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BANKING AND FINANCIAL LEGISLATION AND REGULATIONS

CHAPTER

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1. Proposals for Directives under discussion at Council level

The *Commission de surveillance du secteur financier* participates in the groups examining the following proposals for Directives:

1.1. Proposal for a Directive “Modernisation of accounting Directives”

The proposal for a Directive amending Directives 78/660/EEC, 83/349/EEC, 86/635/EEC and 91/647/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions as well as insurance undertakings (proposal for a Directive “Modernisation of accounting Directives”) supplements the IAS regulations making the application of IAS standards compulsory for consolidated accounts of companies listed on a regulated market from 2005 onwards.

The proposal for the Directive, which amends the 4th and 7th Accounting Directives, the Accounting Directive for banks and other financial institutions as well as the Accounting Directive for insurance undertakings, consists of two sections.

- As far as companies that do not fall under the IAS regulation (nor under the optional or mandatory regulations) are concerned, the proposed Directive removes all inconsistencies between accounting directives and existing IAS standards as from 1 May 2002. Furthermore, it aims at making accounting directives flexible enough to allow later developments to IAS/IFRS standards. It aims at maintaining as far as possible equal opportunities between companies that apply IAS standards and those that do not. This principle of equality conditions a smooth transition for companies seeking admission to the listing of a regulated market.
- For all the companies, the proposed directive provides an update of certain points that are not covered by the IAS standards, such as the requirement to disclose an annual management report, to have accounts audited by a legal auditor and to publish an audit report.

As far as the first section is concerned, the proposed Directive introduces the conformity with IAS standards by choice, allowing the Member States to either permit or require that all IAS options be applied by all the companies or only by certain categories thereof.

1.2. Proposal for a Directive concerning the prospectus to be published when securities are offered to the public or admitted to trading

The main characteristics of the system proposed by the proposed Directive of 30 May 2001 have already been commented in the 2001 Annual report of the CSSF.

According to the outcome of the analysis of the aforementioned proposal for a Directive, carried out in the meantime by the parties concerned, the implementation of the proposal of 30 May 2001 would entail considerable difficulties as regards markets, issuers and supervisory authorities. The proposal would be too rigid and would not take entirely account of the real situation of the markets. Implementing these provisions would consequently be likely to jeopardise the functioning and the continuity of securities markets established and functioning within the European Union.

The main difficulties concerned the determination of the home authority, the requirement to designate an independent administrative authority by Member State, the format of the prospectus, its mandatory update as well as the uniform treatment of the different categories of

issuers. Furthermore, the European Commission has also been criticised for not launching any formal consultation on this matter in accordance with the method recommended by the Committee of Wise Men in the Lamfalussy report.

The proposed Directive was to a large extent also subject to opposition within the European Parliament. Indeed, the European Parliament proposed a large number of modifications, including the taking into account of the requests and concerns of small and medium-sized companies, the establishment of the principle of free choice as regards the home authority and the format of prospectuses, the introduction of a greater flexibility within the language system furthering a more widespread use of English, the widening of the definition of qualified investors as well as the introduction of a simplified system as regards euro-bonds exclusively traded between professional investors.

Consequently, on 9 August 2002, the European Commission adopted an amended and simplified proposal taking into account a certain number of comments relating to the free choice of the home authority, the possibility for independent administrative authorities to delegate certain functions to other entities and the regime applicable to small and medium-sized companies. A political accord was reached on 5 November 2002. The main modifications are:

- freedom to choose the competent supervisory authority for issuers of warrants and non-equity securities, as from a threshold of a denomination per unit of at least EUR 5,000;
- possibility given to the national supervisory authority to delegate under strict conditions specific tasks for a transitional period of five years;
- possibility to implement a specific system for certain types of securities issues at national level;
- exemption from tentative disclosure of new prospectus in case of request for admission to trade of securities already admitted to trading for a certain period.

The proposal for a Directive aims at strengthening the quality of information available to investors and facilitating access to this information thanks to a centralised deposit of documents.

As soon as a formal common position on the basis of the accord of 5 November 2002 is adopted, the European Parliament will examine the proposed Directive at second reading, in accordance with the co-decision procedure.

1.3. Proposal for an Investment Services Directive (ISD)

On 19 November 2002, the European Commission adopted a new proposal to modernise the Investment Services Directive following a large consultation of the sector that lasted two years. Indeed, developments connected to the implementation of the current Directive concerning investment services as well as important structural changes in the EU financial markets called for the revision, clarification and extension of the legal Community framework governing investment firms and applicable to trading systems and methods. This modernisation should respect the three fundamental objectives: investor protection, orderly and efficient functioning of the market and market stability.

The proposal aims at clarifying and completing the list of financial instruments and services covered, at updating and harmonising the regulatory conditions companies must comply with, at reinforcing the rules of conduct and organisational rules, at introducing a single and efficient European passport, at strengthening the co-operation between competent authorities and their means of intervention as well as at drawing up a complete regulatory framework guaranteeing high quality investor transactions, be they executed on regulated markets, through multilateral trading systems or internalisation. Furthermore, the Commission proposes to introduce a regulatory framework for regulated markets and increase pre- and post-trade transparency requirements that all the operators must comply with.

1.4. Proposal for a Directive on takeover bids

Despite some failures in this field since the very first proposal in 1989, the Lisbon Summit placed the convergence of European legislation on takeover bids into a single Directive among the priorities as regards the integration of European financial markets by 2005. The European Commission therefore presented a new proposal for a Directive that meets the Parliament's concerns without compromising fundamental principles unanimously approved in the Council's Common Position of 19 June 2000. The new proposal takes large account of the recommendations made by the Group of High-Level Company Law Experts under the chairmanship of Professor Jaap Winter. These recommendations are set out in the Winter report of January 2002, and concern issues relating to takeover bids.

