



Newsletter No 238

November 2020



Commission de Surveillance
du Secteur Financier

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Coronavirus: Information for all supervised entities

Information of the CSSF

In the face of the upsurge of COVID-19 cases, the Commission de Surveillance du Secteur Financier (CSSF) calls on the entities under its supervision to use telework

We are facing an unprecedented upsurge in coronavirus infections whose consequences cannot be measured at this stage. The government indicated that the situation gives cause for concern during its press conference today.

It is essential that, like everyone, the entities under the CSSF's supervision contribute to prevent the propagation of the virus, while ensuring business continuity.

We therefore ask you to use telework wherever possible.

As regards your employees who need to work on-site, we reiterate the importance of following the health precautions mentioned in our previous communiqués.

COVID-19 Thematic Review of issuers' reporting

The COVID-19 pandemic has hit Luxembourg as other European countries since the beginning of the year 2020 and has adversely affected a number of issuers under our supervision. In this context, we have decided to carry out a thematic review of the information provided by issuers concerning the impact of COVID-19 on their operations and financial performance as of 30 June 2020.

We noted that information provided in the interim financial reports regarding the effects of the COVID-19 pandemic was generally sufficiently entity-specific and detailed. The information was mainly available in the management reports and often repeated or summarised in the relevant notes to the financial statements.

However we consider that there are several areas for improvement that issuers should consider when preparing their future financial information regarding the impacts of this pandemic.

The main issue encountered concerns the impairment of non-financial assets. Indeed we were confronted with insufficient disclosure in the interim financial reports and more importantly, we observed that the assessments made by management with regard to the recoverable value of non-financial assets did not always appear consistent with the impacts of the COVID-19 pandemic (on the first half-year 2020 and planned) described elsewhere in the financial reports.

Another area for improvement concerns the measurement and disclosure of expected credit losses (ECLs), especially on trade and lease receivables for corporates. A number of the issuers examined hold significant receivables for which the credit risk is likely to change as their clients could be weakened by the effects of COVID-19. As such, we expect issuers to provide precise information on their credit risk management in response to COVID-19 and on any significant adjustments made to the impairment models as well as on the impairment losses recognised.

The findings relate to interim and annual financial reports published for periods ending March 2020 or after.

The full publication is available at: <https://www.cssf.lu/en/2020/11/covid-19-thematic-review-of-issuers-reporting/>.

Summary of the communications by the European authorities

On 1 October 2020, Andrea Enria, Chair of the Supervisory Board of the ECB, gave a speech at the European Banking Federation high-level public dialogue.

https://www.bankingsupervision.europa.eu/press/speeches/date/2020/html/ssm.sp201001_1~ef618a5a36.en.html

On 5 October 2020, the EBA published its quarterly Risk Dashboard covering Q2 2020 data and summarising the main risks and vulnerabilities in the EU banking sector. Whereas capital ratios held up well, there are indications that the crisis starts to have an impact on asset quality. With increasing cost of risk, profitability continued its declining trend.

[https://eba.europa.eu/eba-saw-npl-ratios-remained-stable-q2-2020-although-early-signals-asset-quality-deterioration-banks'](https://eba.europa.eu/eba-saw-npl-ratios-remained-stable-q2-2020-although-early-signals-asset-quality-deterioration-banks)

On 7 October 2020, the FSB and International Monetary Fund (IMF) published the Fifth Progress Report – Countdown to 2021 in light of COVID-19 on the implementation of the second phase of the G20 Data Gaps Initiative (DGI-2). The report will be submitted to the G20 Finance Ministers and Central Bank Governors ahead of their meetings in Washington D.C. in mid-October.

<https://www.fsb.org/2020/10/fsb-and-imf-publish-2020-progress-report-on-g20-data-gaps-initiative/>

On 8 October 2020, Yves Mersch, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, gave a keynote speech at the Conference “The Werner Report, 50 Years on”, organised by the Luxembourg Centre for Contemporary and Digital History in cooperation with EUI Florence.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2020/html/ssm.sp201008~b1dc0f26ca.en.html>

On 9 October 2020, Kerstin af Jochnick, Member of the Supervisory Board of the ECB, and Tuba Raqshan, Journalist for Asset News, had a discussion at the Global Invest Forum organised L'AGEFI in Paris.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2020/html/ssm.sp201009~450fca5dc4.en.html>

On 9 October 2020, Verena Ross, ESMA's Executive Director, addressed the AFME's 4th Annual European Compliance and Legal Conference raising several topics such as the impact of COVID-19 on the financial markets, the review of MiFID, MiFIR and the Market Abuse Regulation, and ESMA's priorities laid down in its 2021 Work Programme.

<https://www.esma.europa.eu/press-news/esma-news/verena-ross-delivers-keynote-speech-afme-conference>

On 12 October 2020, Handelsblatt published an interview with Andrea Enria, Chair of the Supervisory Board of the ECB, conducted by Yasmin Osman and Kathrin Jones on 5 October 2020.

<https://www.bankingsupervision.europa.eu/press/interviews/date/2020/html/ssm.in201012~f68deb5173.en.html>

On 12 October 2020, Commission Regulation (EU) 2020/1434 of 9 October 2020 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 16 was published in the Official Journal of the European Union.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R1434&qid=1604676956918>

On 14 October 2020, the FSB published the FSB Chair's letter to G20 Finance Ministers and Central Bank Governors. The letter highlights the extraordinary challenges for the global financial system this year. The FSB is submitting to the G20 work addressing issues at the frontier of financial innovation and technology, covering the topics of financial innovation, payments systems, cyber resilience, and market fragmentation.

<https://www.fsb.org/2020/10/fsb-chairs-letter-to-g20-finance-ministers-and-central-bank-governors-october-2020/>

On 19 October 2020, Edouard Fernandez-Bollo, Member of the Supervisory Board of the ECB, held a presentation entitled "Financial regulation in 2020: trends in the EU and global patterns" at the Mazars-OMFIF virtual panel.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2020/html/ssm.sp201019~17fb071ccb.en.pdf?e91a822a8a539170e4df1086e646ef5b>

On 19 October 2020, Pablo Hernández de Cos, Chair of the Basel Committee on Banking Supervision and Governor of the Bank of Spain, gave a keynote speech at the 21st International Conference of Banking Supervisors.

