



Newsletter

No 209 - June 2018

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HUMAN RESOURCES

CSSF staff evolution

Since the publication of the last Newsletter, the CSSF has recruited 4 new agents who were assigned to the following departments:

Legal department

Heleen DE GEEST

Supervision of banks

Helen SEIB

On-site inspection

Arno KALKBRENNER

Personnel, administration and finance

Nathalie FUSULIER

Following the departure of three agents, the CSSF counts 803 agents of which 435 are men and 368 are women as at 1st June 2018.

WARNINGS

Warnings published by the CSSF

Since the publication of the last Newsletter, the CSSF published a warning concerning the activities of an entity named Beltra Solutions S.A. / Beltra Solutions (Europe) S.A.

The warning is available on the CSSF's website at:

<http://www.cssf.lu/en/consumer/warnings/news-cat/90/>.

Warnings published by IOSCO

Several warnings were published on IOSCO's website under:

http://www.iosco.org/investor_protection/?subsection=investor_alerts_portal.

NATIONAL REGULATION

Law of 6 June 2018 on central securities depositories

The purpose of the law is to implement Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ("CSDR"). The CSDR aims to make settlement, including settlement for cross-border operations, safer and more efficient and to reduce settlement fails. To this end, it establishes uniform obligations regarding securities settlement systems and introduces the status of "central securities depository" ("CSD"). The CSDs operate the securities settlement which ensure the settlement of securities transactions. They also ensure the monitoring of the number of issued securities, the identity of the issuers and any change in the holding of securities. The CSDR also sets out common rules

governing the organisation of CSDs and the conduct of their business. It constitutes an important aspect of the market infrastructure regulation, given the key position of CSDs in the chain of securities transactions. The CSDR is binding in its entirety and directly applicable in Luxembourg. The CSDR leaves it to Member States to designate the competent authority for carrying out the duties under the CSDR for the authorisation and supervision of CSDs. Pursuant to the CSDR, the Member States must, in addition, provide this competent authority with the powers necessary for the exercise of its functions and establish a sanctions regime with effective, proportionate and dissuasive sanctions in case of breach of the CSDR. Without prejudice to the competence of the Banque centrale du Luxembourg under the EU and the national law, the law designates the CSSF as the competent authority to carry out the duties laid down in the CSDR with respect to the granting of the authorisation and the supervision of the CSDs established in Luxembourg and defines the powers of the CSSF for the exercise of these duties and the sanctions applicable in case of breach of the regulation.

Law of 6 June 2018 on transparency of securities financing transactions

The purpose of the law is to implement Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("SFTR"). Following the financial crisis that emerged in 2007-2008, the European Union has adopted a range of measures the purpose of which is to render the financial system more solid and more stable. Such is the background of the SFTR the purpose of which is to enhance the transparency of SFT (securities financing transaction) markets. The SFTs encompass repurchase transactions, securities or commodities lending or securities and commodities borrowing, buy-sell back transactions and sell-buy back transactions as well as margin lending transactions. Thus, the SFTR created a framework at the EU level under which "details of SFTs can be efficiently reported to trade repositories and information on SFTs and total return swaps is disclosed to investors in collective investment undertakings". Unlike other EU regulations, the SFTR does not require a formal designation of the competent authority as its Article 16 which is directly applicable, only refers to other European texts pursuant to which the competent authorities have already been designated. It follows from the different texts to which reference is made that the competent authorities in Luxembourg are the CSSF and the Commissariat aux assurances ("CAA"). In order to operationalise the SFTR, the Member States need to provide for competent authorities in charge of the supervision of financial or non-financial counterparties to have the power to impose administrative sanctions and other administrative measures which are effective, proportionate and dissuasive. To this end, the law provides the CSSF and the CAA with adequate sanctioning powers in accordance with the provisions of the SFTR. Specific amendments to the Law of 17 December 2010 relating to undertakings for collective investment, as amended, and the Law of 12 July 2013 on alternative investment fund managers, as amended, are made in order to ensure that Article 28 of the SFTR is operationalised.

Grand-ducal Regulation of 6 June 2018

The grand-ducal regulation establishes the standardised list of the most representative services linked to a payment account within the meaning of the Law of 13 June 2017 on payment accounts.

Circular CSSF 18/692

The purpose of the circular is to provide details with respect to the guidelines of the European Banking Authority (EBA) on product oversight and governance arrangements for retail banking products which entered into force on 3 January 2017 and with which the CSSF intends to comply.

These guidelines deal with the establishment of product oversight and governance arrangements for retail banking products and target both, manufacturers and distributors as an integral part of the general organisational requirements linked to internal control systems of these firms. They refer to internal processes, functions and strategies aimed at designing products, bringing them to the market, and reviewing them over their life cycle. They establish procedures relevant for ensuring the interests, objectives and characteristics of the target market are met.

CSSF Regulation N° 18-03

The purpose of CSSF Regulation N° 18-03 is to recast the provisions of CSSF Regulation N° 14-01 on the implementation of certain discretions of Regulation (EU) No 575/2013. This recast became necessary due to the entry into force of the Banking Union, the amendment of the Law of 5 April 1993 on the financial sector, as amended following the transposition of Directive 2013/36/EU and the expiry of certain transitional provisions of CSSF Regulation N° 14-01.

BANKING REGULATION AND SINGLE SUPERVISORY MECHANISM

Single Supervisory Mechanism - European Central Bank (ECB)

Publications

2 May 2018 - [ECB published European framework for testing financial resilience to cyber attacks](#)

The European Central Bank (ECB) has published the European Framework for “Threat Intelligence-based Ethical Red Teaming” (TIBER-EU). TIBER-EU is intended to facilitate a harmonised European approach towards intelligence-led tests which mimic the tactics, techniques and procedures of real hackers.

5 May 2018 - [ECB published the results of the 2018 stress test of Greek banks](#)

The ECB has released the results of the 2018 stress test of Greek significant institutions. They show that the average capital depletion under the adverse scenario, which covered a three-year period and assumed static balance sheets, was 9 percentage points, equivalent to €15.5 billion.

Please see also the [Frequently Asked Questions](#).

8 May 2018 - [ECB published its report on the Thematic Review on effective risk data aggregation and risk reporting](#)

The ECB published a report following its thematic review on effective risk data aggregation and risk reporting. The thematic review covered 25 significant institutions and assessed them against the Basel Committee’s principles for effective risk data aggregation and risk reporting (the Basel Committee principles).

22 May 2018 - [ECB published new ‘ECB compliance with EBA guidelines and recommendations’ webpage](#)

The ECB has published its new webpage named ‘ECB compliance with EBA guidelines and recommendations’. This webpage gathers together in a single location the ECB responses to “comply or explain” procedures for EBA guidelines, joint guidelines and recommendations. This information is also available in the Annual Reports section of the EBA homepage.

28 May 2018 - [ECB published a revised version of the Guide to fit and proper assessments](#)

The ECB updated the Guide to fit and proper assessment in line with the [Joint ESMA and EBA Guidelines on the assessment of the suitability of management body members and key functions holders](#). The guide describes the supervisory policies, processes and practices followed by the ECB when conducting fit and proper assessments.

May 2018 - [Letters from the Chair of the Supervisory Board to members of the European Parliament](#)

The ECB has published letters from the Chair of the Supervisory Board to members of the European Parliament in response to written requests, e.g. in relation to money laundering risks, non-performing loans and Level 3 assets, and inspections in banks.

Interviews and speeches

2 May 2018 - "[ECB supervision at five: re-charting the route](#)" - Speech by Ignazio Angeloni, Member of the Supervisory Board of the ECB, at the Financial Times - Fitch Global Banking Conference, London.

14 May 2018 - "[Europe - past, present and future](#)" - Speech by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, Meeting with students at Copenhagen University.

14 May 2018 - "[European banking union – the place to be?](#)" - Speech by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, Biannual high-level networking seminar on economic and financial issues organised by Danmarks Nationalbank, Copenhagen.

15 May 2018 - "[Interview with Alpha TV](#)" - Interview with Danièle Nouy, Chair of the Supervisory Board of the ECB, conducted by Vangelis Dourakis.

