

CHAPTER XI

BANKING AND FINANCIAL LEGISLATION AND REGULATIONS



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1. Directives under discussion at Council level

The CSSF participates in the groups examining the following proposals for Directives:

1.1. Proposal for a Directive on financial instruments markets (ISD 2)

On 19 November 2002, the European Commission, within the framework of the Financial Services Action Plan, adopted a proposal to modernise the investment services Directive following a large consultation of the sector that lasted two years. The initial designation of the Directive concerning investment services and regulated markets has been changed along the way into a Directive concerning financial instruments markets.

The Directive will increase harmonisation of national rules and give investment firms a veritable 'single passport', which will allow them to operate throughout the European Union on the basis of authorisation in their home Member State. It will also ensure that investors enjoy a high level of protection when making use of investment firms, wherever they are located in the European Union. It seeks to establish, for the first time, a comprehensive regulatory framework governing the organised execution of investor transactions by exchanges, other multilateral trading systems and investment firms.

Following the vote of the European Parliament approving the proposal at first reading, a political accord could be reached at the meeting of ECOFIN on 7 October 2003, notwithstanding the fact that five countries, including Luxembourg, voted against the proposal. The Council reached a common position on the proposal by qualified majority on 8 December 2003 and the proposal has been returned to the European Parliament for second reading.

As regards the highly controversial issue on the internalisation of orders by banks and investment firms, i.e. the execution of orders outside regulated markets, the common position subordinates the authorisation to match orders internally to a certain number of conditions. Thus, the common position limits the obligation to publish quotes to the systematic internalisers and proposes to extend the pre-trade transparency obligations to transactions whose size is not large in scale compared to the normal market size. As regards the suitability test, the common position sets out that a full suitability test must be carried out when a firm is providing investment advice, no suitability test will be performed for execution-only business and a less rigorous test for circumstances in between. The political accord also reflects a compromise on the issue of the application of the home country rule, in other words, of the areas where the activities of the investment firms should be monitored by the authorities of the Member State where they are situated and of those where the regulations of the host country where they perform the majority of their services should apply.

As a framework Directive, the Directive only sets the general obligations that the authorities of the Member States must impose. More detailed implementing measures will be laid down by the comitology procedure. The first provisional mandates have been published in January 2004 and a more detailed description can be found under point 2.3. "CESR and groups established within CESR" of Chapter X "International co-operation".

1.2. Proposal for a Directive on the harmonisation of transparency requirements with regard to information about issuers whose securities are admitted to trading on a regulated market (transparency Directive)

Following a first consultation in 2001 on the measures needed to harmonise the requirements for information that must be provided by the companies whose securities are traded on a regulated market and a second and last consultation in 2002, the European Commission presented a proposal for a Directive aiming at enhancing investor protection and transparency on 26 March 2003.

The proposal introduces minimum transparency requirements with regard to information that companies whose securities are admitted to trading on a regulated market must publish. It aims to enhance investor protection, attract investors to the European financial market and improve the efficiency, openness and integrity of European capital markets. It also aims at removing certain national barriers linked to transparency requirements, which may discourage issuers from having their securities admitted to trading on more than one regulated market in the European Union. In order to achieve these goals, the proposed Directive upgrades the current level and frequency of the mandatory financial information that issuers have to provide to the markets throughout the financial year. It will also simplify the obligations that issuers must meet regarding the use of languages and on the way information is disseminated.

During the discussions within the working groups of the Council, Luxembourg voiced concerns with respect to the disclosure requirement for quarterly reports, the requirements concerning IAS/IFRS, as well as the scope of application of the reporting of major shareholdings in listed companies.

1.3. Proposal for a Directive on takeover bids

On 16 December 2003, the European Parliament adopted the report of Mr Lehne on takeover bids, thus approving the entire informal compromise reached by the Council in November 2003. The long procedure to set up common provisions at European level regarding takeovers has achieved its goal. The text still needs to be adopted by the Council.

The text adopted by the European Parliament reflects many compromises by including a number of optional arrangements in order to take account of the substantial diversity in company law within the European Union.

