



# Newsletter

## No 227 - December 2019

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## FREQUENTLY ASKED QUESTIONS

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### Update of the Frequently Asked Questions on materiality

The FAQs on materiality were updated on 4 December 2019. The new version is available under:  
[http://www.cssf.lu/fileadmin/files/Systemes\\_d\\_informations/FAQ\\_materiality\\_eng\\_041219.pdf](http://www.cssf.lu/fileadmin/files/Systemes_d_informations/FAQ_materiality_eng_041219.pdf).

### Publication of the Frequently Asked Questions concerning EU Regulation No 537/2014 relating to the duration of the audit engagement

On 9 December 2019, the CSSF published new FAQs concerning EU Regulation No 537/2014 which deals with the duration of the audit engagement. The document is available at:  
[http://www.cssf.lu/fileadmin/files/Audit/FAQ\\_on\\_duration\\_of\\_audit\\_engagements.pdf](http://www.cssf.lu/fileadmin/files/Audit/FAQ_on_duration_of_audit_engagements.pdf).

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## WARNINGS

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### CSSF Warnings

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

- [Warning concerning the website \[www.actio-prevoyance.com\]\(http://www.actio-prevoyance.com\)](#)
- [Warning concerning the website \[www.cba-management.com\]\(http://www.cba-management.com\)](#)
- [Warning concerning the website \[www.pms-capital.com\]\(http://www.pms-capital.com\)](#)
- [Warning concerning the website \[www.torello-capital.com\]\(http://www.torello-capital.com\)](#)
- [Warning concerning the website \[www.npinvestgroup.com\]\(http://www.npinvestgroup.com\)](#)

Given the significant number of fraudulent websites recently identified, the CSSF recommends you to verify whether the entity with which you would like to do business is supervised by the CSSF by using the application "[Supervised Entities](#)". In case of doubt, please contact the CSSF.

### Warnings published by IOSCO

Several warnings have been published on the IOSCO website at:  
[http://www.iosco.org/investor\\_protection/?subsection=investor\\_alerts\\_portal](http://www.iosco.org/investor_protection/?subsection=investor_alerts_portal).

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## NATIONAL REGULATION

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### Law of 4 December 2019 enacting macroprudential measures for residential real estate credit

**The law on borrower-based measures provides the CSSF with powers to frame mortgage lending criteria in order to avoid financial stability risks.** The law allows the CSSF to frame lending for residential real estate through five different metrics: the loan-to-value ratio, the debt service-to-income ratio, the debt-to-income ratio, the loan-to-income ratio, and, the maturity of the loan. These measures may be applied alone or in combination. They may be applied to the entire portfolio of a bank or to a share of it. If enacted, they would only apply to new loan issuance and not to the stock of outstanding loans.

**In order to assure a sound governance, the CSSF needs a formal recommendation from the Comité du Risque Systémique ("CdRS") before it can activate measures.** The CSSF cannot decide on such measures by itself. A thorough risk assessment as well as an impact assessment will have to be submitted by member authorities to the CdRS to allow an informed view on the

necessity to enact borrower based measures.<sup>1</sup> The Comité du Risque Systémique may, based on this analysis, issue a recommendation which enables the CSSF to act. In the course of this process, it has to be shown that no other macroprudential tools can address this particular vulnerability.

**Luxembourg was over the last years encouraged by international institutions to put in place a legal framework for borrower based measures.** Following the financial crisis that hit Europe a decade ago, similar laws have been implemented across Europe. For Luxembourg (as well as a number of other EU countries), a warning was issued by the European Systemic Risk Board in 2016, followed in 2019 by a recommendation to act. The IMF also has called on the authorities to create such a law, as did the OECD in a special feature relating to residential real estate. The law on borrower-based measures is the response to this.

### Circular CSSF-CPDI 19/19 - Survey on the amount of covered deposits

The aim of the circular is to request information on deposits, in particular covered deposits, of all credit institutions incorporated under Luxembourg law, of POST Luxembourg for its provision of postal financial services and of the branches of credit institutions having their head office in a third country as at 31 December 2019.

### Circular CSSF 19/731 – Documents to be submitted to the CSSF and the ECB

The purpose of the circular is to amend Circular CSSF 19/710 on documents to be submitted on an annual basis by credit institutions. It also repeals, for some of the listed documents, the communication in paper form and introduces the exclusive communication in electronic form via one of the secured channels e-file or SOFiE. Moreover, it repeals and replaces Circulars CSSF 19/710, CSSF 15/624, 15/602 and CSSF 10/457.

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## COMMUNIQUES

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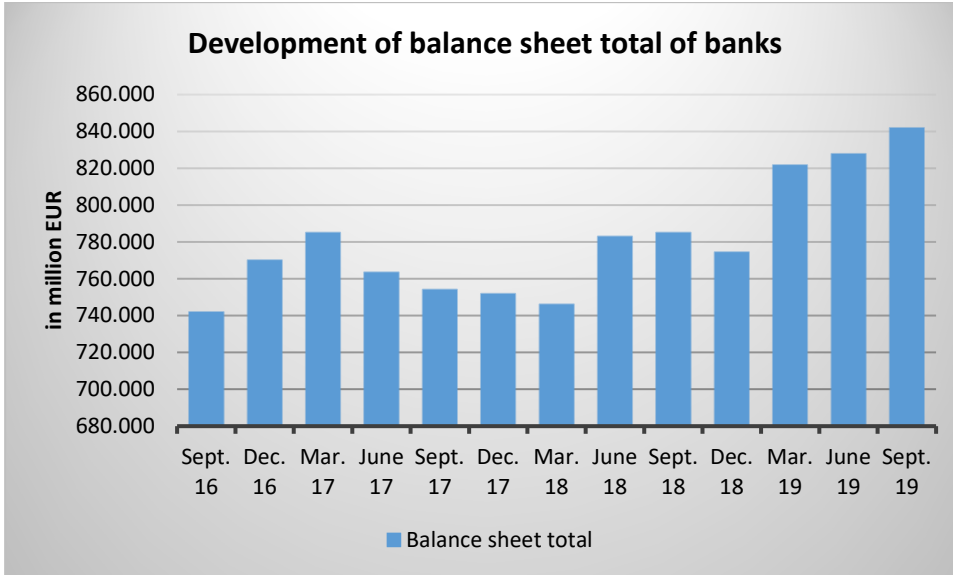
Date	Publications
26.11.2019	<a href="#">Communication regarding PRIIPs assessment</a>
28.11.2019	<a href="#">Survey related to the fight against money laundering and terrorist financing</a>
02.12.2019	<a href="#">Global situation of undertakings for collective investment at the end of October 2019</a>
05.12.2019	<a href="#">AML/CFT Conference 3 December 2019 summary</a>
06.12.2019	<a href="#">Single Resolution Board press release: EU and national authorities to hold planned coordination exercise</a>
06.12.2019	<a href="#">Compliance with the strong customer authentication (SCA) requirements of Commission Regulation (EU) No 2018/389 for e-commerce card payment transactions</a>
11.12.2019	<a href="#">Communication regarding PRIIPs assessment - investment funds</a>
16.12.2019	<a href="#">New and modified templates in relation to authorisation requests and notifications for IT outsourcing</a>
17.12.2019	<a href="#">Profit and loss account of credit institutions as at 30 September 2019</a>

<sup>1</sup> Member institutions of the CdRS are, the ministry of finance, the BCL, the CSSF, and the CAA.

