



Newsletter No 234

July 2020



Commission de Surveillance
du Secteur Financier

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News

CSSF 4.0: supervision in real time

Interview with Jean-Pierre Faber, Director of the CSSF, on the technological innovations launched by the CSSF to meet the expectations of its stakeholders.



Link to the interview:
<https://bit.ly/3eVbmRi>



Coronavirus: information for all supervised entities

Information of the CSSF

We are facing a significant resurgence of coronavirus infections the consequences of which cannot be assessed at this stage. As with the first wave, it is crucial to avoid the spread of the virus, whilst ensuring the operational continuity of your entities.

Consequently, we ask you, as a matter of urgency, to

- review your plans to lift lockdown (*plans de déconfinement*) to ensure that they are in line

with the current situation, especially with regard to persons with vulnerabilities;

- ensure that the health measures mentioned in our communication of 19 June are strictly observed.

CSSF Communiqué of 19 June 2020: Coronavirus (COVID-19): Measures requested by the CSSF in the light of the return to working on-site

Summary of the communications by the European authorities

On 2 June 2020, the EBA issued Guidelines to address gaps in reporting data and public information in the context of COVID-19. These guidelines follow the implementation of a broad range of measures, such as legislative moratoria on loan repayments and public guarantees in Member States, with the aim to support the operational and liquidity challenges faced by borrowers. They have been developed with the aim to address data associated with such measures to ensure an appropriate understanding of institutions' risk profile and the asset quality on their balance sheets both for supervisors and the wider public.

<https://eba.europa.eu/eba-issues-guidelines-address-gaps-reporting-data-and-public-information-context-covid-19>

On 9 June 2020, ESMA decided, in view of the effects of the ongoing COVID-19 pandemic on stakeholders and market participants, to extend the response date for the consultation on the technical standards on reporting, data quality, data access and registration of Trade Repositories under EMIR REFIT to 3 July 2020.

<https://www.esma.europa.eu/press-news/esma-news/esma-extends-deadline-responses-consultation-emir-refit>

On 11 June 2020, ESMA issued a public statement to clarify the application of the MiFIR open access provisions (OAP) for trading venues (TVs) and central counterparties (CCPs) in light of the recent adverse developments related to COVID-19.

<https://www.esma.europa.eu/press-news/esma-news/esma-publishes-statement-mifir-open-access-and-covid-19>

On 17 June 2020, the Basel Committee on Banking Supervision (BCBS) published a press release concerning a range of policy issues, the impact of the COVID-19 pandemic on the global banking system and guidance on buffers. The Basel Committee met on 10 and 16 June 2020 to discuss a range of policy issues and to review the impact to date of the coronavirus disease (Covid-19) pandemic on the global banking system.

<https://www.bis.org/press/p200617.htm>

On 18 June 2020, the EBA extended the deadline for the application of its Guidelines on payment moratoria to 30 September 2020. The EBA has decided to extend the application date of its Guidelines on legislative and non-legislative moratoria to 30 September 2020. With EU economies not yet fully opened, this extension shows the importance of a continued support to the measures taken by banks to extend loans in response to the extraordinary nature of the current situation. This extension aims to ensure that adequate treatment for borrowers is available across the EU, considering that the Covid-19 crisis has been affecting EU countries in a different way and at a different pace.

<https://eba.europa.eu/eba-extends-deadline-application-its-guidelines-payment-moratoria-30-september>

On 25 June 2020, Dietrich Domanski, Secretary General, Financial Stability Board talked about how the exogenous shock has placed the financial system under strain, along three main dimensions of risk.

<https://www.fsb.org/2020/06/covid-19-the-financial-stability-board-and-the-g20-financial-reform-agenda/>



FAQ

A new FAQ on Circular CSSF 02/77 concerning the protection of investors in case of NAV calculation error and correction of the consequences resulting from non-compliance with the investment rules applicable to undertakings for collective investment has been published on 7 July 2020. The FAQ is available at:

<https://www.cssf.lu/en/document/faq-regarding-circular-cssf-02-77/>.



Warnings

Warnings of the CSSF

Since the publication of the last Newsletter, the CSSF published the following warnings:

- Warning concerning the activities of an entity named RSM Finance
- Warning concerning the website www.luxxcapital.com
- Warning concerning the website <https://efsca.online/>
- Warning concerning the website www.advanzia-credit.com

Given the significant number of fraudulent websites recently identified, the CSSF recommends you to verify whether the entity with which you would like to do business is supervised by the CSSF by using the application "**Search Entities**". In case of doubt, please contact the CSSF.

Warnings published by IOSCO

Several warnings have been published on the IOSCO website at:

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



National regulation

Law of 10 July 2020 – Register of *fiducies* and trusts

The law transposes Article 31 of Directive (EU) 2015/849 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU.

CSSF Regulation N° 20-02 - Equivalence of certain third countries

The CSSF Regulation establishes a list of third countries which are considered as equivalent for the purposes of the second subparagraph of Article 32-1(1) of the Law of 5 April 1993 on the financial sector.

CSSF Regulation N° 20-03 – Countercyclical buffer rate

CSSF Regulation N° 20-03 sets the countercyclical buffer rate applicable to the relevant exposures located in Luxembourg at 0.50% for the third quarter of 2020.

CSSF Regulation N° 20-04 - Definition of essential services in the context of the transposition NIS Directive

The CSSF Regulation N° 20-04 lists the essential services pursuant to Article 7(4) of the Law of 28 May 2019 transposing the Directive (EU) 2016/1148 of the European Parliament and of the Council of 6 July 2016 concerning measures for a high common level of security of network and information systems across the Union.

Circular CSSF 20/743 - Amendment of Circular CSSF 19/716

The purpose of the circular is to amend Circular CSSF 19/716 in order to specify the concept of services provided “in Luxembourg” (principle of territoriality) in relation to the investment services or the performance of investment activities and ancillary services in accordance with Article 32-1 of the LFS.

Circular CSSF 20/744 – Complement to Circular CSSF 17/650

The purpose of the circular is to complement Circular CSSF 17/650 of 17 February 2017 which provides for guidance on the extension of the offence of money laundering to aggravated tax fraud (*fraude fiscale aggravée*) and tax evasion (*escroquerie fiscale*) and on applicable anti-money laundering and counter-terrorist financing professional obligations. The amendments concern Annex 1 of Circular CSSF 17/650 and provide for new indicators to be taken into account in the context of collective investment activities.

Circular CSSF 20/745 - Supervisory reporting requirements applicable to credit institutions

The circular updates Circular CSSF 14/593, as amended by Circulars CSSF 15/613, CSSF 15/621, CSSF 16/640, CSSF 17/663, CSSF 18/678, CSSF 18/685, CSSF 19/715 and CSSF 19/729 on supervisory reporting requirements applicable to credit institutions by incorporating the latest developments regarding reporting requirements.