<https://www.bis.org/speeches/sp201019.htm>

On 19 October 2020, the ECB published an article on the issue of buffer usability, as there are some evidence suggesting that banks can be unwilling to draw them down as needed. The article emphasises the importance of clear and convincing communication, and also calls for a medium-term rebalancing between structural and cyclical capital requirements.

https://www.ecb.europa.eu/pub/financial-stability/macprudential-bulletin/html/ecb.mpbu202010_1~01c4f1a5f4.en.html

On 19 October 2020, the ECB published another article to explore the role of capital buffers in containing the reduction of lending to the real economy during the COVID-19 crisis. The results show that the banks' use of capital buffers leads to better economic outcomes, without a negative impact on their resilience.

https://www.ecb.europa.eu/pub/financial-stability/macprudential-bulletin/html/ecb.mpbu202010_2~400e8324f1.en.html

On 19 October 2020, the ECB published an overview of macroprudential capital requirements in euro area countries as at 1 October 2020, completed with information on other macroprudential measures taken by the member countries since the last issue of the Macroprudential Bulletin in October 2019.

https://www.ecb.europa.eu/pub/financial-stability/macprudential-bulletin/html/ecb.mpbu_annex202010.en.html

On 19 October 2020, the FSB published a toolkit of effective practices for financial institutions' cyber incident response and recovery. The FSB encourages authorities and organisations to use the toolkit to enhance their cyber incident response and recovery activities.

This initiative was supported by a public consultation on effective practices for cyber incident response and recovery, whose overview of the responses has been published, and accompanied by a final report, which put forward the role national authorities can play in responding to cyber incidents that present potential risks to financial stability.

<https://www.fsb.org/2020/10/fsb-encourages-use-of-cyber-incident-response-and-recovery-toolkit/>

<https://www.fsb.org/2020/10/effective-practices-for-cyber-incident-response-and-recovery-overview-of-public-consultation/>

<https://www.fsb.org/2020/10/effective-practices-for-cyber-incident-response-and-recovery-final-report/>

On 21 October 2020, the ESRB published the EU non-bank financial intermediation risk monitor 2020 (NBFi Monitor). This is the fifth issue in an annual series that contributes to the monitoring of a part of the financial system that has grown in recent years and accounts for around 40% of the EU financial system. The analysis is complemented by an activity-based assessment considering risks and vulnerabilities in securities financing transactions, derivatives and securitisations, which are used across entities and where risks can arise from the use and reuse of financial collateral. This issue of the NBFi Monitor focuses on data up to end-2019, but also considers market developments at the onset of the coronavirus (COVID-19) pandemic in early 2020.

<https://www.esrb.europa.eu/news/pr/date/2020/html/esrb.pr201021~a3c1929670.en.html>

On 22 October 2020, Pentti Hakkarainen, Member of the Supervisory Board of the ECB, gave a speech at the European Banking Federation's online conference on "Cyber security and resilience: the basis of it all in digital innovation".

<https://www.bankingsupervision.europa.eu/press/speeches/date/2020/html/ssm.sp201022~a0b3fd5947.en.html>

On 27 October 2020, Andrea Enria, Chair of the Supervisory Board of the ECB, gave an introductory statement at the European Parliament's Economic and Monetary Affairs Committee.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2020/html/ssm.sp201027~d284d6d6c8.en.html>

On 27 October 2020, the ECB published the results of its latest bank lending survey (BLS), conducted between 21 September and 6 October 2020. First, the report presents the developments in credit standards, terms and conditions, and net demand for loans in the euro area. Second, it considers the impact that the situation in financial markets has had on banks' access to funding, the impact of the ECB's asset purchase programmes (APP and PEPP), and the impact of the TLTRO III.

https://www.ecb.europa.eu/stats/ecb_surveys/bank_lending_survey/pdf/ecb.blssurvey2020q3~a04de75e7f.en.pdf

On 28 October 2020, ESMA issued its annual Public Statement on European Common Enforcement Priorities (Statement), which sets out the priorities that EEA corporate reporting enforcers will consider when examining listed companies' 2020 annual financial reports.

<https://www.esma.europa.eu/press-news/esma-news/european-accounting-enforcers-enhance-transparency-covid-19-impact>

On 29 October 2020, Kerstin af Jochnick, Member of the Supervisory Board of the ECB, gave a keynote speech at the European Confederation of Institutes of Internal Auditing (ECIIA) Banking Forum.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2020/html/ssm.sp201029~503992bff4.en.html>

On 30 October 2020, Elizabeth McCaul, Member of the Supervisory Board of the ECB, gave a keynote speech at the Webinar for the presentation of the position paper on COVID-19 and Governance by the Italian Association of Financial Industry Risk Managers (AIFIRM) and Università La Sapienza.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2020/html/ssm.sp201030~18da75cbee.en.html>

On 30 October 2020, the ECB published its Survey of Professional Forecasters for the fourth quarter of 2020. HICP inflation expectations are 0.3%, 0.9% and 1.3% for 2020, 2021 and 2022 respectively. Real GDP growth expectations are revised up for 2020 by 0.5 percentage points, to -7.8%, but down by 0.4 percentage points to 5.3% for 2021. The balance of risks to growth was generally reported to be to the downside. While respondents continue to expect an increase in the unemployment rate in 2021 with a steady decline thereafter, they revised down their unemployment expectations for all horizons.

https://www.ecb.europa.eu/stats/ecb_surveys/survey_of_professional_forecasters/pdf/ecb.spf2020q4~dab5d8085d.en.pdf



FAQ

On 23 October 2020, the CSSF published the document “FAQ: Application Form – Third-country auditors and audit entities”. The document is available at: <https://www.cssf.lu/en/document/faq-application-form-third-country-auditors-and-audit-entities/>.

On 30 October 2020, the CSSF updated two FAQs, namely “Questions/Answers (Part II) on the statuses of PFS” and “Questions and Answers on Circular CSSF 12/552”. The new versions are available at: <https://www.cssf.lu/en/document/questions-answers-part-ii-on-the-statuses-of-pfs/>
<https://www.cssf.lu/en/document/questions-and-answers-on-circular-cssf-12-552/>.



Warnings

Warnings of the CSSF

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

- Warning concerning the website www.kurprinz-capital.com
- Warning regarding the activities of an entity named CoinglobeFX
- Warning regarding the activities of an entity named Tan Allen Piguet Asset Management
- Warning concerning the website <https://presidioinvestmentsltd.com>
- Warning concerning a fraud scheme misusing the name of the Luxembourg authorised credit institution Deutsche Bank Luxembourg S.A.
- Warning concerning the website www.cosminvest-sa.com
- Warning regarding the activities of an entity named GCG International
- Warning concerning the website <https://energie-5.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

Circular CSSF 20/753

The purpose of this circular is to amend Circular CSSF 07/301, as amended, as well as Circular CSSF 11/506 in order to provide CRR institutions, as defined in Article 1(1) of CSSF Regulation N° 15-02, with updated supervisory expectations on the regulatory requirements applicable to the ICAAP/ILAAP and to stress testing programmes pursuant to the guidelines EBA/GL/2018/042 of the European Banking Authority (EBA). The document is available on the CSSF website at:

https://www.cssf.lu/wp-content/uploads/cssf20_753eng.pdf.