STATISTICS

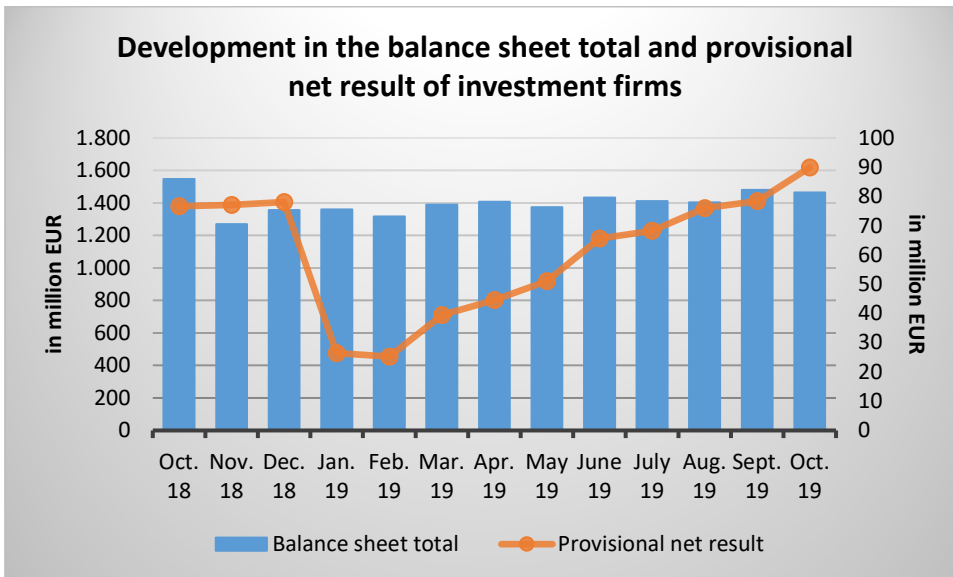
Credit institutions

Increase in the balance sheet total as at 30 September 2019



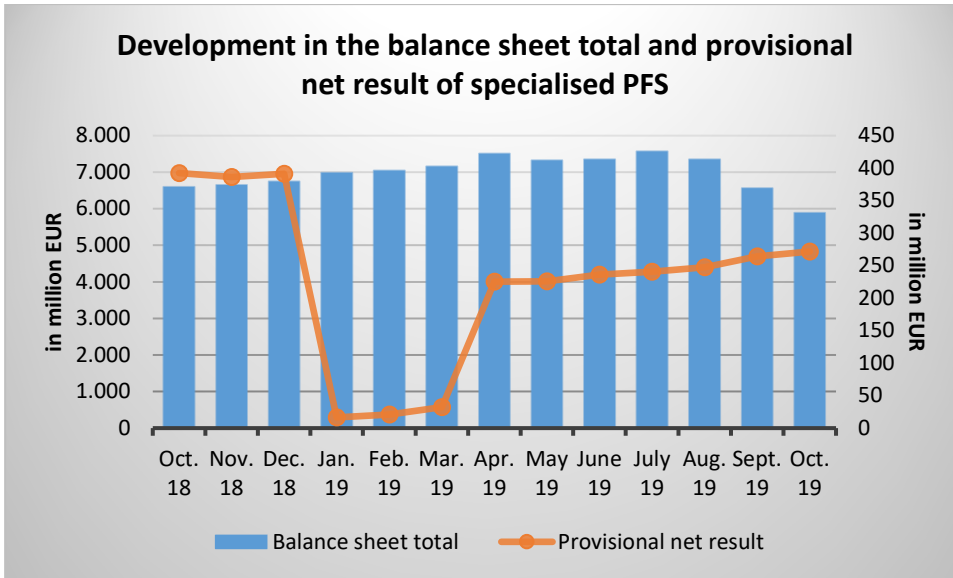
Investment firms

Decrease in the balance sheet total as at 31 October 2019



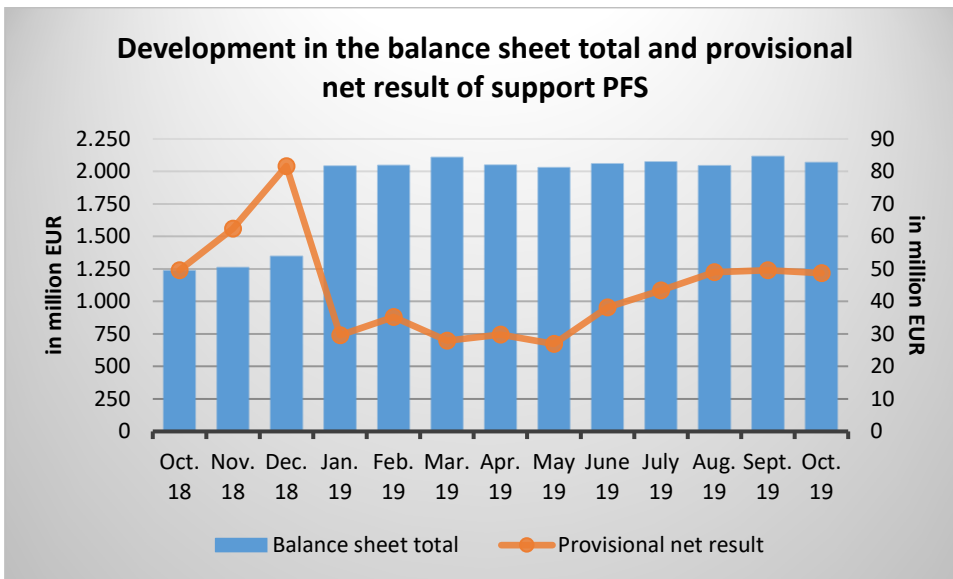
### Specialised PFS

Decrease in the balance sheet total as at 31 October 2019



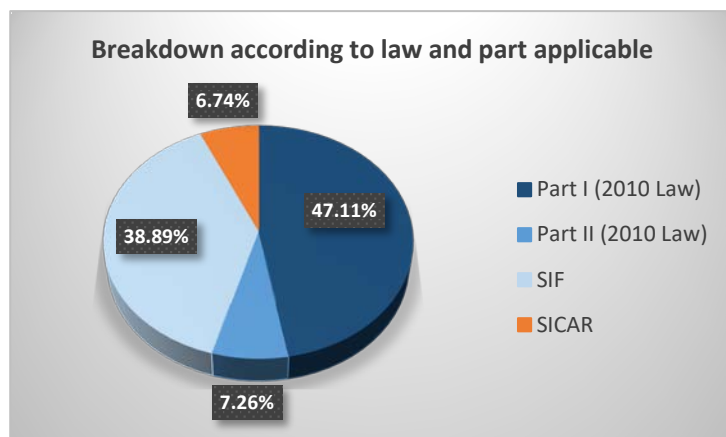
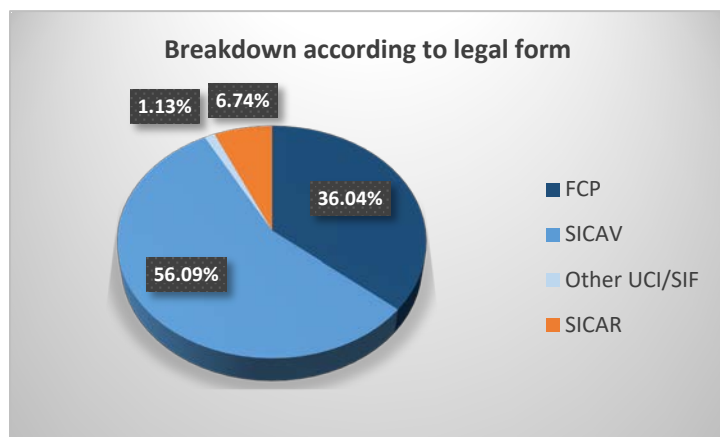
### Support PFS

Decrease in the balance sheet total as at 31 October 2019



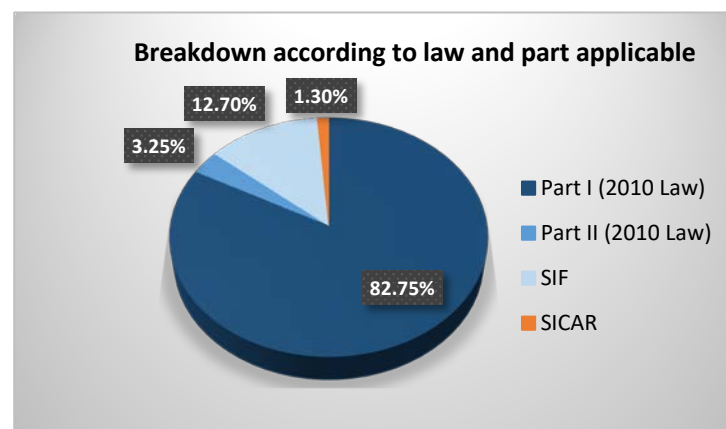
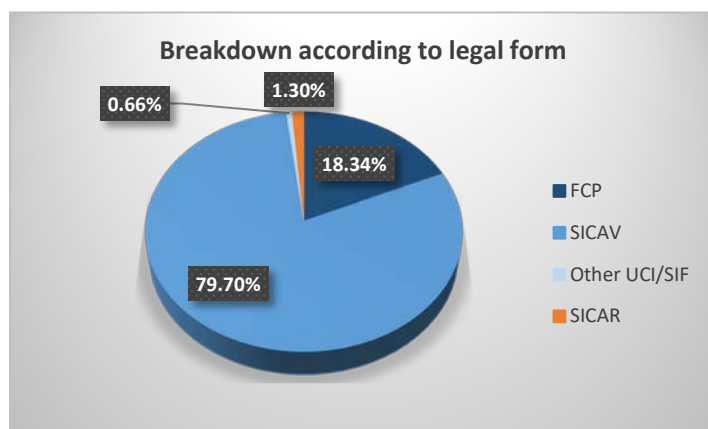
## UCIs (Situation as at 31 October 2019)

### Number of UCIs



Law, part/legal form	FCPs	SICAVs	Other UCIs/SIFs	SICARs	Total
Part I (2010 Law)	922	861	0	0	1,783
Part II (2010 Law)	137	136	2	0	275
SIFs	305	1,126	41	0	1,472
SICARs	0	0	0	255	255
<b>TOTAL</b>	<b>1,364</b>	<b>2,123</b>	<b>43</b>	<b>255</b>	<b>3,785</b>

### Net assets of UCIs



Law, part/legal form (in bn EUR)	FCPs	SICAVs	Other UCIs/SIFs	SICARs	Total