Circular CSSF 20/746 - FATF statements

The purpose of the circular is to inform the entities supervised by the CSSF of the FATF statements concerning high-risk jurisdictions on which enhanced due diligence and, where appropriate, counter-measures are imposed, as well as jurisdictions under increased monitoring of the FATF.

Circular CSSF 20/747 – Technical arrangements with respect to the central electronic data retrieval system

The purpose of the circular is to provide clarifications for the professionals concerned in order to put in place and operate the central electronic data retrieval system related to IBAN accounts and safe-deposit boxes.

Circular CSSF 20/748 – EBA Guidelines on reporting and disclosures of exposures

The purpose of the circular is to inform on the publication of the EBA Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis (EBA/GL/2020/07). The CSSF intends to integrate the Guidelines into its regulatory approach and administrative practice with a view to promote supervisory convergence in this field at European level. All Less Significant Institutions and branches of non EU credit institutions that fall within the scope of application as set out in section 2 of this circular shall duly comply with it.

Circular CSSF-CPDI 20/22 - Survey on the amount of covered deposits

The aim of the circular is to carry out a survey on deposits, and more particularly on covered deposits, as held by credit institutions incorporated under Luxembourg law, the POST Luxembourg for its provision of postal financial services, and Luxembourg branches of credit institutions having their head office in a third country as at 30 June 2020.

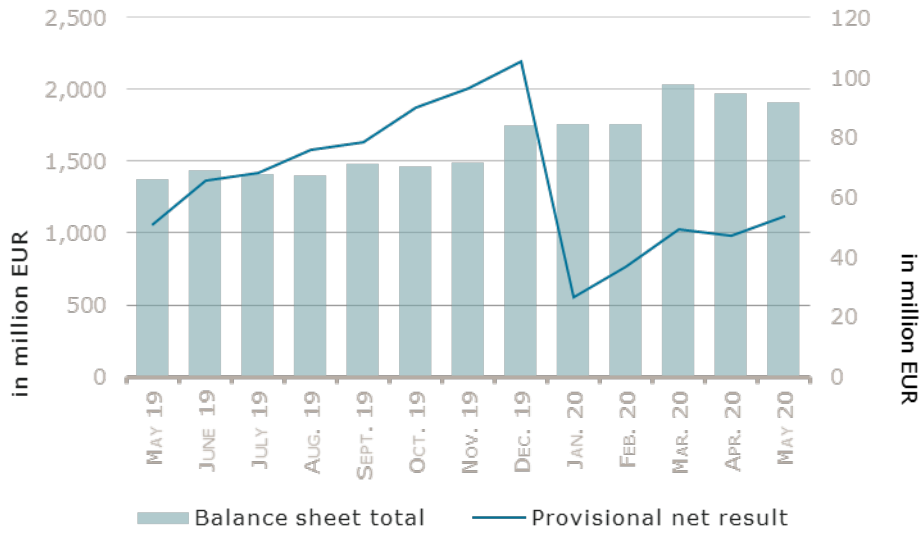


Communiqués

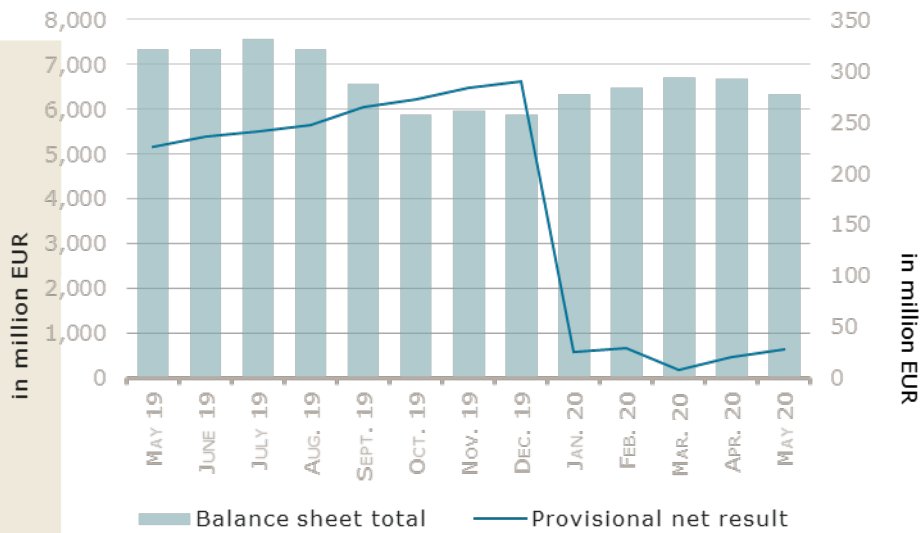
Date	Publications
30.06.2020	Global situation of undertakings for collective investment at the end of May 2020
07.07.2020	Profit and loss account of credit institutions as at 31 March 2020
10.07.2020	Launch of the ESMA supervisory exercise in relation to the ESRB Recommendation on Liquidity Risk in Investment Funds
17.07.2020	Withdrawal of the United Kingdom and EU rules in the field of statutory audit
17.07.2020	Coronavirus Response: The European Commission welcomes “Best Practices” to provide relief for consumers and businesses
20.07.2020	The CSSF publishes Luxembourg’s first ML/FT risk analysis on specialised professionals of the financial sector providing corporate services (trust and company service provider activities)
21.07.2020	ESMA Public Statement: actions to mitigate the impact of COVID-19 on the EU financial markets
22.07.2020	Transmission instructions for reportings under Article 37 of the Money Market Funds Regulation



