



Newsletter

No 221 - June 2019

General Secretariat of the CSSF
283, route d'Arlon, L-1150 Luxembourg
Postal address: L-2991 Luxembourg
Tel.: (+352) 26 251-2560
Email: direction@cssf.lu
Website: www.cssf.lu



SUMMARY

WARNINGS.....	3	Communication regarding EMIR REFIT and the relevant ESMA Q&As	14
CSSF Warnings	3	Adoption of the risk-reduction measures package	16
Warning issued by another authority	3	Revised rules on capital requirements (CRR II/CRD V) and resolution (BRRD/SRM-R).....	16
Warnings published by IOSCO.....	3	WITHDRAWAL DECIDED BY THE CSSF	17
FIGHT AGAINST MONEY LAUNDERING AND TERRORIST FINANCING	3	STATISTICS	17
Commission Delegated Regulation (EU) 2019/758	3	Investment firms	17
BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM	4	Specialised PFS	18
Single Supervisory Mechanism (SSM) - European Central Bank (ECB).....	4	Support PFS	18
European Parliament, European Commission and European Council.....	5	Pension funds.....	18
European Banking Authority (EBA)	6	Securitisation undertakings	19
European Supervisory Authorities (ESAs).....	7	Public oversight of the audit profession	19
Basel Committee of Banking Supervision (BCBS)	7	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).....	19
Macroprudential fora	7	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")	21
European Systemic Risk Board (ESRB).....	7	HUMAN RESOURCES.....	21
The Financial Stability Board (FSB).....	9	KEY FIGURES	22
NEWS OF THE EUROPEAN SECURITIES AND MARKETS AUTHORITY (ESMA).....	10		
COMMUNIQUES	13		
List of independent approved statutory auditors and approved audit firms having received less than 15% of the total audit fees from public-interest entities in Luxembourg in 2018.....	13		

WARNINGS

CSSF Warnings

Since the publication of the last Newsletter, the CSSF has published the following warnings:

- 28 May 2019: [Warning concerning the website www.acm-patrimoine.com](#)
- 3 June 2019: [Warning regarding the activities of an entity named Nobel Trade Investments LLC](#)

Warning issued by another authority

- 24 May 2019: [Warning issued by the German authority \(BaFin\) regarding the activities of an entity named Acatis Investment/acatrades.com](#)

Warnings published by IOSCO

Several warnings have been published on the IOSCO website at:

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

FIGHT AGAINST MONEY LAUNDERING AND TERRORIST FINANCING

Commission Delegated Regulation (EU) 2019/758

On 14 May 2019, the European Commission published in the Official Journal L 125, Commission Delegated Regulation (EU) 2019/758 of 31 January 2019 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council with regard to regulatory technical standards for the minimum action and the type of additional measures credit and financial institutions must take to mitigate money laundering and terrorist financing (ML/TF) risk in certain third countries.

Additional policies and procedures, based on risks, are required in circumstances where a group operates branches or majority-owned subsidiaries in a third country whose law does not permit the implementation of group-wide anti-money laundering and countering the financing of terrorism (AML/CFT) policies and procedures.

These additional policies and procedures may include, for example, obtaining consent from customers, which can serve to overcome certain legal obstacles to their implementation at group level in a given third country, where this third country's data protection or banking secrecy law limits the group's ability to access information related to customers of branches or majority-owned subsidiaries in this country.

In any case, credit institutions and financial institutions subject to the AML/CFT supervision of the CSSF must be able to demonstrate to the CSSF that the extent of additional measures they have taken is appropriate in view of the money laundering and terrorist financing risk. However, should the CSSF consider that the additional measures a credit institution or financial institution has taken are insufficient to manage that risk, the CSSF may direct the credit institution or financial institution to take specific measures to ensure the credit institution's or financial institution's compliance with its AML/CFT obligations.

The provisions of this regulation are without prejudice to the enhanced due diligence measures credit institutions and financial institutions are required to take when dealing with natural persons or legal entities established in countries identified by the Commission as high risk pursuant to Article 9 of Directive (EU) 2015/849.

For further information on the provisions of this regulation, the professionals are invited to visit the CSSF's website at:

<http://www.cssf.lu/en/supervision/financial-crime/aml-ctf/laws-regulations-and-other-texts/>

This regulation applies as from 3 September 2019.

BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM

Single Supervisory Mechanism (SSM) - European Central Bank (ECB)

Date	Publications	Description
02.05.2019	Decision (EU) 2019/685 of the European Central Bank of 18 April 2019	Publication of Decision (EU) 2019/685 of the ECB on the total amount of annual supervisory fees for 2019 (ECB/2019/10).
06.05.2019	List of supervised entities (as of 1 April 2019)	The ECB has updated the list containing the name of each supervised entity and supervised group which is directly supervised by the ECB ("significant supervised entity" and "significant supervised group", as defined in Article 2, points (16) and (22) of the SSM Framework Regulation). It has also published the list of entities supervised by a national competent authority (NCA).
24.05.2019	SSM LSI SREP Methodology Booklet - 2019 edition	The ECB has published the 2019 edition of the SSM Less Significant Institution (LSI) Supervisory Review and Evaluation Process (SREP) Methodology Booklet.
May 2019	Letters from the Chair of the Supervisory Board to members of the European Parliament	The ECB has released two letters from the Chair of the Supervisory Board to members of the European Parliament in response to written requests relating to stress tests and to two banks under ECB supervision.
Date	Interviews and speeches	Description
01.05.2019	Andrea Enria: Interview with La Stampa	Interview with Andrea Enria, Chair of the Supervisory Board of the ECB, conducted by Alessandro Barbera.
09.05.2019	Pentti Hakkarainen: Proportionality in banking supervision	Panel intervention by Pentti Hakkarainen, Member of the Supervisory Board of the ECB, at the BIS-IMF policy implementation meeting on proportionality in banking regulation and supervision, in Basel.

15.05.2019 [“We need to ensure resilience to climate-change risk”](#) Interview with Frank Elderson, Member of the Supervisory Board of the ECB, Supervision Newsletter.

21.05.2019 [Pentti Hakkarainen: “Modern banking supervision”](#) Speech by Pentti Hakkarainen, Member of the Supervisory Board of the ECB, at the ILF 6th Conference on the Banking Union, in Frankfurt.