Part I (2010 Law)	605.881	3,182.174	0.000	0.000	3,788.055
Part II (2010 Law)	50.345	98.234	0.457	0.000	149.036
SIFs	183.407	368.086	29.703	0.000	581.196
SICARs	0.000	0.000	0.000	59.603	59.603
<b>TOTAL</b>	<b>839.633</b>	<b>3,648.494</b>	<b>30.160</b>	<b>59.603</b>	<b>4,577.890</b>

**Breakdown according to investment policy**

<b>Breakdown according to investment policy</b>	<b>Net assets (in bn EUR)</b>	<b>Number of fund units<sup>2</sup></b>
Fixed-income transferable securities	1,395.034	3,179
Variable-yield transferable securities	1,347.605	4,073
Mixed transferable securities	957.949	3,877
Funds of funds	261.339	2,118
Money market instruments and other short-term securities	344.711	224
Cash	6.554	17
Private equity	43.125	224
Venture capital	2.440	30
Real estate	82.349	321
Futures and/or options	12.628	117
Other assets	64.553	282
Public-to-Private	0.128	3
Mezzanine	3.207	14
Venture Capital (SICARs)	7.693	76
Private Equity (SICARs)	48.575	293
<b>TOTAL</b>	<b>4,577.890</b>	<b>14,848</b>