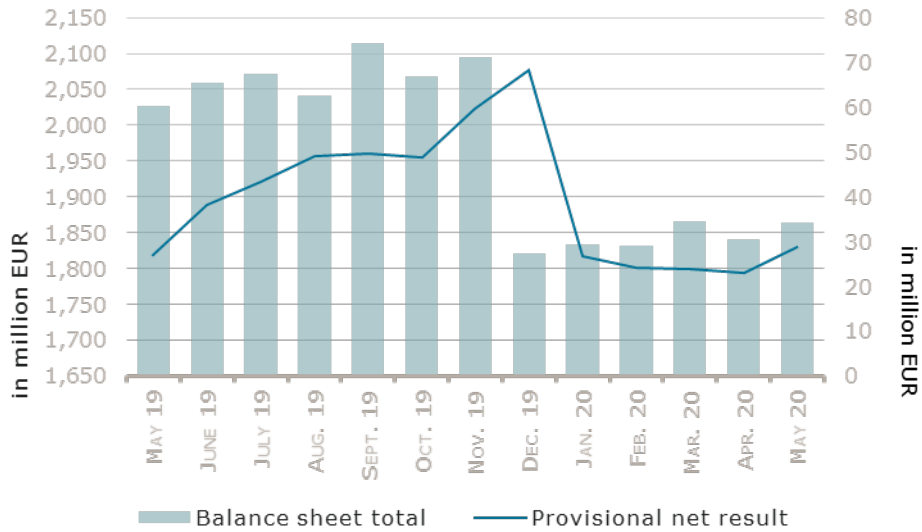
**INVESTMENT FIRMS
DECREASE IN THE BALANCE SHEET TOTAL AS AT 31 MAY 2020**



**SPECIALISED PFS
DECREASE IN THE BALANCE SHEET TOTAL AS AT 31 MAY 2020**



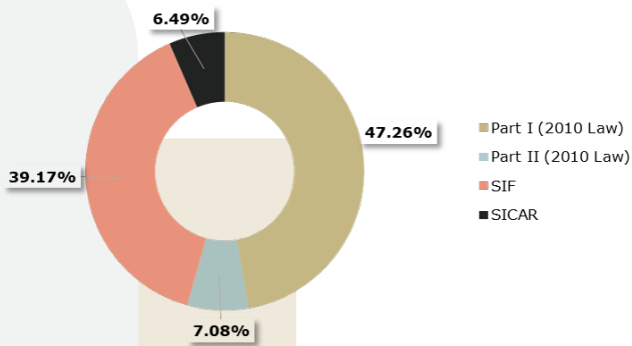
**SUPPORT PFS
INCREASE IN THE BALANCE SHEET TOTAL AS AT 31 MAY 2020**



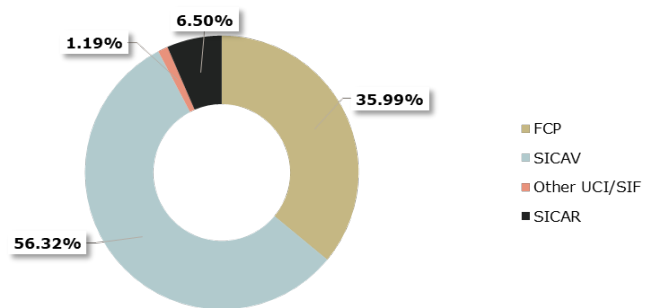
**UCIS
SITUATION AS AT 31 MAY 2020**

NUMBER OF UCIS

Breakdown according to law and part applicable

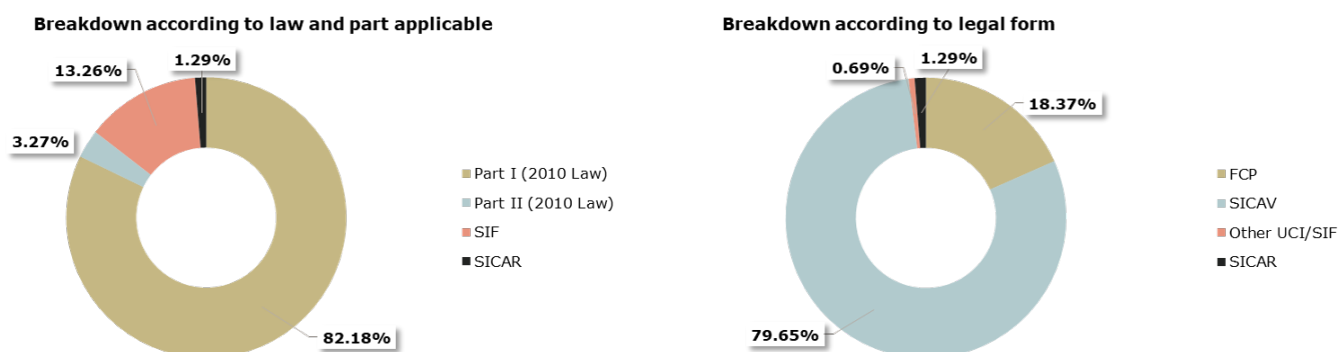


Breakdown according to legal form



	FCP	SICAV	Other UCI / SIF	SICAR	Total
Part I (2010 Law)	900	842	0	0	1,742
Part II (2010 Law)	129	130	2	0	261
FIS	298	1,104	42	0	1,444
SICAR	0	0	0	239	239
Total	1,327	2,076	44	239	3,686

NET ASSETS OF UCIS



	FCP	SICAV	Other UCI / SIF	SICAR	Total
Part I (2010 Law)	585.788	3,098.596	0.000	0.000	3,684.384
Part II (2010 Law)	48.552	97.648	0.467	0.000	146.667
SIF	189.402	374.512	30.490	0.000	594.404
SICAR	0.000	0.000	0.000	57.778	57.778
Total	823.742	3,570.756	30.957	57.778	4,483.233

NET ASSETS BROKEN DOWN BY INVESTMENT POLICY

Breakdown by investment policy	Net assets (in bn €)	Number of fund units
Fixed-Income Transferable Securities	1,335.706	3,222
Variable-Yield Transferable Securities	1,287.576	4,049
Mixed Transferable Securities	905.661	3,783
Funds of Funds	264.173	2,089
Money Market Instruments and Other Short-Term Securities	409.215	222
Cash	9.913	16
Private Equity	44.162	223
Venture Capital	2.704	29
Real Estate	88.416	320
Futures and/or Options	12.089	106
Other Assets	65.840	292
Public-to-Private	0.125	3
Mezzanine	2.702	12
Venture Capital (SICAR)	8.436	75
Private Equity (SICAR)	46.515	286
TOTAL	4,483.233	14,727

Breakdown by investment policy	Net assets (in bn €)	Number of fund units	Subscriptions (in bn €)	Redemptions (in bn €)	Net subscriptions (in bn €)
PART I					
Fixed-Income Transferable Securities	1,221.584	2,699	55.861	40.977	14.884
Variable-Yield Transferable Securities	1,211.866	3,713	49.575	47.030	2.545
Mixed Transferable Securities	717.233	2,747	21.268	20.919	0.349
Funds of Funds	128.480	887	2.607	2.099	0.508
Money Market Instruments and Other Short-Term Securities	385.781	177	183.370	167.610	15.760
Cash	9.859	14	2.571	2.657	-0.086
Futures and/or Options	6.821	51	0.707	0.258	0.449
Other Assets	2.760	10	0.059	0.035	0.024
SUB-TOTAL PART I	3,684.384	10,298	316.018	281.585	34.433
PART II					
Fixed-Income Transferable Securities	16.794	89	0.327	1.507	-1.180
Variable-Yield Transferable Securities	16.352	57	0.346	0.083	0.263
Mixed Transferable Securities	52.568	190	2.854	2.271	0.583
Funds of Funds	26.497	228	0.637	0.546	0.091
Money Market Instruments and Other Short-Term Securities	17.827	35	1.084	0.760	0.324
Cash	0.000	0	0.000	0.000	0.000
Private Equity	8.218	18	0.230	0.091	0.139
Venture Capital	0.029	1	0.000	0.000	0.000
Real Estate	2.892	20	0.000	0.000	0.000
Futures and/or Options	1.380	18	0.009	0.015	-0.006
Other Assets	4.110	17	0.157	0.428	-0.271
SUB-TOTAL PART II	146.667	673	5.644	5.701	-0.057