European Parliament, European Commission and European Council

Date	Regulatory developments	Description
14.05.2019	Council adopts measures to reduce risk in the banking system	CRR2/CRDV/BRRD2/SSMR2: Publication of the Package containing amendments to the capital requirement legislation (Regulation (EU) No 575/2013 and Directive 2013/36/EU), which reinforce the capital and liquidity positions of banks and strengthen the framework for the recovery and resolution of banks in difficulty (Directive 2014/59/EU and Regulation (EU) No 806/2014).
28.05.2019	Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019	OTC derivatives, central counterparties and trade repositories: Publication of Regulation (EU) 2019/834 amending Regulation (EU) No 648/2012 as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories.
29.05.2019	Commission Delegated Regulation (EU) 2019/885 of 5 February 2019	Simple, transparent and standardised (STS) securitisation: Publication of Commission Delegated Regulation (EU) 2019/885 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards specifying information to be provided to a competent authority in an application for authorisation of a third party assessing STS compliance.

European Banking Authority (EBA)

Date	Publications	Description
03.05.2019	José Manuel Campa takes up his position as Chairperson of the EBA	Mr. José Manuel Campa officially assumed his new post as Chairperson of the EBA on 1 May 2019, after the European Parliament confirmed his nomination by the EBA's Board of Supervisors on 14 March 2019.
16.05.2019	EBA updates on its work in response to the Commission's call for advice on Basel III implementation	<p>The EBA has finalised its impact assessment on the implementation of Basel III, in response to the European Commission's call for advice.</p> <p>The findings of the assessment in the areas of credit risk, operational risk, output floor and securities financing transactions will be published in a report by the end of July 2019.</p>
22.05.2019	EBA advises on the equivalence of supervisory and regulatory requirements for Argentina	The EBA has published its opinion addressed to the European Commission following its assessment of non-EU countries' equivalence with the EU prudential supervision and regulatory requirements, whereby it concluded that the supervisory and regulatory framework applicable to credit institutions in Argentina can be regarded as equivalent to that applied in the European Union.
28.05.2019	EBA publishes amended technical standards on supervisory and resolution reporting for EU institutions	The EBA has issued amendments to the Implementing Technical Standards (ITS) on supervisory reporting . The updated corresponding Data Point Model (DPM) and XBRL taxonomy include amendments to COREP and Liquidity, as well as to resolution planning reporting.
29.05.2019	EBA publishes its 2018 Annual Report	The EBA has released its 2018 Annual Report , which provides a detailed account of the work completed in the past year and anticipates the key areas of focus in the coming year.
Date	Consultation	Description
02.05.2019	EBA launches consultation on technical standards on the standardised approach for counterparty credit risk	<p>The EBA has launched a consultation on four draft Regulatory Technical Standards (RTS) on the Standardised Approach for Counterparty Credit Risk (SA-CCR). These draft RTS specify key aspects of the SA-CCR. The draft RTS were developed based on the mandates included in the latest available version of the proposed CRR2.</p> <p>The consultation runs until 2 August 2019.</p>

European Supervisory Authorities (ESAs)

Date	Publications	Description
20.05.2019	ESAs publish amended technical standards on the mapping of ECAs under the Capital Requirements Regulation	The Joint Committee of the ESAs has released a second amendment to the Implementing Technical Standards (ITS) on the mapping of credit assessments of External Credit Assessment Institutions (ECAIs) for credit risk under the CRR. It reflects the outcome of a monitoring exercise on the adequacy of existing mappings.

Date	Consultation	Description
22.05.2019	ESAs launch consultation on technical standards on the reporting of intra-group transactions and risk concentration for Financial Conglomerates	The ESAs have launched a consultation on draft ITS on the reporting of intra-group transactions and risk concentration for Financial Conglomerates . The draft ITS were developed based on the mandate included in Financial Conglomerates Directive. The consultation runs until 15 August 2019 .

Basel Committee of Banking Supervision (BCBS)

Date	Publication	Description
07.05.2019	BCBS reports on Basel III implementation process	The BCBS has issued its 16th progress report on adoption of the Basel regulatory framework . As noted by the Group of Central Bank Governors and Heads of Supervision, the Committee's oversight body, its members expect full, timely and consistent implementation of the finalised Basel III reforms by member jurisdictions.

Macroprudential fora European Systemic Risk Board (ESRB)

Date	Publications	Description
May 2019	ESRB published review of macroprudential policy in the EU in 2018	The ESRB has issued an overview of the most important macroprudential policy developments that have taken place across the EU over the past year. The review also compares how different Member States use macroprudential instruments.

02.05.2019	Has regulatory capital made banks safer? Skin in the game vs moral hazard	The paper evaluates the impact of macroprudential capital regulation on bank capital, risk taking behaviour, and solvency.
15.05.2019	Bank capital forbearance	The paper analyses the strategic interaction between undercapitalised banks and a supervisor who may intervene by preventive recapitalisation.
15.05.2019	Do information contagion and business model similarities explain bank credit risk commonalities?	The paper extends the structural approach to the credit spread puzzle by including information on contagion through bank business model similarities. Incorporating this unique network information into the structural model increases its explanatory power.

Countercyclical capital buffer (CCYB)

The list of applicable CCYB rates in EU/EEA countries is available on the [website of the ESRB](#). The following countries have announced a CCYB rate different from 0%:

Country	CCYB rate	Application as from
Bulgaria	0.50%	01/10/2019
	1%	01/04/2020
Denmark	0.50%	31/03/2019
	1%	30/09/2019
France	0.25%	01/07/2019
	0.50%	02/04/2020
Ireland	1%	05/07/2019
Iceland	1.25%	01/11/2017
	1.75%	15/05/2019
	2%	01/02/2020
Lithuania	0.50%	31/12/2018
	1%	30/06/2019
Luxembourg	0.25%	01/01/2020
Norway	2%	31/12/2017
	2.50%	31/12/2019
Czech Republic	1.25%	01/01/2019
	1.50%	01/07/2019
	1.75%	01/01/2020
Slovakia	1.25%	01/08/2018
	1.50%	01/08/2019

Sweden	2%	19/03/2017
	2.50%	19/09/2019
United Kingdom	1%	28/11/2018

The list of applicable CCYB rates in non-EU/EEA countries can be consulted on [the website of the Bank of International Settlements](#).