Thus, the proposal for a Directive of 2 October 2002 aims to (1) offset the lack of harmonisation and define "equitable price", (2) set out the principle of neutrality according to which the board cannot attempt to frustrate the takeover bid unless the general meeting of shareholder agrees, and (3) protect employees' interests. Furthermore, the proposal pursues the general objectives of integrating European markets in conformity with the Financial Services Action Plan. Further goals are the harmonisation favouring corporate restructuring and strengthening of the legal certainty of cross-border takeover bids in the interest of all the parties concerned as well as protection of minority shareholders in the course of such transactions.

The new proposal follows the recommendations set out in the Winter report as regards the definition of equitable price offered to minority shareholders in case of a takeover bid. It also includes the following principles:

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- the squeeze-out right, ensuring that following a bid made to all the holders of securities of the company concerned for all their securities, an offeror may require the holders of the remaining securities to sell him those securities at an equitable price;
- the sell-out right, conferring the right on minority shareholders to require the offeror to buy all the remaining securities at fair price;
- it is for shareholders to decide on defensive measures once a bid has been made public;
- greater transparency of the defensive structures and mechanisms of the companies concerned by the proposal. It has to be noted that the duly justified defensive measures must be put to the vote at the general meeting every two years.

The combination of greater transparency and the non-invocability of measures likely to lead to an unjustified protection of managers should considerably improve the level playing field requested by the European Parliament, without however compromising the competitive position of European companies compared to that of third countries, notably the United States.

Finally, the proposal for a Directive replaces the old contact committee system by the comitology procedure with a view to ensuring the follow-up of the application of the Directive.

1.5. Proposal for a Directive on institutions for occupational retirement provision

The proposal for a Directive is covered separately in point 2 of Chapter III "Supervision of pension funds".

2. Directives adopted by the Council and the European Parliament, but not yet implemented under national legislation

This section presents the various Directives adopted by the Council and the European Parliament for which a draft law has been submitted to the Luxembourg Parliament (*Chambre des Députés*) or for which a preliminary draft is under discussion by committees operating within the CSSF or which are still being implemented by the CSSF.

2.1. Directive 2001/24/EC of 4 April 2001 on the re-organisation and winding-up of credit institutions

This Directive is the natural continuation of the First and Second Banking Coordination Directives. Whereas these Directives deal with the taking up and pursuit of banking activities, Directive 2001/24/EC relates to the measures to be taken in the event of solvency problems of a bank and in particular to co-operation between EU prudential supervisory authorities in times of crisis. Like the framework Directives, it confirms the principle of supervisory and jurisdictional competence of the authorities at the site of the registered office and the application of measures drawn up by the home country. The section on re-organisation establishes the exclusive competence of the prudential or legal authorities of the home Member State. The measures taken by the authorities of the home country produce their effects on the territory of the host country. The section on winding-up affirms the principle of the unity and universality of bankruptcy. The Directive seeks to organise the winding-up of credit institutions by confirming the exclusive competence of the jurisdictions of the home country of the credit institution (application of *lex fori*), and by enabling decisions taken by these jurisdictions to be of full effect in other Member States. It is not possible to open secondary liquidation procedures in host Member States, even if such procedures have only territorial effect. The application of the bankruptcy law of the country of the registered office as a matter of principle has the merit of assuring equal treatment for all creditors of the defaulting institution.

Finally, the Directive establishes procedures for the exchange of information between the authorities of the Member States concerned and clearly determines the legislation to be applied in specific cases, e.g. with regard to the transactions carried out and the procedures applicable within a regulated market.

2.2 Directive 2001/65/EC of 27 September 2001 amending Directives 78/660/EEC, 83/349/EEC and 86/635/EEC as regards the valuation rules for the annual and consolidated accounts of certain types of companies as well as of banks and other financial institutions (Fair value Directive)

Besides prescriptions concerning the mandatory disclosure of information relating to the fair value of derivative financial instruments to be included in the annexe of the accounts, the fair value Directive introduces in the accounting Directives concerned the IAS 39 standard "Financial instruments: recognition and measurement".

Indeed, the Directive gives Member States the option to require or permit credit institutions to apply the fair value valuation method to a wider range of financial instruments. From now on, the scope of application will include all derivative instruments (assets and liabilities), financial instruments on the assets side, with the exception of loans and receivables originated by the company or items held to maturity, as well as trading items on the liabilities side. Member States may, in respect of any assets and liabilities which may qualify as hedged items under a fair value hedge accounting system, or identified portions of such assets or liabilities, permit valuation at the specific amount required under that system.

2.3. Directive 2001/97/EC of 4 December 2001 amending Directive 91/308/EEC on the prevention of the use of the financial system for the purpose of money laundering

As the basic 1991 Directive did not clearly state the Member State the authorities of which should receive declarations on suspicious transactions filed by the EU branches of credit and financial institutions, this Directive states that the Member State in which the branch is located should receive such declarations. These authorities are also responsible for ensuring that branches comply with the Directive. For these responsibilities to be clearly determined, the Directive redefines the terms “credit institution” and “financial institution”.

In order to cover as much of the financial sector as possible, the Directive specifies that it also applies to investment firms as defined in Directive 93/22/EEC. The Directive extends the scope *ratione personae* notably to notaries and other members of legal professions when they assist their customers in various real estate or financial transactions.