The main goal of the future Directive concerns best protection of minority shareholders. In the initial proposal of the European Commission, a company that launches a takeover bid was obliged to buy the securities of minority shareholders at a “fair price”, defined as being the “highest price paid for the same securities by the offeror [...] over a period of between six and twelve months prior to the bid”. According to the compromise reached at the Council and approved by the European Parliament, the definition of the fair price becomes more generous for the minority shareholders. If, after the bid has been made public and before the offer closes for acceptance, the offeror purchases securities at a price above the offer price, the offeror shall increase his offer to not less than the highest price paid for the securities so acquired.

The main amendments that have been adopted concern the use of defensive measures, the restrictions on votes and multiple voting rights, particularly the introduction of optional arrangements.

According to the proposal of the European Commission, the board members of the offeree companies were obliged to consult with their shareholders before taking any defensive action, such as the issue of new shares.

However, the European Parliament introduced the compromise consisting in the adoption of an amendment allowing Member States to make this provision optional, i.e. to reserve the

right not to require domestic companies to apply the provisions concerning defensive measures. But the companies will have the possibility in these Member States to apply these provisions, i.e. not to take defensive measures without obtaining permission from shareholders. Another exception: a company which has chosen to apply this rule, but would be the object of a takeover bid from a company which has not, would still have the possibility not to subject to this rule at that moment.

The multiple voting rights are another form of "defensive position". The European Parliament has adopted an amendment allowing multiple voting rights to be treated the same way as restrictions on voting rights. The companies and Member States can depart from these provisions, as is the case for defensive measures. Another amendment stipulated that where rights are being removed, equitable compensation must be provided for any loss incurred by the holders of these rights. The terms for determining such compensation will be set by Member States.

The future Directive does not address the golden shares held in major companies by certain European governments and sometimes used to block off takeover bids. They shall be the object of a separated Directive.

1.4. Proposal for a Directive in order to establish a new financial services committee organisational structure

The proposal for a Directive amending Directives 73/239/EEC, 85/611/EEC, 91/675/EEC, 93/6/EEC, 94/19/EC, 2000/12/EC, 2002/83/EC and 2002/87/EC, in order to establish a new financial services committee organisational structure aims at amending the current committee structure, established by the various sectorial financial services Directives.

Indeed, the European legislators and regulators of the banking, insurance and investment fund sectors have established a legislative and "comitology" regime that is ill-suited for an enlarged EU of 25 Member States. Even if this process were to be maintained, the present committee structure would still need to be adapted to new developments, for instance, by extending the scope of the Insurance Committee to occupational pensions. Legislators and regulators in these areas must be able to respond quickly and effectively to technological change and market developments, by adopting implementing rules on a much faster and more flexible basis.

In response to these challenges, the Council asked to reflect on the best way to improve the financial services committee architecture in April 2002. On the basis of this review, the Council invited the European Commission on 3 December 2002 to extend the committee structure applied in the securities sector to the banking, insurance and UCITS sectors. In particular, the Council invited the Commission to establish "as quickly as possible" new committees in each sector by means of Decisions.

In the securities sector, three pieces of legislation were used to implement this approach, in line with current interinstitutional practice and established precedents:

- 1) a Commission Decision establishing the Committee of European Securities Regulators (level 3);
- 2) a Commission Decision establishing the European Securities Committee (level 2) in advisory mode (level 1);
- 3) a European Parliament and Council Directive on market abuse subsequently establishing the European Securities Committee (level 2) as a committee assisting the Commission in the exercise of its implementing powers (level 2).

In the banking, insurance and UCITS sectors, however, the situation is complicated given the presence of committees (the Banking Consultative Committee (BCC), the Insurance Committee (IC) and the UCITS Contact Committee) established by and referred to in existing European Parliament and Council Directives, and acting in both advisory and "comitology" mode.

As a consequence, the European Commission has been careful to take an approach for the proposal for Directive, that:

- is institutionally and legally consistent with the approach used in the securities sector, and across the range of Community activities;
- avoids the risk of unnecessary complexity and duplication due to the overlap between existing and newly established committees;
- is consistent with the requests of the Council for committees to be set up as soon as possible in advisory capacity;
- is mindful of the concerns raised in the two Parliament Resolutions and gives the Parliament as co-legislator an equal right to decide on the move to a new financial services committee structure.