The Financial Stability Board (FSB)

Date	Publications	Description
09.05.2019	FSB Regional Consultative Group for Europe discusses artificial intelligence, financial vulnerabilities and the FSB work programme	The FSB Regional Consultative Group for Europe considered implications of the growing use of artificial intelligence, machine learning and big data for the regulation and supervision of the financial system. Recognising that these innovations are important drivers of change for the financial industry, members explored risks and opportunities that these innovations could entail for financial stability.
10.05.2019	Cyber security: finding responses to global threats	Remarks by Dietrich Domanski, Secretary General of the FSB, at the G7 2019 Conference in Paris on Cybersecurity: "Coordinating efforts to protect the financial sector in the global economy".
28.05.2019	FSB updates G20 on its work related to cyber incident response and recovery	The FSB has released a progress report on its work on developing effective practices for financial institutions' response to, and recovery from, a cyber incident. The report is being delivered to G20 Finance Ministers and Central Bank Governors ahead of their meetings in Fukuoka on 8-9 June.
28.05.2019	FSB publishes peer review of implementation of the Legal Entity Identifier	The FSB has published a thematic review on the implementation of the Legal Entity Identifier (LEI), an alpha-numeric code to uniquely identify legally distinct entities that engage in financial transactions. Since its endorsement by the G20 in 2012, the Global LEI System has been brought into operation, with over 1.4 million entities uniquely identified by a LEI in more than 200 countries.
29.05.2019	FSB publishes reports	The FSB has issued (i) a progress report on the implementation of its action plan to assess and address the decline in correspondent banking relationships; and (ii) a report on progress on implementing the FSB's recommendations on remittance service providers' access to banking services.

31.05.2019 [FSB reports on work underway to address crypto-asset risks](#) The FSB has released a report on crypto-assets, which considers work underway, regulatory approaches and potential gaps. The report is being delivered to G20 Finance Ministers and Central Bank Governors ahead of their meetings in Fukuoka on 8-9 June.

Date	Evaluation	Description
23.05.2019	FSB launches evaluation of too-big-to-fail reforms and invites feedback from stakeholders	<p>The FSB is seeking feedback from stakeholders as part of its evaluation of the effects of the too-big-to-fail (TBTF) reforms for banks that were agreed by the G20 in the aftermath of the global financial crisis. The evaluation will assess whether the implemented reforms are reducing the systemic and moral hazard risks associated with global systemically important banks (G-SIBs).</p> <p>Feedback should be submitted by 21 June 2019.</p>

NEWS OF THE EUROPEAN SECURITIES AND MARKETS AUTHORITY (ESMA)

Date	Publications	Description
01.05.2019	MiFID II: ESMA delays the publication of the systematic internaliser regime data for equity, equity-like instruments and bonds	ESMA has decided to delay the publication of the systematic internaliser (SI) regime data for equity, equity-like instruments and bonds.
01.05.2019	MiFID II: ESMA makes new bond liquidity data available	ESMA has started to make available new data for bonds subject to the pre- and post-trade requirements of the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR) through its data register.
03.05.2019	ESMA submits technical advice on Sustainable Finance to the European Commission	ESMA has published its technical advice to the European Commission (EC) on Sustainable Finance initiatives to support the EC's Sustainability Action Plan in the areas of investment services and investment funds.
08.05.2019	MiFID II: ESMA issues latest double volume cap data	ESMA has updated today its public register with the latest set of double volume cap (DVC) data under the Markets in Financial Instruments Directive (MiFID II).

10.05.2019	MiFID II: ESMA publishes data for the systematic internaliser calculations for equity, equity-like instruments and bonds	ESMA has published an update of systematic internaliser (SI) regime data. The updated publication covers equity, equity-like instruments and bonds.
13.05.2019	ESMA issues two positive opinions on national product intervention measures	ESMA has issued two positive opinions on proposed product intervention measures taken by the Finanzmarktaufsicht (FMA) of Austria. ESMA's opinion finds that the proposed measures are justified and proportionate and that it is necessary for NCAs of other Member States to take product intervention measures that are at least as stringent as ESMA's measures.
15.05.2019	Market risk	ESMA publishes its latest risk dashboard for the European Union's securities markets, covering the first quarter of 2019. It finds that the risk landscape in Q1 2019 remains largely unchanged compared to the fourth quarter of 2018.
15.05.2019	EONIA to €STR transition	The EUR risk-free rates working group published a consultation paper on the "EONIA to €STR legal action plan", reaching out to market participants about the need of implementing a legal action plan to ensure a smooth transition from EONIA to €STR in new and legacy contracts.
20.05.2019	Translations of Guidelines on the application of the endorsement regime for CRAs	ESMA has issued the official translations of its Guidelines on the application of the endorsement regime under Article 4(3) of the Credit Rating Agencies Regulation.
23.05.2019	ESMA appoints chair for its new Coordination Network on Sustainability	The Board of Supervisors of the European Securities and Markets Authority (ESMA) has established a Coordination Network on Sustainability (CNS), and appointed Ana María Martínez-Pina García, Vice-Chair of the Comisión Nacional del Mercado de Valores (CNMV, Spain) to chair the CNS for two years with immediate effect.
23.05.2019	Q&As regarding the Benchmark Regulation	ESMA has issued an update of its Q&As on the European Benchmarks Regulation (BMR).
23.05.2019	CSDR Q&As	ESMA has updated its Questions and Answers (Q&As) regarding the implementation of the Central Securities Depository Regulation (CSDR).
24.05.2019	ESMA consults on indices and recognised exchanges under	ESMA has published a Consultation Paper proposing amendments to the main indices and recognised exchanges under the Capital Requirements Regulation (CRR). ESMA considers it