Finally, the Directive calls on the Member States to take specific and adequate measures necessary to cope with the greater risk of money laundering which arises when financial sector professionals enter into a business relationship with a customer who has not been physically present for identification purposes.

2.4. Directive 2002/47/EC of 6 June 2002 on financial collateral arrangements

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The Directive aims at improving the effectiveness of the single market for financial services. It seeks to increase the harmonisation of the EU financial market and to promote the smooth functioning of the single monetary policy within the Economic and Monetary Union. To this end, it defines a single, minimum legal framework applicable to the provision of securities and cash as collateral, and the pledging of securities or the transfer of title including repurchase agreements. The Directive aims to ensure that effective and simple regimes exist for the creation of collateral under either title transfer or pledge structures. Certain provisions of insolvency laws should not apply to collateral arrangements, notably those that inhibit the realisation of financial collateral or cast doubt on the validity of techniques such as bilateral close-out netting, the provision of top-up collateral and substitution of collateral.

The Directive also aims to limit the administrative burdens affecting the use of collateral in the financial markets, by limiting costly formalities imposed on the creation or enforcement of collateral arrangements. It ensures that agreements permitting the collateral taker to re-use the collateral for its own purposes under pledge structures are recognised as effective, as for repurchase agreements.

2.5. Directive 2002/65/EC of 23 September 2002 concerning the distance marketing of consumer financial services and amending Directives 90/619/EEC, 97/7/EC and 98/27/EC

The scope *ratione personae* of the Directive includes all financial services providers. The concept of financial services encompasses all services relating to banking, insurance, individual pensions, investments and payments. The Directive exclusively deals with the distance marketing of financial services, irrespective of the means of communication (electronic means, mail, fax or even telephone). It aims at defining a harmonised legal framework covering the conclusion of financial services contracts at a distance so as to establish an appropriate level of consumer protection in all Member States and thereby promote cross-border marketing of financial services and products.

In order to ensure transparency, the Directive lays down requirements needed to ensure that an appropriate level of information is provided to the consumer both before and after conclusion of the contract. Consumers enjoy a right to withdraw, except for a certain number of specific services. The Directive also protects consumers against unsolicited services.

2.6. Directive 2002/87/EC of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC, 93/22/EEC, 98/78/EC and 2000/12/EC

The “financial conglomerates” Directive seeks to supplement the legislation on sectoral prudential supervision with a set of measures governing the supervision of financial conglomerates. Without prejudice to the provisions on supervision provided for by sectoral rules, the Directive stipulates that Member States should ensure that financial conglomerates aimed at by the Directive are subjected to a supplementary supervision, as laid down in the Directive. Thus, supplementary supervision on capital adequacy, risk exposure and intra-group transactions of regulated entities in a financial conglomerate is carried out in accordance with the Directive. In order to ensure proper supplementary supervision of the regulated entities in a financial conglomerate, one of the competent authorities of the Member States concerned should be appointed as coordinator responsible for coordination and exercise of supplementary supervision.

Finally, the Directive amends several sectoral Directives, notably Directive 2000/12/EC, by including elements to be deducted from own funds, i.e. participations in insurance and re-insurance undertakings respectively.

The Member States must translate the Directive into their national legislation by 11 August 2004. Thus, supplementary supervision as provided for by the Directive shall first apply for the financial year starting 1 January 2005 or during that calendar year.

2.7. Directive 2003/6/EC on insider dealing and market manipulation (market abuse)

This Directive, the objectives of which were commented in the CSSF Annual Report 2001 and on which a Common Position was reached on 19 July 2002, was adopted on 3 December 2002.

Following the political accords with the Council and the European Parliament, the four level approach recommended by the Lamfalussy report on regulations will entirely apply as from 2003. The Directive on insider dealing and market manipulation, placed among the priorities of the Financial Services Action Plan creating a single market in financial services by 2005, is the first Directive to fully benefit from this approach.

2.8. Regulation (EC) No 1606/2002 of 19 July 2002 on the application of international accounting standards (IAS Regulation)

The IAS Regulation provides that all Community companies, the securities (shares and bonds) of which are listed on a regulated market within the European Union, shall prepare their consolidated accounts according to the International Accounting Standards (IAS) as from the financial year 2005 (compulsory regime of the IAS Regulation). Member States may also require or permit the application of IAS as regards non-listed companies as well as annual accounts (optional regime of the IAS Regulation).

According to the transitional provisions, Member States may defer the application of obligatory provisions until 2007 for the companies of which:

- only the bonds are listed on a regulated market in the EU, or
- the securities (shares and bonds) are listed on a regulated market outside the EU, which are already applying another set of internationally accepted standards for a financial year having started before the publication of the IAS Regulation.

In order to ensure appropriate political control, the IAS Regulation provides for an adoption mechanism in order to assess IAS standards (or International Financial Reporting Standards, "IFRS", following the future denomination of new international accounting standards) adopted by the International Accounting Standards Board (IASB), the international private body for accounting standardisation based in London. The EU mechanism is in charge of giving these standards the legal recognition allowing their application within the EU.

The adoption mechanism is structured into two levels:

- The Accounting Regulation Committee at the political level, consisting of representatives of Member States and chaired by the Commission. This Committee decides whether the IAS standards will be adopted according to the Commission's proposal.
- EFRAG (European Financial Reporting Advisory Group), the technical accounting group created in June 2001 at the technical level. EFRAG is made up of accounting experts from the private sector of several Member States. This consultative group for financial information in Europe assists the Commission through technical advice on the application of IAS standards in the European legal environment and participates actively in the international accounting standardisation process.

Furthermore, the IAS Regulation draws up the framework and sets conditions for an IAS standard to be adopted in order to be applied in the European Community.

