSCHER STIFTUNGSFONDS, 1C, rue Gabriel Lippmann, L-5365 Munsbach
- DOUBLELINE FUNDS (LUXEMBOURG), 16, boulevard d'Avranches, L-1160 Luxembourg
- KAMINIORA, 106, route d'Arlon, L-8210 Mamer
- TELL SICAV-UCITS, 33A, avenue J-F Kennedy, L-1855 Luxembourg

2) SIFs:

- A&G GLOBAL II SICAV - SIF, 34A, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg
- AB COMMERCIAL REAL ESTATE DEBT FUND III, SICAV-SIF S.C.SP., 2-4, rue Eugène Ruppert, L-2453 Luxembourg
- AGRICULTURE INVESTMENT URUGUAY SICAV-SIF, 26, avenue de la Liberté, L-1930 Luxembourg

- AM ALPHA APAC FONDS SCS SICAV-SIF, 20, Rue Philippe II, L-2340 Luxembourg
- AM ALPHA GLOBALE IMMOBILIEN SCS SICAV-SIF, 20, Rue Philippe II, L-2340 Luxembourg
- AM-RE S.A. SICAV-SIF, 20, Rue Philippe II, L-2340 Luxembourg
- B SETTLEMENT SICAV-SIF, 5, rue Jean Monnet, L-2180 Luxembourg
- FG WOHNINVEST DEUTSCHLAND S.C.S SICAV-SIF, 5, rue Jean Monnet, L-2180 Luxembourg
- GREEN RETURN FEEDER FUND SCA, SICAV-FIS, 1C, rue Gabriel Lippmann, L-5365 Munsbach
- IBC LENDING SCSP SICAV-SIF, 121, avenue de la Faiëncerie, L-1511 Luxembourg
- JAPAN ASEAN WOMEN EMPOWERMENT FUND, 28-32, place de la Gare, L-1616 Luxembourg
- MULTI ASSET PROTECT 1780, 4, rue Thomas Edison, L-1445 Luxembourg-Strassen
- NEW CAPITAL ALTERNATIVE SIF, 16, boulevard d'Avranches, L-1160 Luxembourg
- SIGFRIDO S.C.A. SICAV-SIF, 34A, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg
- VELOCITY FUNDS, SICAV S.A., 37A, avenue J-F Kennedy, L-1855 Luxembourg

The following 15 undertakings for collective investment and specialised investment funds have been deregistered from the official list during the month under review:

1) UCITS Part I 2010 Law:

- AC OPP, 5, Heienhaff, L-1736 Senningerberg
- BETHMANN ABSOLUTE FLEX INTERNATIONAL, 1B, Heienhaff, L-1736 Senningerberg
- CCMG NAVIGATOR, 5, Heienhaff, L-1736 Senningerberg
- DEKA-EUROGARANT 10, 5, rue des Labours, L-1912 Luxembourg
- DWS DIVIDENDE GARANT 2016, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- LUX TAURUS, 2, place François-Joseph Dargent, L-1413 Luxembourg
- MARTIN CURRIE GLOBAL FUNDS, 49, avenue J-F Kennedy, L-1855 Luxembourg
- MEAG OPTIERTRAG, 15, rue Notre-Dame, L-2240 Luxembourg

2) UCIs Part II 2010 Law:

- DWS EMERGING CORPORATE BOND MASTER FUND, 2, boulevard Konrad Adenauer, L-1115 Luxembourg

3) SIFs:

- ANGOLA GROWTH S.C.A., SICAV-FIS, 20, boulevard Emmanuel Servais, L-2535 Luxembourg
- ATLANTICO INVESTMENT STRATEGIES S.C.A., SICAV-SIF, 34A, boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg
- BRANDENBURG FUND SICAV-FIS, 69, route d'Esch, L-1470 Luxembourg
- DWS CHINA A-FUND, 2, boulevard Konrad Adenauer, L-1115 Luxembourg
- GERMAN RETAIL PROPERTY FUND FCP-SIF, 5, allée Scheffer, L-2520 Luxembourg
- MGE REAL ESTATE FUND S.A R.L., 19, rue Eugène Ruppert, L-2453 Luxembourg

Profit and loss accounts of credit institutions as at 30 September 2016²

Press release 16/40 of 2 December 2016

The CSSF estimates profit before provisions of the Luxembourg banking sector at EUR 4,408 million for the nine first months of 2016. Compared to the same period in 2015, profit before provisions thus increased by 6.3%.

The development of the profit and loss accounts of credit institutions in Luxembourg results from the increase in banking income (+3.2%) which is mainly due to the interest-rate margin and other net income.

The growth in banking income results from a positive development of the interest-rate margin (+6.3%) and of other net income (+11.9%), whereas the net commissions received declined by 4.3% as compared to the same period in 2015. Despite the context of low, or even negative, interest rates, the **interest-rate margin** of slightly more than half of the banks of the financial centre rose. The sharp rise year-on-year is, inter alia, attributable to two major phenomena: (i) an increase in the business volume of most banks some of which have business models based on short-term loans with greater profitability, and (ii) the impact of negative interest rates by certain banks towards their institutional customers.