Thus, the Commission has concluded that the only way to reconcile these objectives in the banking and insurance fields, is by amending the provisions of existing sectoral Directives to repeal the existing committees and by establishing the new banking and insurance committees as committees assisting the Commission in the exercise of its implementing powers (level 2). At the same time, new banking and insurance committees are established in advisory mode (level 1) by two Commission Decisions. New committees of supervisors (Level 3) are established by two separate Commission Decisions.

In the UCITS field, this means amending the existing Directive to delete references to the UCITS Contact Committee and to transfer to the European Securities Committee (ESC) the role of "comitology" committee in this field, as well as the Commission Decisions relating to ESC and CESR (Committee of European Securities Regulators).

The Commission decided that the most effective and transparent means to ensure that such a simultaneous transfer takes place is to immediately adopt "suspensive" Decisions creating the new banking and insurance committees (level 1) and amending the ESC and CESR Decisions, but including clauses stipulating that these Decisions would only come into effect if and when an amending Directive of the type set out above also came into effect. This will ensure that there is no duplication of committees and that the establishment of the committees (level 1 and 2) in the banking and insurance field (and the transfer of UCITS Contact committee functions to the ESC and CESR) is dependent on the agreement of the Council and European Parliament.

Therefore, the Commission came forward with a package of seven measures:

- 1) a Commission Decision establishing CEBS (Level 3) with effect from 1 January 2004;
- 2) a Commission Decision establishing CEIOPS (Committee of European Insurance and Occupational Pensions Supervisors) (level 3) with effect from 24 November 2003;
- 3) the proposal for a Directive, deleting references to the BAC, IC and UCITS Contact Committee acting in an advisory mode and amending references to them acting as committees assisting the Commission in the exercise of its implementing powers to refer to the EBC, EIOPC, and ESC;
- 4) a Commission Decision establishing the EBC (European Banking Committee) in its advisory capacity (level 1), which will only enter into force at the same time as such an amending Directive;
- 5) a Commission Decision establishing the EIOPC (European Insurance and Occupational Pensions Committee) in its advisory capacity (level 1) which will only enter into force at the same time as such an amending Directive;

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- 6) a Commission Decision amending the ESC (European Securities Committee) Decision, which will only enter into force at the same time as such an amending Directive;
- 7) a Commission Decision amending the CESR (Committee of European Securities Regulators) Decision which will only enter into force at the same time as such an amending Directive.

This package of measures concerning the creation of a new committee structure does not confer any new implementation powers on the European Commission.

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 2001/65/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 the IAS 39 standard "Financial instruments: recognition and measurement" as an option in the accounting Directives concerned. More detailed explanations concerning this Directive can be found in the CSSF's 2002 Annual Report.

2.2. 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 1991 Directive did not clearly state whose Member States' authorities should receive declarations on suspicious transactions filed by the EU branches of credit and financial institutions located in other Member States, this Directive lays down that the authorities of 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. The Directive redefines the terms "credit institution" and "financial institution" in order to clearly define these responsibilities.

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 professionals of the financial sector enter into a business relationship with a customer who has not been physically present for identification purposes.

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

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, through 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.

2.4. 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 Directive, whose purpose is to define a harmonised legal framework covering the conclusion of financial service 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, has been covered in detail in the CSSF's 2002 Annual Report.

2.5. 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 Directive, the purpose of which is to supplement the legislation on sectoral prudential supervision with a set of measures governing the supervision of financial conglomerates, has been covered in detail in the CSSF's 2002 Annual Report.

2.6. Directive 2003/6/EC of 28 January 2003 on insider dealing and market manipulation (market abuse)

The purpose of the Directive is to ensure the integrity of the EU financial markets and to strengthen investor confidence in these markets. The Directive has been covered more explicitly in the CSSF's 2001 Annual Report.

In accordance with the final report of the Committee of Wise Men on the regulation of European securities markets, the European Commission Services published a first set of implementing measures on 10 March 2003 in the form of three working documents, based on the advice submitted by CESR on 31 December 2002 at the close of a long consultation period¹. The European Commission then presented formal draft proposals on the implementing measures to the European Securities Committee in July 2003.