3. Laws passed in 2002

3.1. Law of 12 January 2002

- approving the International Convention for the suppression of counterfeiting currency and the related protocol, signed in Geneva on 20 April 1929
 - amending certain provisions of the Penal Code and the Code of Criminal Procedure
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This Law has already been commented in the 2001 Annual Report.

3.2. Law of 14 May 2002 translating into the amended Law of 5 April 1993 on the financial sector:

- Directive 2000/28/EC amending Directive 2000/12/EC relating to the taking up and pursuit of the business of credit institutions
 - Directive 2000/46/EC on the taking up, pursuit and prudential supervision of business of electronic money institutions
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The Law of 14 May 2002 widens the definition of credit institution to include a new category of institutions, namely the electronic money institutions, within the limits provided for by this Law.

Electronic money institutions are characterised by their restricted activities. In addition to the main activity consisting in the issuance of electronic money, the Law only allows them to exercise closely related auxiliary activities. The restriction of their activities stems from the concern of public authorities to preserve, and even strengthen public confidence in these new means of payment in order to promote their development in the European Community and to

protect the bearers of electronic money. The objective is to avoid that risks linked to other activities jeopardise the repayment of funds received from holders of electronic money.

Furthermore, on the express demand of the European Central Bank, the Community legislator subjects electronic money institutions to the same requirements as credit institutions. Electronic money institutions are therefore also subject to the minimum reserve requirement of the European System of Central Banks.

The aforementioned Law specifies that the receipt of funds from bearers in exchange for electronic money does not constitute an activity of receipt of deposits or other repayable funds under the condition that the entire funds be immediately changed into electronic money. This is the reason why electronic money institutions should be subjected to a different prudential supervisory regime than that applicable to credit institutions.

On the other hand, receipt of funds from bearers in return for electronic money constitutes an activity of receipt of deposits or other repayable funds from the public according to article 2 (3) of the amended Law of 5 April 1993 on the financial sector, if a credit balance is left on account with the issuing institution. In this case, the issuing institution must be authorised as credit institution in accordance with article 1 of the amended Law on the financial sector.

Electronic money institutions, further to the issuing of electronic money, are only allowed to exercise the following restricted ancillary commercial activities to their main activities:

- the provision of financial and non-financial services closely related to the issuance of electronic money, such as the administering of electronic money, by the performance of operational and other ancillary functions related to its issuance, as well as to issuing and administering of other means of payment but excluding the granting of any form of credit, and
- the storing of data on the electronic device on behalf of other undertakings or public institutions.

3.3. Law of 20 December 2002 on undertakings for collective investment

The Law of 20 December 2002 relating to undertakings for collective investment (UCIs) was published in the Mémorial A n° 151 of 31 December 2002 and came into force on 1 January 2003. It translates into Luxembourg law, among others, Directives 2001/107/EC and 2001/108/EC, both amending Directive 85/611/EEC of 20 December 1985 on the co-ordination of laws, regulations and administrative provisions relating to certain undertakings for collective investment in transferable securities (UCITS).

Given the prescribed modes of translating the directives into national law, it has been decided to work out a new law on UCIs, instead of modifying the existing Law of 30 March 1988.

Insofar as Directives 2001/107/EC and 2001/108/EC contain transitional provisions providing for a period expiring on 13 February 2007 allowing UCITS created before 13 February 2002 and management companies authorised before 13 February 2004 to comply with the new provisions, the text of the Law of 20 December 2002 contains, among transitional and repealing provisions, provisions designed to translate the latter into national law.

In this context, it should be noted that the Law of 30 March 1988 remains in force until 13 February 2007. Consequently, two laws will simultaneously govern UCIs until that date: the Law of 30 March 1988 and the Law of 20 December 2002.

For the majority of the provisions, the Law of 20 December 2002 exactly reproduces the texts and formulation of both Directives, as well as the provisions of the Law of 30 March 1988 that are not being modified by these Directives.

In accordance with both Directives, the Law of 20 December 2002 widens the scope of activities of the management companies complying with the new UCITS Directives and allows them to provide, besides their services of collective management of UCIs, discretionary management for the account of individual and institutional investors, including pension funds. Furthermore, the Law provides these management companies with a “European passport” and introduces the simplified prospectus that can be freely used as a marketing document in all Member States.

As regards investments of harmonised UCITS, the Law broadens the range of assets in which they can invest and allows them on certain conditions to invest in deposits, financial derivative instruments, money market instruments and units of UCITS and other UCIs. On certain conditions, the Law also allows UCITS that track recognised indexes.

Compared with the Law of 30 March 1988, the main modifications contained in the law of 20 December 2002 that do not result from the transposition of both Directives are the following:

- modification of the publication modes of the management regulations, published in the *Mémorial* mentioning their registration with the registry of the district court;
- publication in two newspapers instead of three as provided for by the Law of 30 March 1988;
- insofar as the issuer is a UCI or a legal entity having adopted a multiple compartment structure applying the principle of segregating the commitments of different sub-funds towards third parties, each sub-fund shall be considered as a separate issuer for the purpose of applying the rules of risk spreading;
- obligation of management companies to have their accounts audited by an external auditor having appropriate professional experience;
- specification that the CSSF is the relevant authority for receiving complaints lodged by unitholders and for interceding with the latter so as to settle these complaints amicably;
- specification that each sub-fund of an umbrella fund can be liquidated separately without entailing the liquidation of another sub-fund. Only the liquidation of the last sub-fund of the UCI will lead to the liquidation of the whole UCI.

4. Circulars issued in 2002

From 1 January 2002 to 1 March 2003, 47 Circulars were issued by the CSSF, 33 of which dealt with the fight against money laundering and identifying business relations with terrorist circles.