	the Capital Requirements Regulation	necessary to introduce amendments to the Implementing Technical Standard (ITS) to ensure that the most updated list of main indices and recognised exchanges is incorporated into the legislative text.
24.05.2019	ESMA launches call for evidence on position limits in commodity derivatives	ESMA has launched a call for evidence on position limits and position management in commodity derivatives. ESMA launches this call for evidence in the context of the reviews it must perform under MiFID II, together with the European Commission (EC), and is seeking stakeholders' input to develop an informed view of the issues to be considered and addressed.
27.05.2019	ESMA updates its opinion on ancillary activity calculations	ESMA has published an updated opinion on ancillary activity calculations. This updated opinion provides the estimation of the market size of commodity derivatives and emission allowances for the year 2018. ESMA has prepared those estimations based on data collected from trading venues as well as data reported to trade repositories under EMIR.
27.05.2019	Questions and Answers on the Securitisation Regulation	ESMA has updated its Questions and Answers (Q&As) on the Securitisation Regulation (Regulation 2017/2402).
27.05.2019	ESMA consults on future reporting guidelines under SFTR	ESMA has opened a public consultation on draft guidelines on how to report securities financing transactions (SFTs).
27.05.2019	Trade repositories	ESMA has published guidelines setting out the information that should be periodically submitted by trade repositories (TRs) to ESMA.
27.05.2019	Registration of Inbonis SA	ESMA, the EU's direct supervisor of credit rating agencies (CRAs), has registered Inbonis SA as a CRA under the CRA Regulation.
28.05.2019	Consultation EMIR 2.2	ESMA has published three consultation papers under EMIR 2.2 on tiering, comparable compliance and fees. EMIR 2.2 amends EMIR's regulatory and supervisory regime for central counterparties (CCPs).
28.05.2019	EMIR Q&As	ESMA has updated its Questions and Answers (Q&As) on the implementation of the European Markets Infrastructure Regulation (EMIR). The updated Q&As provide clarifications on the new framework introduced by Regulation 2019/834

amending EMIR (so-called EMIR Refit) and amends an existing Q&A on novation.

28.05.2019 [National product intervention measures](#)

ESMA has issued five positive opinions on product intervention measures taken by the National Competent Authorities (NCAs) of Finland, Lithuania and Spain. ESMA's opinion finds that the proposed measures are justified and proportionate and that it is necessary for NCAs of other Member States to take product intervention measures that are at least as stringent as ESMA's measures.

29.05.2019 [Trading obligation for shares in a no-deal Brexit](#)

ESMA has further considered the impact of the United Kingdom (UK) leaving the European Union (EU) without a withdrawal agreement (no-deal Brexit) on the trading obligation for shares (STO) under Article 23 of MiFIR and in the absence of an equivalence decision in respect of the UK by the European Commission (EC).

29.05.2019 [Q&As on MiFID II and MiFIR investor protection and intermediaries](#)

ESMA has updated its Questions and Answers on the implementation of investor protection topics under the Market in Financial Instruments Directive and Regulation (MiFID II/ MiFIR). The updated Q&As provides new answers on best execution and information on costs and charges.

COMMUNIQUES

List of independent approved statutory auditors and approved audit firms having received less than 15% of the total audit fees from PIEs in Luxembourg in 2018

Communiqué of 31 May 2019

In accordance with Article 16 of Regulation (EU) No 537/2014, the CSSF hereby publishes the list of independent *réviseurs d'entreprises agréés* (approved statutory auditors) and of *cabinets de révision agréés* (approved audit firms) that have received less than 15% of the total audit fees from public-interest entities in Luxembourg in 2018.

1. Independent *réviseurs d'entreprises agréés* (approved statutory auditors)

- LECOQ Michel
- VON KETELHODT Alhard

2. *Cabinets de révision agréés* (approved audit firms)

- A3T S.A.
- ACF AUDIT LUXEMBOURG S.A.
- AKENE AUDIT S.à r.l.
- ARTEMIS AUDIT & ADVISORY S.à r.l.
- ATWELL S.à r.l.
- AUDIT & CONSULTING SERVICES S.à r.l.
- AUDIT AND TRUST SERVICES S.à r.l.
- AUDIT CENTRAL S.à r.l.
- FIDUCIAIRE KOHN RÉVISION S.à r.l.
- FIDUCIAIRE PROBITAS S.à r.l.
- FIDUCIAIRE TG EXPERTS S.A.
- G.S.L. REVISION S.à r.l.
- GRANT THORNTON AUDIT & ASSURANCE
- GROUPE AUDIT LUXEMBOURG
- HACA PARTNERS S.à r.l.
- HORUS AUDIT & ASSOCIES S.à r.l.

- | | |
|--|---|
| <ul style="list-style-type: none"> - AUDIT CONSEIL SERVICES S.à r.l. - AUDITEURS ASSOCIES S.A. - AUMEA PARTNER S.à r.l. - AUREN AUDIT S.à r.l. - AVEGA REVISION S.à r.l. - BAKER TILLY AUDIT & ASSURANCE S.à r.l. - BDO AUDIT S.A. - C-CLERC S.A. - CLYBOUW ET ASSOCIES S.à r.l. - COMPAGNIE DE REVISION S.A. - COMPAGNIE EUROPEENNE DE REVISION S.à r.l. - DEVAUX AUDIT & TAX S.à r.l. - ECOVIS IFG AUDIT S.A. - ELERIUS - ERNST & YOUNG LUXEMBOURG S.A. - EUROLUX AUDIT S.à r.l. - EXPERIAL SARL, Succursale de Luxembourg - FIDUCIA AUDIT S.à r.l. - FIDUCIAIRE ALPHA - FIDUCIAIRE DE LA GRANDE REGION - FIDUCIAIRE EVERARD & KLEIN S.à r.l. - FIDUCIAIRE INTERNATIONALE S.A. | <ul style="list-style-type: none"> - INTERNATIONAL AUDIT SERVICES S.à r.l. - L'ALLIANCE REVISION S.à r.l. - L'ALLIANCE S.A. - MAYFAIR S.à r.l. - MAZARS LUXEMBOURG - MOORE STEPHENS AUDIT S.A. - OSIRIS ENTERPRISE, 02E Public Accountants - PKF AUDIT & CONSEIL - PRO FIDUCIAIRE Auditing & Accounting S.à r.l. - RESOURCE REVISION S.à r.l. - REVYS S.à r.l. - RSM AUDIT LUXEMBOURG S.à r.l. - SOCIETE DE REVISION ET D'EXPERTISES S.à r.l. - SOCIETE FIDUCIAIRE NATIONALE DE REVISION COMPTABLE S.A., FIDAUDIT, succursale de Luxembourg - STATERA AUDIT S.à r.l. - TEAMAUDIT S.A. - TKS LUXEMBOURG - VPC Luxembourg |
|--|---|

* * *

Communication regarding EMIR REFIT and the relevant ESMA Q&As

Press release 19/21 of 14 June 2019

The CSSF informs market participants of the following amendments and clarifications related to Regulation (EU) No 648/2012 (hereafter “EMIR”).