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<sup>2</sup> "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)
<b>PART I</b>					
Fixed-income transferable securities	1,279.634	2,647	59.860	51.912	7.948
Variable-yield transferable securities	1,271.563	3,725	45.609	40.455	5.154
Mixed transferable securities	766.502	2,819	22.901	19.282	3.619
Funds of funds	130.333	924	2.938	2.819	0.119
Money market instruments and other short-term securities	323.288	178	170.505	173.683	-3.178
Cash	6.484	14	1.514	2.518	-1.004
Futures and/or options	7.351	55	0.453	0.203	0.250
Other assets	2.900	9	0.043	0.108	-0.065
<b>TOTAL PART I:</b>	<b>3,788.055</b>	<b>10,371</b>	<b>303.823</b>	<b>290.980</b>	<b>12.843</b>
<b>PART II</b>					
Fixed-income transferable securities	19.410	96	0.406	0.330	0.076
Variable-yield transferable securities	15.631	59	0.714	0.152	0.562
Mixed transferable securities	54.247	186	1.053	0.871	0.182
Funds of funds	27.327	243	0.402	0.293	0.109
Money market instruments and other short-term securities	16.787	36	1.045	1.008	0.037
Cash	0.000	0	0.000	0.000	0.000
Private equity	7.650	18	0.125	0.031	0.094
Venture capital	0.017	1	0.016	0.000	0.016
Real estate	2.321	20	0.060	0.024	0.036
Futures and/or options	1.542	19	0.004	0.029	-0.025
Other assets	4.104	16	0.207	0.013	0.194
<b>TOTAL PART II:</b>	<b>149.036</b>	<b>694</b>	<b>4.032</b>	<b>2.751</b>	<b>1.281</b>
<b>SIFs</b>					
Fixed-income transferable securities	95.990	436	3.588	3.300	0.288
Variable-yield transferable securities	60.411	289	0.680	0.460	0.220
Mixed transferable securities	137.200	872	1.436	1.291	0.145
Funds of funds	103.679	951	1.432	0.738	0.694
Money market instruments and other short-term securities	4.636	10	1.177	2.373	-1.196
Cash	0.070	3	0.001	0.002	-0.001
Private equity	35.475	206	0.447	0.228	0.219
Venture capital	2.423	29	0.133	0.020	0.113
Real estate	80.028	301	0.906	0.738	0.168
Futures and/or options	3.735	43	0.130	0.047	0.083
Other assets	57.549	257	1.272	0.909	0.363
<b>TOTAL SIFs:</b>	<b>581.196</b>	<b>3,397</b>	<b>11.202</b>	<b>10.106</b>	<b>1.096</b>
<b>SICARs</b>					
Public-to-Private	0.128	3	0.000	0.000	0.000
Mezzanine	3.207	14	0.000	0.000	0.000
Venture capital	7.693	76	0.003	0.018	-0.015
Private equity	48.575	293	0.346	0.002	0.344
<b>TOTAL SICARs</b>	<b>59.603</b>	<b>386</b>	<b>0.349</b>	<b>0.020</b>	<b>0.329</b>
<b>TOTAL LUXEMBOURG UCIs</b>	<b>4,577.890</b>	<b>14,848</b>	<b>319.406</b>	<b>303.857</b>	<b>15.549</b>

## 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	935.290	20.4%	168	4.3%	1,113	7.5%
United Kingdom	840.164	18.4%	263	6.8%	1,661	11.2%
Germany	644.806	14.1%	1,268	32.7%	2,622	17.7%
Switzerland	632.367	13.8%	558	14.4%	2,750	18.5%
France	442.469	9.7%	298	7.7%	1,573	10.6%
Italy	319.855	7.0%	136	3.5%	1,235	8.3%
Belgium	198.883	4.3%	159	4.1%	899	6.0%
Luxembourg	116.238	2.5%	244	6.3%	693	4.7%
Netherlands	103.541	2.3%	45	1.2%	261	1.8%
Denmark	92.457	2.0%	24	0.6%	228	1.5%
Others	251.820	5.5%	712	18.4%	1,813	12.2%
<b>TOTAL</b>	<b>4,577.890</b>	<b>100.0%</b>	<b>3,875</b>	<b>100.0%</b>	<b>14,848</b>	<b>100.0%</b>

## Breakdown of UCI fund units registered in Luxembourg by reference currency

Currency	Net assets (in bn EUR)	in %	Number of fund units	in %
AUD	6.379	0.139%	26	0.175%
CAD	3.062	0.067%	20	0.135%
CHF	46.381	1.013%	266	1.791%
CNH	2.268	0.050%	25	0.168%
CNY	0.601	0.013%	4	0.027%
CZK	1.369	0.030%	72	0.485%
DKK	1.788	0.039%	16	0.108%
EUR	2,442.956	53.364%	9,385	63.207%
GBP	148.896	3.252%	322	2.169%
HKD	4.782	0.104%	10	0.067%
HUF	0.401	0.009%	31	0.209%
JPY	59.126	1.292%	194	1.307%
NOK	5.371	0.117%	37	0.249%
NZD	0.761	0.017%	4	0.027%
PLN	0.258	0.006%	11	0.074%
RON	0.499	0.011%	4	0.027%
SEK	43.263	0.945%	155	1.044%
SGD	0.939	0.021%	6	0.040%
TRY	0.005	0.000%	1	0.007%
USD	1,808.762	39.511%	4,258	28.677%
ZAR	0.023	0.000%	1	0.007%
<b>TOTAL</b>	<b>4,577.890</b>	<b>100.000%</b>	<b>14,848</b>	<b>100.000%</b>

### Pension funds

As at 12 December 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

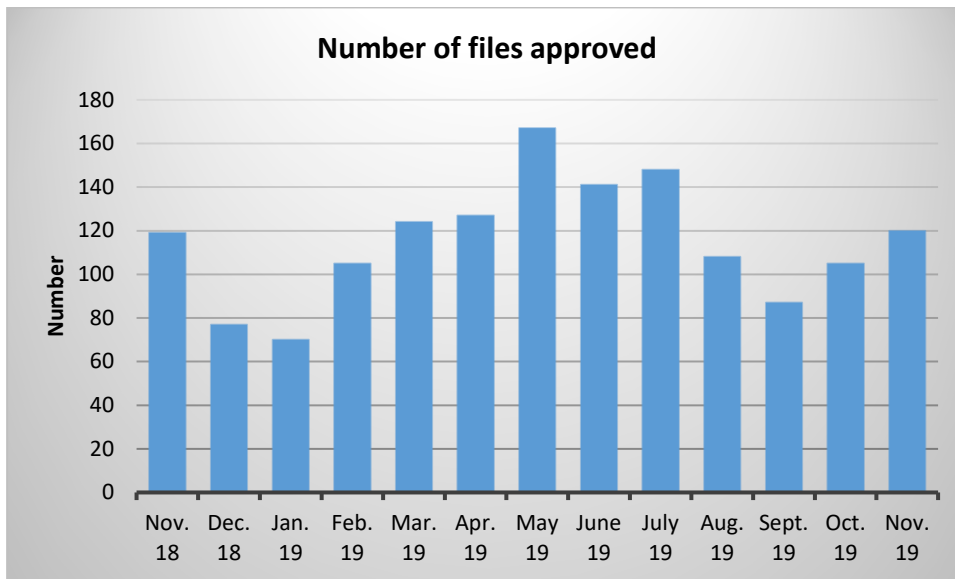
The number of securitisation undertakings authorised by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **33 entities** as at 10 December 2019.