16 May 2018 - "[We have more muscle to enforce our goals](#)" - Interview with Anneli Tuominen, Member of the Supervisory Board of the ECB, Supervision Newsletter.

29 May 2018 - "[Monetary policy - end of history?](#)" - Speech by Sabine Lautenschläger, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, Center for Financial Studies Colloquium, Frankfurt.

Regulatory developments

2 May 2018 - Publication of the [Decision \(EU\) 2018/667 of the European Central Bank of 19 April 2018](#) on the total amount of annual supervisory fees for 2018 (ECB/2018/12).

European Commission and European Council

Publications

15 May 2018 - Publication of [Commission Implementing Regulation \(EU\) 2018/708 of 17 April 2018](#) laying down implementing technical standards with regard to the template to be used by managers of money market funds when reporting to competent authorities as stipulated by Article 37 of Regulation (EU) 2017/1131 of the European Parliament and of the Council.

17 May 2018 - Publication of the [Corrigendum to Commission Delegated Regulation \(EU\) 2017/390 of 11 November 2016](#) supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on certain prudential requirements for central securities depositories and designated credit institutions offering banking-type ancillary services.

17 May 2018 - Publication of the [Corrigendum to Commission Delegated Regulation \(EU\) 2017/391 of 11 November 2016](#) supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards further specifying the content of the reporting on internalised settlements.

18 May 2018 - Publication of [Commission Delegated Regulation \(EU\) 2018/728 of 24 January 2018](#) supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for procedures for excluding transactions with non-financial counterparties established in a third country from the own funds requirement for credit valuation adjustment risk.

18 May 2018 - Publication of [Commission Implementing Regulation \(EU\) 2018/688 of 23 March 2018](#) amending Implementing Regulation (EU) 2016/2070 as regards benchmarking portfolios, reporting templates and reporting instructions.

European Banking Authority (EBA)

Publications

Capital Requirements Directive and Regulation

4 May 2018 - [EBA published results of its 2016 credit valuation adjustment risk monitoring exercise](#)

The European Banking Authority (EBA) has published its Report on its 2016 CVA risk monitoring exercise, which assesses the impact on own funds requirements of the reintegration of the transactions currently exempted from the scope of the CVA risk charge. The results aim to show the materiality of CVA risks that are currently not capitalised due to the CRR exemptions.

7 May 2018 - [EBA reaction on the European Commission call for advice on the implementation of the Basel III framework in the EU](#)

The European Commission asked the EBA to prepare a comprehensive analysis to assess the potential impact of the different elements of the Basel reform on the EU banking sector and the wider economy. In response to the call for advice, the EBA will provide both a quantitative and qualitative assessment of the new Basel III framework. As a preliminary step, the EBA is planning to launch an overall data collection by July 2018.

21 May 2018 - [EBA announced a public hearing on Commission proposal to develop European Secured Notes](#)

The EBA has announced that it will hold a public hearing on 28 June 2018 to outline its draft to answer to the Commission's Call for Advice on the European Secured Notes (ESN). The hearing comes ahead of the publication of the EBA's final report, which is expected by mid-July 2018.

23 May 2018 - [EBA updated list of Other Systematically Important Institutions \(O-SIIs\) in the EU](#)

The EBA has updated its 2017 list of Other Systematically Important Institutions (O-SIIs) in the EU. These institutions have been identified by the relevant authorities across the EU according to harmonized criteria regarding size, importance, complexity (or cross-border activities), and interconnectedness. The list also details the additional capital buffers that the relevant authorities have set for identified O-SIIs.

Deposit Guarantee Scheme Directive

23 May 2018 - [EBA released updated data on deposit guarantee schemes across the EU](#)

The EBA has published 2017 data relating to the Deposit Guarantee Schemes Directive on: (i) available financial means, and (ii) covered deposits. The publication is intended to enhance the transparency and public accountability of deposit guarantee schemes across the EU.

Consultations

Capital Requirements Directive and Regulation

22 May 2018 - [EBA consults on standards on estimation and identification of an economic downturn in IRB modelling](#)

The EBA has launched two consultations on [Guidelines for the estimation of loss given default \(LGD\) appropriate for conditions of an economic downturn](#), and on [draft regulatory technical standards \(RTS\) on estimation and identification of an economic downturn in Internal Ratings Based \(IRB\) modelling](#).

The Guidelines focus on the appropriate estimation of the LGD in a situation of economic downturn, while the draft RTS specify the nature, severity and duration of an economic downturn. This package is part of the EBA's broader work on the review of the IRB approach aiming at reducing the unjustified variability in the outcomes of internal models, while preserving the risk sensitivity of capital requirements.

Both consultations will run until **22 June 2018**.

European Supervisory Authorities (ESAs)

Publications

30 May 2018 - [EBA and ESMA published a joint statement encouraging institutions and authorities consider retail holders of debt financial instruments in resolutions](#)

The EBA and the European Securities and Markets Authority (ESMA) have published a joint statement encouraging institutions, market and resolution authorities to properly consider retail holders of debt financial instruments subject to the Bank Recovery and Resolution Directive (BRRD) when carrying out their respective tasks. The distribution of debt instruments issued by financial institutions to retail clients may raise significant consumer protection issues and affect the practical application of the resolution framework under the BRRD.

Consultations

4 May 2018 - [European Supervisory Authorities launched joint consultation on amendments to EMIR standards](#)

The ESAs have launched two joint consultations to amend the [Regulatory Technical Standards \(RTS\) on the clearing obligation](#) and the [Regulatory Technical Standards \(RTS\) on risk mitigation techniques](#) for OTC derivatives not cleared. These standards, which implement the European Market Infrastructure Regulation (EMIR), aim to amend the current regulation on the clearing obligation and risk mitigation techniques on OTC derivatives not cleared by central counterparties (CCPs) in order to provide a specific treatment for simple, transparent and standardised (STS) securitisation and ensure a level playing field with covered bonds.

Both consultations will run until **15 June 2018**.

Basel Committee of Banking Supervision (BCBS)

Publications

14 May 2018 - [BCBS and IOSCO published criteria for identifying simple, transparent and comparable short-term securitisations](#)

The Basel Committee on Banking Supervision (BCBS) and the International Organization of Securities Commissions (IOSCO) have issued the **Criteria for identifying simple, transparent and comparable short-term securitisations** (the short-term STC criteria). These criteria take account of the characteristics of asset-backed commercial paper (ABCP) conduits, such as (i) the short maturity of the commercial paper issued; (ii) the different forms of programme structures, and (iii) the existence of multiple forms of liquidity and credit support facilities.

14 May 2018 - [BCBS issued Standard Capital treatment for short-term "simple, transparent and comparable" securitisations](#)

The BCBS has issued a standard supplementing the Criteria for identifying short-term "simple, transparent and comparable" securitisations. It sets out additional guidance and requirements for the purpose of applying preferential regulatory capital treatment for banks acting as investors in or as sponsors of STC short-term securitisations, typically in asset-backed commercial paper (ABCP) structures.

Macro prudential fora

European Systemic Risk Board (ESRB)

- The list of applicable CCyB rates in EU/EEA countries is available on the [website of the ESRB](#). The following countries have announced a CCyB rate different from 0%:

<i>Country</i>	CCyB rate	Application date
<i>Czech Republic</i>	0.5%	01/07/2017
		01/01/2018
		01/04/2018
	1.0%	01/07/2018
		01/10/2018
	1.25%	01/01/2019
		01/04/2019
<i>Denmark</i>	0.5%	31/03/2019
<i>Iceland</i>	1.0%	05/07/2017
	1.25%	01/11/2017
		16/12/2017
		06/04/2018
		28/06/2018
		17/10/2018
	05/01/2019	
1.75%	15/05/2019	
<i>Lithuania</i>	0.5%	31/12/2018
<i>Norway</i>	2.0%	31/12/2017
<i>Slovakia</i>	0.5%	01/05/2018
	1.25%	01/08/2018
		01/11/2018
		01/02/2019
		01/05/2019
<i>Sweden</i>	2.0%	19/03/2017
<i>United Kingdom</i>	0.5%	29/03/2017
		27/06/2018
	1%	28/11/2018

The list of applicable CCyB rates in non-EU/EEA countries can be consulted on [the website of the Bank of International Settlements](#).