The fall of **net commissions received** concerned over half of the banks in Luxembourg. The drop of these net commissions received, which is mainly derived from asset management activities on behalf of private and institutional customers, is associated with a less favourable stock market environment as compared to the previous year, in particular, during the first half of the year. Thanks to the positive development of the financial markets in the third quarter of this year, the decline in net commissions received has slowed year-on-year. **Other net income** recorded a strong increase (+11.9%) as compared to the same period last year. This item is very volatile due to its composition. The rise recorded at the end of September 2016 as against the same period in 2015 is largely attributable to non-recurring factors specific to a limited number of banks of the financial centre.

General expenses remained stable over a year. While staff costs decreased by 0.8%, the other general expenses increased by 0.9% compared to last year. This increase in other general expenses concerned most of the banks of the financial centre and reflects not only the investments in new technical infrastructures but also expenses to be borne by banks in order to comply with a more complex regulatory framework.

As a result of the above-mentioned developments, profit before provisions increased by 6.3% year-on-year.

Profit and loss accounts as at 30 September 2016

<i>Items in million EUR</i>	<i>September 2015</i>	<i>September 2016</i>	<i>%</i>
Interest-rate margin	3,240.6	3,444.9	6.3%
Net commissions received	3,301.8	3,159.2	-4.3%
Other net income ³	1,703.2	1,905.0	11.9%
Banking income	8,245.6	8,509.1	3.2%
Staff costs	2,106.0	2,089.4	-0.8%
Other general expenses	1,993.3	2,011.5	0.9%
General expenses	4,099.3	4,100.9	0.0%
Result before depreciation	4,146.3	4,408.2	6.3%

² Due to major changes in the banking prudential reporting in 2016, the scope of consolidation has been adapted to better reflect the evolution of the profit and loss accounts of Luxembourg banks. Consequently, figures for September 2015 have been adjusted to reflect a broader scope of consolidation comparable to that of the new reporting of September 2016.

³ Including dividends received.

New phase in cooperation: Coordination of inspection activities of the European audit regulators transitions to inspections sub-group of the Committee of European auditing oversight bodies (CEAOB)

Communiqué of 18 November 2016

The 19th plenary meeting of the European Audit Inspection Group (EAIG) was hosted by the CyPAOB in Cyprus on 9 and 10 November 2016. The meeting was chaired by the UK's Financial Reporting Council (FRC).

Highlights of the meeting include:

Dialogue with the European leadership of PwC

As part of the audit regulators' ongoing dialogue on improvements in audit quality with the largest European audit networks, the EAIG members met with representatives of PwC for the second time. The focus of the discussions was PwC's initiatives in continuing to improve the quality of their audits, including the use of root cause analysis to enhance the effectiveness of actions.

Meeting with representatives of the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA)

The EAIG members met with representatives of IAASB and IESBA. Topics discussed included Group Audits, Quality Control and professional skepticism. The EAIG presented an update on common findings on accounting estimates, risk assessment and materiality as well as other recurring issues. Discussion with IESBA focused on the Safeguards project.

EAIG Common Audit Inspection Methodology (CAIM)

Since 2015, the EAIG members adopted a suite of common work programmes for the inspection of firms' internal quality control procedures and selected areas of audit engagement reviews. These work programmes, which have been developed on the basis of the EU Directive on Statutory Audit and the International Standard for Quality Control, contribute to the harmonization of the inspections of audit firms across Europe. In Cyprus, EAIG members were updated on the feedback resulting from the initial use of the new work programmes on group audits and auditing of accounting estimates.

Interaction with the PCAOB

The US audit inspection authority (PCAOB) conducts inspection activity in European countries in conjunction with the local regulator. The EAIG members updated the group on the latest status of co-operation with the PCAOB in their respective jurisdictions.

Way forward – transition to CEAOB

This was the final meeting of the EAIG. The activities of the EAIG transitioned to the newly established Committee of European Audit Oversight Bodies (CEAOB).

About EAIG:

The EAIG has provided a pan-European platform for cooperation among audit regulators. The primary purpose of the EAIG has been to create awareness of important issues and promote cooperation and consistency amongst European audit regulators on inspections. The group has shared inspection practices and findings amongst its members and facilitated discussions on topics related to audit inspections with third parties, such as the audit standard setters (IAASB/IESBA boards) and the audit profession.

About CEAOB:

The CEAOB is the new framework for cooperation between competent authorities on audit oversight in the European Union and was formed in July 2016. It has a number of sub-groups, including the Inspections sub-group, which will carry on the majority of EAIG's activities and which held its inaugural meeting immediately after the close of the EAIG meeting. The other sub-groups comprise the Enforcement, Market Monitoring and International Equivalence and Adequacy sub-groups, as well as the International Auditing Standards sub-group, which will be responsible for future communications with the IAASB and IESBA.