SIF

Fixed-Income Transferable Securities	97.328	434	4.236	3.364	0.872
Variable-Yield Transferable Securities	59.358	279	0.846	0.648	0.198
Mixed Transferable Securities	135.860	846	2.137	3.088	-0.951
Funds of Funds	109.196	974	1.597	1.728	-0.131
Money Market Instruments and Other Short-Term Securities	5.607	10	0.876	0.691	0.185
Cash	0.054	2	0.002	0.004	-0.002
Private Equity	35.944	205	0.804	0.597	0.207
Venture Capital	2.675	28	0.000	0.006	-0.006
Real Estate	85.524	300	1.385	0.339	1.046
Futures and/or Options	3.888	37	0.033	0.128	-0.095
Other Assets	58.970	265	1.755	0.852	0.903
SUB-TOTAL SIFs	594.404	3,380	13.671	11.445	2.226

SICAR

Public-to-Private	0.125	3	0.000	0.000	0.000
Mezzanine	2.702	12	0.000	0.000	0.000
Venture Capital	8.436	75	0.002	0.000	0.002
Private Equity	46.515	286	0.011	0.153	-0.142
TOTAL SICAR	57.778	376	0.013	0.153	-0.140

TOTAL LUXEMBOURG UCIS	4,483.233	14,727	335.346	298.884	36.462
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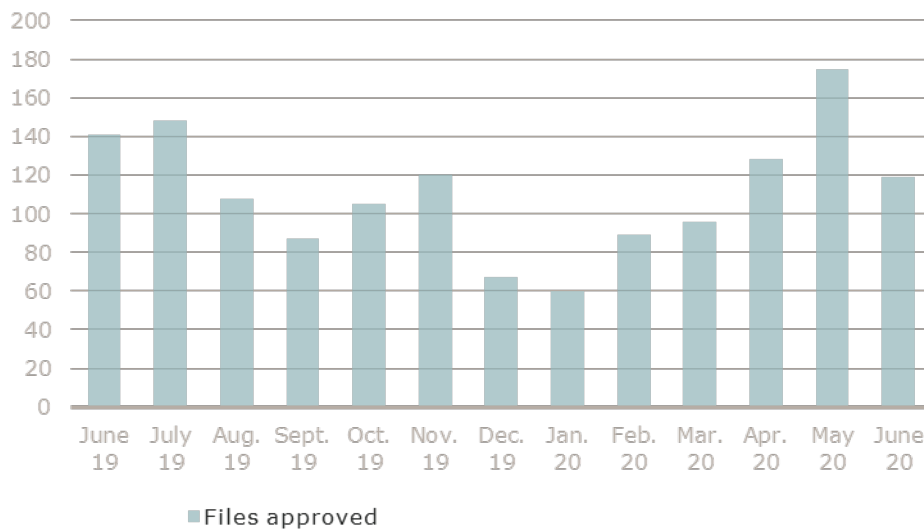
ORIGIN OF THE INITIATORS OF LUXEMBOURG UCIS

Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
US	945.403	21.1%	173	4.7%	1,114	7.6%
GB	795.902	17.8%	257	7.0%	1,656	11.2%
CH	641.507	14.3%	550	14.9%	2,751	18.7%
DE	624.665	14.0%	1,214	32.9%	2,541	17.3%
FR	420.975	9.4%	287	7.8%	1,566	10.6%
IT	313.984	7.0%	139	3.8%	1,253	8.5%
BE	195.219	4.3%	154	4.2%	892	6.1%
LU	119.215	2.6%	248	6.7%	688	4.7%
NL	95.798	2.1%	44	1.2%	256	1.7%
DK	89.846	2.0%	23	0.6%	224	1.5%
AUTRES	240.719	5.4%	597	16.2%	1,786	12.1%
TOTAL	4,483.233	100.0%	3,686	100.0%	14,727	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	6.113	0.136%	26	0.177%
CAD	2.746	0.061%	22	0.149%
CHF	45.130	1.007%	272	1.847%
CNH	3.169	0.071%	25	0.170%
CNY	1.043	0.023%	4	0.027%
CZK	1.219	0.027%	71	0.482%
DKK	1.728	0.039%	15	0.102%
EUR	2,366.919	52.795%	9,252	62.823%
GBP	158.871	3.544%	321	2.180%
HKD	4.217	0.094%	9	0.061%
HUF	0.347	0.008%	30	0.204%
JPY	54.917	1.225%	190	1.290%
NOK	5.138	0.115%	36	0.244%
NZD	0.764	0.017%	4	0.027%
PLN	0.224	0.005%	9	0.061%
RON	0.478	0.011%	4	0.027%
SEK	39.515	0.881%	133	0.903%
SGD	0.968	0.022%	6	0.041%
TRY	0.004	0.000%	1	0.007%
USD	1,789.703	39.920%	4,296	29.171%
ZAR	0.020	0.000%	1	0.007%
TOTAL :	4,483.233	100.000%	14,727	100.000%

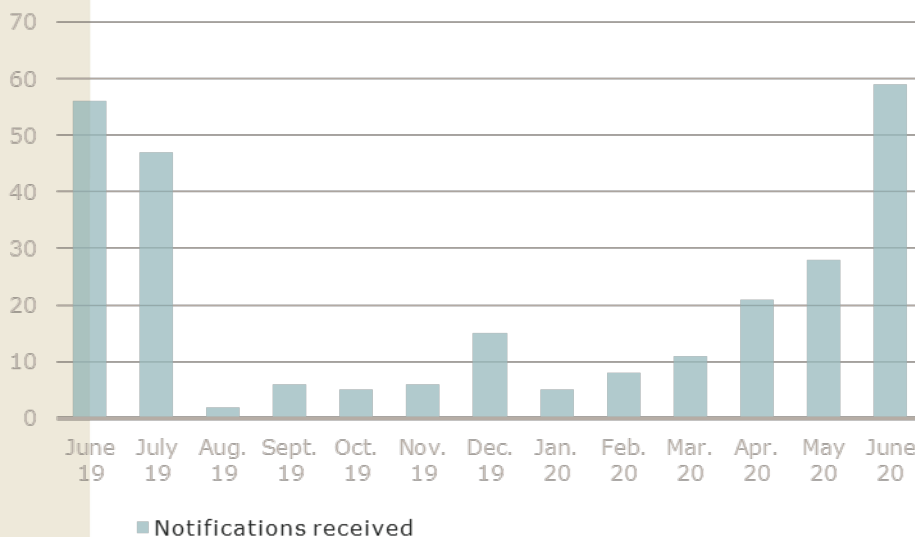
**PROSPECTUSES TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET
CSSF APPROVALS**