The Financial Stability Board (FSB)

Publications and Consultations

7 May 2018 - [FSB launched consultation on recommendations for compensation data reporting to address misconduct risk](#)

The Financial Stability Board (FSB) has published a public consultation on [Recommendations for consistent national reporting of data on the use of compensation tools to address misconduct risk](#). Collecting and evaluating compensation data on a regular basis can provide both firms and supervisors with important insights into the effectiveness of compensation programmes and potential areas of weakness. Currently the gathering and analysis of compensation data varies significantly across jurisdictions and firms.

The consultation will run until **6 July 2018**.

COMMUNIQUES

Suspension of the financial instruments issued by NH HOTEL GROUP, S.A.

Press release 18/18 of 31 May 2018

The Commission de Surveillance du Secteur Financier (CSSF) has been informed by the Comisión Nacional del Mercado de Valores (CNMV), the competent authority of Spain, about the suspension of the financial instruments issued by NH HOTEL GROUP, S.A. from trading on 31 May 2018. Therefore, the CSSF has required, in accordance with Article 9(3) of the Law of 13 July 2007 on markets in financial instruments, the suspension of the financial instruments issued by NH HOTEL GROUP, S.A. (XS1497527736, XS1497532652) from trading on the markets operated by the Luxembourg Stock Exchange with immediate effect until the market has been duly informed.

Global situation of undertakings for collective investment at the end of April 2018

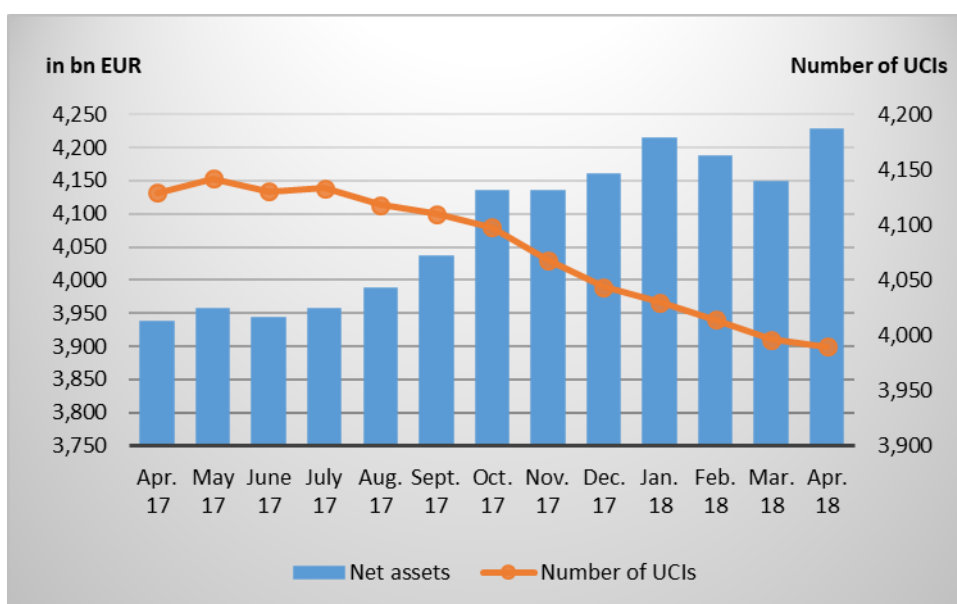
Press release 18/19 of 6 June 2018

I. Overall situation

As at 30 April 2018, total net assets of undertakings for collective investment, including UCIs subject to the 2010 Law, specialised investment funds and SICARs amounted to EUR 4,227.532 billion compared to EUR 4,148.898 billion as at 31 March 2018, i.e. a 1.90% increase over one month. Over the last twelve months, the volume of net assets rose by 7.35%.

Consequently, the Luxembourg UCI industry registered a positive variation of EUR 78.634 billion in April. This increase represents the balance of positive net issues of EUR 26.702 billion (0.65%) and a positive development in financial markets amounting to EUR 51.932 billion (1.25%).

The development of undertakings for collective investment is as follows:



The number of undertakings for collective investment (UCIs) taken into consideration totalled 3,990 as against 3,996 in the previous month. A total of 2,581 entities adopted an umbrella structure, which represented 13,363 sub-funds. When adding the 1,409 entities with a traditional structure to that figure, a total of 14,772 fund units were active in the financial centre.

As regards, on the one hand, the impact of financial markets on the main categories of undertakings for collective investment and, on the other hand, the net capital investment within these UCIs, the following can be said about April.

As regards developed countries, European equity UCIs realised a positive performance due to good economic fundamentals and the weakness of the EUR against the USD. While US equity prices barely moved amid trade tensions with China and sound corporate results in the United States, the appreciation of the USD against the EUR made the US equity UCIs end in positive territory. The increase of the Japanese equity UCIs was mainly sustained by an overall favourable economic environment and the depreciation of the YEN against the USD boosting the Japanese export.

As regards emerging countries, despite trade tensions between the United States and China, Asian equity UCIs registered a positive performance in the context of sound economic data in several countries of the region and the appreciation of the main Asian currencies against the EUR. The new economic sanctions imposed by the United States on Russia as well as political problems in Turkey resulted in losses for the category of Eastern European equity UCIs. Although Latin American equity markets declined, despite the increase of the main commodity prices, the appreciation of the USD against the EUR prompted the Latin American equity UCIs to end the month up.

In April, equity UCI categories registered an overall positive net capital investment.

Development of equity UCIs during the month of April 2018*

	Market variation in %	Net issues in %
Global market equities	2.45%	0.79%
European equities	3.64%	0.37%
US equities	2.86%	1.60%
Japanese equities	2.82%	1.83%
Eastern European equities	-2.90%	0.13%
Asian equities	2.69%	0.82%
Latin American equities	0.38%	6.30%
Other equities	1.62%	2.16%

* Variation in % of Net Assets in EUR as compared to the previous month

In view of an unchanged monetary policy of the European Central Bank in a context of low core inflation in Europe, the yields of government bonds and corporate bonds changed little during the month under review which explains the inertia of the EUR-denominated bond UCIs.

The USD-denominated bond yields increased due to a stable growth of the US economy, the upward revision of inflation anticipations and the monetary tightening by the Fed. This increase in yields which resulted in price losses of bonds was, however, more than offset by the appreciation of the USD against the EUR. Consequently, USD-denominated bond UCIs slightly appreciated.

The increase in the yields of US bonds, the trade tensions between the United States and China, the geopolitical problems in some emerging countries explain the price decreases of emerging market bond UCIs.

In April, fixed-income UCI categories registered an overall positive net capital investment.