Further information about the EAIG can be found on its website (www.eaigweb.org) and information about the CEAOB can be found on its website (http://ec.europa.eu/finance/auditing/ceaob/index_en.htm).

For further information about the CSSF please visit (www.cssf.lu).

For further information about this press release, please contact:

Mrs Agathe Pignon

Deputy Head of the department Public Oversight of the audit profession

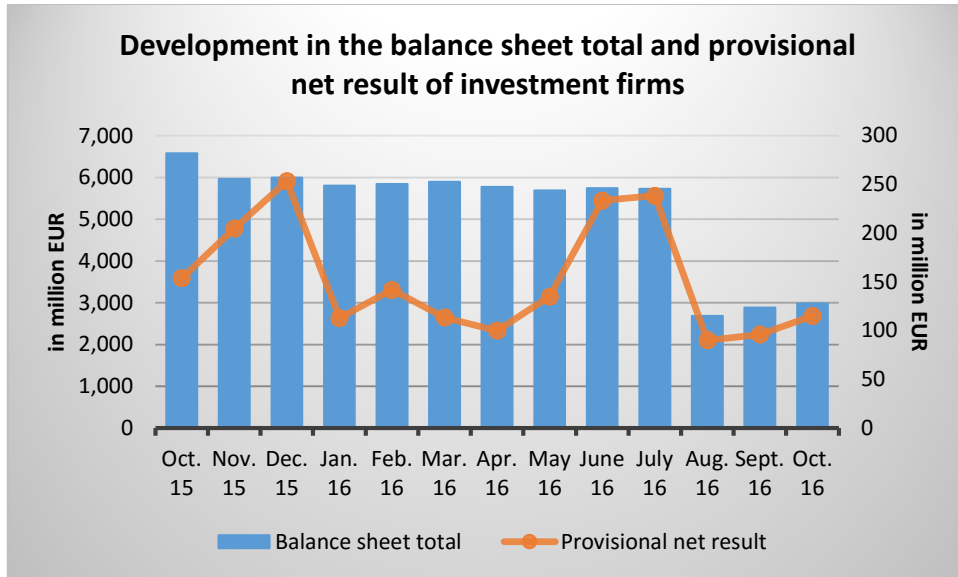
Phone: +352 26 25 12 5 71

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STATISTICS

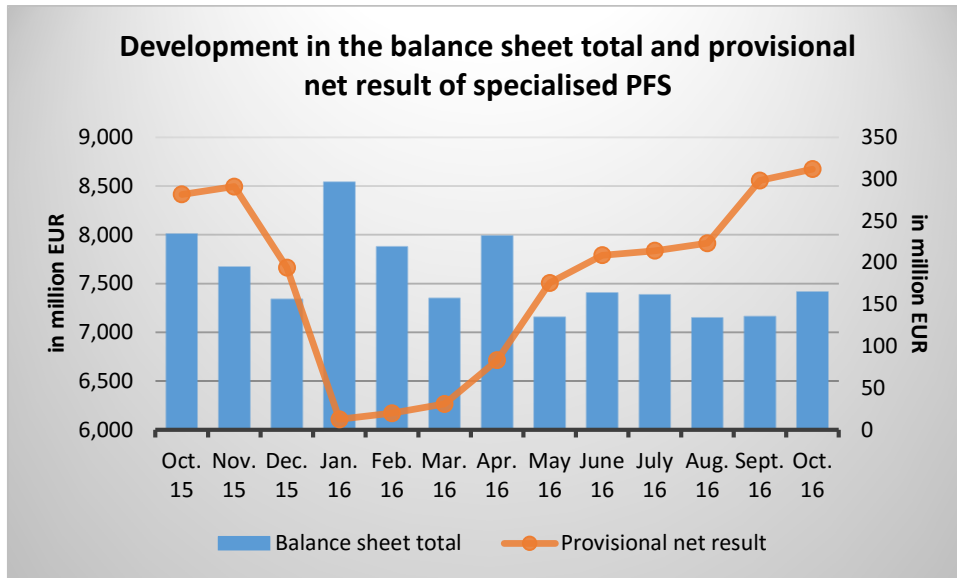
Investment firms

Increase in the investment firms' balance sheet total as at 31 October 2016



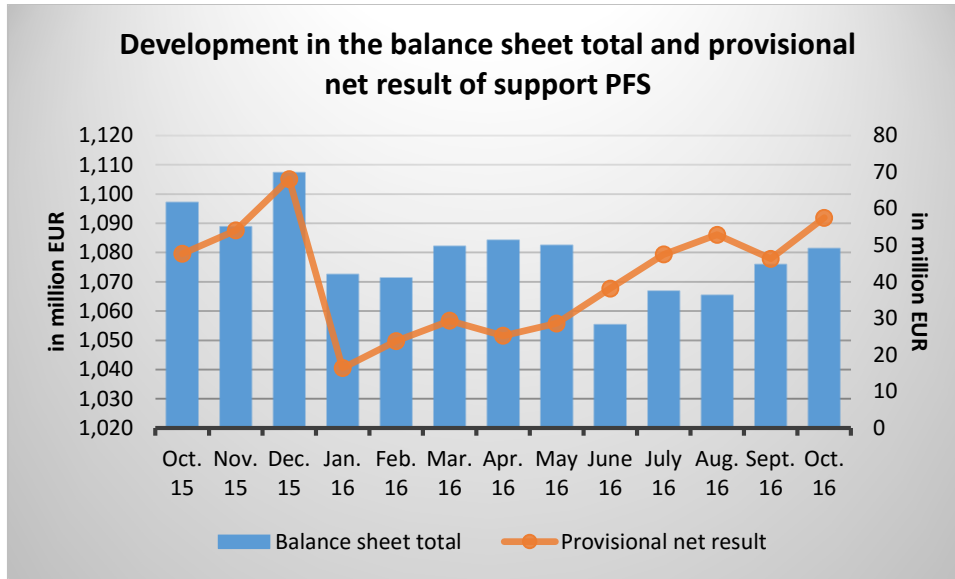
Specialised PFS

Increase in the specialised PFS' balance sheet total as at 31 October 2016



Support PFS

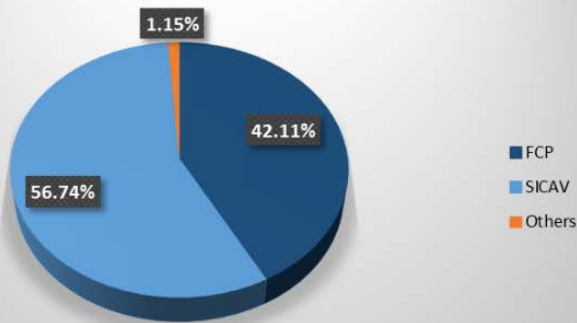
Increase in the support PFS' balance sheet total as at 31 October 2016



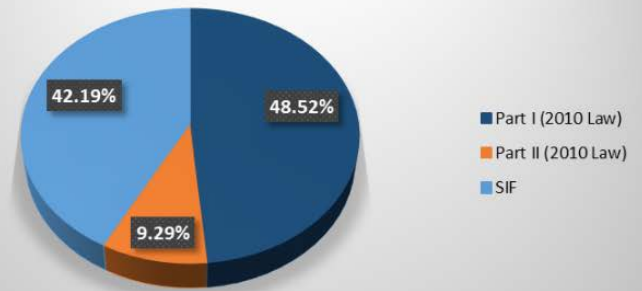
UCIs (Situation as at 30 September 2016)

Number of UCIs

Breakdown according to legal form



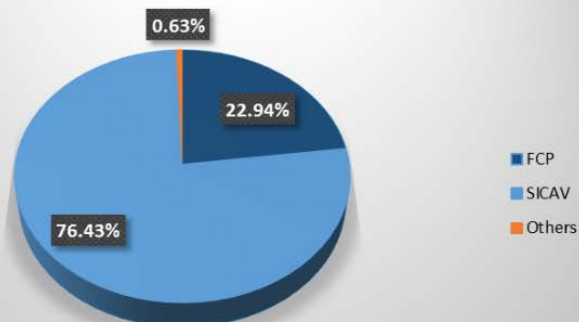
Breakdown according to law and part applicable