¹ The technical advice concerned is covered more specifically in the CSSF's 2002 Annual Report under the CESR Market Abuse working group.

The technical measures were approved in the form of:

- Regulation (EC) No 2273/2003 of 22 December 2003 implementing Directive 2003/6/EC as regards exemptions for buy-back programmes and stabilisation of financial instruments;
- Directive 2003/124/EC of 22 December 2003 implementing Directive 2003/6/EC as regards the definition and public disclosure of inside information and the definition of market manipulation;
- Directive 2003/125/EC of 22 December 2003 implementing Directive 2003/6/EC as regards the fair presentation of investment recommendations and the disclosure of conflicts of interest.

The European Commission Services published on 17 November 2003 a working document on a second set of implementing measures, based on the technical advice given by CESR in September 2003. This advice is further detailed under point 2.3. of Chapter X "International co-operation".

2.7. Directive 2003/41/EC of 3 June 2003 on institutions for occupational retirement provision

The Directive is covered separately under point 2 of Chapter IV "Supervision of pension funds".

2.8. Directive 2003/51/EC of 18 June 2003 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 (Directive "Modernisation of accounting Directives")

The Directive supplements the IAS regulations making the application of IAS standards compulsory for consolidated accounts of companies listed on a regulated market from 2005 onwards. It amends the 4th and 7th Directives, the accounting Directive for banks and other financial institutions, as well as the accounting Directive for insurance undertakings.

There are two parts to this Directive:

- 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 at 1 May 2002. Furthermore, it aims at making accounting Directives flexible enough to allow later amendments to IAS/IFRS standards. Its purpose is to preserve 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 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 part is concerned, the 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.

2.9 Directive 2003/71/EC of 4 November 2003 concerning the prospectus to be published when securities are offered to the public or admitted to trading (prospectus Directive)

Based on the political accord reached by the Ministers for Finance and Economic Affairs on 5 November 2002, a common position has been adopted by the Council in March 2003 and the European Parliament has voted 21 amendments to the proposed Directive at second reading on 2 July 2003. Two of these amendments are particularly important for the Luxembourg market:

- the freedom to choose the competent supervisory authority for non-equity issuers whose denomination per unit amounts to at least EUR 1,000;
- the possibility of independent administrative authorities to delegate certain functions to other entities for eight years. The European Commission will assess the national practices after five years and decide on whether to amend this provision or not.

Following its final adoption within the framework of the co-decision procedure, the prospectus Directive has been published in the Official Journal of the European Union on 31 December 2003.

This Directive will make it easier and cheaper for companies to raise capital throughout the European Union on the basis of approval of the home competent authority in one Member State and reinforce investor protection by guaranteeing that all prospectuses, wherever they are issued in the EU, provide them with the clear and comprehensive information they need to make investment decisions.

The Directive will introduce a new single passport for issuers, which means that once approved for a public offer procedure or for admission to trading on a market regulated by the authority in one Member State, it will have to be accepted everywhere else in the European Union. In order to ensure investor protection, approval will only be granted if prospectuses meet common EU standards for what information must be disclosed and how. For investors, the Directive will raise the quality of information and ensure easy access to documents.

In accordance with the procedure decided upon following the resolution of the Stockholm European Council of March 2001 aiming at improving the decision procedure as regards securities, the first implementing measures relating to the prospectus Directive have been published in November 2003 in the form of a working document drawn up by the European Commission Services. A draft for formal proposals has been submitted to the European Securities Committee in January 2004. The implementing measures take account of the technical advice addressed by CESR to the European Commission during 2003. This technical advice is covered more specifically under point 2.3. of Chapter X "International co-operation" concerning the activities of the CESR prospectus group.

2.10 Regulation (EC) No 1606/2002 of 19 July 2002 on the application of International Accounting Standards (IAS Regulation)

The IAS Regulation provides that all EU companies, the securities (shares or 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 have the option of also requiring or permitting the application of IAS to non-listed companies as well as for annual accounts (optional regime of the IAS Regulation).

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According to the transitional provisions, Member States have the right to defer the application of compulsory provisions until 2007 for the companies of which:

- only the bonds are listed on a regulated market in the EU, or
- the securities (shares or 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.

