

COMMISSION de SURVEILLANCE  
du SECTEUR FINANCIER



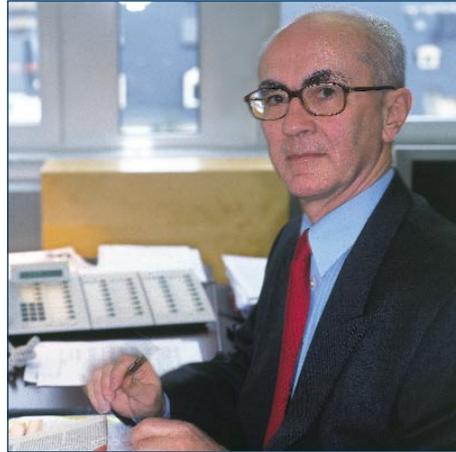
Annual Report **2001**

Commission de Surveillance du Secteur Financier  
110, route d'Arlon  
L-2991 LUXEMBOURG  
Tel. : (+352) 26 251-1  
Fax : (+352) 26 251-601  
E-mail : [direction@cssf.lu](mailto:direction@cssf.lu)  
Website : <http://www.cssf.lu>

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*Jean-Nicolas SCHAUS, Director General*

The world economy as a whole, and the Luxembourg financial sector in particular, had a difficult year in 2001. Having said that, the Luxembourg financial market withstood the knocks unleashed by the bursting of the "new-economy" bubble, the slump in share prices, the downturn in the economy, the Turkish and Argentine crises, the attacks of 11 September and external pressures on bank secrecy and Luxembourg's role in the fight against money laundering.

Despite the turbulent climate, the CSSF continued to pursue a deliberate and cautious policy of supervision in accordance with regulatory requirements and international standards in order to safeguard the stability of the financial sector as a whole. The turnaround in the economic cycle obviously had a considerable impact on the performance of financial sector professionals. However, it should be noted that the country's wide range of products and services and highly qualified workforce enabled local banks to achieve a record balance sheet total of EUR 720.97 billion.

As the world's second biggest investment fund centre, Luxembourg testifies to the continued importance of UCIs, with the number of active funds up 7% and the volume of net assets under management up 6% to EUR 928.4 billion.

While these results bear witness to the healthy state of the local financial market, the CSSF seeks to do more than just passively observe activities under its supervision. The aim of this report is not just to review the year from a statistical and regulatory viewpoint; it also attempts to demonstrate the exact nature of the CSSF's prudential role using practical examples. With its mission to safeguard the stability of the Luxembourg financial market and defend the public interest, the CSSF ensures the conditions required to practice the financial professions and the professional obligations laid down by law are fulfilled by financial sector professionals. To fulfil the multitude of tasks incumbent upon it, the CSSF also increased its staff numbers in 2001 to 183.

As is always the case at this time of year, questions arise as to future developments. There is no discernible trend, despite signs of a rebound in the economy. There can be no doubt that, having established a sound reputation over the past few decades by virtue of its professionalism, an exceptional ability to adapt to changes in international legislation and the wide range of financial products it has to offer, the Luxembourg financial market will achieve a sound performance in 2002.

A handwritten signature in black ink, appearing to be 'JN SCHAUS'.

Jean-Nicolas SCHAUS  
Director General

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## Corporate governing bodies of the Commission de Surveillance du Secteur Financier

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*Arthur PHILIPPE, Director*



*Charles KIEFFER, Director*