On 28 May 2019, [Regulation \(EU\) 2019/834](#) (hereafter “EMIR REFIT”) was published in the Official Journal of the EU. This regulation amends [EMIR](#) and will enter into force 20 days following its publication, on 17 June 2019.

In addition, on 28 May 2019, the European Securities and Markets Authority (ESMA) also published the [EMIR REFIT Questions and Answers \(Q&As\)](#) to clarify, in particular, the clearing obligation for financial counterparties (FC) and non-financial counterparties (NFC) and the procedure for notification when a counterparty either exceeds or ceases to exceed the clearing thresholds or chooses not to calculate its positions against the clearing threshold.

1. Clearing notification requirements for market participants

Upon the entry into force of EMIR REFIT, FC and NFC can choose whether they calculate their aggregate month-end average position for the previous 12 months (clearing threshold) or not.

As a reminder, the clearing thresholds are defined in Article 11 of Commission Delegated Regulation (EU) No 149/2013 and are as follows:

- a) EUR 1 billion in gross notional value for Over the Counter (OTC)¹ credit derivative contracts;
- b) EUR 1 billion in gross notional value for OTC equity derivative contracts;

¹ In accordance with Article 2(7) of EMIR, “‘OTC derivative’ or ‘OTC derivative contract’ means a derivative contract the execution of which does not take place on a regulated market within the meaning of Article 4(1)(14) of Directive 2004/39/EC or on a third-country market considered to be equivalent to a regulated market in accordance with Article 2a [of EMIR]”.

- c) EUR 3 billion in gross notional value for OTC interest rate derivative contracts;
- d) EUR 3 billion in gross notional value for OTC foreign exchange derivative contracts;
- e) EUR 3 billion in gross notional value for OTC commodity derivative contracts and other OTC derivative contracts not provided for under points (a) to (d).

Depending on whether market participants choose to calculate their clearing threshold or not, notifications have to be submitted to the CSSF (as well as to ESMA) as follows:

a) **calculation of the clearing threshold (on a group level basis):**

- **FC clearing obligation notification:** a new notification from an FC which relates to FC exceeding or ceasing to exceed the relevant clearing thresholds in accordance with Article 4a of EMIR shall be made to the CSSF. When FC choose to calculate their aggregate month-end average position for the previous 12 months and the calculation determines that they exceed any of the clearing thresholds, the requirement to clear OTC derivative products enters into force for all asset classes as foreseen under Article 4a(1) of EMIR. With regard to the calculation, FC need to include all OTC derivative contracts they enter into or novate, in accordance with Article 4a(3) of EMIR.
- **NFC clearing obligation notification:** an (amended) notification from an NFC which relates to NFC exceeding or ceasing to exceed the relevant clearing thresholds in accordance with Article 10 of EMIR shall be submitted to the CSSF. When NFC choose to calculate their aggregate month-end average position for the previous 12 months and the calculation determines that they reach the clearing thresholds in any of the asset classes, the requirement to clear OTC derivative products enters into force for this asset class only. With regard to the calculation, NFC only need to include the OTC derivative contracts which are not objectively measurable as reducing risks, in accordance with Article 10(3) of EMIR.

b) **no calculation of the clearing threshold**

- **FC clearing obligation notification:** a new notification from FC choosing not to calculate their positions against the clearing thresholds (Article 4a of EMIR) shall be submitted to the CSSF.
- **NFC clearing obligation notification:** a new notification from NFC choosing not to calculate their positions against the clearing thresholds (Article 10 of EMIR) shall be submitted to the CSSF.

When counterparties choose not to calculate their aggregate month-end average position for the previous 12 months, the requirement to clear OTC derivative products enters into force for all asset classes.

Frequency of notification requirements

With regard to point a), the calculation has to be performed on a yearly basis and the CSSF shall be informed upon entry into force of EMIR REFIT and in case of changes regarding the clearing obligation status of the group. In case the calculation determines that the clearing threshold is no longer reached, such notification shall be made to the CSSF at any time and shall include relevant proof.

With regard to point b), where no calculation is performed, the notification shall be made only once upon entry into force of EMIR REFIT and in case of changes to the group, i.e. new counterparties are established in Luxembourg.

Similar notifications have to be submitted to ESMA in accordance with the [EMIR REFIT Q&As](#) OTC Question 2.

2. Reporting obligations

The new Article 9(1) of EMIR determines that historic transactions (outstanding on or after 16 August 2012 and terminated/matured before 11 February 2014) do no longer have to be reported.

In addition, a new notification which relates to a request for a reporting exemption for certain intragroup derivative contracts with an NFC (Article 9(1) of EMIR) shall be made to the CSSF. In order to facilitate this notification, the CSSF is developing a new standalone form available for entities established in Luxembourg. This new standalone form will be published in due course.

In accordance with the new Article 9(1a) of EMIR, FC shall be solely responsible, and legally liable, for reporting, on behalf of both counterparties, the details of OTC derivative contracts concluded with an NFC that does not meet the conditions referred to in the second subparagraph of Article 10(1) of EMIR, as well as for ensuring the correctness of the reported details.

In order to assist market participants to prepare their notifications ahead of the entry into force of EMIR REFIT, the CSSF has published draft versions of the forms setting out the information which market participants will need to submit to the CSSF.

www.cssf.lu/fileadmin/files/EMIR/emir_clearing_obligation_notification_form_110619.xlsx

www.cssf.lu/fileadmin/files/EMIR/emir_reporting_exemption_form_110619.xlsx

* * *

Adoption of the risk-reduction measures package

Revised rules on capital requirements (CRR II/CRD V) and resolution (BRRD/SRM-R)

Press release 19/22 of 14 June 2019

The CSSF would like to draw the attention of the public to the publication of the risk-reduction measures (RRM) package in the Official Journal of the European Union on 7 June 2019. The RRM package amends Directive 2013/36/EU (CRD), Regulation (EU) No 575/2013 (CRR), Directive 2014/59/EU (BRRD) and Regulation (EU) No 806/2014 (SRM-R).