Development of fixed-income UCIs during the month of April 2018*

	Market variation in %	Net issues in %
EUR money market	-0.03%	-7.34%
USD money market	2.02%	5.37%
Global market money market	-0.27%	-2.41%
EUR-denominated bonds	0.05%	-0.56%
USD-denominated bonds	0.30%	-0.43%
Global market bonds	0.04%	1.32%
Emerging market bonds	-0.77%	1.12%
High Yield bonds	0.82%	-0.70%
Others	0.41%	-0.23%

* Variation in % of Net Assets in EUR as compared to the previous month

The development of net assets of diversified Luxembourg UCIs and of funds of funds is illustrated in the table below:

Development of diversified UCIs and funds of funds during the month of April 2018*

	Market variation in %	Net issues in %
Diversified UCIs	1.11%	0.19%
Funds of funds	1.74%	0.42%

* Variation in % of Net Assets in EUR as compared to the previous month

II. Breakdown of the number and net assets of UCIs

	PART I UCITS		PART II UCIs		SIFs		SUB-TOTAL (without SICARs)		SICARs ¹		TOTAL	
	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)	NUMBER	NET ASSETS (in bn €)
31/12/2015	1,892	2,946.860 €	384	169.896 €	1,602	389.445 €	3,878	3,506.201 €	282	37.430 €	4,160	3,543.631 €
31/01/2016	1,903	2,819.861 €	378	164.531 €	1,596	386.607 €	3,877	3,370.999 €	282	37.430 €	4,159	3,408.429 €
29/02/2016	1,904	2,813.421 €	373	157.278 €	1,592	387.785 €	3,869	3,358.484 €	282	37.430 €	4,151	3,395.914 €
31/03/2016	1,905	2,847.418 €	371	157.047 €	1,603	390.939 €	3,879	3,395.404 €	282	37.430 €	4,161	3,432.834 €
30/04/2016	1,904	2,888.262 €	370	159.477 €	1,606	394.341 €	3,880	3,442.080 €	282	37.430 €	4,162	3,479.510 €
31/05/2016	1,902	2,928.461 €	371	159.174 €	1,609	400.345 €	3,882	3,487.980 €	282	37.430 €	4,164	3,525.410 €
30/06/2016	1,899	2,906.498 €	367	156.893 €	1,621	398.513 €	3,887	3,461.904 €	282	37.430 €	4,169	3,499.334 €
31/07/2016	1,892	2,997.551 €	365	159.356 €	1,631	408.849 €	3,888	3,565.756 €	282	37.430 €	4,170	3,603.186 €
31/08/2016	1,894	3,033.413 €	363	159.141 €	1,636	409.608 €	3,893	3,602.162 €	282	37.430 €	4,175	3,639.592 €
30/09/2016	1,891	3,051.016 €	362	159.088 €	1,644	411.825 €	3,897	3,621.929 €	282	37.430 €	4,179	3,659.359 €
31/10/2016	1,893	3,053.246 €	356	159.320 €	1,642	413.932 €	3,891	3,626.498 €	282	37.430 €	4,173	3,663.928 €
30/11/2016	1,888	3,065.882 €	355	158.862 €	1,645	415.885 €	3,888	3,640.629 €	282	37.430 €	4,170	3,678.059 €
31/12/2016	1,869	3,116.104 €	353	160.578 €	1,639	424.394 €	3,861	3,701.076 €	283	40.254 €	4,144	3,741.330 €
31/01/2017	1,869	3,138.701 €	351	160.967 €	1,623	427.236 €	3,843	3,726.904 €	283	40.483 €	4,126	3,767.387 €
28/02/2017	1,880	3,217.837 €	351	164.858 €	1,617	436.203 €	3,848	3,818.898 €	282	41.419 €	4,130	3,860.317 €
31/03/2017	1,895	3,257.773 €	346	165.780 €	1,618	440.288 €	3,859	3,863.841 €	280	42.186 €	4,139	3,906.027 €
30/04/2017	1,892	3,286.525 €	342	164.471 €	1,613	444.874 €	3,847	3,895.870 €	282	42.037 €	4,129	3,937.907 €
31/05/2017	1,895	3,297.803 €	342	162.813 €	1,620	453.326 €	3,857	3,913.943 €	285	42.923 €	4,142	3,956.366 €
30/06/2017	1,887	3,288.338 €	338	160.634 €	1,618	451.703 €	3,843	3,900.675 €	287	42.923 €	4,130	3,943.598 €
31/07/2017	1,885	3,307.103 €	338	159.097 €	1,619	448.554 €	3,842	3,914.754 €	291	42.827 €	4,133	3,957.581 €
31/08/2017	1,876	3,328.865 €	337	156.448 €	1,615	458.911 €	3,828	3,944.224 €	290	43.104 €	4,118	3,987.328 €
30/09/2017	1,880	3,380.943 €	332	154.308 €	1,608	459.079 €	3,820	3,994.330 €	290	42.810 €	4,110	4,037.140 €
31/10/2017	1,871	3,470.456 €	325	155.929 €	1,612	466.213 €	3,808	4,092.598 €	290	43.097 €	4,098	4,135.695 €
30/11/2017	1,864	3,469.422 €	325	155.343 €	1,591	465.954 €	3,780	4,090.719 €	288	45.080 €	4,068	4,135.799 €
31/12/2017	1,859	3,486.445 €	323	154.189 €	1,576	472.415 €	3,758	4,113.049 €	286	46.565 €	4,044	4,159.614 €
31/01/2018	1,852	3,539.403 €	320	155.272 €	1,573	473.290 €	3,745	4,167.965 €	285	46.065 €	4,030	4,214.030 €
28/02/2018	1,854	3,513.980 €	316	152.309 €	1,560	475.916 €	3,730	4,142.205 €	284	45.118 €	4,014	4,187.323 €
31/03/2018	1,846	3,473.243 €	314	150.078 €	1,552	480.516 €	3,712	4,103.837 €	284	45.061 €	3,996	4,148.898 €
30/04/2018	1,843	3,549.467 €	309	146.350 €	1,554	485.963 €	3,706	4,181.780 €	284	45.752 €	3,990	4,227.532 €

¹ Before 31 December 2016, the statistical data of SICARs were only published on an annual basis.

During the month under review, the following 14 undertakings for collective investment have been registered on the official list:

- 1) **UCITS Part I 2010 Law:**
 - AFH, 5, allée Scheffer, L-2520 Luxembourg
 - ARTEMIS FUNDS (LUX), 6C, route de Trèves, L-2633 Senningerberg
 - CHINA LION FUND UCITS, 6B, route de Trèves, L-2633 Senningerberg
 - PREMIUM SAVINGS SOLUTIONS, 8-10, rue Jean Monnet, L-2180 Luxembourg

- 2) **SIFs:**
 - ALLIANCEBERNSTEIN FUND III, 2-4, rue Eugène Ruppert, L-2453 Luxembourg
 - BAYVK R PRIVATE DEBT S.C.S. SICAV-FIS, 15, rue de Flaxweiler, L-6776 Grevenmacher
 - HERMES EUROPEAN DIRECT LENDING MASTER FUND SCS, SICAV-SIF, 50, avenue J-F Kennedy, L-1855 Luxembourg
 - INFINITY B S.C.S. SICAV-SIF, 1C, rue Gabriel Lippmann, L-5365 Munsbach
 - MEAG INFRASTRUCTURE DEBT FUND S.C.S. SICAV-FIS, 15, rue de Flaxweiler, L-6776 Grevenmacher
 - MULTI INVESTMENT SOLUTIONS SICAV-SIF, 26, avenue de la Liberté, L-1930 Luxembourg
 - PRIVATE DEBT FUND S.A. SICAV-SIF, 5, rue Jean Monnet, L-2180 Luxembourg
 - SL FIXED INCOME FUND SICAV-SIF S.A., 80, route d'Esch, L-1470 Luxembourg
 - VERIANOS REAL ESTATE MEZZANINE FUND 1 SICAV-SIF, 2, place François-Joseph Dargent, L-1413 Luxembourg
 - ZEUS CAPITAL ALTERNATIVE, 20, boulevard Emmanuel Servais, L-2535 Luxembourg

The following 20 undertakings for collective investment have been deregistered from the official list during the month under review:

- 1) **UCITS Part I 2010 Law:**
 - AMINVEST GLOBAL, 4, rue Jean Monnet, L-2180 Luxembourg
 - AXA IM DYNAMIC CREDIT, 49, avenue J-F Kennedy, L-1855 Luxembourg
 - BKC-FONDS, 15, rue de Flaxweiler, L-6776 Grevenmacher
 - DEKA-DEUTSCHLANDGARANT STRATEGIE 1, 5, rue des Labours, L-1912 Luxembourg
 - OPTIMUM INVESTMENT FUNDS, 15, rue de Flaxweiler, L-6776 Grevenmacher
 - PICTET STRATEGY FUND, 3, boulevard Royal, L-2449 Luxembourg
 - PROSPECT YIELD FUND, 25, Grand-rue, L-1661 Luxembourg
 - THREE BRIDGES UCITS FUND, 60, avenue J-F Kennedy, L-1855 Luxembourg
 - UNIPROTECT: EUROPA, 308, route d'Esch, L-1471 Luxembourg