The Regulation has been covered more specifically in the CSSF's 2002 Annual Report.

3. Laws passed in 2003

3.1. Law of 2 August 2003 amending:

- the law of 5 April 1993 on the financial sector
- the law of 23 December 1998 creating a *commission de surveillance du secteur financier*
- the law of 31 May 1999 governing the domiciliation of companies

The law aims at ensuring that the entire financial sector is subject to a prudential supervision. It also defines new categories of PFS, which correspond to existing activities, namely credit offering, including factoring and leasing with a purchase option, as well as securities lending and borrowing activities, but also activities resulting from specialisation and outsourcing phenomena, such as administrative agents of the financial sector, client communication agents, IT systems and communication networks operators of the financial sector and professionals performing services of setting up and management of companies.

A detailed analysis of the law is covered in Chapter I "Information concerning the law of 2 August 2003".

3.2. Law transposing Directive 2001/24/EC of 4 April 2001 on the re-organisation and winding-up of credit institutions into the law of 5 April 1993 on the financial sector as amended

The law, as adopted on 17 February 2004, transposes Directive 2001/24/EC, which aims at guaranteeing the mutual recognition of national measures to re-organise and wind up credit institutions, as well as the co-operation between competent authorities in such crisis situations, into Luxembourg legislation.

The scope of the law is broader than that of Directive 2001/24/EC, as it does not only concern credit institutions, but also the investment firms that are entitled to hold third-party funds or financial instruments.

The law confirms the principle of competence of the authorities in the country of the registered office and the application of measures drawn up by the home country (principle of recognition by the Member States of the measures taken by each of them). In other words, the measures taken in a home Member State shall be fully effective in the host Member State without any further formalities. Applying the law of the home Member State allows to ensure the equal treatment of all the creditors of the bankrupt institution.

The law also defines a principle of unique insolvency, encompassing, on the one hand, all the branches of Luxembourg-registered institutions, whether they are located in the European Union or in a third country, and covering, on the other hand, the Luxembourg branches of institutions managing third-party funds, wherever their registered office is located.

4. Circulars issued in 2003

From 1 January 2003 to 1 March 2004, 44 circulars have been issued by the CSSF, 34 of which dealing with the fight against money laundering and the identification of business relationships with terrorist circles.

The following circulars are the most important, some of which being detailed in the relevant Chapters of the Annual Report:

- Circular 03/87 on the coming into force of the law of 20 December 2002 regarding undertakings for collective investment;
- Circular 03/88 on the classification of undertakings for collective investment governed by the provisions of the law of 20 December 2002 regarding undertakings for collective investment;
- Circular 03/95 on banks issuing mortgage bonds: applicable minimum requirements regarding management and control of the mortgage register, guarantees and limit of circulating mortgage bonds;
- Circular 03/100 on the publication on the Internet of CSSF instructions;
- Circular 03/108 on Luxembourg management companies subject to Chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment, as well as Luxembourg self-managed investment companies subject to article 27 or article 40 of the law of 20 December 2002 concerning undertakings for collective investment;
- Circular 03/113 on the practical rules concerning the mission of the external auditors of investment firms.

5. Circulars in force (as at 1 March 2004)

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 90/67 of 07.08.1990** Freeze of funds belonging to the States and residents of Kuwait and Iraq
- IML 90/68 of 13.09.1990** Freeze of funds belonging to the States and residents of Kuwait and Iraq
- 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