In June 2020, the CSSF approved a total of 119 documents pursuant to the Prospectus Regulation, which break down as follows:

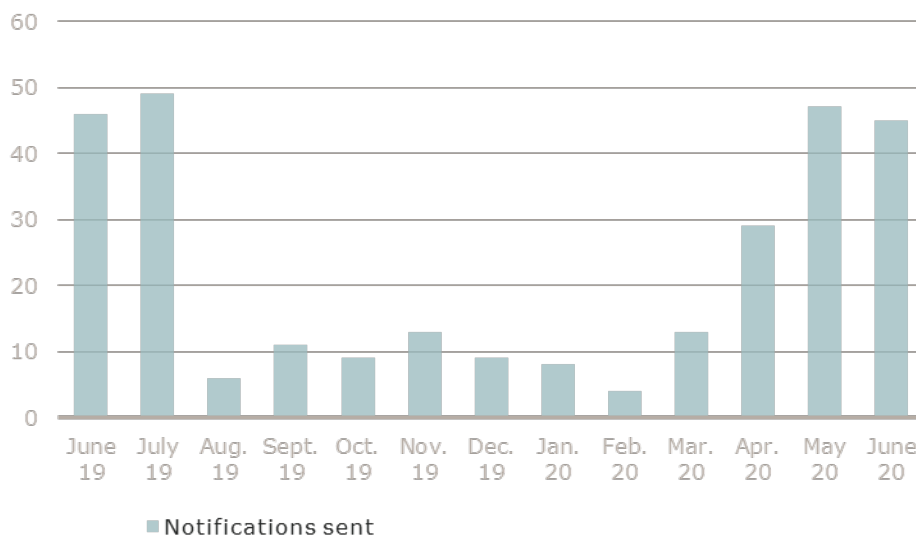
base prospectuses:	55 (46.22%)
other prospectuses:	24 (20.17%)
registration documents:	4 (3.36%)
supplements:	36 (30.25%)

NOTIFICATIONS RECEIVED BY THE CSSF FROM THE COMPETENT AUTHORITIES OF OTHER EEA MEMBER STATES



In June 2020, the CSSF received 56 notifications relating to prospectuses and base prospectuses, 1 notification relating to registration documents, 2 notifications relating to universal registration documents and 37 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



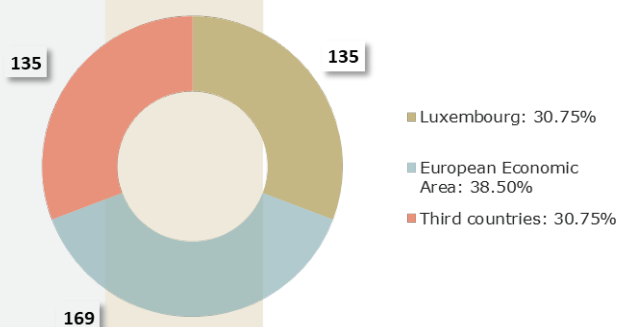
In June 2020, the CSSF sent 44 notifications relating to prospectuses and base prospectuses, 1 notification relating to registration documents and 25 notifications relating to supplements to the competent authorities of other EEA Member States¹.

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")

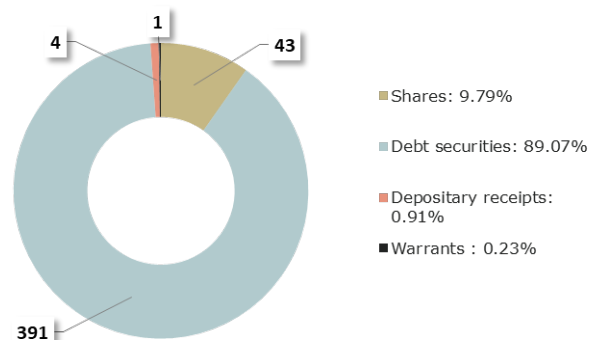
Since 31 May 2020, no issuer has chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, two issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 30 June 2020, **439 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



¹ These figures are the number of prospectuses, base prospectuses, registration documents 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.

PENSION FUNDS

As at 30 June 2020, **11 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

The number of **securitisation undertakings** authorised by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **33** entities as at 30 June 2020.

PUBLIC OVERSIGHT OF THE AUDIT PROFESSION

The public oversight of the audit profession covered **55 cabinets de révision agréés** (approved audit firms) and **318 réviseurs d'entreprises agréés** (approved statutory auditors) as at 30 June 2020. The oversight also included **24 third-country auditors and audit firms** duly registered in accordance with the Law of 23 July 2016 concerning the audit profession.



Human resources

In order to increase its staff, the CSSF hired 5 employees on 1 July 2020 and counts, after the departure of 4 agents, 934 agents (506 men and 428 women). They have been assigned to the following departments:

Legal Department

Stefan WEISER

UCI Departments

Renaud LE LEDAN

Innovation, Payments, Market Infrastructures and Governance

Catherine LEBAILLY

Supervision of Information Systems and Support PFS

Kevin BRUDERMANN

Information Systems of the CSSF (IT)

Amin FARA



European/International News in May 2020

Single Supervisory Mechanism (SSM) - European Central Bank (ECB)

Date	Publications	Description
08.06.2020	List of supervised entities (as of 1 May 2020)	The ECB has updated the list of supervised entities and supervised groups that are directly supervised by the ECB (“significant supervised entity” and “significant supervised group”, as defined in Article 2, points (16) and (22) of the SSM Framework Regulation). It has also published the list of entities supervised by a national competent authority (NCA). In Luxembourg, the number of significant institutions at the highest level of consolidation that are directly supervised by the ECB has remained unchanged at 5 institutions, and the number of less significant institutions has remained unchanged at 61 institutions.
09.06.2020	Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Zanni, Ms Donato, Mr Grant and Mr Rinaldi, MEPs, on bank provisioning for non-performing loans	The ECB has published a letter from the Chair of the Supervisory Board to Members of the European Parliament in response to a written request about bank provisioning for non-performing loans.
10.06.2020	Letter from Andrea Enria, Chair of the Supervisory Board, to Dr Hollnagel, Member of the German Bundestag, on business model supervision	The ECB has published a letter from the Chair of the Supervisory Board to a Member of the European Parliament in response to a written request about business model supervision.
10.06.2020	ECB report shows areas for improvement in banks’ lending standards before the COVID-19 crisis	The ECB has published a report on banks’ credit underwriting standards. The report contains the industry-wide findings of a project launched in May 2019 to collect data from 95 significant banks in the euro area on new loans granted during the period 2016-18 for different lending portfolios.
10.06.2020	Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Urtasun, MEP, on national measures for the banking sector in the COVID-19 crisis	The ECB has published a letter from the Chair of the Supervisory Board to a Member of the European Parliament in response to a written request about national measures for the banking sector in the COVID-19 crisis.
24.06.2020	Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Giegold, MEP, on banking supervision	The ECB has published a letter from the Chair of the Supervisory Board to a Member of the European Parliament in response to a written request about banking supervision.