The following Circulars were the most important, and are also detailed in the Annual Report.

- Circular 02/63 on cross-border payments in euro.
- Circular 02/65 defining the concept of “seat” (“*siège*”) in the context of the Law of 31 May 1999 governing the domiciliation of companies.
- Circular 02/77 concerning investor protection in case of NAV miscalculation and compensation following non-compliance with investment rules applicable to undertakings for collective investment.
- Circular 02/80 concerning specific rules applicable to Luxembourg undertakings for collective investment adopting alternative investment strategies.
- Circular 02/81 relating to the practical rules regarding the tasks of external auditors of undertakings for collective investment.
- Circular 03/87 on the coming into force of the Law of 20 December 2002 regarding undertakings for collective investment.
- Circular 03/88 regarding the classification of undertakings for collective investment governed by the provisions of the Law of 20 December 2002 regarding undertakings for collective investment.

5. Circulars in force (as at 1 March 2003)

5.1. Circulars issued by the *Commissariat au Contrôle des Banques*

B 79/2 of 07.05.1979 European Code of Conduct on securities transactions

B 83/6 of 16.03.1983 Participating interest held by credit institutions

5.2. Circulars issued by the *Institut Monétaire Luxembourgeois*

IML 84/18 of 19.07.1984 Futures markets (law of 21 June 1984)

IML 86/32 of 18.03.1986 Control of the annual accounts of credit institutions

IML 88/49 of 08.06.1988 New legal provisions concerning controls carried out by auditors

IML 91/75 of 21.01.1991 Revision and recasting of rules governing Luxembourg undertakings covered by the law of 30 March 1988 on undertakings for collective investment

<i>IML</i>	<i>91/78</i>	<i>of</i>	<i>17.09.1991</i>	Terms of application of Article 60 of the amended law of 27 November 1984 regulating private portfolio managers
<i>IML</i>	<i>91/80</i>	<i>of</i>	<i>05.12.1991</i>	Staff numbers
<i>IML</i>	<i>92/85</i>	<i>of</i>	<i>19.06.1992</i>	New compilation of instructions to banks
<i>IML</i>	<i>92/86</i>	<i>of</i>	<i>03.07.1992</i>	Law of 17 June 1992 concerning the accounts of credit institutions
<i>IML</i>	<i>92/87</i>	<i>of</i>	<i>21.10.1992</i>	Reporting to be supplied by other financial sector professionals
<i>IML</i>	<i>92/88</i>	<i>of</i>	<i>30.11.1992</i>	Certain periodic data to be supplied by credit institutions under Luxembourg law and by branches of banks originating from a country outside the EEC
<i>IML</i>	<i>93/92</i>	<i>of</i>	<i>03.03.1993</i>	Computerised transmission of periodic data
<i>IML</i>	<i>93/94</i>	<i>of</i>	<i>30.04.1993</i>	Entry into force for banks of the law of 5 April 1993 on the financial sector
<i>IML</i>	<i>93/95</i>	<i>of</i>	<i>04.05.1993</i>	Entry into force for other financial sector professionals of the law of 5 April 1993 on the financial sector
<i>IML</i>	<i>93/99</i>	<i>of</i>	<i>21.07.1993</i>	Provisions for Luxembourg credit institutions wishing to exercise banking activities in other EEC countries through the establishment of branches or under the freedom to provide services
<i>IML</i>	<i>93/100</i>	<i>of</i>	<i>21.07.1993</i>	Provisions for credit institutions of Community origin exercising banking activities in Luxembourg through branches or under the freedom to provide services
<i>IML</i>	<i>93/101</i>	<i>of</i>	<i>15.10.1993</i>	Rules concerning the organisation and internal control of the market activity of credit institutions
<i>IML</i>	<i>93/102</i>	<i>of</i>	<i>15.10.1993</i>	Rules concerning the organisation and internal control of the activities of brokers or commission agents exercised by other financial sector professionals
<i>IML</i>	<i>93/104</i>	<i>of</i>	<i>13.12.1993</i>	Definition of a liquidity ratio to be observed by credit institutions
<i>IML</i>	<i>93/105</i>	<i>of</i>	<i>13.12.1993</i>	Introduction of table 4.5. "Shareholder Composition"
<i>IML</i>	<i>94/109</i>	<i>of</i>	<i>08.03.1994</i>	Allocation of responsibilities for the establishment of equipment for transmitting computerised data to the IML
<i>IML</i>	<i>94/112</i>	<i>of</i>	<i>25.11.1994</i>	The fight against money laundering and prevention of the use of the financial sector for the purpose of money laundering
<i>IML</i>	<i>94/113</i>	<i>of</i>	<i>07.12.1994</i>	Explanations of various questions on accounting - treatment of premiums and discounts on transferable securities, repurchase agreements, spot and forward transactions, and definition of "multilateral development banks"
<i>IML</i>	<i>95/116</i>	<i>of</i>	<i>20.02.1995</i>	A supplement to the Compilation of instructions to banks Entry into force of: - the law of 21 December 1994 amending certain legal provisions concerning the transfer of claims and pledging - the law of 21 December 1994 concerning repurchase agreements transacted by credit institutions