The RRM package represents an important step towards the completion of the European post-crisis regulatory reforms and aims at completing the Banking Union and the Capital Markets Union. The RRM package also transposes the standards developed and agreed at the level of the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB) to respond to the lessons learnt from the financial crisis.

The documents are available at the following addresses:

CRR II:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1560262005241&uri=CELEX:32019R0876>

CRD IV:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1560262005241&uri=CELEX:32019L0878>

BRRD:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1560262005241&uri=CELEX:32019L0879>

SRM-R:

<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1560262005241&uri=CELEX:32019R0877>

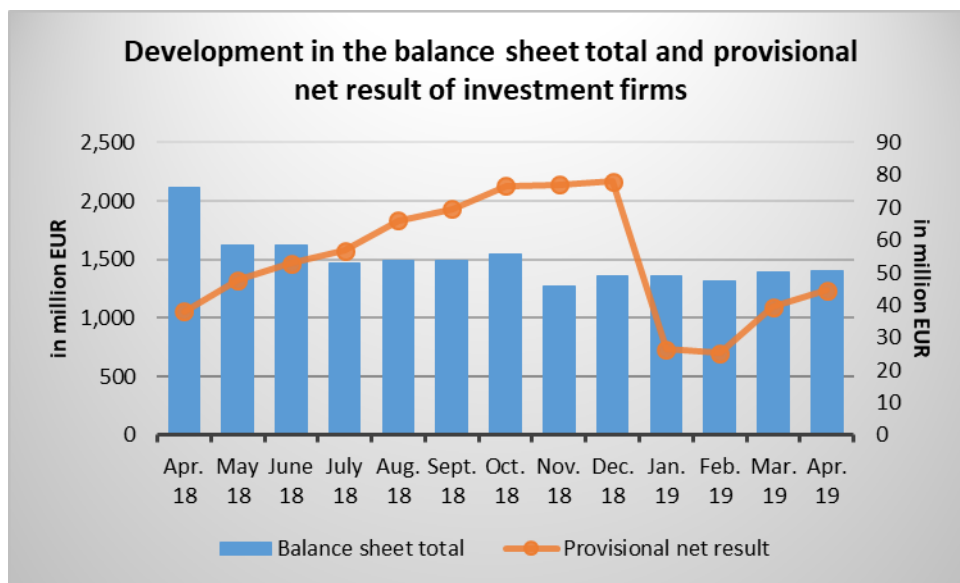
WITHDRAWAL DECIDED BY THE CSSF

A decision to withdraw the management company NORDESTATE MANAGEMENT COMPANY S.A R.L. from the official list of management companies authorised under Chapter 16 of the Law of 17 December 2010 relating to undertakings for collective investment was taken by the CSSF on 3 June 2019.

STATISTICS

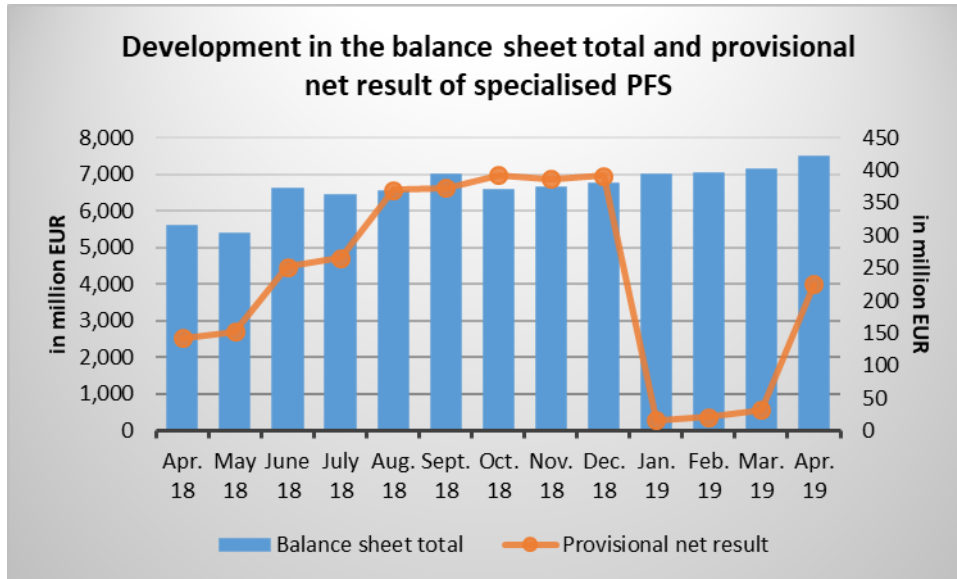
Investment firms

Increase in the balance sheet total as at 30 April 2019



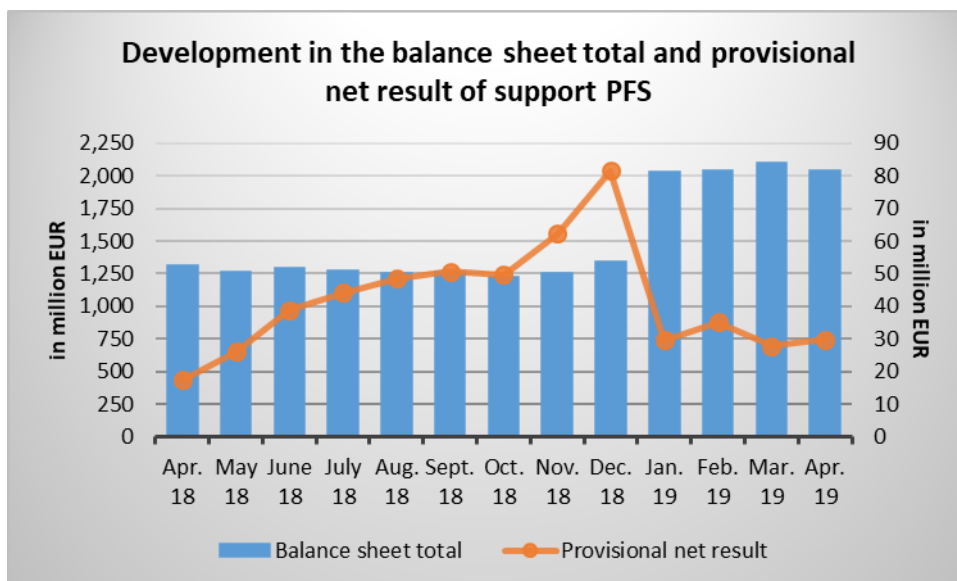
Specialised PFS

Increase in the balance sheet total as at 30 April 2019



Support PFS

Decrease in the balance sheet total as at 30 April 2019



Pension funds

As at 14 June 2019, **12 pension funds** in the form of pension savings companies with variable capital (SEPCAVs) and pension savings associations (ASSEPs) were registered on the official list of pension funds subject to the Law of 13 July 2005.