Date	Interviews and speeches	Description
10.06.2020	Andrea Enria: Transcript of the media briefing on June 9, 2020 (with Q&A)	Andrea Enria, Chair of the Supervisory Board of the ECB, Frankfurt am Main, 9 June 2020
12.06.2020	Andrea Enria: Introductory Statement	Introductory statement by Andrea Enria, Chair of the Supervisory Board of the ECB, at the virtual meeting of the European CFO Network organised by UniCredit Group
17.06.2020	Andrea Enria: ECB Banking Supervision's approach to climate risks	Keynote speech by Andrea Enria, Chair of the Supervisory Board of the ECB, at the European Central Bank Climate and Environmental Risks Webinar
22.06.2020	Pentti Hakkarainen: Completing the banking and capital market union under new circumstances	Impulse by Pentti Hakkarainen, Member of the Supervisory Board of the ECB, Frankfurt Finance Summit
23.06.2020	Andrea Enria: Interview with Il Sole 24 Ore	Interview with Andrea Enria, Chair of the Supervisory Board of the ECB, conducted by Fabio Tamburini and published on 23 June 2020
25.06.2020	Yves Mersch: The World Economy Transformed	Remarks by Yves Mersch, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the Reinventing Bretton Woods Committee Webinar Series

European Parliament, European Commission and European Council

Date	Regulatory developments	Description
25.06.2020	Commission Delegated Regulation (EU) 2020/866 of 28 May 2020	Publication of Commission Delegated Regulation (EU) 2020/866 of 28 May 2020 amending Delegated Regulation (EU) 2016/101 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for prudent valuation under Article 105(14) of Regulation (EU) No 575/2013
26.06.2020	Regulation (EU) 2020/873 of 24 June 2020	Publication of Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic
26.06.2020	Corrigendum to Directive 2013/36/EU of 26 June 2013	Publication of Corrigendum to Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC

European Banking Authority (EBA)

Date	Publications	Description
04.06.2020	EBA publishes an Opinion on obstacles to the provision of third party provider services under the Payment Services Directive	The EBA has published an Opinion on obstacles to the provision of third party provider services (TPPs) under the Regulatory Technical Standards (RTS) on strong customer authentication (SCA) and common and secure communication (CSC). The opinion aims to support the objectives of the revised Payment Services Directive (PSD2) of enabling customers to use new and innovative payment services offered by TPPs by addressing a number of issues regarding the interfaces provided by account servicing payment service providers (ASPSPs) to TPPs.
08.06.2020	2020 EU-wide transparency exercise	The EBA has published the seventh EU-wide transparency exercise. This additional data disclosure comes as a response to the outbreak of COVID-19 and provides market participants with bank-level data as of 31 December 2019, prior to the start of the crisis. The data confirms the EU banking sector entered the crisis with solid capital positions and improved asset quality, but also shows the significant dispersion across banks.
10.06.2020	EBA issues revised list of validation rules	The EBA has issued a revised list of validation rules in its Implementing Technical Standards (ITS) on supervisory reporting, highlighting those which have been deactivated either for incorrectness or for triggering IT problems. Competent authorities throughout the EU are informed that data submitted in accordance with these ITS should not be formally validated against the set of deactivated rules.
11.06.2020	EBA publishes its 2019 Annual Report	The EBA 2019 Annual Report provides a detailed account of all the work the EBA achieved in the past year and anticipates the key areas of focus in the coming year.
11.06.2020	EBA proposes enhanced standardisation of disclosure requirements laid down in the Non-Financial Reporting Directive	The EBA has submitted its response to the European Commission's public consultation on the review of the Non-Financial Reporting Directive (NFRD). The EBA welcomes this consultation, and agrees with the need to revise the NFRD so as to meet the demand for relevant, reliable and comparable company disclosure on non-financial matters. The EBA also highlights the need to increase standardisation by setting out mandatory rather than voluntary requirements, so as to ensure comparable disclosures. Finally, the EBA supports this review as a good opportunity to expand the scope of companies covered by the NFRD, in a proportionate way.
17.06.2020	EBA makes changes to its Q&A tool	The EBA has expanded the scope of its Questions and Answers (Q&A) process and tool to enable the submission of questions on the Anti-Money-Laundering Directive and Consumer Protection legislation under the EBA's scope. Going forward, submitted questions, subject to meeting the prescribed criteria, will be published on the EBA website while their answers are being prepared. The EBA has also made some changes to expand and update its online Interactive Single Rulebook.

17.06.2020	EBA publishes its first peer review of the stress tests and the resilience of deposit guarantee schemes (DGSs)	The purpose of the peer review was to assess the resilience of DGSs based on the results of the DGS stress tests, and to identify good practices and areas for improvement.
18.06.2020	EBA publishes revised standards to identify staff with a material impact on the institution's risk profile	The EBA has published its final draft RTS on the criteria to identify all categories of staff whose professional activities have a material impact on the institutions' risk profile ("risk takers"). The objective of these RTS is to define and harmonise the criteria for the identification of such staff and to ensure a consistent approach across the EU. The identification process is based on a combination of qualitative and quantitative criteria.
18.06.2020	EBA publishes final revised technical standards to enhance quality and consistency of information for passport notifications	The EBA has published its Final draft amending RTS and ITS on passport notification. The two sets of amending technical standards increase the quality and consistency of information to be provided by a credit institution notifying its home competent authorities when it intends to open a branch or provide services in another Member State, as well as of the communication between home and host authorities.
24.06.2020	EBA publishes final draft ITS on institutions' Pillar 3 disclosures and revised final draft ITS on supervisory reporting (Framework 3.0)	The EBA has published its final draft of the ITS on public disclosures by institutions and revised final draft ITS on supervisory reporting that implements changes introduced in the revised Capital Requirements Regulation (CRR2) and the Prudential Backstop Regulation. The publication of the two ITS aims at promoting market discipline through enhanced and comparable public disclosures for stakeholders, and keeping the reporting requirements in line with the evolving needs for Supervisory Authorities' risk assessments.
26.06.2020	EBA launches discussion on further enhancing supervisory powers of competent authorities in a crisis situation	The EBA has published a discussion paper exploring ways on how to enhance the Bank Recovery and Resolution Directive (BRRD) framework on early intervention measures. The objective is to further enhance crisis management tools available for competent authorities in addition to well-established and widely used supervisory powers laid down in the Capital Requirements Directive (CRD) and in the Single Supervisory Mechanism Regulation (SSMR).
29.06.2020	The EBA supports the Commission's proposal for a new Digital Finance Strategy for Europe	The EBA has published its response to the European Commission's consultation on a new Digital Finance Strategy for Europe. The EBA is committed to securing technology neutrality in regulatory and supervisory approaches and strongly supports the Commission's initiative towards a new Digital Finance Strategy. The EBA identifies in its response a wide range of possible EU-level actions to support the scaling of innovative technology cross-border whilst ensuring high standards of consumer protection and financial sector resilience.