- 2) **UCIs Part II 2010 Law:**
 - PRISMA ALTERNATIVES FUND, 2-4, rue Eugène Ruppert, L-2453 Luxembourg
 - UNIGARANT: COMMODITIES (2018) II, 308, route d'Esch, L-1471 Luxembourg
 - UNIGARANT: COMMODITIES (2018) III, 308, route d'Esch, L-1471 Luxembourg

- 3) **SIFs:**
 - ARDI IMMO SICAV, 60, avenue J-F Kennedy, L-1855 Luxembourg
 - FOS PRESTO, 1C, rue Gabriel Lippmann, L-5365 Munsbach
 - FRANKLIN GLOBAL INVESTMENT FUNDS, 8A, rue Albert Borschette, L-1246 Luxembourg
 - IRUS EUROPEAN RETAIL PROPERTY FUND, 69, route d'Esch, L-1470 Luxembourg
 - KGAL SCPF 1 SICAV-SIF S.C.S., 1C, rue Gabriel Lippmann, L-5365 Munsbach
 - MEAG GLOBAL FCP-SIF, 15, rue Notre-Dame, L-2240 Luxembourg

- RESS UNCORRELATED ASSETS FUND, 7, avenue Jean-Pierre Pescatore, L-2324 Luxembourg
- VELOCITY FUNDS, SICAV S.A., 37A, avenue J-F Kennedy, L-1855 Luxembourg

ESMA press release on the restriction of CFDs and prohibition of binary options for retail clients

Communiqué of 8 June 2018

The CSSF informs the public of ESMA’s press release dated 1 June 2018 relating to the final product intervention measures applicable to the provision of contracts for differences (CFDs) and binary options to retail investors.

These temporary measures apply as from 2 July 2018 for binary options and as from 1 August 2018 for CFDs.

ESMA’s press release as well as its FAQs in relation to the temporary product intervention measures are available at:

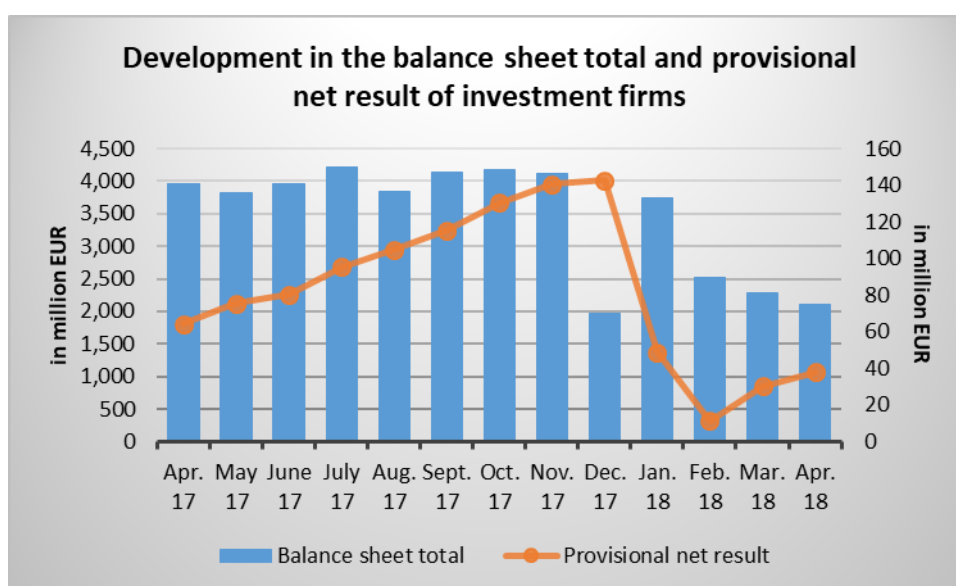
<https://www.esma.europa.eu/press-news/esma-news/esma-adopts-final-product-intervention-measures-cfds-and-binary-options>
<https://www.esma.europa.eu/press-news/esma-news/esma-adopts-final-product-intervention-measures-cfds-and-binary-options>
<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-qas-in-relation-temporary-product-intervention-measures>

ESMA’s decisions have been published in Official Journal of the European Union:
<https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=OJ%3AL%3A2018%3A136%3ATOC>

