



Annual Report 2000



INTRODUCTION

2000 was a good year for the financial centre and hence for the Commission de Surveillance du Secteur Financier “*Financial Sector Supervisory Commission*” (CSSF) whose primary role is precisely to prevent any event that might endanger the assets of private investors and to ensure the stability of the financial centre, without neglecting its mission to further the balanced growth of business in the financial centre in the interests of the Luxembourg economy.

The period of growth which the financial centre appears to have enjoyed for several years could be viewed as the result of an automatic process over which the CSSF has no control, a process in which the CSSF simply stands by, waiting to intervene when an irregularity occurs. This conclusion is not supported by the facts. The development of the financial centre, however, beneficial, is not immune to difficulties, errors or malfunctions. In view of this, the CSSF frequently takes the initiative and intervenes to put matters right in specific circumstances, to prevent certain weaknesses or to apply sanctions where necessary in the event of malpractice.

This annual report for the year 2000 provides more information than previous reports on the CSSF’s scope of intervention and the reasons for such action. We do not consider that the supervisory function performed by the CSSF is to supervise “spectacular” public cases entailing detailed descriptions of the measures taken and the naming of those involved. This is certainly not our approach. There is no need here to stress the importance of the coercive measures available to us since they are known by those concerned. On the other hand, we do feel it necessary to inform a larger public on the practical action we take.

What does the year 2001 hold in store? We can only answer that question with the caution that befits the financial community. Today, no indicators suggest that the growth of the financial centre is slowing down. Quite the contrary. The political decisions taken in Europe in the last year prompt serious reflection as to the financial centre’s future. Professionals, authorities and



Jean-Nicolas SCHAUS, Managing director

clients alike recognise the need to review and refocus their activities in the light of new factors. This reorganisation will prove more difficult for some than for others, quite naturally so, given acquired habits and commitments made.

With new staff who are about to join us following a highly successful recruitment campaign, the CSSF is determined to steadfastly pursue its firm and solicitous approach in order to encourage the development of new financial activities in a spirit of close cooperation.

To conclude, I would like to thank Charles Stuyck, head of the “investment funds” department, who is retiring, for the very fine work he has performed during his long career with the Commissariat au contrôle des banques, the IML, the Banque centrale du Luxembourg and the CSSF.

Jean-Nicolas SCHAUS
Managing director

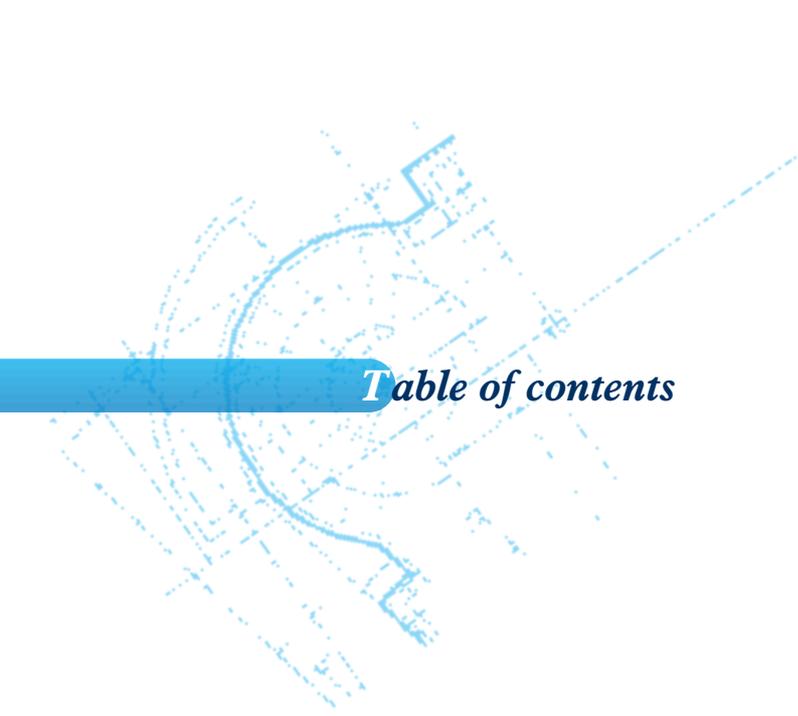


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Arthur PHILIPPE, Director



Charles KIEFFER, Director

Corporate governing bodies

The Board of Directors	
Chairman	Jean Guill <i>Treasury director, Ministry of Finance</i>
Vice-chairman	Gaston Reinesch <i>General administrator, Ministry of Finance</i>
Members	Rafik Fischer <i>President of the Association Luxembourgeoise des Fonds d'Investissement</i>
	Jean Fuchs <i>President of the Association Luxembourgeoise des Professionnels du Patrimoine</i>
	Paul Meyers <i>President of the Administration des Biens de S.A.R. le Grand-Duc</i>
	Etienne Reuter <i>Government commissioner with Banque Internationale à Luxembourg S.A., Ministry of Finance</i>
	Claude Wirion <i>Member of the Executive Committee of the Commissariat aux Assurances</i>
Secretary	Danielle Mander
The Executive Board	
Managing Director	Jean-Nicolas Schaus
Directors	Arthur Philippe, Charles Kieffer

Organisation chart