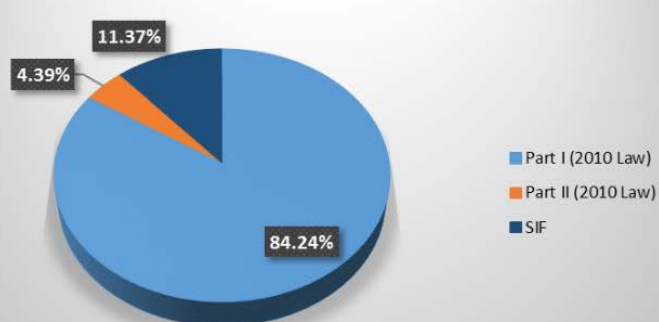
Law, part/legal form	FCPs	SICAVs	Others	Total
Part I (2010 Law)	1,028	863	0	1,891
Part II (2010 Law)	183	176	3	362
SIFs	430	1,172	42	1,644
TOTAL	1,641	2,211	45	3,897

Net assets of UCIs

Breakdown according to legal form



Breakdown according to law and part applicable



Law, Part/legal form (in bn EUR)	FCPs	SICAVs	Others	Total
Part I (2010 Law)	612.842	2,438.174	0.000	3,051.016
Part II (2010 Law)	61.685	96.879	0.524	159.088
SIFs	156.531	233.073	22.221	411.825
TOTAL	831.058	2,768.126	22.745	3,621.929

Breakdown according to investment policy

Breakdown according to investment policy	Net assets (in bn EUR)	Number of fund units ⁴
Fixed-income securities	1,130.360	3,103
Variable-yield transferable securities	1,048.565	3,797
Mixed transferable securities	784.171	4,103
Funds of funds	214.250	2,117
Money market instruments and other short-term securities	315.573	254
Cash	2.121	22
Private equity	23.796	177
Venture capital	1.455	31
Real estate	49.792	335
Futures and/or options	12.554	138
Other assets	39.292	206
Total	3,621.929	14,283

⁴ "Fund units" refers to both traditionally structured UCIs and sub-funds of umbrella funds.