Circular CSSF 20/754

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. The document is available in French on the CSSF website at:

<https://www.cssf.lu/en/document/circular-cssf-20-754-only-in-french/>.

Circular CSSF 20/755

The purpose of this circular is to inform you that the CSSF, in its capacity as Competent Authority applies 1) the Guidelines of the European Banking Authority (EBA) on supervisory reporting and disclosure requirements in compliance with the CRR “quick fix” in response to the COVID-19 pandemic (Ref. EBA/GL/2020/11) and 2) the Guidelines amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR “quick fix” in response to the COVID-19 pandemic (Ref. EBA/GL/2020/12), of 11 August 2020. The CSSF has integrated the CRR “quick fix” Guidelines into its regulatory approach and administrative practice with a view to promoting 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 of this circular must duly comply with them. The document is available on the CSSF website at:

https://www.cssf.lu/wp-content/uploads/cssf20_755eng.pdf.



Fight against money laundering and terrorist financing

The FATF published three reports regarding virtual assets and virtual asset service providers

The CSSF would like to raise awareness to three reports of the Financial Action Task Force (“FATF”) that have been published over the summer regarding Virtual Assets (“VAs”) and Virtual Asset Service Providers (“VASPs”).

“FATF Report on VAs and Red flag indicators of money laundering and terrorist financing”

In September 2020, the FATF has published a report highlighting red flags in relation to VAs potentially indicating money laundering or terrorist financing (“ML/TF”) ¹. Information of the report is relevant not only for Virtual Asset Service Providers but also for financial institutions or non-financial sector professionals and for relevant public authorities in order to help detection, reporting, analysing and ultimately prosecution of criminal activity and also monitoring of compliance with AML/CFT professional obligations.

Virtual Assets and their potential vulnerabilities can be used to launder proceeds from a range of offences that include the sale of controlled substances and other illegal items (including firearms), fraud, investment scams, tax evasion, computer crimes (e.g. cyberattacks resulting in thefts), child exploitation, human trafficking, sanctions evasion, etc. Indeed, according to the report, the most common types of misuse are i) *for illicit trafficking in controlled substances, either with sales transacted directly in VAs or the use of VAs as an ML layering technique* and ii) *related to frauds, scams, ransomware, and extortion*.

Red flags indicating potential misuse of VAs for ML/TF purposes in this report focus on:

- Transaction patterns – that are irregular, unusual or uncommon which can suggest criminal activity;
- Transaction size and frequency – if the amount and frequency has no logical business explanation;
- Technological features that increase anonymity – such as the use of peer-to-peer exchanges websites, mixing or tumbling services or anonymity-enhanced crypto-currencies;
- Sender or recipient profiles – unusual behaviour that can suggest criminal activity either during account creation or during CDD process, risk of role as money mules or scam victims;
- Source of funds or wealth – which can relate to criminal activity;
- Geographical risks – criminals can exploit countries with weak, or absent, national measures for virtual assets.

The presence of one sole indicator may not be sufficiently telling for detecting criminal activity but it should trigger further examination and assessment by professionals in order to be able to determine whether a suspicious activity/transaction report needs to be filed with the FIU. The report can also be used to inform transaction monitoring and customer due diligence measures to be put in place by professionals.

“FATF update on VASPs and Stablecoins”

The “12-month review of the revised FATF standards on Virtual Assets and Virtual Asset Service Providers” published in June 2020², is the result of the FATF’s Virtual Assets Contact Group (“VACG”) analysis in order to monitor implementation by the public and the private sector of the revised FATF Standards relating to the virtual assets sector, as well as to monitor any change in the typologies and associated risks.

Through this report, the FATF informs how ML/TF risks and the VA sector have changed since June 2019, observes the participating jurisdictions’ and private sector’s progress in implementing the revised Standards, including the development of technical solutions for the implementation of the “travel rule”,

¹ <http://www.fatf-gafi.org/media/fatf/documents/recommendations/Virtual-Assets-Red-Flag-Indicators.pdf>

² <https://www.fatf-gafi.org/media/fatf/documents/recommendations/12-Month-Review-Revised-FATF-Standards-Virtual-Assets-VASPS.pdf>

to set out issues identified at the level of the revised FATF Standards and Guidance and finally, to announce the FATF's next steps.

It appears too early to attest full implementation of the revised Standards within all jurisdictions and by the majority of the private sector, nonetheless considerable efforts were reported and most FATF members/jurisdictions have introduced new legislation to specifically regulate VASPs. Thus, they have taken adequate steps in order to register or license VASPs, though divergent approaches have been taken.³

Per the trends observed in the use of VAs, it appears that VAs have generally been used for the layering stage in the money laundering process, in principle due to the rapidity of transfers, and the criminal activity linked to their use predominantly consists in narcotics and fraud related offences as confirmed in the above-mentioned FATF Report on red flag indicators. It also seems that usually only one type of VA is used for criminal activity.

VASPs are required to implement the FATF's AML/CFT measures set out under Recommendations 10-21 and detailed under the Interpretative Note 15, including Recommendation 16 on wire transfer requirements. Regarding Recommendation 16, the so-called "travel rule" that VASPs need to comply with, consists specifically of the requirement to apply specific measures in view of the identification of originators and beneficiaries of financial transactions and in order to avoid they remain anonymous.

Particular challenges in relation to an effective implementation of the travel rule include problems connected with the identification by a VASP of another counterparty VASP and the examination of their registered or licensed status from an AML/CFT perspective, peer-to-peer transactions via private or unhosted wallets and the absence of their being subject to explicit AML/CFT requirements, batch and post facto submission, application of different rules and standards in various jurisdictions that impact the inter-operability of systems and finally, the so-called "sunrise issue", consisting in the absence of a global framework for travel rule compliance among jurisdictions.

It is admitted that the technological standards for "travel rule" solutions have considerably evolved and messaging standards are continuously being developed, nonetheless holistic technological solutions have not been available for a global travel rule implementation until today. The FATF thus maintains the call upon the VASP sector to redouble its efforts on this subject.

The FATF's next steps in the field include performing another 12-month review by June 2021, no amendments to the FATF Revised Standards but need for further guidance, further analysis by the FATF VACG, enhancement of the interactions with and the engagement of the private sector, as well as the fostering of international cooperation between jurisdictions and particularly between VASPs supervisory authorities.