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IML 91/77	of 25.06.1991	Freeze of funds belonging to the States and residents of Kuwait and Iraq
IML 91/78	of 17.09.1991	Terms of application of Article 60 of the amended law of 27 November 1984 regulating private portfolio managers
IML 91/80	of 05.12.1991	Staff numbers (PFS)
IML 92/85	of 19.06.1992	New compilation of instructions to banks
IML 92/86	of 03.07.1992	Law of 17 June 1992 concerning the accounts of credit institutions
IML 92/87	of 21.10.1992	Reporting to be supplied by other financial sector professionals
IML 92/88	of 30.11.1992	Certain periodic data to be supplied by credit institutions under Luxembourg law and by branches of banks originating from a country outside the EEC
IML 93/92	of 03.03.1993	Computerised transmission of periodic data
IML 93/94	of 30.04.1993	Entry into force for banks of the law of 5 April 1993 on the financial sector
IML 93/95	of 04.05.1993	Entry into force for other professionals of the financial sector of the law of 5 April 1993 on the financial sector
IML 93/99	of 21.07.1993	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
IML 93/100	of 21.07.1993	Provisions for credit institutions of Community origin exercising banking activities in Luxembourg through branches or under the freedom to provide services
IML 93/101	of 15.10.1993	Rules concerning the organisation and internal control of the market activity of credit institutions
IML 93/102	of 15.10.1993	Rules concerning the organisation and internal control of the activities of brokers or commission agents exercised by other financial sector professionals
IML 93/104	of 13.12.1993	Definition of a liquidity ratio to be observed by credit institutions
IML 93/105	of 13.12.1993	Introduction of table 4.5. "Shareholder Composition"
IML 94/109	of 08.03.1994	Allocation of responsibilities for the establishment of equipment for transmitting computerised data to the IML
IML 94/112	of 25.11.1994	The fight against money laundering and prevention of the use of the financial sector for the purpose of money laundering
IML 94/113	of 07.12.1994	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" A supplement to the <i>Recueil des instructions aux banques</i>
IML	95/116 of 20.02.1995	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
IML	95/118 of 05.04.1995	Treatment of customer complaints
IML	95/119 of 21.06.1995	Rules for the management of risks linked to derivatives transactions
IML	95/120 of 28.07.1995	Central administration
IML	96/123 of 10.01.1996	Staff numbers (new table S 2.9.)
IML	96/124 of 10.01.1996	Staff numbers (new table S 2.9. for other financial sector professionals)
IML	96/125 of 30.01.1996	Supervision of credit institutions on a consolidated basis
IML	96/126 of 11.04.1996	Administrative and accounting organisation
IML	96/129 of 19.07.1996	The law of 9 May 1996 on the netting of claims in the financial sector
IML	96/130 of 29.11.1996	Calculation of a simplified ratio in application of IML Circular 96/127
IML	97/134 of 17.03.1997	Provision for the cost of migration to the euro for banking systems
IML	97/135 of 12.06.1997	Transmission of supervisory data and statistics by telecommunications media
IML	97/136 of 13.06.1997	Financial information for the IML and Statec
IML	97/137 of 31.07.1997	Updating the <i>Recueil des instructions aux banques</i> Report 1.4.: Integrated ratio / simplified ratio Report 3.2.: Details of calculation of the overall capital requirement
IML	97/138 of 25.09.1997	New collection of statistical data with a view to Economic and Monetary Union
IML	98/142 of 01.04.1998	Financial data to be supplied periodically to the IML
IML	98/143 of 01.04.1998	Internal control
IML	98/146 of 14.05.1998	Updating the <i>Recueil des instructions aux banques</i> : Report 6.4.: Consolidated integrated ratio / consolidated simplified ratio Report 7.3.: Details of calculation of the consolidated overall capital requirement

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IML 98/147 of 14.05.1998	Provisions for EC investment firms exercising their activities in Luxembourg through branches or under the freedom to provide services
IML 98/148 of 14.05.1998	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
IML 98/149 of 29.05.1998	Updating the <i>Recueil des instructions aux banques</i> : Table S 1.2.: Simplified monthly statistical balance sheet

5.3. Circulars issued by the *Banque Centrale du Luxembourg* (until 31 December 1998)

BCL 98/151 of 24.09.1998	Accounting aspects of switching to the euro
BCL 98/153 of 24.11.1998	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
BCL 98/155 of 09.12.1998	Minimum reserve requirements