Breakdown of net assets according to investment policy

Breakdown according to investment policy	NET ASSETS (in bn EUR)	NUMBER OF FUND UNITS	SUBSCRIPTIONS (in bn EUR)	REDEMPTIONS (in bn EUR)	NET SUBSCRIPTIONS (in bn EUR)
PART I					
Fixed-income transferable securities	1,024.471	2,442	50.552	41.874	8.678
Variable-yield transferable securities	987.456	3,377	40.978	41.126	-0.148
Mixed transferable securities	610.961	2,792	22.731	18.517	4.214
Funds of funds	124.719	950	2.492	1.808	0.684
Money market instruments and other short-term securities	292.671	190	151.641	142.922	8.719
Cash	1.380	11	0.073	0.085	-0.012
Futures and/or options	5.920	58	0.300	0.212	0.088
Other assets	3.438	10	0.104	0.084	0.020
TOTAL PART I:	3,051.016	9,830	268.871	246.628	22.243
PART II					
Fixed-income transferable securities	23.813	138	0.502	0.262	0.240
Variable-yield transferable securities	16.987	83	0.070	0.230	-0.160
Mixed transferable securities	54.279	259	1.756	1.572	0.184
Funds of funds	33.028	345	0.393	0.496	-0.103
Money market instruments and other short-term securities	19.497	51	0.811	0.797	0.014
Cash	0.724	9	0.007	0.016	-0.009
Private equity	3.287	15	0.067	0.029	0.038
Venture capital	0.025	2	0.000	0.000	0.000
Real estate	0.962	20	0.002	0.040	-0.038
Futures and/or options	3.482	34	0.039	0.063	-0.024
Other assets	3.004	13	0.060	0.008	0.052
TOTAL PART II:	159.088	969	3.707	3.513	0.194
SIFs					
Fixed-income transferable securities	82.076	523	2.965	2.213	0.752
Variable-yield transferable securities	44.122	337	0.397	0.555	-0.158
Mixed transferable securities	118.931	1,052	2.071	2.132	-0.061
Funds of funds	56.503	822	2.076	0.762	1.314
Money market instruments and other short-term securities	3.405	13	0.173	0.159	0.014
Cash	0.017	2	0.000	0.000	0.000
Private equity	20.509	162	0.271	0.264	0.007
Venture capital	1.430	29	0.022	0.000	0.022
Real estate	48.830	315	0.802	0.295	0.507
Futures and/or options	3.152	46	0.428	0.081	0.347
Other assets	32.850	183	0.907	0.220	0.687
TOTAL SIFs:	411.825	3,484	10.112	6.681	3.431
TOTAL LUXEMBOURG UCIs	3,621.929	14,283	282.690	256.822	25.868

Origin of the initiators of Luxembourg UCIs

Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
United States	749.619	20.7%	168	4.3%	1,057	7.4%
United Kingdom	626.338	17.3%	272	7.0%	1,510	10.6%
Germany	524.761	14.5%	1,444	37.1%	2,778	19.5%
Switzerland	498.967	13.8%	526	13.5%	2,679	18.8%
Italy	318.479	8.8%	148	3.8%	1,254	8.8%
France	287.982	7.9%	276	7.1%	1,305	9.1%
Belgium	154.823	4.2%	169	4.3%	998	7.0%
Netherlands	83.962	2.3%	50	1.3%	228	1.6%
Denmark	74.647	2.1%	24	0.6%	177	1.2%
Luxembourg	74.541	2.1%	207	5.3%	577	4.0%
Others	227.810	6.3%	613	15.7%	1,720	12.0%
Total	3,621.929	100.0%	3,897	100.0%	14,283	100.0%

Breakdown of UCI fund units registered in Luxembourg by reference currency

Currency	Net assets (in bn €)	in %	Number of fund units	in %
AUD	6.549	0.179%	29	0.203%
CAD	1.743	0.047%	28	0.196%
CHF	53.016	1.460%	300	2.101%
CNH	1.207	0.034%	18	0.126%
CNY	0.084	0.002%	2	0.014%
CZK	1.325	0.038%	63	0.441%
DKK	3.043	0.084%	10	0.070%
EUR	1,985.156	54.844%	9,133	63.943%
GBP	101.127	2.844%	327	2.290%
HKD	4.464	0.120%	10	0.070%
HUF	0.266	0.007%	32	0.224%
ILS	0.001	0.000%	1	0.007%
JPY	66.120	1.849%	224	1.568%
NOK	4.183	0.111%	29	0.203%
NZD	0.897	0.025%	5	0.035%
PLN	0.460	0.013%	25	0.175%
RON	0.485	0.013%	6	0.042%
SEK	46.727	1.301%	194	1.358%
SGD	0.508	0.016%	7	0.049%
TRY	0.056	0.002%	3	0.021%
USD	1,344.488	37.010%	3,835	26.850%
ZAR	0.024	0.001%	2	0.014%
Total	3,621.929	100.000%	14,283	100.000%