"FATF Report to the G20 Finance Ministers and Central Bank Governors on So-called Stablecoins"

This report⁴, also published in June 2020, is the result of a separate analysis that the FATF performed with respect to the so-called stablecoins, whose results were also taken into account in the aforementioned 12-month review on VAs and VASPs.

The so-called stablecoins are a type of assets whose value is meant to be stable relative to that of an underlying asset or benchmark. They are presumed to be exposed to the same ML/TF risks as VAs and VASPs and appear to be particularly used at the layering stage, similar to VAs and VASPs, due to their potential for anonymity. The FATF considers that higher risks might be posed in view of the stabilisation mechanism used to fix the asset price.

A major issue associated with the so-called stablecoins is the fact that their mass adoption could lead to a substantial increase in the number of anonymous peer-to-peer virtual asset transactions occurring via unhosted wallets. It is to be noted that peer-to-peer transactions without the use of a VASP or

³ At this point, it is reminded that in Luxembourg, VASPs are defined in the Luxembourg Law of 12 November 2004 on AML/CFT and are subject to CSSF registration in accordance with the provisions of aforementioned law. These professionals are expected to comply with the AML/CFT requirements provided for in that same law. For further information please consult: <https://www.cssf.lu/en/virtual-asset-service-provider-vasp/>.

⁴ <https://www.fatf-gafi.org/media/fatf/documents/recommendations/Virtual-Assets-FATF-Report-G20-So-Called-Stablecoins.pdf>

another AML/CFT-regulated entity are not explicitly covered by the revised FATF Standards. It needs to be further mentioned that the FATF does not seek to regulate the technology associated with VASP activities, the so-called stablecoins or related software creations, only to efficiently address the risks linked with such activity from an AML/CFT perspective.

For the time being and following the FATF 12-month review, the FATF considers that the current standards do not necessitate further update in view of the so-called stablecoins. Nonetheless, the FATF calls for prudence and incites jurisdictions and the private sector, particularly intermediaries (banks, money service businesses, etc.), to take all steps set out under its 12-month review with reference to VAs and VASPs, since those appear to sufficiently cover the so-called stablecoins for the moment.



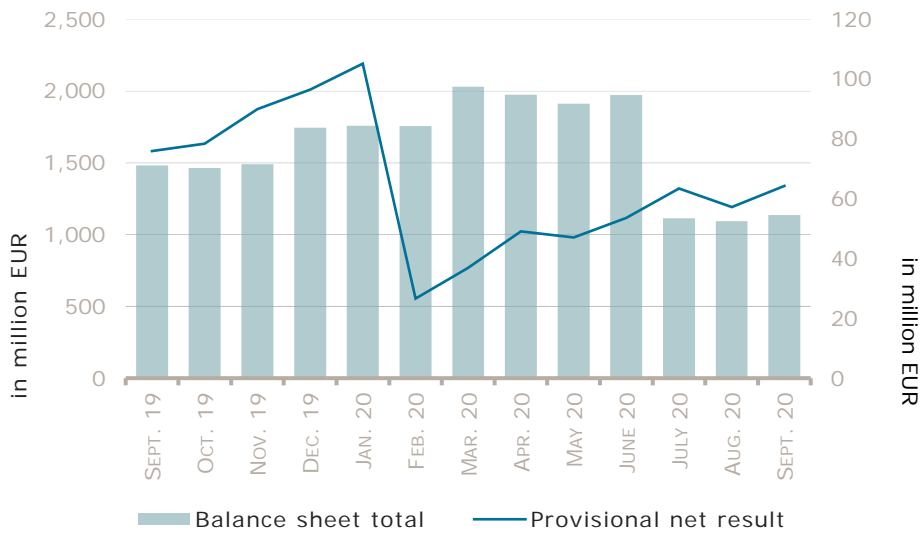
Communiqués

Date	Publications
22.10.2020	Claude Marx, Director General of the CSSF: Guest ("Invité de la Rédaction") on RTL 92,5
02.11.2020	Global situation of undertakings for collective investment at the end of September 2020
02.11.2020	New Final Terms submission form as of 30 November 2020
06.11.2020	Application of Regulation (EU) 2019/2088 on the sustainability-related disclosures in the financial services sector and related technical standards
10.11.2020	ESMA issues statement to address upcoming end of transition period with regards to reporting, recordkeeping, reconciliation, data access, portability and aggregation of derivatives reported under Article 9 of EMIR and Article 4 of SFTR
11.11.2020	Publication of the second EBA Report on the application of the Guidelines on Product Oversight and Governance (POG) arrangements
13.11.2020	COVID-19 Thematic Review of issuers' reporting