5.4. Circulars issued by the *Commissariat aux Bourses*

CAB 90/1 of 13.12.1990	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
CAB 91/2 of 01.07.1991	Law of 3 May 1991 on insider dealing
CAB 91/3 of 17.07.1991	Admission to official listing on the Luxembourg stock exchange of foreign undertakings for collective investment (UCIs)
CAB 93/4 of 04.01.1993	Law of 4 December 1992 on reporting requirements concerning the acquisition or disposal of major holdings in a listed company
CAB 94/5 of 30.06.1994	Publication of forecasts in the admission prospectus for an official listing
CAB 98/6 of 24.09.1998	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
CAB 98/7 of 15.10.1998	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 99/1	of 12.01.1999	Creation of the <i>Commission de Surveillance du Secteur Financier</i> (list of Circulars in force appended)
CSSF 99/2	of 20.05.1999	Entry into force of three new laws dated 29 April 1999
CSSF 99/4	of 29.07.1999	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)
CSSF 99/7	of 27.12.1999	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
CSSF 00/10	of 23.03.2000	Definition of capital ratios pursuant to article 56 of the amended law of 5 April 1993 on the financial sector (application to credit institutions)
CSSF 00/12	of 31.03.2000	Definition of capital ratios pursuant to article 56 of the amended law of 5 April 1993 on the financial sector (application to investment firms)
CSSF 00/13	of 06.06.2000	Sanctions against the Federal Republic of Yugoslavia and the Taliban in Afghanistan
CSSF 00/14	of 27.07.2000	Adoption of the law of 17 July 2000 amending certain provisions of the law of 30 March 1988 on undertakings for collective investment
CSSF 00/15	of 02.08.2000	Rules of conduct for the financial sector
CSSF 00/16	of 23.08.2000	Supplement to Circular IML 94/112 on the fight against money laundering and prevention of the use of the financial sector for the purpose of money laundering
CSSF 00/17	of 13.09.2000	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
CSSF 00/18	of 20.10.2000	Bank accounts of the State of Luxembourg
CSSF 00/19	of 27.11.2000	Appointment of those in charge of certain functions
CSSF 00/20	of 30.11.2000	EC Council Regulation maintaining a freeze of funds in relation to Mr Milosevic and those persons associated with him
CSSF 00/21	of 11.12.2000	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
CSSF 00/22	of 20.12.2000	Supervision of investment firms on a consolidated basis carried out by the <i>Commission de Surveillance du Secteur Financier</i>
CSSF 01/26	of 21.03.2001	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



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		April 1993 and supplementing the law of 23 December 1998 creating a supervisory commission for the financial sector
CSSF 01/27	of 23.03.2001	Practical rules on the role of external auditors
CSSF 01/28	of 06.06.2001	Verification by banks and FSPs that the legal requirements on domiciliation are satisfied
CSSF 01/29	of 07.06.2001	Minimum content required for an agreement on the domiciliation of companies
CSSF 01/30	of 28.06.2001	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"
CSSF 01/31	of 04.07.2001	Supplement to Circulars CSSF 00/16 and IML 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 <i>Mémorial A</i> 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 Circulars CSSF 00/16 and 00/31 and IML 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 Circular IML 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	Mortgage bond banks: rules on real estate valuation
CSSF 01/46	of 19.12.2001	Repeal of Circular CSSF 01/35
CSSF 01/47	of 21.12.2001	Professional obligations of domiciliation agents of companies and general recommendations Amendment to Circular CSSF 01/28
CSSF 01/48	of 20.12.2001	Supplement to Circulars CSSF 00/16, 00/31 and 01/37 and IML 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 02/59	of	10.05.2002	Combating terrorism
CSSF 02/61	of	04.06.2002	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 Circulars CSSF 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 02/71	of	01.10.2002	Law of 3 September 1996 concerning the involuntary dispossession of bearer securities
CSSF 02/73	of	15.10.2002	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
CSSF 02/75	of	08.11.2002	Identification and declaration of business relations with terrorist circles Combating terrorism Abrogation of several CSSF Circulars
CSSF 02/76	of	11.11.2002	Restrictive measures against Burma/Myanmar
CSSF 02/77	of	27.11.2002	Protection of investors in case of miscalculation of NAV and the compensation following non-compliance with investment rules applicable to undertakings for collective investment
CSSF 02/78	of	27.11.2002	Details on the obligation of declaration with respect to money laundering and on the primary offences that could lead to money-laundering offences
CSSF 02/80	of	05.12.2002	Specific rules applicable to Luxembourg undertakings for collective investment (UCIs) which adopt alternative investment strategies
CSSF 02/81	of	06.12.2002	Practical rules regarding the tasks of external auditors of undertakings for collective investment
CSSF 02/82	of	06.12.2002	Survey on Luxembourg credit institutions' exposure with regard to derivative credits
CSSF 03/86	of	15.01.2003	Supplement to Circulars CSSF 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