SICARs

Since the publication of the last Newsletter, the following **SICARs** have been **registered** on the official list of SICARs governed by the Law of 15 June 2004 relating to the investment company in risk capital (SICAR):

- ASPHODÈLE S.A., SICAR, 3, boulevard Royal, L-2449 Luxembourg
- PLATINA EQUITY SOLUTIONS EUROPE S.C.A., SICAR, 2-8, avenue Charles de Gaulle, L-1653 Luxembourg

No SICAR was deregistered from the official list of SICARs governed by the Law of 15 June 2004 relating to the investment company in risk capital (SICAR).

As at 7 December 2016, the number of SICARs registered on the official list amounted to **283** entities.

Pension funds

As at 14 December 2016, **14 pension funds** in the form of pension savings companies with variable capital (SEPCAV) and pension savings associations (ASSEP) were registered on the official list of pension funds subject to the Law of 13 July 2005.

Since the publication of the last Newsletter, the following new pension fund in the form of pension savings association (ASSEP) was **deregistered** from the official list of pension funds subject to the Law of 13 July 2005:

- FONDS DE PENSION DU GROUPE SIEMENS A LUXEMBOURG.

On the same date, the number of professionals authorised to act as **liability managers** for pension funds subject to the Law of 13 July 2005 amounted to **17**.

Securitisation undertakings

Since the publication of the last Newsletter, the following securitisation undertaking has been **registered** on the official list of authorised securitisation undertakings governed by the Law of 22 March 2004 on securitisation:

- EUROPEAN PRIVATE PLACEMENT FACILITY (EPPF) S.A.

The following securitisation undertaking was **deregistered** from the official list of authorised securitisation undertakings governed by the Law of 22 March 2004 on securitisation:

- LEVADE S.A.

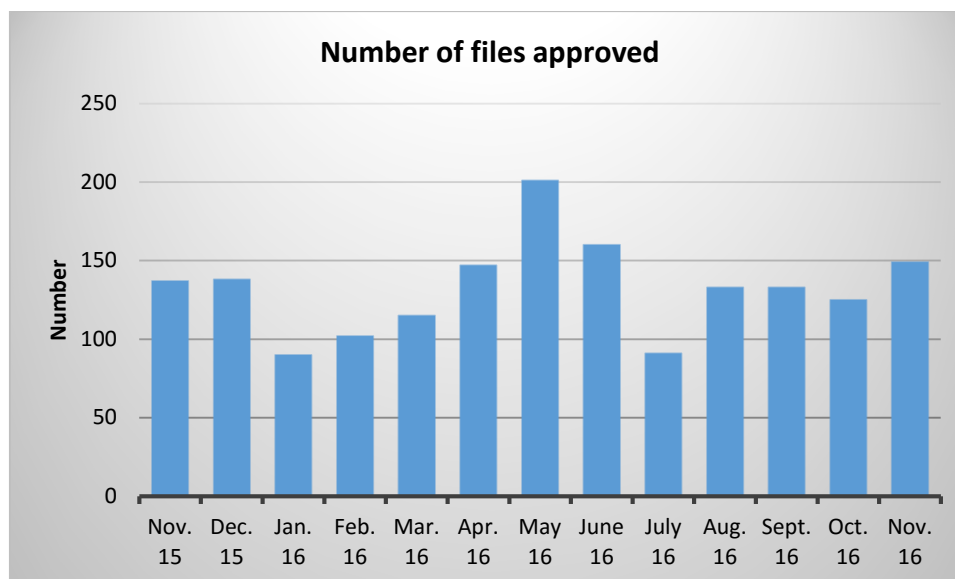
The number of **securitisation undertakings authorised** by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **34** entities as at 8 December 2016.

Public oversight of the audit profession

The public oversight of the audit profession covered **66 *cabinets de révision agréés*** (approved audit firms) and **295 *réviseurs d'entreprises agréés*** (approved statutory auditors) as at 30 November 2016. The oversight also included **41 third-country auditors and audit firms** duly registered in accordance with the Law of 23 July 2016 concerning the audit profession.