<i>IML</i>	<i>95/118 of 05.04.1995</i>	Treatment of customer complaints
<i>IML</i>	<i>95/119 of 21.06.1995</i>	Rules for the management of risks linked to derivatives transactions
<i>IML</i>	<i>95/120 of 28.07.1995</i>	Central administration
<i>IML</i>	<i>96/123 of 10.01.1996</i>	Staff numbers (new table S 2.9.)
<i>IML</i>	<i>96/124 of 10.01.1996</i>	Staff numbers (new table S 2.9. for other financial sector professionals)
<i>IML</i>	<i>96/125 of 30.01.1996</i>	Supervision of credit institutions on a consolidated basis
<i>IML</i>	<i>96/126 of 11.04.1996</i>	Administrative and accounting organisation
<i>IML</i>	<i>96/129 of 19.07.1996</i>	The law of 9 May 1996 on the netting of claims in the financial sector
<i>IML</i>	<i>96/130 of 29.11.1996</i>	Calculation of a simplified ratio in application of IML Circular 96/127
<i>IML</i>	<i>97/134 of 17.03.1997</i>	Provision for the cost of migration to the euro for banking systems
<i>IML</i>	<i>97/135 of 12.06.1997</i>	Transmission of supervisory data and statistics by telecommunications media
<i>IML</i>	<i>97/136 of 13.06.1997</i>	Financial information for the IML and Statec
<i>IML</i>	<i>97/137 of 31.07.1997</i>	Updating the Compilation of instructions for banks Report 1.4.: Integrated ratio / simplified ratio Report 3.2.: Details of calculation of the overall capital requirement
<i>IML</i>	<i>97/138 of 25.09.1997</i>	New collection of statistical data with a view to Economic and Monetary Union
<i>IML</i>	<i>98/142 of 01.04.1998</i>	Financial data to be supplied periodically to the IML
<i>IML</i>	<i>98/143 of 01.04.1998</i>	Internal control
<i>IML</i>	<i>98/144 of 10.04.1998</i>	New collection of statistical data from undertakings for collective investment in money market instruments with a view to Economic and Monetary Union
<i>IML</i>	<i>98/146 of 14.05.1998</i>	Updating the Compilation of instructions for banks: Report 6.4.: Consolidated integrated ratio / consolidated simplified ratio Report 7.3.: Details of calculation of the consolidated overall capital requirement
<i>IML</i>	<i>98/147 of 14.05.1998</i>	Provisions for EC investment firms exercising their activities in Luxembourg through branches or under the freedom to provide services
<i>IML</i>	<i>98/148 of 14.05.1998</i>	Provisions for Luxembourg investment firms wishing to exercise their activities in other EC countries through the establishment of branches or under the freedom to provide services
<i>IML</i>	<i>98/149 of 29.05.1998</i>	Updating the Compilation of instructions for banks: Table S 1.2.: Simplified monthly statistical balance sheet

5.3. Circulars issued by the Luxembourg Central Bank (up to 31 December 1998)

<i>BCL</i>	<i>98/151 of 24.09.1998</i>	Accounting aspects of switching to the euro
<i>BCL</i>	<i>98/152 of 06.11.1998</i>	Introduction of a minimum reserve system
<i>BCL</i>	<i>98/153 of 24.11.1998</i>	Supplement to IML Circular 94/112 on the fight against money laundering and prevention of the use of the financial sector for the purpose of money laundering
<i>BCL</i>	<i>98/155 of 09.12.1998</i>	Minimum reserve requirements

5.4. Circulars issued by the *Commissariat aux Bourses*

<i>CAB</i>	<i>90/1 of 13.12.1990</i>	Conditions for drafting, scrutiny and distribution of the prospectus to be published when transferable securities are offered to the public, or of listing particulars, to be published for the admission of transferable securities to official stock exchange listing
<i>CAB</i>	<i>91/2 of 01.07.1991</i>	Law of 3 May 1991 on insider dealing
<i>CAB</i>	<i>91/3 of 17.07.1991</i>	Admission to official listing on the Luxembourg stock exchange of foreign undertakings for collective investment (UCIs)
<i>CAB</i>	<i>93/4 of 04.01.1993</i>	Law of 4 December 1992 on reporting requirements concerning the acquisition or disposal of major holdings in a listed company
<i>CAB</i>	<i>94/5 of 30.06.1994</i>	Publication of forecasts in the admission prospectus for an official listing
<i>CAB</i>	<i>98/6 of 24.09.1998</i>	Information to be included in the prospectus for a public offering or for admission to official listing of certain debt issues whose income and/or redemption is/are linked to underlying shares
<i>CAB</i>	<i>98/7 of 15.10.1998</i>	Information to be shown in the prospectus for a public offering or for admission to official listing of certain categories of warrants, bonds, or issue programmes

5.5. Circulars issued by the *Commission de surveillance du secteur financier (CSSF)*

<i>CSSF</i>	<i>99/1 of 12.01.1999</i>	Creation of the Commission de Surveillance du Secteur Financier (CSSF) (list of Circulars in force appended)
<i>CSSF</i>	<i>99/2 of 20.05.1999</i>	Entry into force of three new laws dated 29 April 1999
<i>CSSF</i>	<i>99/4 of 29.07.1999</i>	Entry into force of the law of 8 June 1999 creating pension funds in the form of pension savings companies with variable capital (Sepcav) and pension savings associations (Assep)
<i>CSSF</i>	<i>99/7 of 27.12.1999</i>	Declarations to be sent to the CSSF in accordance with Articles 5 and 6 of the law of 23 December 1998 on the supervision of the securities markets