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CSSF 03/87 of 21.01.2003	Coming into force of the law of 20 December 2002 regarding undertakings for collective investment
CSSF 03/88 of 22.01.2003	Classification of undertakings for collective investment governed by the provisions of the law of 20 December 2002 regarding UCIs
CSSF 03/90 of 03.02.2003	Restrictive measures against UNITA (União Nacional para a Independência Total de Angola)
CSSF 03/93 of 18.02.2003	Supplement to Circulars CSSF 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 03/95 of 26.02.2003	Mortgage bonds: Applicable minimum requirements regarding management and control of mortgage register, guarantees and limit of circulating mortgage bonds
CSSF 03/97 of 28.02.2003	Publication of the simplified and complete prospectuses as well as annual and half-yearly reports of UCIs in the database of the financial centre
CSSF 03/100 of 01.04.2003	Publication on the Internet of CSSF instructions: - <i>Recueil des instructions aux banques</i> of the CSSF - Schedule of Conditions for the technical implementation of the CSSF reporting requirements – SOC/CSSF
CSSF 03/102 of 21.05.2003	1. Identification and declaration of business relations with terrorist circles 2. Freeze of funds in relation to Mr Milosevic and those persons associated with him
CSSF 03/104 of 01.07.2003	Supplement to Circulars CSSF 00/16, 01/31, 01/37, 01/48, 02/66, 02/73, 03/86, 03/93 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 03/106 of 07.07.2003	Restrictive measures in respect of Burma/Myanmar
CSSF 03/108 of 30.07.2003	Luxembourg management companies subject to Chapter 13 of the law of 20 December 2002 concerning undertakings for collective investment, as well as Luxembourg self-managed investment companies subject to article 27 or article 40 of the law of 20 December 2002 concerning undertakings for collective investment
CSSF 03/110 of 29.08.2003	Restrictive measures concerning certain Iraqi assets Identification and declaration of business relations with terrorist circles
CSSF 03/111 of 17.09.2003	Identification and declaration of business relations with terrorist circles Combating terrorism
CSSF 03/113 of 21.10.2003	Practical rules concerning the mission of external auditors of investment firms

CSSF 03/114 of 22.10.2003	Restrictive measures concerning certain Iraqi assets
CSSF 03/115 of 06.11.2003	Supplement to Circulars CSSF 00/16, 01/31, 01/37, 01/48, 02/66, 02/73, 03/86, 03/93 and IML 94/112; non-cooperative countries or territories, Myanmar
CSSF 03/118 of 05.12.2003	Restrictive measures concerning certain Iraqi assets
CSSF 03/120 of 18.12.2003	Breakdown of value corrections made by the credit institutions at 31 December 2003
CSSF 03/121 of 19.12.2003	Statistics on guaranteed deposits and instruments
CSSF 03/122 of 19.12.2003	Clarifications on the simplified prospectus
CSSF 03/123 of 29.12.2003	Combating terrorism
CSSF 03/124 of 29.12.2003	Restrictive measures against Burma/Myanmar
CSSF 04/128 of 01.03.2004	Restrictive measures in respect of Zimbabwe
CSSF 04/129 of 01.03.2004	Supplement to CSSF Circulars 00/16, 01/31, 01/37, 01/48, 02/66, 02/73, 03/86, 03/93, 03/115 and IML 94/112; non-cooperative countries or territories

The amendments to Council Regulation (EC) No 881/2002 imposing certain specific restrictive measures against certain persons and entities associated with Usama bin Laden, the Al-Qaida network and the Taliban published on 4 June 2002 in Circular CSSF 02/61 are the object of the following CSSF Circulars: 02/62, 02/68, 02/70, 02/72, 02/74, 02/75, 02/79, 03/89, 03/91, 03/92, 03/96, 03/98, 03/99, 03/101, 03/102, 03/103, 03/105, 03/109, 03/110, 03/111, 03/112, 03/116, 03/117, 03/119, 04/125, 04/126, 04/127. These Circulars are not listed above.