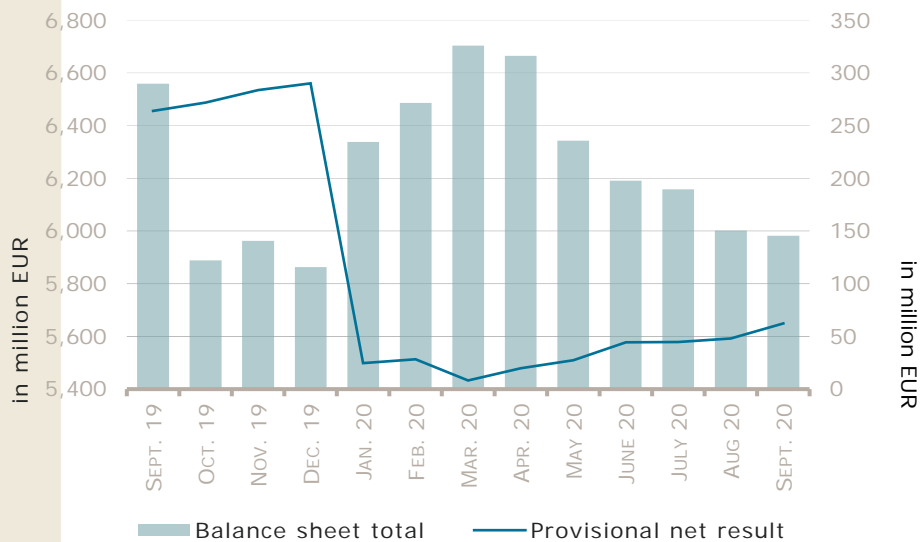


MONTHLY STATISTICS

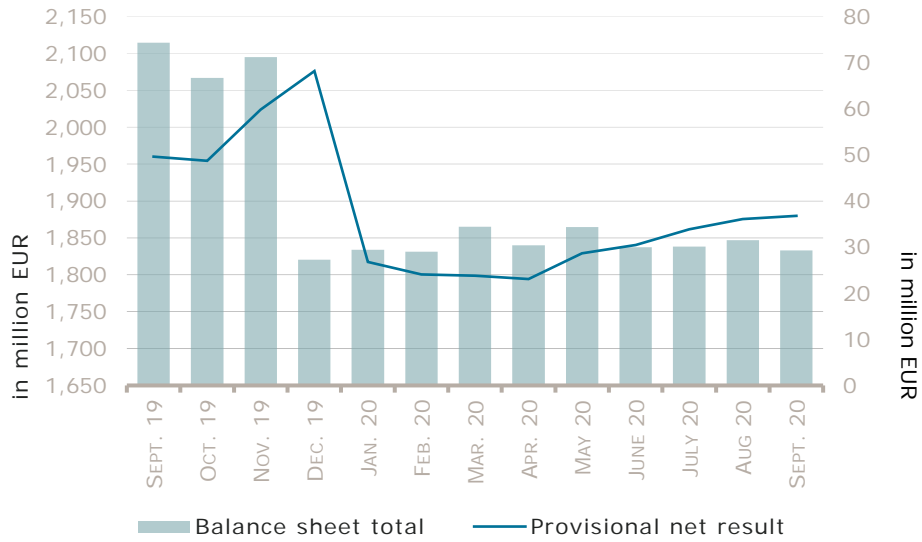
INVESTMENT FIRMS:
INCREASE IN THE BALANCE SHEET TOTAL AS AT 30 SEPTEMBER 2020



SPECIALISED PFS:
DECREASE IN THE BALANCE SHEET TOTAL AS AT 30 SEPTEMBER 2020



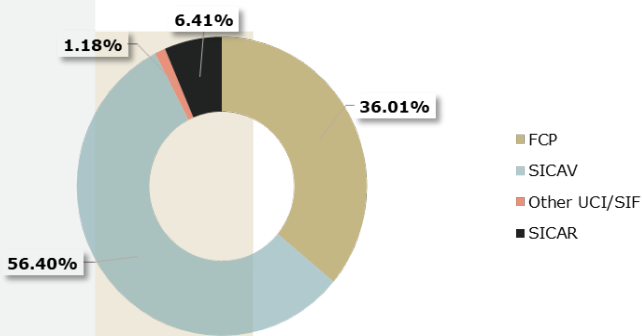
**SUPPORT PFS:
DECREASE IN THE BALANCE SHEET TOTAL AS AT 31 AUGUST 2020**



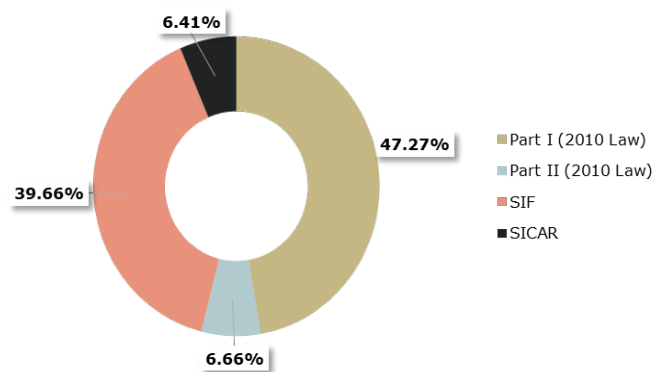
NUMBER OF UCIS

**UCIS:
SITUATION AS AT 30 SEPTEMBER 2020**

Breakdown according to legal form



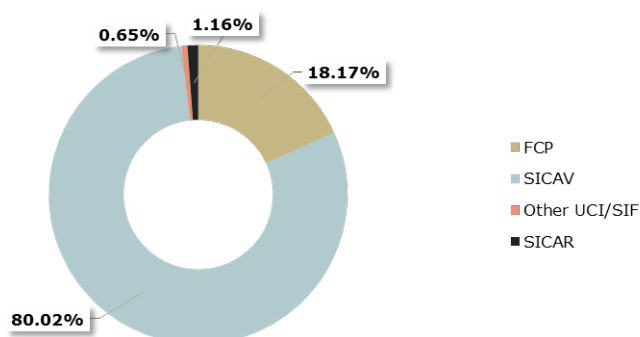
Breakdown according to law and part applicable



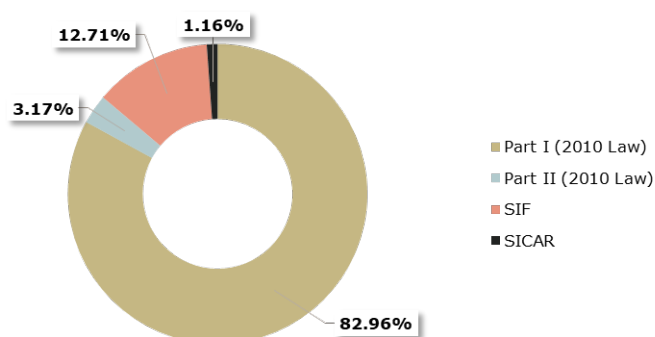
	FCP	SICAV	Other UCI / SIF	SICAR	Total
Part I (2010 Law)	892	833	0	0	1,725
Part II (2010 Law)	113	128	2	0	243
FIS	309	1,097	41	0	1,447
SICAR	0	0	0	234	234
Total	1,314	2,058	43	234	3,649

NET ASSETS OF UCIS

Breakdown according to legal form



Breakdown according to law and part applicable



	FCP	SICAV	Other UCI / SIF	SICAR	Total
Part I (2010 Law)	616.339	3,279.491	0.000	0.000	3,895.830
Part II (2010 Law)	48.703	99.592	0.463	0.000	148.758
SIF	188.342	378.799	29.932	0.000	597.073
SICAR	0.000	0.000	0.000	54.525	54.525
Total	853.384	3,757.882	30.395	54.525	4,696.186

NET ASSETS BROKEN DOWN BY INVESTMENT POLICY

Breakdown by investment policy	Net assets (in bn €)	Number of fund units
Fixed-Income Transferable Securities	1,364.942	3,225
Variable-Yield Transferable Securities	1,415.907	4,070
Mixed Transferable Securities	929.357	3,693
Funds of Funds	272.049	2,076
Money Market Instruments and Other Short-Term Securities	431.871	222
Cash	9.866	12
Private Equity	44.863	224
Venture Capital	2.888	29
Real Estate	90.883	326
Futures and/or Options	11.830	100
Other Assets	67.205	290
Public-to-Private	0.124	3
Mezzanine	1.204	11
Venture Capital (SICAR)	8.325	76
Private Equity (SICAR)	44.872	282
TOTAL	4,696.186	14,639