<i>CSSF</i>	<i>00/10</i>	<i>of</i>	<i>23.03.2000</i>	Definition of capital ratios pursuant to Article 56 of the amended law of 5 April 1993 on the financial sector (application to credit institutions)
<i>CSSF</i>	<i>00/12</i>	<i>of</i>	<i>31.03.2000</i>	Definition of capital ratios pursuant to Article 56 of the amended law of 5 April 1993 on the financial sector (application to investment firms)
<i>CSSF</i>	<i>00/13</i>	<i>of</i>	<i>06.06.2000</i>	Sanctions against the Federal Republic of Yugoslavia and the Taliban in Afghanistan
<i>CSSF</i>	<i>00/14</i>	<i>of</i>	<i>27.07.2000</i>	Adoption of the law of 17 July 2000 amending certain provisions of the law of 30 March 1988 on undertakings for collective investment
<i>CSSF</i>	<i>00/15</i>	<i>of</i>	<i>02.08.2000</i>	Rules of conduct for the financial sector
<i>CSSF</i>	<i>00/16</i>	<i>of</i>	<i>23.08.2000</i>	Supplement to IML Circular 94/112 on the fight against money laundering and prevention of the use of the financial sector for the purpose of money laundering
<i>CSSF</i>	<i>00/17</i>	<i>of</i>	<i>13.09.2000</i>	Entry into force of the law of 27 July 2000 bringing into force the provisions of Directive 97/9/EC concerning investor compensation schemes under the amended law of 5 April 1993 on the financial sector
<i>CSSF</i>	<i>00/18</i>	<i>of</i>	<i>20.10.2000</i>	Bank accounts of the State of Luxembourg
<i>CSSF</i>	<i>00/19</i>	<i>of</i>	<i>27.11.2000</i>	Appointment of those in charge of certain functions
<i>CSSF</i>	<i>00/20</i>	<i>of</i>	<i>30.11.2000</i>	EC Council Regulation maintaining a freeze of funds in relation to Mr Milosevic and those persons associated with him
<i>CSSF</i>	<i>00/21</i>	<i>of</i>	<i>11.12.2000</i>	Supplement to Circulars IML 94/112 and BCL 98/153 on the fight against money laundering and prevention of the use of the financial sector for the purpose of money laundering
<i>CSSF</i>	<i>00/22</i>	<i>of</i>	<i>20.12.2000</i>	Supervision of investment firms on a consolidated basis carried out by the <i>Commission de Surveillance du Secteur Financier</i>
<i>CSSF</i>	<i>01/26</i>	<i>of</i>	<i>21.03.2001</i>	Law of 12 January 2001 implementing the provisions of Directive 98/26/EC on settlement finality in payment and securities settlement systems under the amended law of 5 April 1993 and supplementing the law of 23 December 1998 creating a supervisory commission for the financial sector
<i>CSSF</i>	<i>01/27</i>	<i>of</i>	<i>23.03.2001</i>	Practical rules on the role of external auditors
<i>CSSF</i>	<i>01/28</i>	<i>of</i>	<i>06.06.2001</i>	Verification by banks and FSPs that the legal requirements on domiciliation are satisfied
<i>CSSF</i>	<i>01/29</i>	<i>of</i>	<i>07.06.2001</i>	Minimum content required for an agreement on the domiciliation of companies
<i>CSSF</i>	<i>01/30</i>	<i>of</i>	<i>28.06.2001</i>	Table E 1.1. "Simplified asset and liability situation" Table E 2.1. "Simplified profit and loss account" Update of references in Table B 1.5. "Liquidity ratio"
<i>CSSF</i>	<i>01/31</i>	<i>of</i>	<i>04.07.2001</i>	Supplement to CSSF Circular 00/16 and IML Circular 94/112 on the fight against money laundering and prevention of the use of the financial sector for the purpose of money laundering

- CSSF 01/32 of 11.07.2001 Publication of information on financial instruments
- CSSF 01/34 of 24.09.2001 Entry into force of a series of laws concerning the financial sector
- CSSF 01/36 of 03.10.2001 Publication in the *Mémorial A* of the law of 1 August 2001 on the changeover to the euro on 1 January 2002 and amending certain legal provisions
- CSSF 01/37 of 04.10.2001 Supplement to CSSF Circulars 00/16 and 00/31 and IML Circular 94/112 on the fight against money laundering and prevention of the use of the financial sector for the purpose of money laundering
- CSSF 01/40 of 14.11.2001 Specifications on the extent of the professional obligations laid down in Part II of the amended law of 5 April 1993 on the financial sector and in IML Circular 94/112 on the fight against money laundering and prevention of the use of the financial sector for the purpose of money laundering
- CSSF 01/42 of 19.11.2001 Banks issuing mortgage bonds: rules on real estate valuation
- CSSF 01/46 of 19.12.2001 Repeal of CSSF Circular 01/35
- CSSF 01/47 of 21.12.2001 Professional obligations of domiciliation agents of companies and general recommendations
Amendment to CSSF Circular 01/28
- CSSF 01/48 of 20.12.2001 Supplement to CSSF Circulars 00/16, 00/31 and 01/37 and IML Circular 94/112 on the fight against money laundering and prevention of the use of the financial sector for the purpose of money laundering
- CSSF 01/49 of 20.12.2001 Update of CSSF Circular 2000/10 defining capital ratios pursuant to the amended law of 5 April 1993 on the financial sector (definition zone A)
- CSSF 01/50 of 21.12.2001 Update of CSSF Circular 2000/12 defining capital ratios pursuant to the amended law of 5 April 1993 on the financial sector (definition zone A)
- CSSF 02/58 of 07.03.2002 Restrictive measures in respect of Zimbabwe
- CSSF 02/59 of 10.05.2002 Fight against terrorism
- CSSF 02/61 of 04.06.2002 Identification and declaration of business relations with terrorist circles
- CSSF 02/62 of 05.06.2002 Identification and declaration of business relations with terrorist circles
- CSSF 02/63 of 01.07.2002 Cross-border payments in euros
- CSSF 02/65 of 08.07.2002 Law of 31 May 1999 governing the domiciliation of companies; precisions as regards the concept of "seat"
- CSSF 02/66 of 15.07.2002 Supplement to CSSF Circulars 00/16, 01/31, 01/37, 01/48 and IML 94/112 on the fight against money laundering and the prevention of the use of the financial sector for money laundering purposes
- CSSF 02/67 of 31.07.2002 Restrictive measures in respect of Zimbabwe
- CSSF 02/68 of 09.09.2002 Identification and declaration of business relations with terrorist circles
- CSSF 02/69 of 23.09.2002 Restrictive measures in respect of Zimbabwe