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)

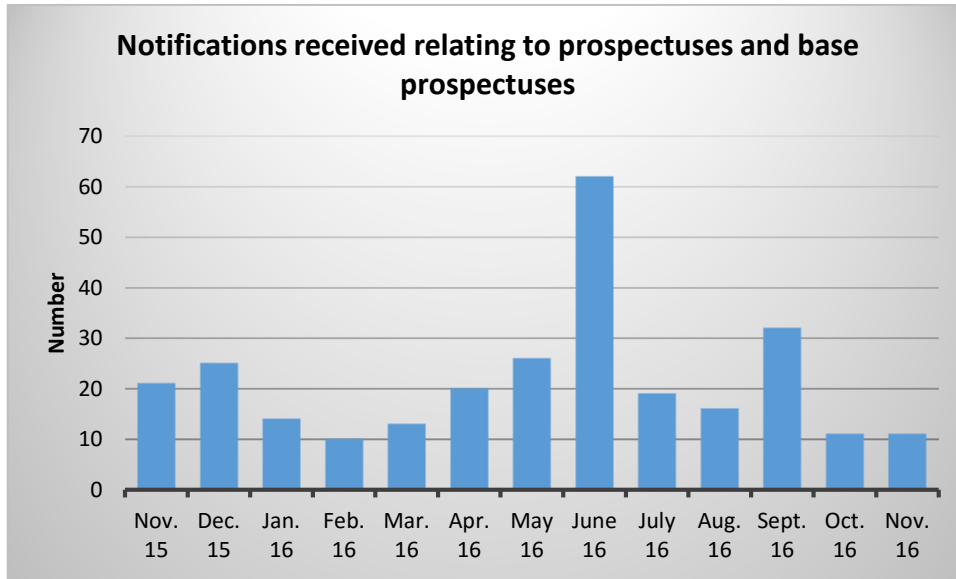
CSSF approvals



In November 2016, the CSSF approved a total of 149 documents pursuant to the Prospectus Law, which break down as follows:

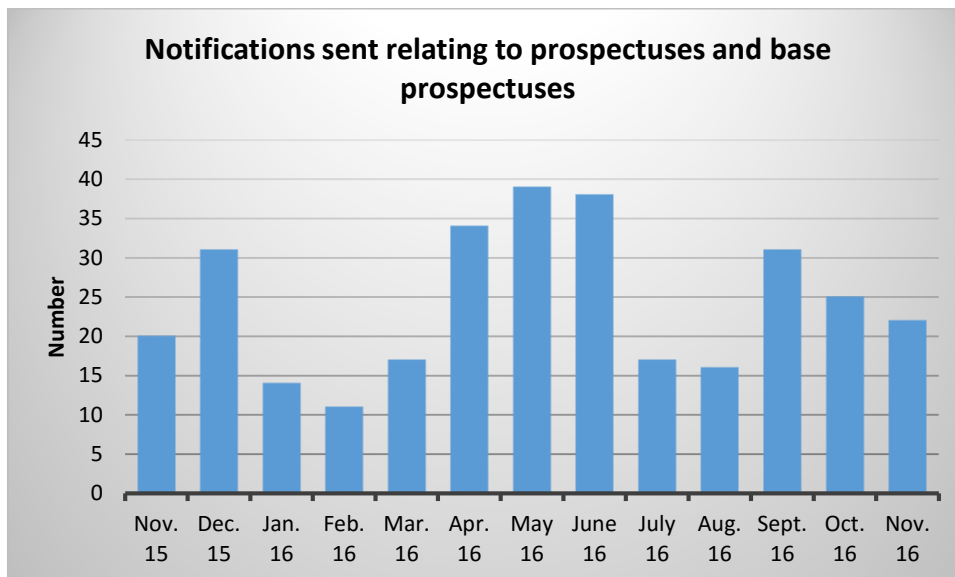
base prospectuses:	18	(12.08 %)
other prospectuses:	33	(22.15 %)
supplements:	98	(65.77 %)

Notifications received by the CSSF from the competent authorities of other EEA Member States



In November 2016, the CSSF received 11 notifications relating to prospectuses and base prospectuses and 124 notifications relating to supplements from the competent authorities of other EEA Member States.

Notifications sent by the CSSF to the competent authorities of other EEA Member States



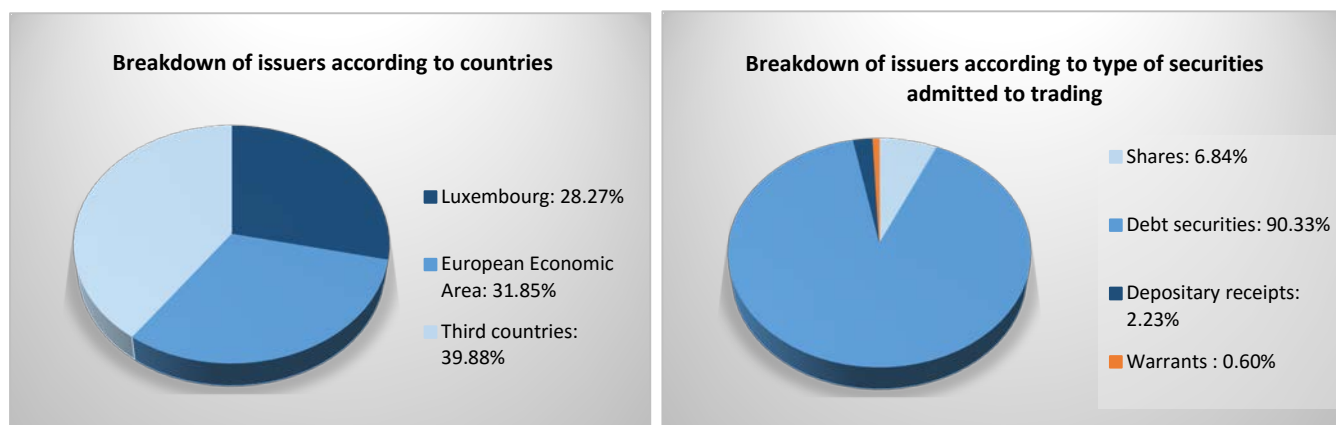
In November 2016, the CSSF sent 22 notifications relating to prospectuses and base prospectuses and 66 notifications relating to supplements to the competent authorities of other EEA Member States⁵.