### Public oversight of the audit profession

The public oversight of the audit profession covered **58 cabinets de révision agréés** (approved audit firms) and **322 réviseurs d'entreprises agréés** (approved statutory auditors) as at 30 November 2019. The oversight also included **24 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

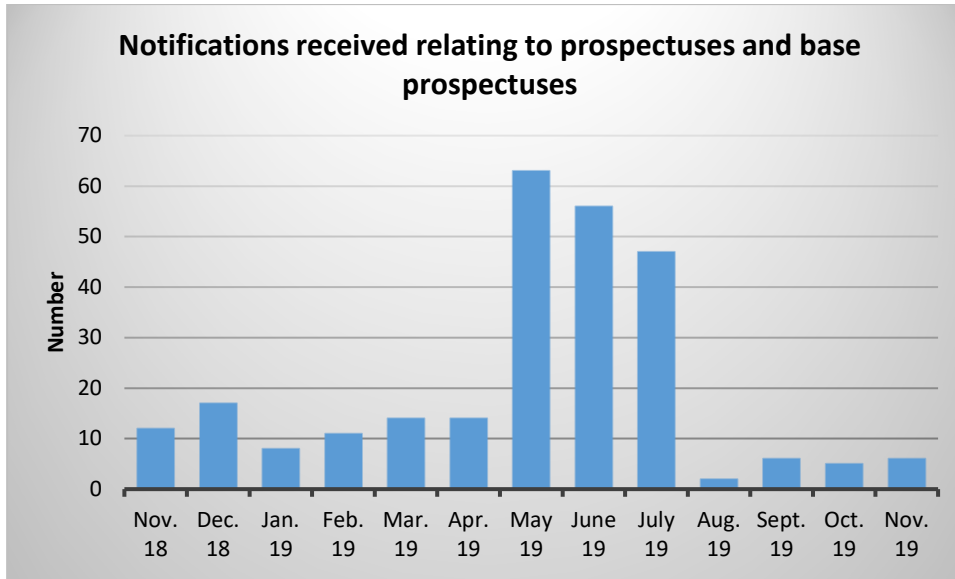
#### CSSF approvals



In November 2019, the CSSF approved a total of 120 documents pursuant to the Prospectus Regulations, which break down as follows:

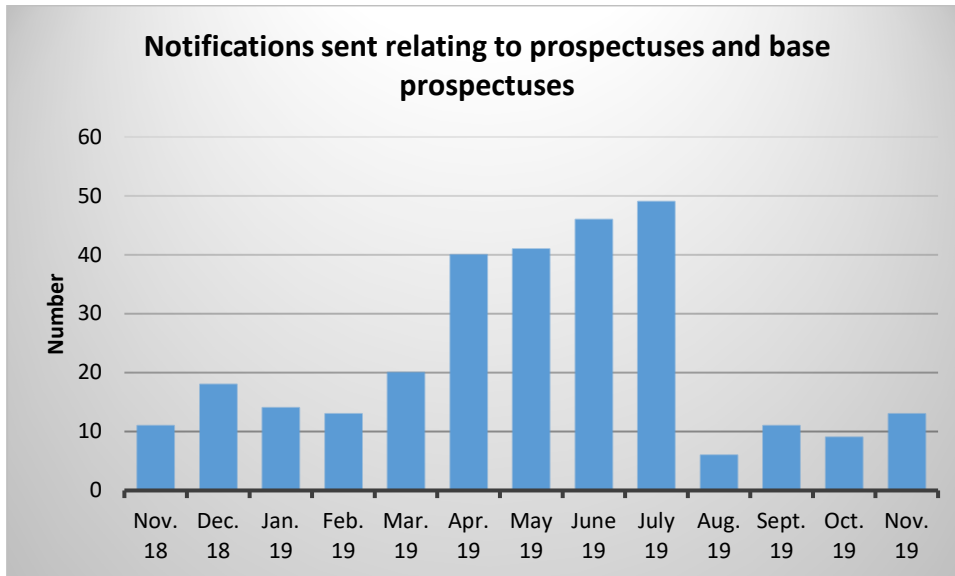
base prospectuses:	12	(10.00%)
other prospectuses:	23	(19.17%)
registration documents:	1	(0.83%)
supplements:	84	(70.00%)

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



In November 2019, the CSSF received 6 notifications relating to prospectuses and base prospectuses and 67 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 November 2019, the CSSF sent 12 notifications relating to prospectuses and base prospectuses, 1 registration document as well as 53 notifications relating to supplements<sup>3</sup> to the competent authorities of other EEA Member States.

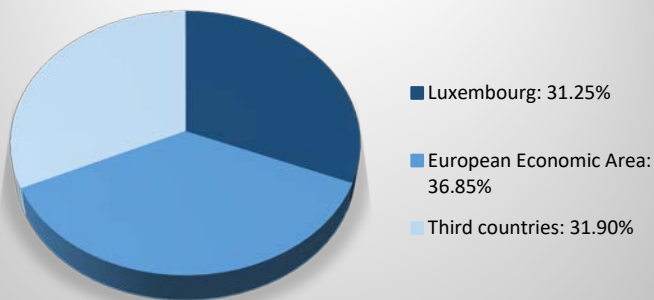
<sup>3</sup> These figures reflect the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications have been sent at different dates and/or in several Member States, only the first notification is included in the statistical calculations. 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")

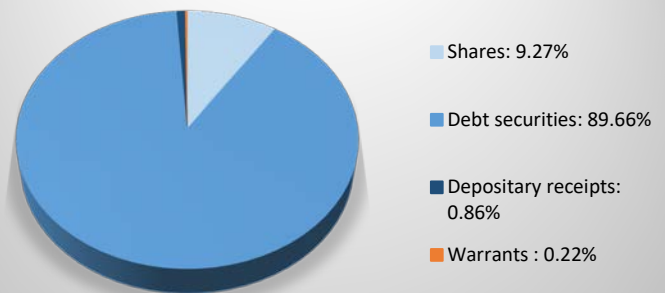
Since 8 November 2019, **six** issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, **seven** issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 9 December 2019, 464 issuers were included in the list of issuers whose home Member State is Luxembourg pursuant to the Transparency Law and are thus subject to the supervision of the CSSF.