STATISTICS

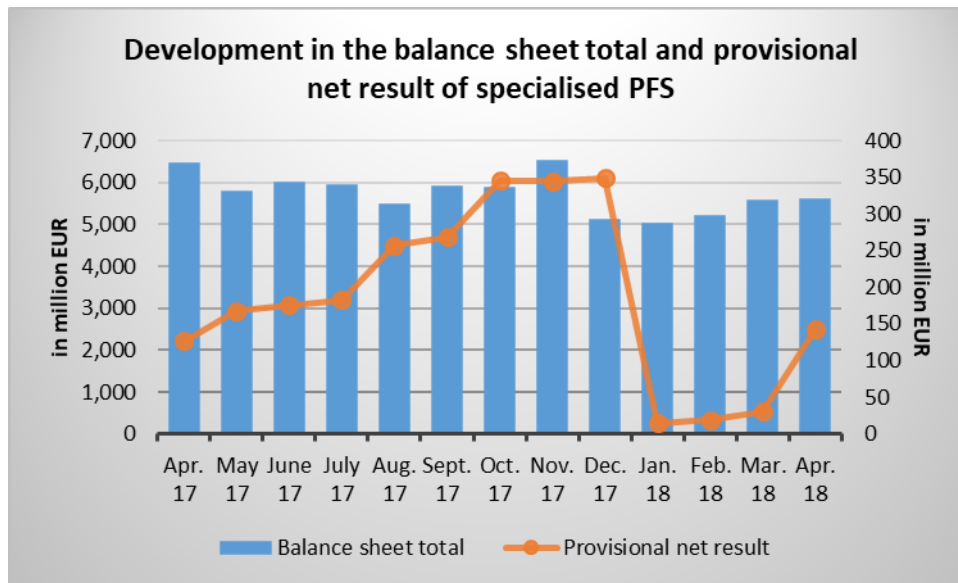
Investment firms

Decrease in the balance sheet total as at 30 April 2018



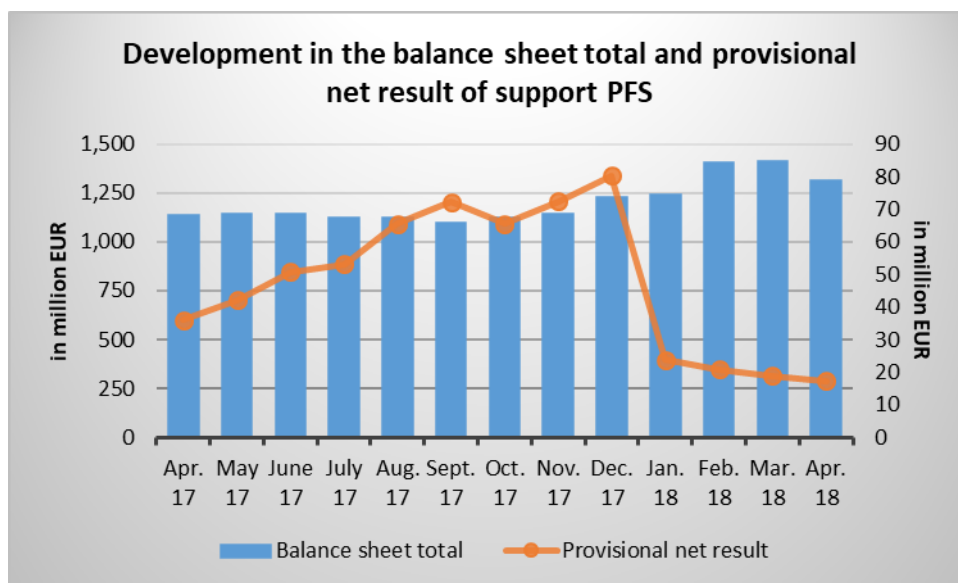
Specialised PFS

Increase in the balance sheet total as at 30 April 2018



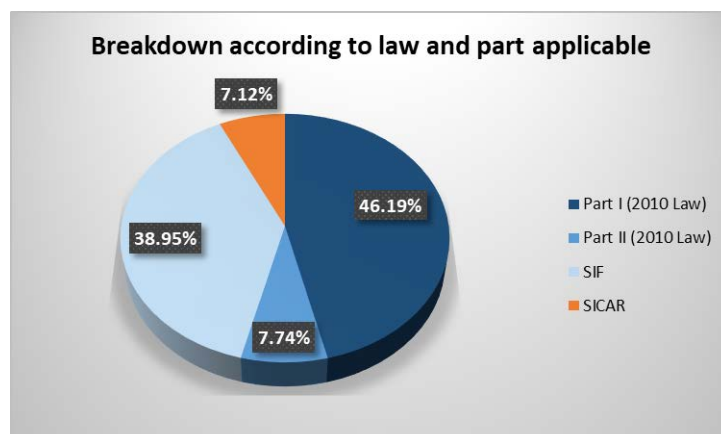
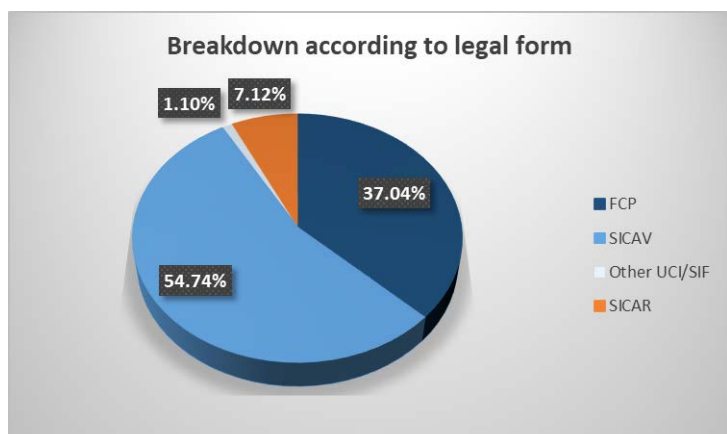
Support PFS

Decrease in the balance sheet total as at 30 April 2018



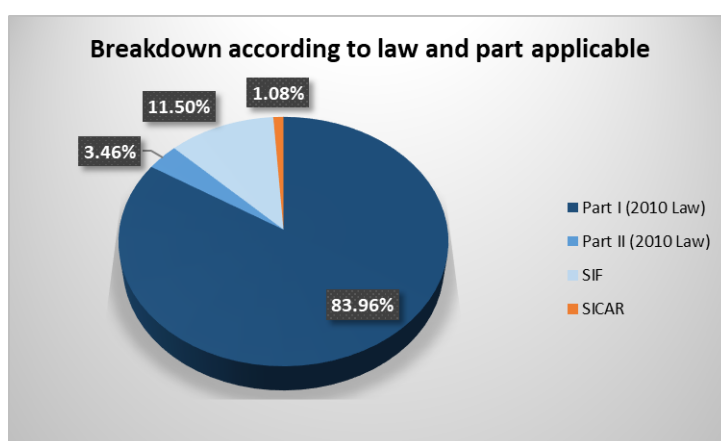
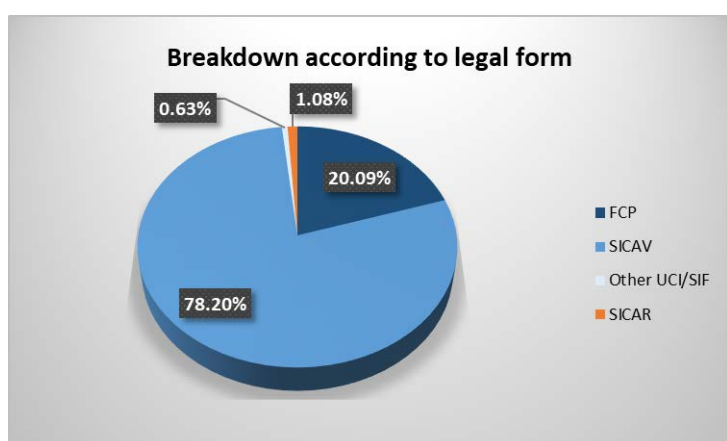
UCIs (Situation as at 30 April 2018)

Number of UCIs



Law, part/legal form	FCPs	SICAVs	Other UCIs/SIFs	SICARs	Total
Part I (2010 Law)	971	872	0	0	1,843
Part II (2010 Law)	154	152	3	0	309
SIFs	353	1,160	41	0	1,554
SICARs	0	0	0	284	284
TOTAL	1,478	2,184	44	284	3,990

Net assets of UCIs



Law, part/legal form (in bn EUR)	FCPs	SICAVs	Other UCIs/SIFs	SICARs	Total
Part I (2010 Law)	633.278	2,916.189	0.000	0.000	3,549.467
Part II (2010 Law)	50.592	95.081	0.677	0.000	146.350
SIFs	165.531	294.463	25.969	0.000	485.963
SICARs	0.000	0.000	0.000	45.752	45.752
TOTAL	849.401	3,305.733	26.646	45.752	4,227.532

Breakdown according to investment policy

Breakdown according to investment policy	Net assets (in bn EUR)	Number of fund units ²
Fixed-income securities	1,232.705	3,111
Variable-yield transferable securities	1,287.628	3,895
Mixed transferable securities	937.208	3,999
Funds of funds	246.021	2,182
Money market instruments and other short-term securities	307.876	230
Cash	1.023	16
Private equity	32.029	208
Venture capital	1.824	32
Real estate	66.006	333
Futures and/or Options	13.899	126
Other assets	55.561	236
Public-to-Private	0.126	3
Mezzanine	1.562	12
Venture Capital (SICARs)	6.477	87
Private Equity (SICARs)	37.587	302
TOTAL	4,227.532	14,772

Breakdown of net assets according to investment policy

Breakdown according to investment policy	NET ASSETS (in bn EUR)	NUMBER OF FUND UNITS	SUBSCRIPTIONS (in bn EUR)	REDEMPTIONS (in bn EUR)	NET SUBSCRIPTIONS (in bn EUR)
PART I					
Fixed-income transferable securities	1,127.575	2,538	48.045	41.908	6.137
Variable-yield transferable securities	1,224.996	3,525	54.313	40.530	13.783
Mixed transferable securities	761.244	2,852	24.175	20.361	3.814
Funds of funds	134.954	997	3.274	2.650	0.624
Money market instruments and other short-term securities	288.794	179	134.232	133.646	0.586
Cash	0.641	8	0.024	0.042	-0.018
Futures and/or Options	7.914	60	0.398	0.183	0.215
Other assets	3.349	10	0.047	0.105	-0.058
TOTAL PART I:	3,549.467	10,169	264.508	239.425	25.083
PART II					
Fixed-income transferable securities	23.159	108	0.461	0.512	-0.051

² "Fund units" refers to both traditionally structured UCIs and sub-funds of umbrella funds.