⁵ These figures reflect the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications were sent at different dates and/or in several Member States, only the first notification is included in the statistical calculation. Each document notified in one or several Member States is thus only counted once.

Issuers of securities whose home Member State is Luxembourg pursuant to the Law of 11 January 2008 on transparency requirements for issuers (the "Transparency Law")

Since 14 November 2016, six issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, five issuers were removed from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 14 December 2016, 672 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.



OFFICIAL LISTS

Withdrawals decided by the CSSF

A decision to withdraw the specialised investment fund 1. SIF-SCS from the official list of specialised investment funds was taken by the CSSF on 9 November 2016.

A decision to withdraw the specialised investment fund LOGOS VENTURES from the official list of specialised investment funds was taken by the CSSF on 17 November 2016.

FINANCIAL CENTRE

Main updated figures regarding the financial centre:

			Annual comparison
Banks	Number (15/12/2016)	141 ⁶	↘ 2 entities
	Balance sheet total (30/09/2016)	EUR 741.975 bn	↘ EUR 15.462 bn
	Profit before provisions (30/09/2016)	EUR 4.408 bn	↗ EUR 340 m
Payment institutions	Number (15/12/2016)	10 including 1 branch	no variation
Electronic money institutions	Number (15/12/2016)	4	↘ 1 entity
UCIs	Number (16/12/2016)	Part I 2010 Law: 1,890	↘ 8 entities
		Part II 2010 Law: 355	↘ 31 entities
		SIFs: 1,647	↗ 37 entities
		TOTAL: 3,892	↘ 2 entities
	Total net assets (30/09/2016)	EUR 3,621.929 bn	↗ EUR 255.103 bn
Management companies (Chapter 15)	Number (30/11/2016)	202	↘ 2 entities
	Balance sheet total (30/09/2016)	EUR 13.022 bn	↗ 188 million
Management companies (Chapter 16)	Number (30/11/2016)	171	↘ 6 entities
AIFMs	Number (16/12/2016)	216	↗ 18 entities
SICARs	Number (15/12/2016)	283	↘ 5 entities
Pension funds	Number (15/12/2016)	14	no change
Authorised securitisation undertakings	Number (08/12/2016)	34	↗ 1 entity
Investment firms	Number (15/12/2016)	111 of which 10 branches	↗ 4 entities
	Balance sheet total (31/10/2016)	EUR 2.987 bn	↘ EUR 3.589 bn
	Provisional net profit (31/10/2016)	EUR 114.99 m	↘ EUR 38.80 m
Specialised PFS	Number (15/12/2016)	125	↘ 1 entity
	Balance sheet total (31/10/2016)	EUR 7.414 bn	↘ EUR 592 m
	Provisional net profit (31/10/2016)	EUR 311.83 m	↗ EUR 30.21 m
Support PFS	Number (15/12/2016)	77	↘ 3 entities
	Balance sheet total (31/10/2016)	EUR 1.081 bn	↘ EUR 16 m
	Provisional net profit (31/10/2016)	EUR 57.50 m	↗ EUR 9.83 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (14/12/2016)	672	↗ 79 entities
Public oversight of the audit profession	Number (30/11/2016)	66 <i>cabinets de révision agréés</i>	↘ 1 entity
		295 <i>réviseurs d'entreprises agréés</i>	↗ 29 people
		41 third-country auditors and audit firms	↘ 5 entities
Employment (30/09/2016)	Banks	26,132 people	↗ 288 people
	Management companies (Chapter 15)	3,965 people	↗ 222 people
	Investment firms	2,274 people	↘ 12 people
	Specialised PFS	3,950 people	↗ 220 people
	Support PFS	8,986 people	↘ 162 people
	Total	45,307 people	↗ 556 people ⁷

⁶ A difference with the number stated in the application "Supervised entities" may occur. This difference is due to the fact that the list in the application includes the banks that are already closed, but whose closure has not yet been confirmed by the ECB.

⁷ This development does not mean a net creation or loss of jobs, but includes the transfer of existing jobs from the non-financial sector to the financial sector and vice versa.