**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 five employees on 1 December 2019 and counts, following the departure of two employees, 908 agents (486 men and 422 women). They have been assigned to the following departments:

### Legal department

Natalia LOPEZ

### Supervision of investment firms

Lisa ARENDT

### Personnel, administration and finance

Stefan ADAM

### Information systems of the CSSF

Mike SCHILLING  
Sébastien TIECHE

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**EUROPEAN/INTERNATIONAL NEWS IN NOVEMBER 2019**


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**BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM**
**Single Supervisory Mechanism (SSM) - European Central Bank (ECB)**

Date	Publications	Description
06.11.2019	<a href="#">List of supervised entities (as of 1 October 2019)</a>	<p>The ECB updated the list of supervised entities and supervised groups that are directly supervised by the ECB (“significant supervised entity” and “significant supervised group”, as defined in Article 2(16) and (22) of the SSM Framework Regulation). It also published the list of entities supervised by a national competent authority (NCA).</p> <p>In Luxembourg, the number of significant institutions at the highest level of consolidation that are directly supervised by the ECB has remained unchanged at 5 institutions, and the number of less significant institutions has remained unchanged at 63 institutions.</p>
26.11.2019	<a href="#">Letter from the Chair of the Supervisory Board to the members of the European Parliament</a>	The ECB published a letter from the Chair of the Supervisory Board to the members of the European Parliament in response to a written application relating to banking fees.
Date	Interviews and speeches	Description
06.11.2019	<a href="#">Luis de Guindos: Welcome remarks</a>	Remarks by Luis de Guindos, Vice-President of the ECB, at the ECB Forum on Banking Supervision in Frankfurt.
06.11.2019	<a href="#">Andrea Enria: Five years of European banking supervision – things past and future</a>	Speech by Andrea Enria, Chair of the Supervisory Board of the ECB, at the ECB Forum on Banking Supervision, in Frankfurt.
11.11.2019	<a href="#">Yves Mersch: Opening remarks</a>	Opening remarks by Yves Mersch, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the “Getting to know the EU institutions and Organisations in Luxembourg” event.
12.11.2019	<a href="#">Andrea Enria: Basel III – journey or destination?</a>	Keynote speech by Andrea Enria, Chair of the Supervisory Board of the ECB, at the European Commission’s DG Financial Stability, Financial Services and Capital Markets Union conference on the implementation of Basel III.

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<b>12.11.2019</b>	<a href="#"><u>Kerstin af Jochnick: <i>Striking a balance: proportionality in European banking regulation and supervision</i></u></a>	Introductory statement by Kerstin af Jochnick, Member of the Supervisory Board of the ECB, at the panel discussion on “A proportionate implementation of Basel III” at the European Commission’s DG Financial Stability, Financial Services and Capital Markets Union conference on the implementation of Basel III.
<b>14.11.2019</b>	<a href="#"><u>Pentti Hakkarainen: <i>Supervision in a digital world: how modern technology is driving change</i></u></a>	Speech by Pentti Hakkarainen, Member of the Supervisory Board of the ECB, at the EBI Policy Conference “Banking in Europe: a political, a monetary and a supervisory perspective”.
<b>15.11.2019</b>	<a href="#"><u>Yves Mersch: <i>Anti-money laundering and combating the financing of terrorism - recent initiatives and the role of the ECB</i></u></a>	Speech by Yves Mersch, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the Colloque de l’AEDBF-Europe et AEDBF-France in Paris.
<b>15.11.2019</b>	<a href="#"><u>Kerstin af Jochnick: <i>Banking performance, competition and financial stability: a supervisory view</i></u></a>	Speech by Kerstin af Jochnick, Member of the Supervisory Board of the ECB, at the 7th Frankfurt Conference on Financial Market Policy entitled “European Banking - Too Much Competition?” organised by the Research Centre SAFE.
<b>15.11.2019</b>	<a href="#"><u>Edouard Fernandez-Bollo: <i>Cooperation mechanisms in respect of banking supervision</i></u></a>	Presentation by Edouard Fernandez-Bollo, Member of the Supervisory Board of the ECB, at the Colloque de l’AEDBF-Europe et AEDBF-France in Paris.
<b>19.11.2019</b>	<a href="#"><u>Pentti Hakkarainen: <i>The EU regulatory environment – room for improvement</i></u></a>	Remarks by Pentti Hakkarainen, Member of the Supervisory Board of the ECB, on the panel “Risk and Profitability in European Banking - The Search for Strategies against Margin Erosion” at the Governance, Risk Management and Compliance conference.
<b>21.11.2019</b>	<a href="#"><u>Yves Mersch: <i>Future-proofing the European banking market – removing the obstacles to exit</i></u></a>	Speech by Yves Mersch, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the S&P Global’s European Financial Institutions Conference, Paris.
<b>21.11.2019</b>	<a href="#"><u>Andrea Enria: <i>Regulation, proportionality and the sustainability of banking</i></u></a>	Speech by Andrea Enria, Chair of the Supervisory Board of the ECB, at the Retail Banking Conference “Creating sustainable financial structures by putting citizens first” of the European Savings Bank Group, in Brussels.

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25.11.2019	<a href="#">Yves Mersch: Yves Mersch: From Basel III to European banking regulation From Basel III to European banking regulation</a>	Speech by Yves Mersch, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the IIF 6th Annual European Banking Union Colloquium.
26.11.2019	<a href="#">Edouard Fernandez-Bollo: Financial markets and the digital revolution</a>	Remarks by Edouard Fernandez-Bollo, Member of the Supervisory Board of the ECB, at the Financial Regulatory Outlook Conference.
27.11.2019	<a href="#">Andrea Enria: The future of stress testing – some further thoughts</a>	Speech by Andrea Enria, Chair of the Supervisory Board of the ECB, 8th Annual Research Workshop “The future of stress tests in the banking sector - approaches, governance and methodologies” organised by EBA.

### European Parliament, European Commission and European Council

Date	Regulatory developments	Description
08.11.2019	<a href="#">Commission Delegated Regulation (EU) 2019/1866 of 3 July 2019</a>	Commission Delegated Regulation (EU) 2019/1866 amending Delegated Regulation (EU) 2017/653 to align the transitional arrangement for <b>PRIIP manufacturers</b> offering units of funds referred to in Article 32 of Regulation (EU) No 1286/2014 of the European Parliament and of the Council as underlying investment options with the prolonged exemption period under that Article.

### European Banking Authority (EBA)

Date	Publications	Description
07.11.2019	<a href="#">EBA publishes 2020 EU-wide stress test methodology and draft templates</a>	The EBA published the final methodology and draft templates for the 2020 EU-wide stress test along with the key milestones of the exercise. The methodology and templates cover all relevant risk areas and incorporate the feedback received during the discussion with the industry in the summer of 2019. The stress test exercise will be formally launched in January 2020. The results published by 31 July 2020.