Variable-yield transferable securities	13.545	61	0.110	0.083	0.027
Mixed transferable securities	51.234	196	0.813	0.944	-0.131
Funds of funds	30.070	288	0.262	0.863	-0.601
Money market instruments and other short-term securities	14.992	42	0.742	0.895	-0.153
Cash	0.366	6	0.004	0.006	-0.002
Private equity	5.216	16	0.158	0.026	0.132
Venture capital	0.002	1	0.000	0.000	0.000
Real estate	1.507	21	0.007	0.004	0.003
Futures and/or Options	2.667	26	0.027	0.027	0.000
Other assets	3.592	14	0.027	0.071	-0.044
TOTAL PART II:	146.350	779	2.611	3.431	-0.820
SIFs					
Fixed-income transferable securities	81.971	465	1.703	2.374	-0.671
Variable-yield transferable securities	49.087	309	1.866	1.726	0.140
Mixed transferable securities	124.730	951	2.402	4.575	-2.173
Funds of funds	80.997	897	1.879	0.877	1.002
Money market instruments and other short-term securities	4.090	9	0.110	0.348	-0.238
Cash	0.016	2	0.000	0.000	0.000
Private equity	26.813	192	0.354	0.024	0.330
Venture capital	1.822	31	0.040	0.005	0.035
Real estate	64.499	312	5.446	0.238	5.208
Futures and/or Options	3.318	40	0.014	0.193	-0.179
Other assets	48.620	212	1.844	2.868	-1.024
TOTAL SIFs:	485.963	3,420	15.658	13.228	2.430
SICARs					
Public-to-Private	0.126	3	0.000	0.000	0.000
Mezzanine	1.562	12	0.000	0.000	0.000
Venture capital	6.477	87	0.000	0.000	0.000
Private equity	37.587	302	0.012	0.003	0.009
TOTAL SICARs	45.752	404	0.012	0.003	0.009
TOTAL LUXEMBOURG UCIs	4,227.532	14,772	282.789	256.087	26.702

Origin of the initiators of Luxembourg UCIs

Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
United States	854.499	20.2%	187	4.7%	1,075	7.3%
United Kingdom	752.507	17.8%	281	7.0%	1,605	10.9%
Germany	607.641	14.4%	1,348	33.8%	2,672	18.1%
Switzerland	573.513	13.6%	579	14.5%	2,761	18.7%
France	388.318	9.2%	315	7.9%	1,488	10.1%
Italy	348.092	8.2%	147	3.7%	1,257	8.5%
Belgium	177.839	4.2%	167	4.2%	947	6.4%
Luxembourg	95.576	2.3%	230	5.8%	656	4.4%
Netherlands	94.023	2.2%	46	1.1%	249	1.7%
Denmark	86.287	2.0%	23	0.6%	206	1.4%
Others	249.237	5.9%	667	16.7%	1,856	12.5%
TOTAL	4,227.532	100.0%	3,990	100.0%	14,772	100.0%

Breakdown of UCI fund units registered in Luxembourg by reference currency

Currency	Net assets (in bn EUR)	in %	Number of fund units	in %
AUD	5.083	0.120%	28	0.189%
CAD	1.894	0.045%	22	0.149%
CHF	45.901	1.086%	284	1.922%
CNH	1.693	0.040%	23	0.156%
CNY	0.164	0.004%	4	0.027%
CZK	1.404	0.033%	65	0.440%
DKK	1.664	0.039%	11	0.074%
EUR	2,325.086	54.998%	9,399	63.627%
GBP	112.697	2.666%	335	2.268%
HKD	4.873	0.115%	10	0.068%
HUF	0.339	0.008%	33	0.223%
JPY	65.528	1.550%	204	1.381%
MXN	0.016	0.000%	1	0.007%
NOK	4.767	0.113%	31	0.210%
NZD	0.699	0.016%	5	0.034%
PLN	0.415	0.010%	19	0.129%
RON	0.502	0.012%	5	0.034%

SEK	52.504	1.242%	191	1.293%
SGD	0.584	0.014%	4	0.027%
TRY	0.022	0.001%	3	0.020%
USD	1,601.672	37.887%	4,094	27.715%
ZAR	0.025	0.001%	1	0.007%
TOTAL	4,227.532	100.000%	14,772	100.000%

Pension funds

As at 11 June 2018, **13 pension funds** in the form of pension savings companies with variable capital (SEPCAVs) and pension savings associations (ASSEPs) were registered on the official list of pension funds subject to the Law of 13 July 2005.

On the same date, the number of professionals authorised to act as **liability managers** for pension funds subject to the Law of 13 July 2005 amounted to **18**.

Securitisation undertakings

Since the publication of the last Newsletter, the following **securitisation undertaking** was **deregistered** from the official list of authorised securitisation undertakings governed by the Law of 22 March 2004 on securitisation:

ENSEMBLE INVESTMENT CORPORATION S.A.

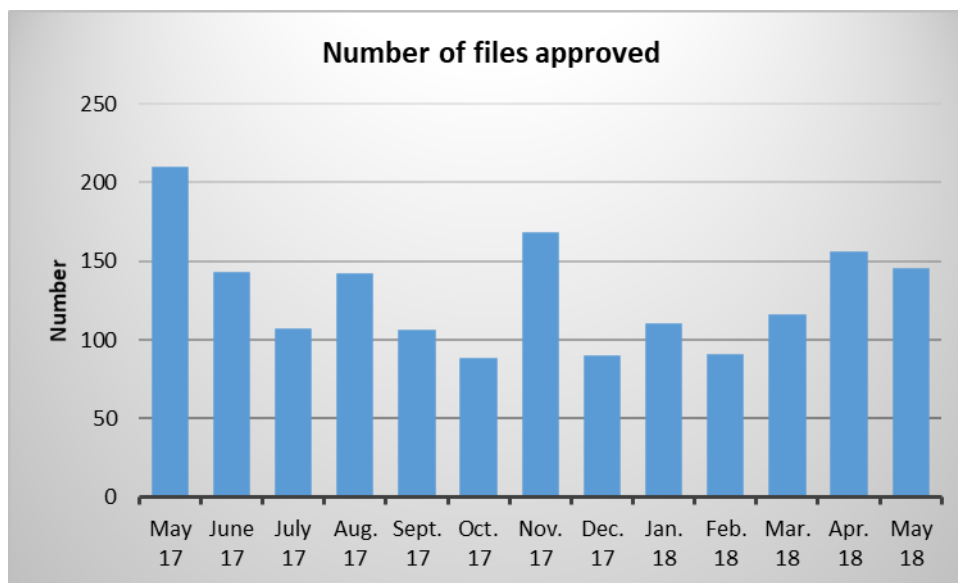
The number of **securitisation undertakings** authorised by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **32** entities as at 8 June 2018.

Public oversight of the audit profession

The public oversight of the audit profession covered **59 cabinets de révision agréés** (approved audit firms) and **306 réviseurs d'entreprises agréés** (approved statutory auditors) as at 31 May 2018. The oversight also included **31 third-country auditors and audit firms** duly registered in accordance with the Law of 23 July 2016 concerning the audit profession.

Prospectuses for securities in the event of an offer to the public or admission to trading on a regulated market (Part II and Part III, Chapter 1 of the law on prospectuses for securities)

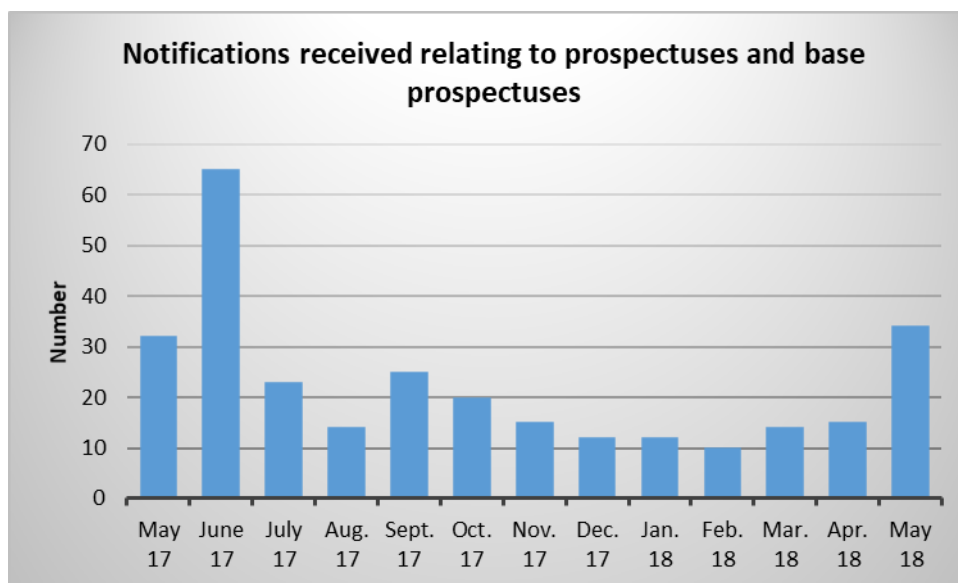
CSSF approvals



In May 2018, the CSSF approved a total of 145 documents pursuant to the Prospectus Law, which break down as follows:

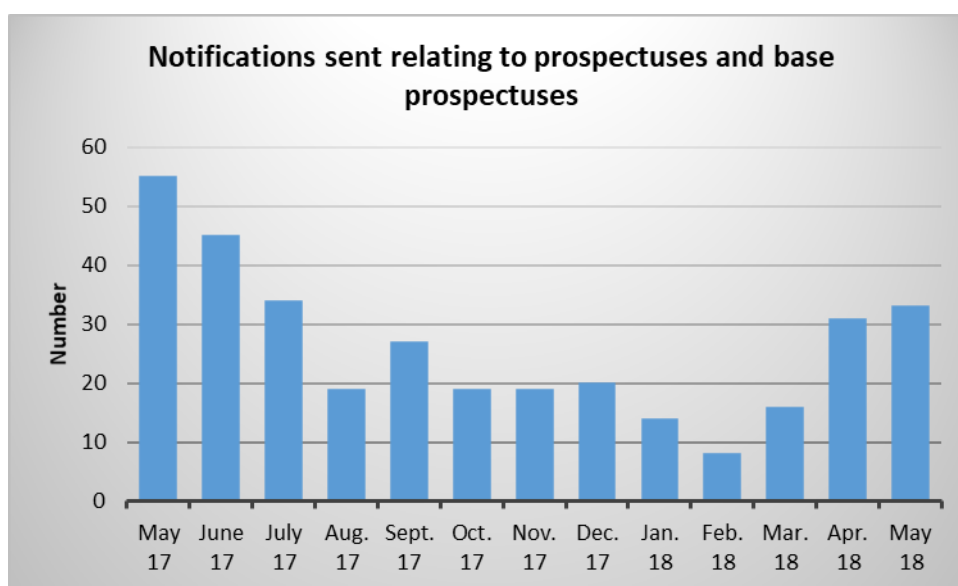
base prospectuses:	45	(31.03%)
other prospectuses:	13	(8.97%)
registration documents:	1	(0.69%)
supplements:	86	(59.31%)

Notifications received by the CSSF from competent authorities of other EEA Member States



In May 2018, the CSSF received 34 notifications relating to prospectuses and base prospectuses and 84 notifications relating to supplements from competent authorities of other EEA Member States.

Notifications sent by the CSSF to competent authorities of other EEA Member States



In May 2018, the CSSF sent 33 notifications relating to prospectuses and base prospectuses and 59 notifications relating to supplements to the competent authorities of other EEA Member States³.

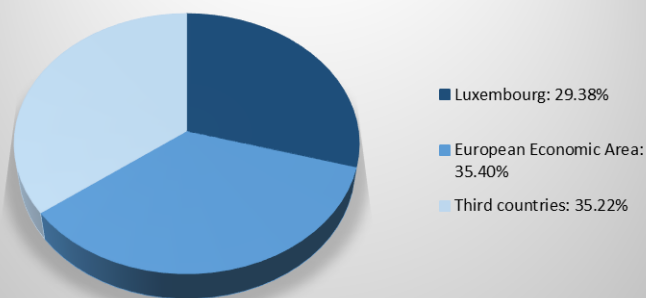
³ These figures are the number of prospectuses, base prospectuses and supplements for which the CSSF sent one or several notifications. Where notifications were sent at different dates and/or in several Member States, only the first notification is included in the statistical calculation. Each document notified in one or several Member States is thus only counted once.

Issuers of securities whose home Member State is Luxembourg pursuant to the Law of 11 January 2008 on transparency requirements for issuers (the “Transparency Law”)

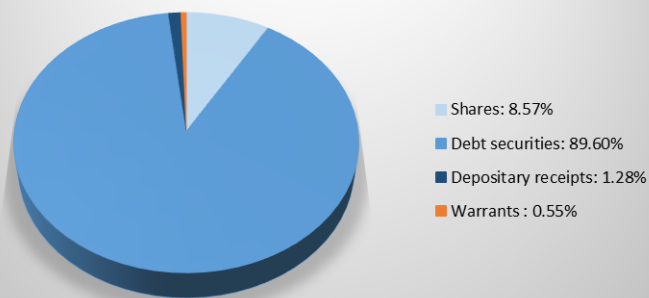
Since 9 May 2018, two issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, six issuers were deregistered from the list due to the fact that they do no longer fall within the scope of the Transparency Law.

As at 7 June 2018, 548 issuers, subject to the supervision of the CSSF, were included in the list of issuers whose home Member State is Luxembourg pursuant to the Transparency Law.

Breakdown of issuers according to countries



Breakdown of issuers according to type of securities admitted to trading



WITHDRAWAL DECIDED BY THE CSSF

A decision to withdraw the specialised investment fund BPA INTERNATIONAL S.C.A., SICAV-FIS from the official list of specialised investment funds was taken by the CSSF on 16 May 2018.

FINANCIAL CENTRE

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (15/06/2018)	138	↘ 3 entities
	Balance sheet total (31/12/2017)	EUR 751.902bn	↘ EUR 18.174bn
	Profit before provisions (31/12/2017)	EUR 5.435bn	↘ EUR 926m
Payment institutions	Number (15/06/2018)	10	↗ 1 entity
Electronic money institutions	Number (15/06/2018)	5	↗ 1 entity
UCIs	Number (14/06/2018)	Part I 2010 Law: 1,842	↘ 142 entities
		Part II 2010 Law: 307	↘ 33 entities
		SIFs: 1,556	↘ 65 entities
		TOTAL: 3,701	↘ 244 entities
	Number (11/06/2018)	SICARs: 284	↘ 1 entity
	Total net assets (30/04/2018)	EUR 4,227.532bn	↗ EUR 289.625bn
Management companies (Chapter 15)	Number (31/05/2018)	206	↗ 2 entities
	Balance sheet total (31/03/2018) ⁴	EUR 14.425bn	↗ EUR 2.195bn
Management companies (Chapter 16)	Number (31/05/2018)	167	↗ 2 entities
AIFMs	Number (14/06/2018)	234	↗ 11 entities
Pension funds	Number (11/06/2018)	13	↘ 1 entity
Authorised securitisation undertakings	Number (08/06/2018)	32	↘ 2 entities
Investment firms	Number (15/06/2018)	99 of which 6 branches	↘ 8 entities
	Balance sheet total (30/04/2018)	EUR 2.112bn	↘ EUR 1.874bn
	Provisional net profit (30/04/2018)	EUR 38.06m	↘ EUR 26.29m
Specialised PFS	Number (15/06/2018)	109	↘ 5 entities
	Balance sheet total (30/04/2018)	EUR 5.607bn	↘ EUR 863m
	Provisional net profit (30/04/2018)	EUR 142.466m	↘ EUR 15.82m
Support PFS	Number (15/06/2018)	77	no variation
	Balance sheet total (30/04/2018)	EUR 1.318bn	↗ EUR 177m
	Provisional net profit (30/04/2018)	EUR 17.33m	↘ EUR 18.71m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (07/06/2018)	548	↘ 96 entities
Public oversight of the audit profession	Number (31/05/2018)	59 <i>cabinets de révision agréés</i>	↗ 1 entity
		306 <i>réviseurs d'entreprises agréés</i>	↗ 16 people
		31 third-country auditors and audit firms	↘ 9 entities
Employment (31/03/2018)	Banks	26,331 people	↗ 187 people
	Management companies (Chapter 15) ⁴	4,460 people	↗ 364 people
	Investment firms	2,077 people	↘ 196 people
	Specialised PFS	4,271 people	↗ 222 people
	Support PFS	10,147 people	↗ 1,437 people
	Total	47,286 people	↗ 2,014 people ⁵

⁴ Preliminary figures⁵ This development does not mean a net creation or loss of jobs, but includes the transfer of existing jobs from the non-financial sector to the financial sector and vice versa.