

COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER



Annual Report 2005

Commission de Surveillance du Secteur Financier

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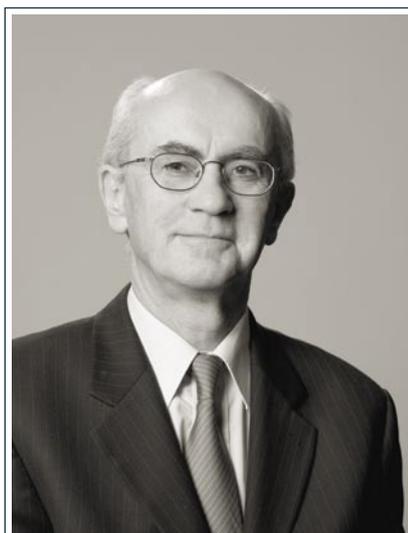
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The year 2005 has been a good year for the financial centre in the sense that the results in every field were on the rise. The positive evolution already experienced in 2003 and 2004 thus kept up, thereby assuring a growing stability of this development.

The boom in the investment fund industry, at a time where Luxembourg has become the main European centre in this field, should be noted in particular. There are good reasons for this, as the financial centre has not been created by accident. It is indeed the combination of the know-how of the financial professionals and the open-mindedness of the authorities that allowed to achieve this result. If we wish to perpetuate this development, we need to continue with this approach, for nothing is final in the area of finance, and unceasing commitment is needed.



Quality combined with creativity will also ensure in the future the development of the financial centre, which is still an essential element of the Luxembourg economy with 32% of GDP, 17% of employment and 27% of tax revenue as at 31 December 2004. More than ever, all the national authorities should bear in mind that care should be taken of Luxembourg's financial activities. Otherwise, negative effects may be felt. Wishing to shape the financial centre so that it is sufficiently large, but not too large, is an illusion, as there are not many national means available to intervene to that effect.

One of the worries that has often been voiced relates to an over-regulation by the national authorities. If such were the case, the texts concerned ought to be amended, as it is in nobody's interest to do unnecessary work. That is why it has been decided in the *Comité pour le développement de la place financière de Luxembourg* (CODEPLAFI - Committee for the development of the Luxembourg financial centre) to set up a working group in charge of analysing the arguments that speak in favour of an amendment of certain regulations. Both authorities concerned, namely the CSSF and the *Commissariat aux Assurances*, agreed to fulfil this task while committing themselves to total objectivity. It will be interesting to see the results of these discussions.

The CSSF for its part continued to being entrusted with new responsibilities, including notably the approval of prospectuses for offers to the public or trading on a regulated market, which made it necessary to recruit new agents.

This report describes, just like the ones of the previous years, the different activities of the financial centre and depicts the vast variety of problems that have been dealt with during the year.

Finally, I would like to pay tribute to the employees of the CSSF who have, once again, managed to do excellent work while being aware of the importance of their mission for Luxembourg.

Jean-Nicolas SCHAUS

Director General

A handwritten signature in black ink, appearing to be 'JN SCHAUS', written in a cursive style.

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EXECUTIVE BOARD



Arthur PHILIPPE
Director



Jean-Nicolas SCHAUS
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Simone DELCOURT
Director

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EXECUTIVE BOARD

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