Date	Consultations	Description
04.06.2020	EBA launches a consultation on technical standards on capital requirements of non-modellable risks under the FRTB	The EBA has launched a consultation on draft RTS on the capitalisation of non-modellable risk factors (NMRFs) for institutions using the new Internal Model Approach (IMA) under the Fundamental Review of the Trading Book (FRTB). These draft RTS are one of the key deliverables included in the roadmap for the new market and counterparty credit risk approaches published on 27 June 2019. The consultation runs until 4 September 2020 .
04.06.2020	EBA launches consultation on the implementation of the new regulatory framework for investments firms	The EBA has outlined its roadmap for the implementation of the new regulatory framework for investment firms and launched a public consultation on its first set of regulatory deliverables on prudential, reporting, disclosures and remuneration requirements. The roadmap outlines the EBA's work plan for each of the mandates laid down in the IFR/IFD and aims to clarify the sequencing and rationale behind their prioritisation. The consultations run until 4 September 2020 .
09.06.2020	EBA launches consultation on technical standards specifying the prudential treatment of software assets	As the banking sector is moving towards a more digital environment, the aim of these draft RTS is to achieve an appropriate balance between the need to maintain a certain margin of conservatism in the prudential treatment of software assets and their relevance from a business and an economic perspective. The consultation runs until 9 July 2020 .
15.06.2020	EBA calls for input to understand impact of de-risking on financial institutions and customers in an AML/CFT context	The EBA has issued a call for input to understand the scale and drivers of 'de-risking' at EU level and its impact on customers. This call, which forms part of the EBA's work to lead, coordinate and monitor the EU financial sector's AML/CFT efforts, aims primarily to understand why financial institutions choose to de-risk instead of managing the risks associated with certain sectors or customers. This call for input is of interest to stakeholders across the financial sector and its users, as the EBA wants to hear from all groups affected by de-risking. The call for input runs until 11 September 2020 .

Basel Committee on Banking Supervision (BCBS)

Date	Publication	Description
23.06.2020	BCBS proposes amendment to capital rules for NPL securitisations	The BCBS has published a technical amendment on the capital treatment of securitisations of non-performing loans (NPLs). This proposal, which the Committee started developing before the onset of the COVID-19 pandemic, addresses a gap in the regulatory framework and sets out a prudent treatment for securitisations of NPLs. Comments on this technical amendment are welcomed until 23 August 2020 .

Macroprudential topics and fora

European Central Bank (ECB)

Date	Publications	Description
04.06.2020	Eurosystem staff macroeconomic projections for the euro area, June 2020	The ECB has published its macroeconomic projections for the euro area over the next two years.
22.06.2020	Cross-border spillover effects of macroprudential policies: a conceptual framework	The ECB has published an occasional paper on cross-border spillover effects of macroprudential policies. The paper has been prepared by the Financial Stability Committee Task Force on cross-border spillover effects of macroprudential measures.

European Systemic Risk Board (ESRB)

Date	Publications	Description
08.06.2020	Recommendation of the European Systemic Risk Board on monitoring the financial stability implications of debt moratoria, and public guarantee schemes and other measures of a fiscal nature taken to protect the real economy in response to the COVID-19 pandemic (ESRB/2020/8)	The ESRB has published a recommendation on monitoring the financial stability implications of debt moratoria, and public guarantee schemes and other measures of a fiscal nature taken to protect the real economy in response to the COVID-19 pandemic (ESRB/2020/8). It is recommended that national macroprudential authorities monitor financial stability implications of measures taken to protect the real economy in response to the COVID-19 pandemic and that national macroprudential authorities report information to the ESRB.
08.06.2020	ESRB letter to EIOPA on Liquidity risks in the insurance sector	The ESRB has addressed a letter to EIOPA following up the discussions of the ESRB's General Board during three extraordinary meetings in April and May. In this letter the ESRB informs EIOPA of its views on the monitoring of liquidity risks in the insurance sector so as to enhance Europe's preparedness to potential future shocks.
22.06.2020	Decision ESRB/2020/10 on the cancellation of certain reports on actions and measures taken pursuant to Recommendation ESRB/2014/1 and Recommendation ESRB/2015/2	The ESRB has published a recommendation on the cancellation of certain reports on actions and measures taken pursuant to Recommendation ESRB/2014/1 and Recommendation ESRB/2015/2 of the European Systemic Risk Board (ESRB/2020/10). The decision of cancellation entered into force on 3 June 2020.
25.06.2020	ESRB opinion on ESMA report on post trade risk reduction services with regards to the clearing obligation	The ESRB has issued an opinion on ESMA's report on post trade risk reduction services with regards to the clearing obligation (Article 85(3a) EMIR).
25.06.2020	ESRB opinion on ESMA report on Central Clearing Solutions for Pension Scheme Arrangements	The ESRB has issued an opinion on ESMA's report on central clearing solutions for pension scheme arrangements.

Countercyclical Capital buffer (CCyB)

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%:

Country	CCyB rate	Application since
Bulgaria	0.5%	01.04.2020
Czech Republic	1.0%	01.04.2020
Luxembourg	0.25%	01.01.2020
	0.5%	01.01.2021
Norway	1%	13.03.2020
Slovakia	1.5%	01.05.2020

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

Financial Stability Board (FSB)

Date	Publication	Description
28.06.2020	Evaluation of the effects of too-big-to-fail reforms: consultation report	This report, for public consultation, provides an evaluation of too-big-to-fail (TbTF) reforms for systemically important banks. These reforms were endorsed by the G20 in the aftermath of the 2008 global financial crisis and have been implemented in FSB jurisdictions over the past decade. The evaluation examines the extent to which the reforms are reducing the systemic and moral hazard risks associated with systemically important banks, as well as their broader effects on the financial system.