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	1,257.881	2,711	45.106	42.301	2.805
Variable-Yield Transferable Securities	1,340.248	3,733	53.870	44.577	9.293
Mixed Transferable Securities	739.274	2,668	21.705	21.697	0.008
Funds of Funds	133.943	882	2.762	3.189	-0.427
Money Market Instruments and Other Short-Term Securities	404.803	183	176.620	180.896	-4.276
Cash	9.804	10	2.515	2.807	-0.292
Futures and/or Options	6.914	51	0.206	0.206	0.000
Other Assets	2.963	10	0.092	0.057	0.035
SUB-TOTAL PART I	3,895.830	10,248	302.876	295.730	7.146
PART II					
Fixed-Income Transferable Securities	16.341	91	0.614	0.458	0.156
Variable-Yield Transferable Securities	15.689	58	0.206	1.147	-0.941
Mixed Transferable Securities	56.633	187	1.441	1.065	0.376
Funds of Funds	25.679	217	0.285	0.437	-0.152
Money Market Instruments and Other Short-Term Securities	17.901	29	1.332	1.657	-0.325
Cash	0.000	0	0.000	0.000	0.000
Private Equity	8.374	18	0.121	0.005	0.116
Venture Capital	0.097	1	0.068	0.000	0.068
Real Estate	2.732	7	0.000	0.003	-0.003
Futures and/or Options	1.138	17	0.012	0.013	-0.001
Other Assets	4.174	18	0.049	0.035	0.014
SUB-TOTAL PART II	148.758	643	4.128	4.820	-0.692

SIF

Fixed-Income Transferable Securities	90.720	423	2.689	1.488	1.201
Variable-Yield Transferable Securities	59.970	279	0.479	0.436	0.043
Mixed Transferable Securities	133.450	838	1.534	3.443	-1.909
Funds of Funds	112.427	977	2.019	1.802	0.217
Money Market Instruments and Other Short-Term Securities	9.167	10	1.880	1.347	0.533
Cash	0.062	2	0.000	0.000	0.000
Private Equity	36.489	206	0.414	0.074	0.340
Venture Capital	2.791	28	0.076	0.003	0.073
Real Estate	88.151	319	1.500	1.119	0.381
Futures and/or Options	3.778	32	0.018	0.080	-0.062
Other Assets	60.068	262	1.364	0.579	0.785
SUB-TOTAL SIFs	597.073	3,376	11.973	10.371	1.602

SICAR

Public-to-Private	0.124	3	0.000	0.000	0.000
Mezzanine	1.204	11	0.000	0.000	0.000
Venture Capital	8.325	76	0.000	0.037	-0.037
Private Equity	44.872	282	0.029	0.009	0.020
TOTAL SICAR	54.525	372	0.029	0.046	-0.017
TOTAL LUXEMBOURG UCIs	4,696.186	14,639	319.006	310.967	8.039

ORIGIN OF THE INITIATORS OF LUXEMBOURG UCIS

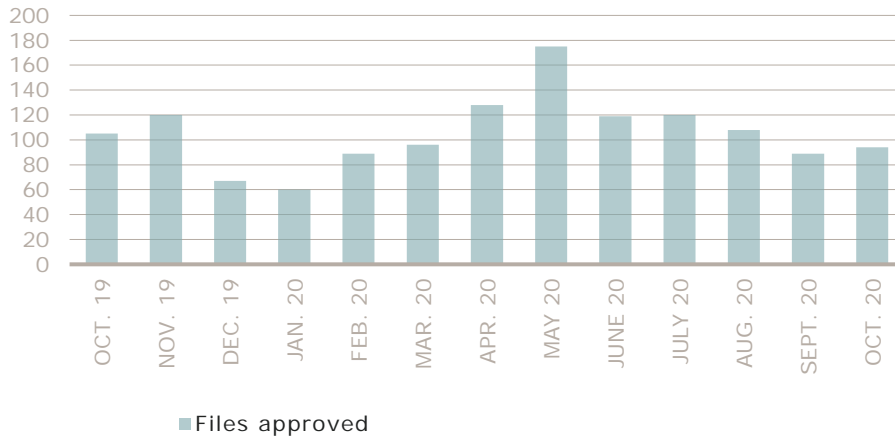
Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
US	983.418	20.9%	172	4.7%	1,116	7.6%
GB	801.185	17.1%	251	6.9%	1,572	10.7%
CH	669.269	14.3%	551	15.1%	2,739	18.7%
DE	652.915	13.9%	1,194	32.7%	2,482	17.0%
FR	448.057	9.5%	282	7.7%	1,579	10.8%
IT	326.792	7.0%	137	3.8%	1,259	8.6%
BE	207.951	4.4%	153	4.2%	867	5.9%
LU	159.120	3.4%	256	7.0%	784	5.4%
NL	99.697	2.1%	42	1.2%	252	1.7%
DK	96.192	2.0%	23	0.6%	217	1.5%
OTHERS	251.590	5.4%	588	16.1%	1,772	12.1%
TOTAL	4,696.186	100.0%	3,649	100.0%	14,639	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	6.202	0.132%	26	0.178%
CAD	3.482	0.074%	20	0.137%
CHF	46.140	0.983%	270	1.844%
CNH	4.939	0.105%	26	0.178%
CNY	2.772	0.059%	4	0.027%
CZK	1.186	0.025%	71	0.485%
DKK	1.892	0.040%	13	0.089%
EUR	2,471.783	52.634%	9,193	62.798%
GBP	161.146	3.431%	318	2.172%
HKD	4.085	0.087%	9	0.061%
HUF	0.307	0.007%	26	0.178%
JPY	54.693	1.165%	184	1.257%
NOK	5.421	0.115%	36	0.246%
NZD	0.738	0.016%	4	0.027%
PLN	0.193	0.004%	6	0.041%
RON	0.489	0.010%	4	0.027%
SEK	41.937	0.893%	130	0.888%
SGD	1.047	0.022%	6	0.041%
USD	1,887.712	40.197%	4,292	29.319%
ZAR	0.022	0.001%	1	0.007%
TOTAL	4,696.186	100.000%	14,639	100.000%