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 **18**.

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:

LUMINIS SA

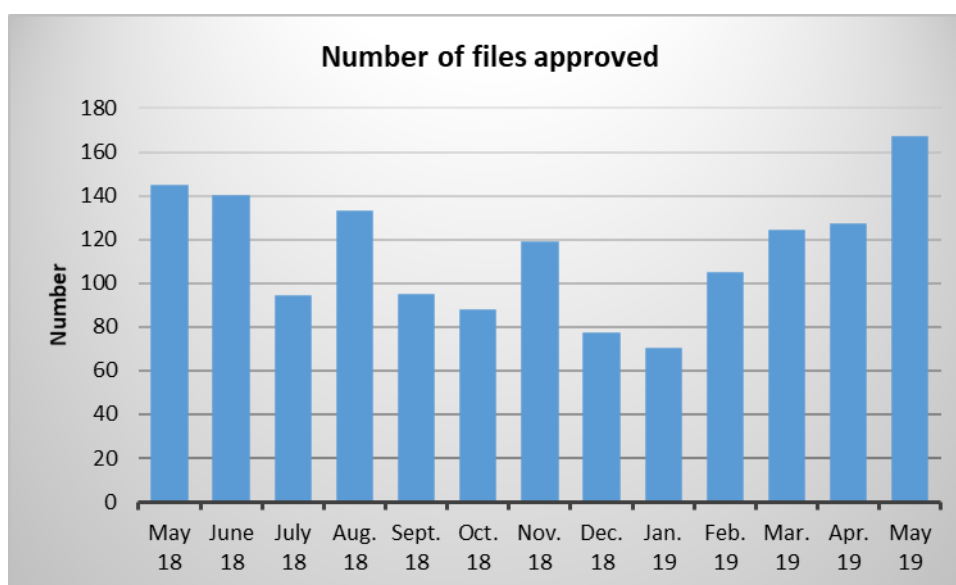
The number of securitisation undertakings authorised by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **32 entities** as at 13 June 2019.

Public oversight of the audit profession

The public oversight of the audit profession covered **60 cabinets de révision agréés** (approved audit firms) and **313 réviseurs d'entreprises agréés** (approved statutory auditors) as at 31 May 2019. The oversight also included **23 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)

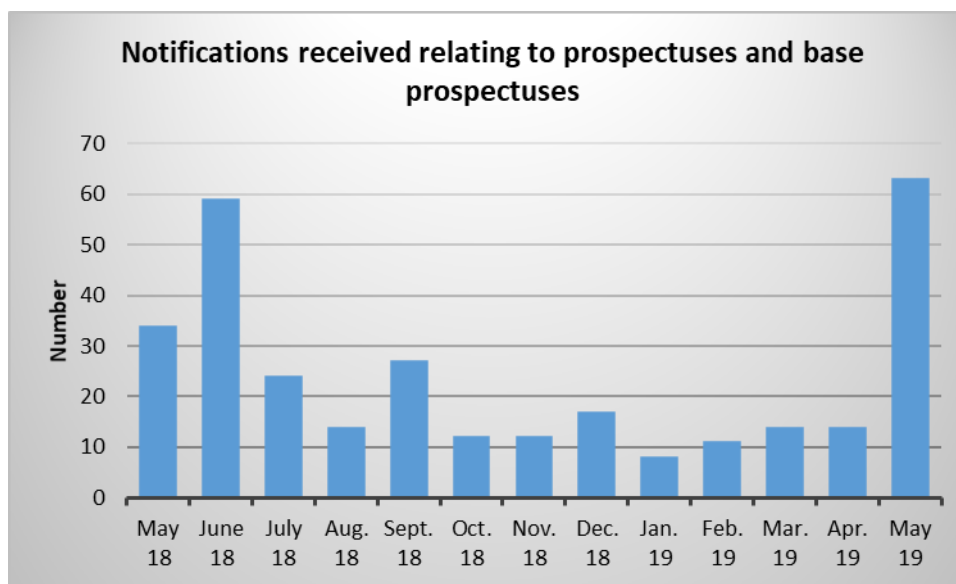
CSSF approvals



In May 2019, the CSSF approved a total of 167 documents pursuant to the Prospectus Law, which break down as follows:

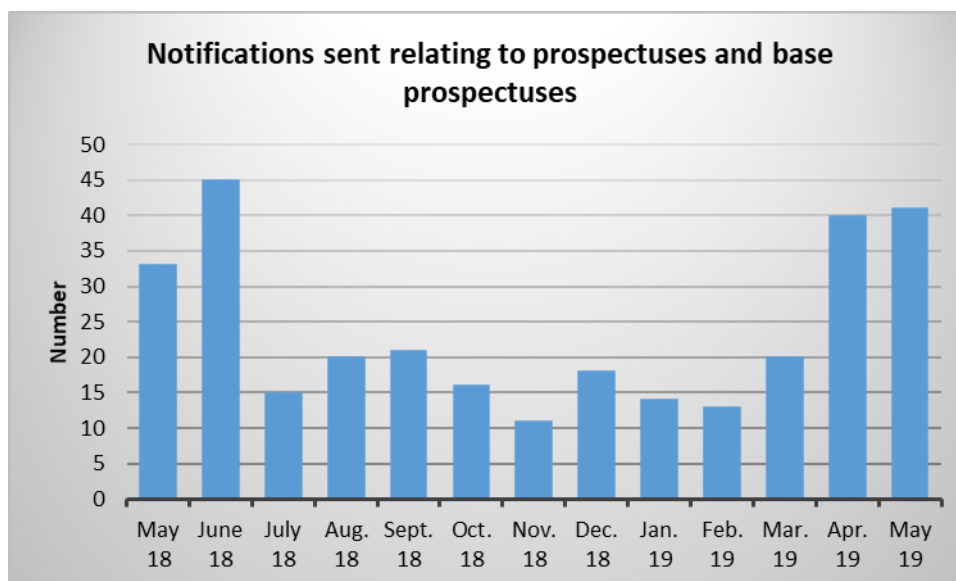
base prospectuses:	46	(27.54 %)
other prospectuses:	26	(15.57 %)
registration documents:	1	(0.60 %)
supplements:	94	(56.29 %)