European Securities and Markets Authority (ESMA)

Date	Publication	Description
02.06.2020	ESMA publishes final report on FRANDT commercial terms for clearing services	ESMA has published its final report with technical advice to the European Commission (EC) on the fair, reasonable, non-discriminatory and transparent (FRANDT) commercial terms for the provision of clearing services.
03.06.2020	ESMA updates transparency and position limit opinions for 3rd country venues	ESMA has published updated opinions on post-trade transparency and position limits under MiFID II and MiFIR following its assessment of over 200 third-country trading venues (TCTV) against criteria published in opinions in 2017.
03.06.2020	ESMA consults on cloud outsourcing guidelines	ESMA has published a consultation paper on guidelines on outsourcing to cloud service providers.
04.06.2020	ESMA fines Scope Ratings €640,000 for failings in covered bonds ratings	ESMA has fined Scope Ratings GmbH (Scope) €640,000, and issued a public notice, for breaches of the Credit Rating Agencies Regulation (CRAR) in relation to the systematic application of its 2015 Covered Bonds Methodology (CBM) and its revision.
04.06.2020	ESMA promotes convergence in the supervision of costs in UCITS and AIFs	ESMA has published a supervisory briefing on the supervision by National Competent Authorities (NCAs) of costs applicable to Undertakings for the Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs). This briefing comes in response to the need to improve convergence across NCAs in the approach to undue costs.
04.06.2020	ESMA updates reporting instructions for MMF reporting	ESMA has published updated reporting instructions to be used for reporting under the Money Market Fund Regulation (MMFR).
05.06.2020	ESMA announces new methodology for peer reviews	ESMA has published a new Peer Review Methodology integrating the improvements to this process that were introduced by the revised ESMA Regulation (ESMAR).
05.06.2020	ESMA provides guidance on the compliance function under MiFID II	ESMA has published the final guidelines on the MiFID II compliance function. These guidelines replace the ESMA guidelines on the same topic issued in 2012 and include updates that enhance clarity and foster greater convergence in the implementation, and supervision, of the new MiFID II compliance function requirements.
08.06.2020	MiFID II: ESMA issues latest Double Volume Cap data	ESMA has updated its public register with the latest set of double volume cap (DVC) data under the Markets in Financial Instruments Directive (MiFID II).
09.06.2020	ESAs announce public hearing on ESG disclosures	The three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) will organise a public hearing on 2 July on proposed environmental, social and governance (ESG) disclosure standards for financial market participants, advisers and products.
11.06.2020	ESMA renews its Decision requiring net short position holders to report positions of 0.1% and above	ESMA has renewed its decision to temporarily require the holders of net short positions in shares traded on a European Union (EU) regulated market to notify the relevant national competent authority (NCA) if the position exceeds 0.1% of the issued share capital.

11.06.2020	ESMA responds to European Commission consultation on revision of NFRD	ESMA has submitted a response to the European Commission's (EC) consultation on a revision of the Non-Financial Reporting Directive (NFRD). The response recommends standardising disclosure requirements, widening the range of companies required to report and ensuring consistency between legislative initiatives on sustainable finance.
15.06.2020	ESMA publishes 2019 Annual Report and updates 2020 Annual Work Programme	ESMA has published its Annual Report, which reviews the achievements from 2019 against its mission of enhancing investor protection and promoting stable and orderly financial markets in the European Union.
16.06.2020	ESMA appoints a new Securities and Markets Stakeholder Group	ESMA has published the new list of members of its Securities and Markets Stakeholder Group (SMSG) following approval by its Board of Supervisors. The selected individuals begin a four-year term on 1 July 2020. The SMSG will provide ESMA with advice on its policy work and must be consulted on technical standards, guidelines and recommendations.
17.06.2020	ESMA publishes example of an annual financial report in ESEF format	ESMA has published on its website an example of an annual financial report which is prepared in the new European Single Electronic Format (ESEF).
18.06.2020	ESMA integrates the 2020 IFRS taxonomy into ESEF RTS	ESMA has published a draft amendment to the Regulatory Technical Standards (RTS) on the European Single Electronic Format (ESEF).
22.06.2020	ESMA publishes translations for Guidelines on the reporting to competent authorities under Article 37 of the MMF Regulation	ESMA has issued the official translations of its guidelines on standardised procedures and messaging protocols.
29.06.2020	ESMA responds to European Commission consultation on the Digital Finance Strategy	ESMA has submitted a response to the European Commission's (EC) consultation on a new digital finance strategy for the European Union (EU). ESMA welcomes the EC consultation noting that it builds on the 2018 FinTech Action Plan that set a number of deliverables for the ESAs, all of which were completed.



Financial centre

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (30/06/2020)	127	↘ 5 entities
	Balance sheet total (31/03/2020)	EUR 912.444 bn	↗ EUR 90.653 bn
	Profit before provisions (31/03/2020)	EUR 1.242 bn	↗ EUR 230 m
Payment institutions	Number (30/06/2020)	14	↗ 3 entities
Electronic money institutions	Number (30/06/2020)	9	↗ 1 entity
UCIs	Number (30/06/2020)	Part I 2010 Law: 1,740	↘ 59 entities
		Part II 2010 Law: 245	↘ 42 entities
		SIFs: 1,448	↘ 55 entities
		TOTAL: 3,433	↘ 156 entities
	Number (30/06/2020)	SICAR: 236	↘ 30 entities
	Total net assets (31/05/2020)	EUR 4,483.233 bn	↘ EUR 165.263 bn
Management companies (Chapter 15)	Number (30/06/2020)	192	↘ 15 entities
	Balance sheet total (31/03/2020) ²	EUR 15.801 bn	↗ EUR 952 m
Management companies (Chapter 16)	Number (30/06/2020)	157	↘ 8 entities
AIFMs	Number (30/06/2020)	258	↗ 4 entities
Pension funds	Number (30/06/2020)	11	↘ 1 entity
Authorised securitisation undertakings	Number (30/06/2020)	33	↗ 1 entity
Investment firms	Number (30/06/2020)	99	↗ 1 entity
	Balance sheet total (31/05/2020)	EUR 1.913 bn	↗ EUR 539 m
	Provisional net profit (31/05/2020)	EUR 53.61 m	↗ EUR 2.53 m
Specialised PFS	Number (30/06/2020)	102	↘ 5 entities
	Balance sheet total (31/05/2020)	EUR 6.434 bn	↘ EUR 892 m
	Provisional net profit (31/05/2020)	EUR 27.51 m	↘ EUR 198.137 m
Support PFS	Number (30/06/2020)	71	↘ 4 entities
	Balance sheet total (31/05/2020)	EUR 1.864 bn	↘ EUR 162 m
	Provisional net profit (31/05/2020)	EUR 28.67 m	↗ EUR 1.74 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (30/06/2020)	439	↘ 23 entities
Public oversight of the audit profession	Number (30/06/2020)	55 <i>cabinets de révision agréés</i>	↘ 5 entities
		318 <i>réviseurs d'entreprises agréés</i>	↗ 1 person
		24 third-country auditors and audit firms	no variation
Employment (31/03/2020)	Banks ³	26,390 people	↘ 239 people
	Management companies (Chapter 15) ⁴	4,903 people	↗ 96 people
	Investment firms	1,709 people	↘ 770 people
	Specialised PFS	5,238 people	↗ 588 people
	Support PFS	10,078 people	↘ 118 people
	Payment institutions/electronic money institutions	605 people	N/A
	Total	48,923 people	↘ 443 people⁵

² Preliminary figures

³ Preliminary figures

⁴ Preliminary figures

⁵ 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.