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

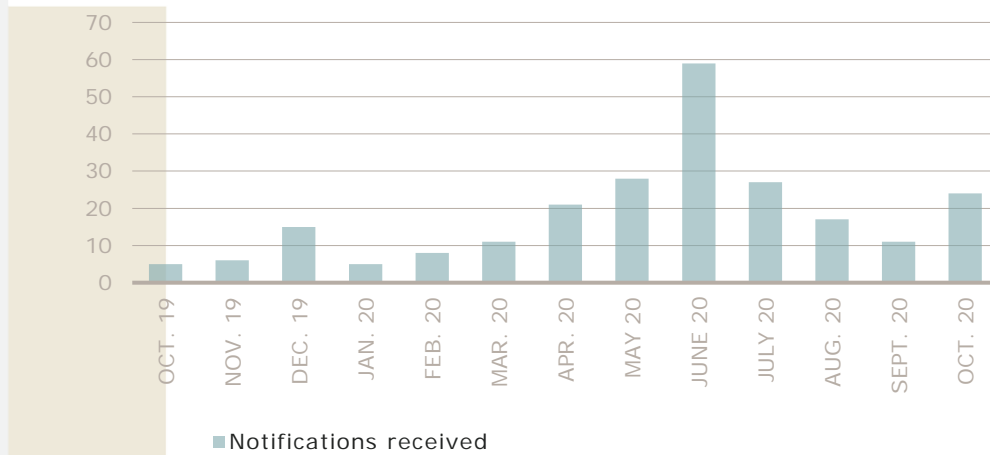
CSSF APPROVALS



In October 2020, the CSSF approved a total of 94 documents pursuant to the Prospectus Regulation, which break down as follows:

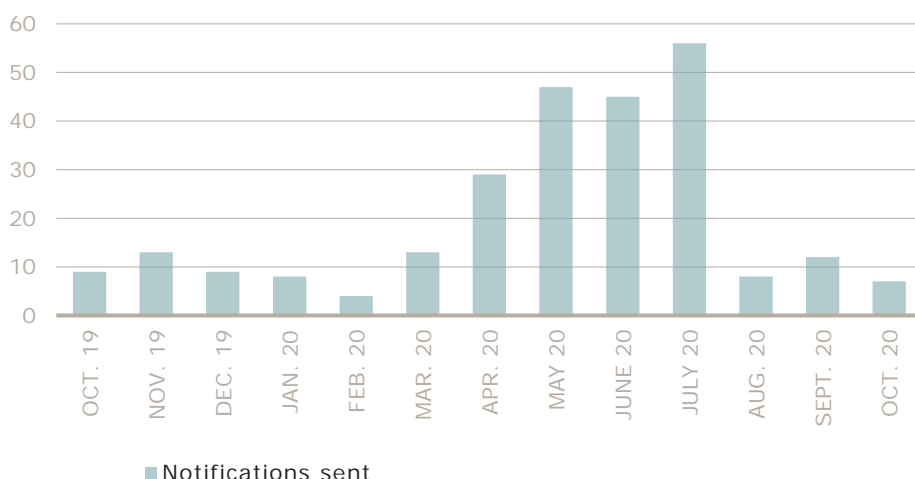
base prospectuses:	13 (13.83%)
other prospectuses:	21 (22.34%)
supplements:	60 (63.83%)

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



In October 2020, the CSSF received 23 notifications relating to prospectuses and base prospectuses, 1 notification relating to registration documents and 78 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



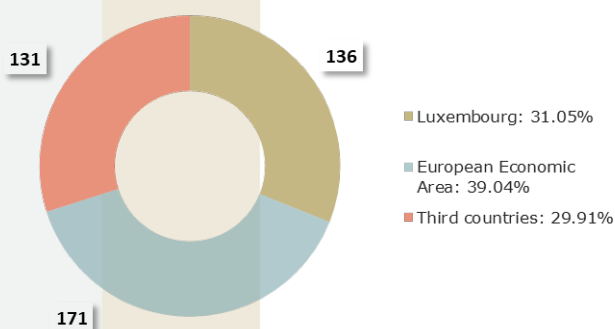
In October 2020, the CSSF sent 7 notifications relating to prospectuses and base prospectuses and 45 notifications relating to supplements to the competent authorities of other EEA Member States⁵.

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")

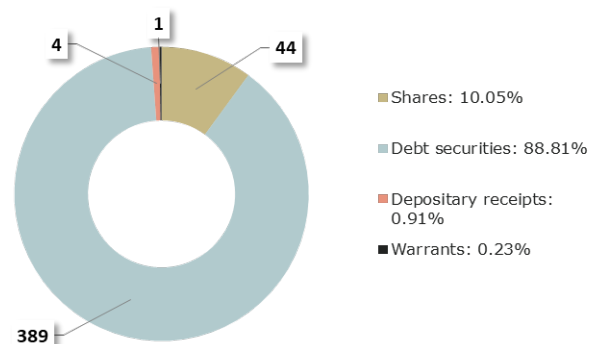
Since 30 September 2020, four issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, three issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 31 October 2020, **438 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



⁵ 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 31 October 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 institutions for occupational retirement provision in the form of a SEPCAV and an ASSEP.

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

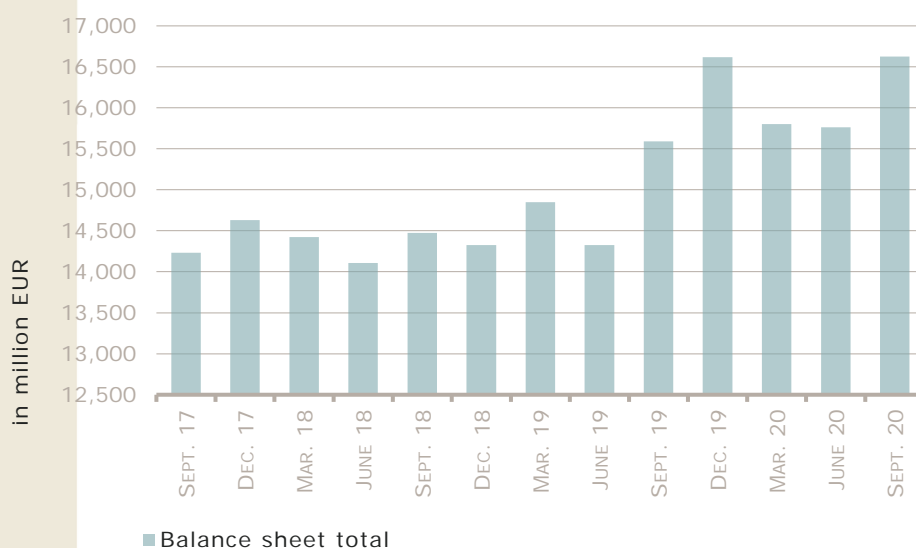
The number of **securitisation undertakings** authorised by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **32** entities as at 31 October 2020.