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



In May 2019, the CSSF received 63 notifications relating to prospectuses and base prospectuses and 88 notifications relating to supplements from competent authorities of other EEA Member States.

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



In May 2019, the CSSF sent 41 notifications relating to prospectuses and base prospectuses and 66 notifications relating to supplements to the competent authorities of other EEA Member States².

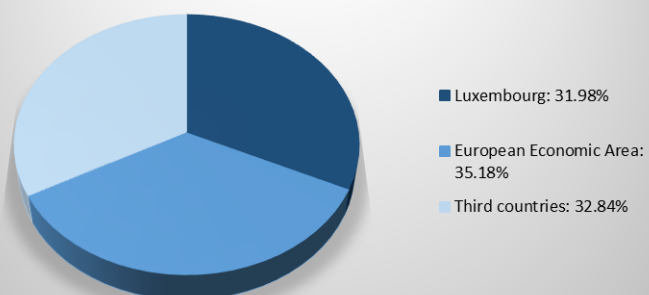
² These figures are the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications have been sent at different dates and/or in several Member States, only the first notification is included in the statistical calculations. Each 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")

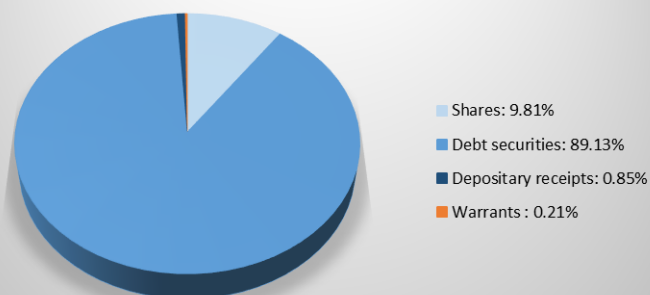
Since 8 May 2019, one issuer has chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, six issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 11 June 2019, **469 issuers** subject to the supervision of the CSSF were included in the list of issuers whose home Member State is Luxembourg pursuant to the Transparency Law.

Breakdown of issuers according to countries



Breakdown of issuers according to type of securities admitted to trading



HUMAN RESOURCES

In order to increase its staff, the CSSF hired four employees on 1 June 2019 and counts, following the departure of two employees, 874 agents (470 men and 404 women). They have been assigned to the following departments:

Risk management

Bertrand CALMES

UCI departments

Ragin SEIZ

Supervision of banks

Nuno CASAL

Innovation, payments, markets infrastructures and governance

Mathilde GIRARD

FINANCIAL CENTRE

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (14/06/2019)	133	↘ 5 entities
	Balance sheet total (31/12/2018)	EUR 774.378 bn	↗ EUR 22.476 bn
	Profit before provisions (31/12/2018)	EUR 5.059 bn	↘ EUR 376 m
Payment institutions	Number (14/06/2019)	10	no variation
Electronic money institutions	Number (14/06/2019)	8	↗ 3 entities
UCIs	Number (12/06/2019)	Part I 2010 Law: 1,813	↘ 29 entities
		Part II 2010 Law: 290	↘ 17 entities
		SIFs: 1,503	↘ 53 entities
		TOTAL: 3,606	↘ 95 entities
	Number (06/06/2019)	SICARs: 252	↘ 32 entities
	Total net assets (30/04/2019)	EUR 4,404.936 bn	↗ EUR 177.404 bn
Management companies (Chapter 15)	Number (31/05/2019)	207	↗ 1 entity
	Balance sheet total (31/03/2019) ³	EUR 14.849 bn	↗ EUR 424 m
Management companies (Chapter 16)	Number (31/05/2019)	165	↘ 2 entities
AIFMs	Number (12/06/2019)	252	↗ 18 entities
Pension funds	Number (14/06/2019)	12	↘ 1 entity
Authorised securitisation undertakings	Number (13/06/2019)	32	no variation
Investment firms	Number (14/06/2019)	98 of which 5 branches	↘ 1 entity
	Balance sheet total (30/04/2019)	EUR 1.407 bn	↘ EUR 705 m
	Provisional net profit (30/04/2019)	EUR 44.60 m	↗ EUR 6.54 m
Specialised PFS	Number (14/06/2019)	107	↘ 2 entities
	Balance sheet total (30/04/2019)	EUR 7.508 bn	↗ EUR 1.901 bn
	Provisional net profit (30/04/2019)	EUR 225.396 m	↗ EUR 82.93 m
Support PFS	Number (14/06/2019)	75	↘ 2 entities
	Balance sheet total (30/04/2019)	EUR 2.047 bn	↗ EUR 729 m
	Provisional net profit (30/04/2019)	EUR 44.60 m	↗ EUR 27.27 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (11/06/2019)	469	↘ 79 entities
Public oversight of the audit profession	Number (31/05/2019)	60 <i>cabinets de révision agréés</i>	↗ 1 entity
		313 <i>réviseurs d'entreprises agréés</i>	↗ 7 people
		23 third-country auditors and audit firms	↘ 8 entities
Employment (31/03/2019)	Banks	26,629 people	↗ 298 people
	Management companies (Chapter 15) ³	4,807 people	↗ 347 people
	Investment firms	2,479 people	↗ 402 people
	Specialised PFS	4,650 people	↗ 379 people
	Support PFS	10,196 people	↗ 49 people
	Total	48,761 people	↗ 1,475 people ⁴

³ Preliminary figures

⁴ 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.