08.11.2019	<a href="#">EBA publishes a report on the trends in asset quality of the EU banking sector</a>	The report shows it has significantly improved over the last four years. Total <b>non-performing loans (NPLs)</b> decreased from over EUR 1.15 trillion in June 2015 (6% as a percentage of total loans) to EUR 636 billion as of June 2019. The NPL ratio declined to 3%, the lowest ratio since the EBA introduced a harmonised definition of NPLs across European countries. The average coverage ratio slightly increased from 43.6% to 44.9% over the same period.
21.11.2019	<a href="#">EBA publishes its roadmap on the risk reduction measures package</a>	The EBA published a set of roadmaps outlining its approach and timelines for delivering the mandates stemming from the <b>Risk Reduction Measures Package</b> adopted by the Council of the EU and the European Parliament on 20 May 2019. These mandates are mainly focused in the areas of governance and remuneration, large exposures, resolution as well as reporting and disclosure.
28.11.2019	<a href="#">EBA publishes guidelines on ICT and security risk management</a>	These guidelines establish requirements for credit institutions, investment firms and payment service providers (PSPs) on the mitigation and management of their information and communication technology (ICT) and security risks and aim to ensure a consistent and robust approach across the single market. These guidelines will enter into force on <b>30 June 2020</b> .
29.11.2019	<a href="#">EBA publishes its annual report on risks and vulnerabilities in the EU banking sector</a>	The EBA published its annual report on risks and vulnerabilities in the EU banking sector. The report is accompanied by the publication of the 2019 EU-wide transparency exercise which provides detailed information for 131 banks across the EU. Overall, EU banks' solvency ratios remained stable, while the NPL ratio further contracted. Amidst low profitability, a proactive management of operating expenses is essential.

Date	Consultations	Description
13.11.2019	<a href="#">EBA launches consultation on draft amended technical standards on passport notification</a>	The EBA published a consultation paper on the draft amended Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) on <b>passport notification</b> . The review of the two regulations aims at improving the quality and consistency of information to be provided by a credit institution notifying its home competent authorities when it intends to open a branch or provide services in another Member State, as well as the communication between home and host authorities.  The consultation runs until <b>13 February 2020</b> .

21.11.2019	<a href="#">EBA consults on specific supervisory reporting requirements for market risk</a>	<p>The EBA launched a public consultation on <b>specific supervisory reporting requirements for market risk</b>, which are the first elements of the Fundamental Review of the Trading Book (FRTB) introduced by the revised Capital Requirements Regulation (CRR2) in the prudential framework of the EU.</p> <p>The consultation runs until <b>7 January 2020</b>.</p>
22.11.2019	<a href="#">EBA launches consultation on disclosure and reporting of MREL and TLAC</a>	<p>The EBA launched a public consultation on the <b>draft ITS on disclosure and reporting of the minimum requirement for own funds and eligible liabilities (MREL) and the total loss absorbency requirement (TLAC)</b>. These draft ITS follow an integrated approach and, in the case of disclosures, are aligned with the Basel Pillar 3 standards. By integrating disclosures and reporting, the EBA seeks to maximise efficiency by institutions, and to facilitate the use of information by authorities and market participants.</p> <p>The consultation runs until <b>22 February 2020</b>.</p>

## Basel Committee of Banking Supervision (BCBS)

Date	Publications	Description
19.11.2019	<a href="#">BCBS publishes a report on open banking and application programming interfaces</a>	<p>The BCBS published a report on <b>open banking and application programming interfaces (APIs)</b>. The report monitors the evolving trend of open banking observed in Basel Committee member jurisdictions and the use of APIs.</p>
22.11.2019	<a href="#">BCBS publishes more details on G-SIBs</a>	<p>The BCBS published further information related to its 2019 assessment of <b>global systemically important banks (G-SIBs)</b>, including additional details underlying the scoring methodology. This publication accompanies the Financial Stability Board's release of the updated list of G-SIBs and includes: the denominators of each of the 12 high-level indicators used to calculate the banks' scores, 12 high-level indicators used to calculate these denominators, the cutoff score used to identify the G-SIBs in the updated list and the thresholds used to allocate G-SIBs to buckets.</p>
27.11.2019	<a href="#">BCBS issues guiding principles for the operationalisation of a sectoral CCyB</a>	<p>The BCBS published guiding principles for the operationalisation of a <b>sectoral countercyclical capital buffer (SCCyB)</b>. The SCCyB is a tool that can be used to complement the Basel III countercyclical capital buffer. While a bank's additional capital requirements following the activation of the CCyB depend on total risk-weighted assets, the SCCyB would allow national authorities to temporarily impose additional capital requirements that directly address the build-up of risks in a specific sector.</p>

**28.11.2019** [BCBS publishes consultation paper on revisions to the credit valuation adjustment risk framework](#)

The BCBS published a consultative document on revisions to the **credit valuation adjustment (CVA) risk framework**. The document seeks the views of stakeholders on a set of limited adjustments to the CVA risk framework published in December 2017. The first set of proposed revisions aim to align the CVA framework with the final market risk framework, which was published in January and replaced the version issued in January 2016. As the current calibration of the CVA risk framework is based largely on the January 2016 market risk standard, the Committee proposes to reflect the corresponding market risk revisions from January 2019 in the CVA risk framework.

Date	Consultations	Description
08.11.2019	<a href="#">BCBS consults on guidelines on cooperation between prudential and AML/CFT supervision</a>	<p>The BCBS proposes to amend its <b>guidelines on the sound management of risks related to money laundering and financing of terrorism</b> published in June 2017, by providing detailed and practical guidelines on the interaction and cooperation between prudential and anti-money laundering and combating the financing of terrorism (AML/CFT) supervision. These proposed guidelines are intended to enhance the effectiveness of supervision of banks' money laundering and financing of terrorism (FT) risk management, consistent with and complementary to the goals and objectives of the standards issued by the Financial Action Task Force (FATF) and principles and guidelines published by the BCBS.</p> <p>The consultation runs until <b>6 February 2020</b>.</p>
14.11.2019	<a href="#">BCBS consults on revisions to market risk disclosure requirements</a>	<p>The document sets out adjustments to the Pillar 3 templates for the <b>revised market</b> risk framework to reflect the changes introduced in minimum capital requirements for market risk published in January 2019.</p> <p>The consultation runs until <b>14 February 2020</b>.</p>
14.11.2019	<a href="#">BCBS consults on voluntary disclosure of sovereign exposures</a>	<p>Following feedback received to the regulatory treatment of sovereign exposures - discussion paper, published in December 2017, the Committee is seeking views on three Pillar 3 templates for the disclosure of banks' sovereign exposures. The implementation of these templates is voluntary - that is they are mandatory for banks only when required by national supervisors at a jurisdictional level.</p> <p>The consultation runs until <b>14 February 2020</b>.</p>

## Macroprudential topics and fora

### European Systemic Risk Board (ESRB)

#### 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
Germany	0.25%*	01/07/2020
Belgium	0.5%*	01/07/2020
Bulgaria	0.5%	01/10/2019
	1%*	01/04/2020
Denmark	1%	30/09/2019
	1.5%*	30/06/2020
	2%*	30/12/2020
France	0.25%	01/07/2019
	0.5%*	02/04/2020
Ireland	1%	05/07/2019
Iceland	1.75%	15/05/2019
	2%*	01/02/2020
Lithuania	1%	30/06/2019
Luxembourg	0.25%*	01/01/2020
Norway	2%	31/12/2017
	2.5%*	31/12/2019
Czech Republic	1.5%	01/07/2019
	1.75%*	01/01/2020
	2%*	01/07/2020
Slovakia	1.5%	01/08/2019
	2%*	01/08/2020
Sweden	2.5%	19/09/2019
United Kingdom	1%	28/11/2018

Pending CCyB rates are followed by an asterisk ("\*").