<i>CSSF</i>	<i>02/70</i>	<i>of</i>	<i>23.09.2002</i>	Identification and declaration of business relations with terrorist circles
<i>CSSF</i>	<i>02/71</i>	<i>of</i>	<i>01.10.2002</i>	Law of 3 September 1996 concerning the involuntary dispossession of bearer securities
<i>CSSF</i>	<i>02/72</i>	<i>of</i>	<i>07.10.2002</i>	Identification and declaration of business relations with terrorist circles
<i>CSSF</i>	<i>02/73</i>	<i>of</i>	<i>15.10.2002</i>	Supplement to CSSF Circulars 00/16, 01/31, 01/37, 01/48, 02/66 and IML 94/112 on the fight against money laundering and the prevention of the use of the financial sector for money laundering purposes
<i>CSSF</i>	<i>02/74</i>	<i>of</i>	<i>17.10.2002</i>	Identification and declaration of business relations with terrorist circles
<i>CSSF</i>	<i>02/75</i>	<i>of</i>	<i>08.11.2002</i>	Identification and declaration of business relations with terrorist circles Fight against terrorism Abrogation of several CSSF Circulars
<i>CSSF</i>	<i>02/76</i>	<i>of</i>	<i>11.11.2002</i>	Restrictive measures against Burma/Myanmar
<i>CSSF</i>	<i>02/77</i>	<i>of</i>	<i>27.11.2002</i>	Protection of investors in case of miscalculation of NAV and the compensation following non-compliance with investment rules applicable to undertakings for collective investment
<i>CSSF</i>	<i>02/78</i>	<i>of</i>	<i>27.11.2002</i>	Details on the obligation of declaration with respect to money laundering and on the primary offences that could lead to money-laundering offences
<i>CSSF</i>	<i>02/79</i>	<i>of</i>	<i>29.11.2002</i>	Identification and declaration of business relations with terrorist circles
<i>CSSF</i>	<i>02/80</i>	<i>of</i>	<i>05.12.2002</i>	Specific rules applicable to Luxembourg undertakings for collective investment (UCIs) which adopt alternative investment strategies
<i>CSSF</i>	<i>02/81</i>	<i>of</i>	<i>06.12.2002</i>	Practical rules regarding the tasks of external auditors of undertakings for collective investment
<i>CSSF</i>	<i>02/82</i>	<i>of</i>	<i>06.12.2002</i>	Survey on Luxembourg credit institutions' exposure with regard to derivative credits
<i>CSSF</i>	<i>02/83</i>	<i>of</i>	<i>18.12.2002</i>	Statistics on deposits and guaranteed instruments as at 31 December 2002
<i>CSSF</i>	<i>02/84</i>	<i>of</i>	<i>18.12.2002</i>	Fight against terrorism
<i>CSSF</i>	<i>02/85</i>	<i>of</i>	<i>18.12.2002</i>	Breakdown of value corrections done by the credit institutions at 31 December 2002
<i>CSSF</i>	<i>03/86</i>	<i>of</i>	<i>15.01.2003</i>	Supplement to CSSF Circulars 00/16, 01/31, 01/37, 01/48, 02/66, 02/73 and IML 94/112 on the fight against money laundering and the prevention of the use of the financial sector for money laundering purposes
<i>CSSF</i>	<i>03/87</i>	<i>of</i>	<i>21.01.2003</i>	Coming into force of the Law of 20 December 2002 regarding undertakings for collective investment
<i>CSSF</i>	<i>03/88</i>	<i>of</i>	<i>22.01.2003</i>	Classification of undertakings for collective investment governed by the provisions of the Law of 20 December 2002 regarding undertakings for collective investment
<i>CSSF</i>	<i>03/89</i>	<i>of</i>	<i>31.01.2003</i>	Identification and declaration of business relations with terrorist circles

- CSSF 03/90 of 31.01.2003* Restrictive measures against UNITA (União Nacional para a Independência Total de Angola)
- CSSF 03/91 of 06.02.2003* Identification and declaration of business relations with terrorist circles
- CSSF 03/92 of 13.02.2003* Identification and declaration of business relations with terrorist circles
- CSSF 03/93 of 18.02.2003* Supplement to CSSF Circulars 00/16, 01/31, 01/37, 01/48, 02/66, 02/73, 03/86 and IML 94/112 on the fight against money laundering and the prevention of the use of the financial sector for money laundering purposes
- CSSF 03/94 of 24.02.2003* Restrictive measures in respect of Zimbabwe
- CSSF 03/95 of 26.02.2003* Banks issuing mortgage bonds: Applicable minimum requirements regarding management and control of mortgage register, guarantees and limit of circulating mortgage bonds
- CSSF 03/96 of 28.02.2003* Identification and declaration of business relations with terrorist circles
- CSSF 03/97 of 28.02.2003* Publication of the simplified and complete prospectuses as well as of annual and half-yearly reports of UCIs in the database of the financial centre