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

## Financial Stability Board (FSB)

Date	Publications	Description
22.11.2019	<a href="#">FSB publishes 2019 G-SIB list</a>	FSB published the 2019 list of global systematically important banks (G-SIBs) using end-2018 data. One bank (Toronto Dominion) has been added to the list of G-SIBs that were identified in 2018, and therefore the overall number of G-SIBs increases from 29 to 30. Compared with the 2018 list of G-SIBs, a bank (Deutsche Bank) has moved from bucket 3 to bucket 2.

## NEWS OF THE EUROPEAN SECURITIES AND MARKETS AUTHORITY (ESMA)

Date	Publications	Description
05.11.2019	<a href="#">MiFID II: ESMA consults on position limits in commodity derivatives</a>	ESMA launched a consultation paper on position limits and position management in commodity derivatives.  The consultation runs until <b>8 January 2020</b> .
08.11.2019	<a href="#">MiFID II: ESMA issues latest double volume cap data</a>	ESMA updated its public register with the latest set of double volume cap (DVC) data under the Markets in Financial Instruments Directive (MiFID II).
08.11.2019	<a href="#">MiFID II: ESMA makes new bond liquidity data available</a>	ESMA 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.
08.11.2019	<a href="#">MiFID II: ESMA publishes data for the systematic internaliser calculations for equity, equity-like instruments and bonds</a>	ESMA published data for the systematic internaliser calculations for equity, equity-like instruments and bonds under MiFID II and MiFIR.
11.11.2019	<a href="#">ESMA advises EC on the supervisory regime for third-country CCPS</a>	ESMA published three sets of technical advice to the European Commission (EC) regarding third-country central counterparties (TC-CCPs) under revised EMIR 2.2.
14.11.2019	<a href="#">DG International Ratings SRL's CRA registration withdrawn</a>	ESMA withdrew the credit rating agency (CRA) registration of DG International ratings SRL (previously Dagong Europe Credit Rating Srl) (DG International).
15.11.2019	<a href="#">ESMA updates its Q&amp;As on the Securitisation Regulation</a>	ESMA updated its Questions and Answers on the Securitisation Regulation (Regulation 2017/2402).

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- 27.11.2019** [ESMA publishes responses to consultation on aligning MiFIR to the changes introduced by EMIR Refit](#) ESMA published the responses it received to its consultation on aligning MiFIR requirements to the changes introduced by the revision of EMIR (EMIR Refit).
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- 28.11.2019** [ESMA sees continued high market risk amid deteriorating economic fundamentals](#) ESMA published its latest risk dashboard for the European Union's securities markets, covering the third quarter of 2019.
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- 29.11.2019** [ESMA publishes 2019 CRA market share calculation in the EU](#) ESMA published its annual market share calculation for EU registered credit rating agencies.
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## FINANCIAL CENTRE

### Main updated figures regarding the financial centre

			Annual comparison
<b>Banks</b>	Number (12/12/2019)	129	↘ 7 entities
	Balance sheet total (30/09/2019)	EUR 841.932 bn	↗ EUR 56.828 bn
	Profit before provisions (30/09/2019)	EUR 3.765 bn	↘ EUR 217 m
<b>Payment institutions</b>	Number (12/12/2019)	14 including 2 branches	↗ 4 entities
<b>Electronic money institutions</b>	Number (12/12/2019)	9	↗ 4 entities
<b>UCIs</b>	Number (12/12/2019)	Part I 2010 Law: 1,779	↘ 42 entities
		Part II 2010 Law: 275	↘ 21 entities
		SIFs: 1,470	↘ 72 entities
		TOTAL: 3,524	↘ 135 entities
	Number (05/12/2019)	SICARs: 252	↘ 24 entities
	Total net assets (31/10/2019)	EUR 4,577.890 bn	↗ EUR 370.128 bn
<b>Management companies (Chapter 15)</b>	Number (30/11/2019)	202	↘ 4 entities
	Balance sheet total (30/09/2019) <sup>4</sup>	EUR 15.589 bn	↗ EUR 1.116 bn
<b>Management companies (Chapter 16)</b>	Number (30/11/2019)	162	↗ 1 entity
<b>AIFMs</b>	Number (12/12/2019)	257	↗ 19 entities
<b>Pension funds</b>	Number (12/12/2019)	12	↘ 1 entity
<b>Authorised securitisation undertakings</b>	Number (10/12/2019)	33	↗ 1 entity
<b>Investment firms</b>	Number (12/12/2019)	99 including 4 branches	↗ 3 entities
	Balance sheet total (31/10/2019)	EUR 1.465 bn	↘ EUR 81 m
	Provisional net profit (31/10/2019)	EUR 89.93 m	↗ EUR 13.23 m
<b>Specialised PFS</b>	Number (12/12/2019)	108	↘ 2 entities
	Balance sheet total (31/10/2019)	EUR 5.889 bn	↘ EUR 706 m
	Provisional net profit (31/10/2019)	EUR 271.761 m	↘ EUR 120.67 m
<b>Support PFS</b>	Number (12/12/2019)	75	↗ 1 entity
	Balance sheet total (31/10/2019)	EUR 2.067 bn	↗ EUR 834 m
	Provisional net profit (31/10/2019)	EUR 48.72 m	↘ EUR 0.86 m
<b>Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law</b>	Number (09/12/2019)	464	↘ 57 entities
<b>Public oversight of the audit profession</b>	Number (30/11/2019)	58 <i>cabinets de révision agréés</i>	↘ 1 entity
		322 <i>réviseurs d'entreprises agréés</i>	↗ 8 people
		24 third-country auditors and audit firms	↘ 7 entities
<b>Employment (30/09/2019)</b>	Banks	26,438 people	↗ 102 people
	Management companies (Chapter 15) <sup>4</sup>	4,788 people	↗ 92 people
	Investment firms	2,121 people	↗ 18 people
	Specialised PFS	4,660 people	↗ 276 people
	Support PFS	10,010 people	↗ 135 people
	Payment institutions	334 people	N/A
	Electronic money institutions	222 people	N/A
	Total	48,573 people	↗ 623 people <sup>5</sup>

<sup>4</sup> Preliminary figures

<sup>5</sup> 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.