PUBLIC OVERSIGHT OF THE AUDIT PROFESSION

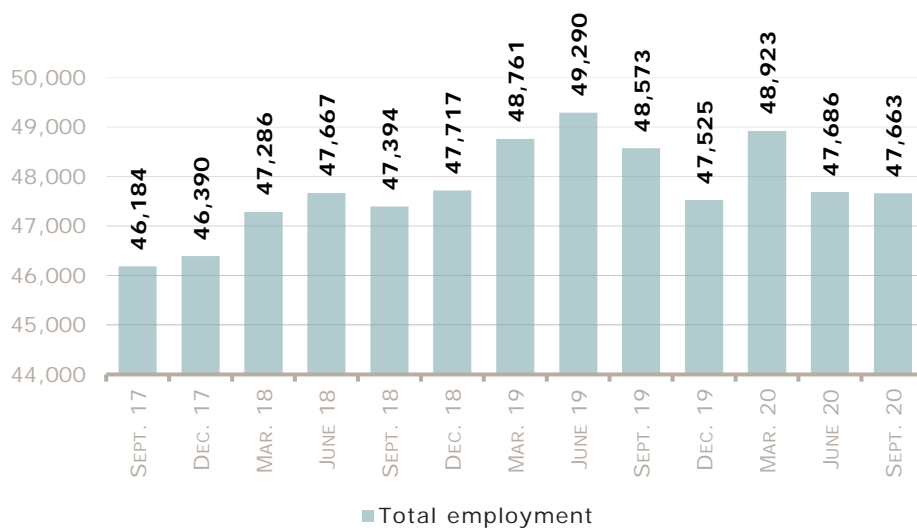
The public oversight of the audit profession covered **54 cabinets de révision agréés** (approved audit firms) and **325 réviseurs d'entreprises agréés** (approved statutory auditors) as at 31 October 2020. The oversight also included **23 third-country auditors and audit firms** duly registered in accordance with the Law of 23 July 2016 concerning the audit profession.

QUARTERLY STATISTICS

MANAGEMENT COMPANIES AUTHORISED ACCORDING TO CHAPTER 15 OF THE 2010 LAW: INCREASE IN THE BALANCE SHEET TOTAL AS AT 30 SEPTEMBER 2020



TOTAL EMPLOYMENT IN BANKS, PFS, PAYMENT INSTITUTIONS, ELECTRONIC MONEY INSTITUTIONS AND MANAGEMENT COMPANIES (CHAPTER 15)



Human resources

In order to increase its staff, the CSSF hired two employees on 1 November 2020 and counts, after the departure of 5 agents, 934 agents (504 men and 430 women). They have been assigned to the following departments:

UCI departments

Marta PEREIRA BARBOSA

Supervision of banks

Fabio BEJTJA



European/International News in October 2020

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

Date	Publications	Description
30.09.2020	Amendments to the Annexes to Public Guidance on the review of the qualification of capital instruments as Additional Tier 1 and Tier 2 instruments	On 6 June 2016 the ECB published the procedure to be followed when reviewing the qualification of capital instruments as AT1 and T2 instruments. Regulation (EU) 2019/876 entered into force on 27 June 2019, amending several provisions concerning the eligibility conditions that capital instruments must fulfil in order to be classified as Additional Tier 1 or Tier 2 instruments pursuant to Articles 52 and 63 of Regulation (EU) 575/2013, respectively. The templates of the Public Guidance concerning the main features of the instruments and self-assessment need to be updated to reflect these newly introduced eligibility criteria. Institutions are advised to make use of these updated templates for their new issuances of Additional Tier 1 and Tier 2 instruments. The remainder of the Public Guidance remains unchanged.
05.10.2020	Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Schirdewan, Member of the European Parliament, on banking supervision	The ECB published a letter from the Chair of the Supervisory Board to a Member of the European Parliament in response to a written request on banking supervision.
06.10.2020	ECB published supervisory banking statistics for the second quarter of 2020	The ECB published supervisory banking statistics for the second quarter of 2020. Capital ratios of significant institutions increase in the second quarter of 2020, with aggregate total capital ratio back to year-end levels at 18.64% (up from 18.11% in the first quarter of 2020). Aggregate NPL ratio declines further to stand at 2.94%, the lowest level since the data was first published in 2015. Liquidity coverage ratio increases significantly to 165.46% (up from 146.57% in the first quarter of 2020). Annualised return on equity falls to aggregate level of 0.01% at end of the second quarter of 2020, down from 6.01% a year earlier.
07.10.2020	List of supervised entities (as of 1 September 2020)	The ECB 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 also published the list of entities supervised by a national competent authority (NCA).
07.10.2020	Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Melo, Member of the European Parliament, on the appointment of national central bank governors	The ECB published a letter from the Chair of the Supervisory Board to a Member of the European Parliament in response to a written request on the appointment of national central bank governors.
21.10.2020	ECB published selected Pillar 3 information of SSM Significant Institutions - 2019	The ECB published selected Pillar 3 information of SSM Significant Institutions for the year 2019.

Date	Interviews and speeches	Description
01.10.2020	Yves Mersch: ECB raises the bar on bank governance	Opinion piece by Yves Mersch, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, published in several European media outlets on 1 October 2020.
16.10.2020	Andrea Enria: Acceptance speech for Bocconi Alumnus of the year 2020	Speech by Andrea Enria, Chair of the Supervisory Board of the ECB, for the nomination as the 2020 Bocconi Alumnus of the year.
27.10.2020	Andrea Enria: Bank asset quality: this time we need to do better	Opinion piece by Andrea Enria, Chair of the Supervisory Board of the ECB.

European Parliament, European Commission and European Council

Date	Regulatory developments	Description
13.10.2020	Corrigendum to Regulation (EU) 2019/630 of the European Parliament and of the Council of 17 April 2019	Corrigendum to Regulation (EU) 2019/630 of the European Parliament and of the Council of 17 April 2019 amending Regulation (EU) No 575/2013 as regards minimum loss coverage for non-performing exposures
20.10.2020	Directive (EU) 2020/1504 of the European Parliament and of the Council of 7 October 2020	Publication of the Directive (EU) 2020/1504 of the European Parliament and of the Council of 7 October 2020 amending Directive 2014/65/EU on markets in financial instruments

European Banking Authority (EBA)

Date	Publications	Description
02.10.2020	EBA published final guidelines on the appropriate subsets of sectoral exposures in the application of a systemic risk buffer	Following the entry into force of the 5 th Capital Requirements Directive (CRD V), the EBA published a set of guidelines on the appropriate subsets of sectoral exposures to which a competent or designated authority may apply a systemic risk buffer.
12.10.2020	EBA supports harmonisation of creditworthiness assessment for consumer credit across the EU	The EBA responded to the European Commission's consultation on the proposed new consumer agenda where it called for harmonisation of the creditworthiness assessment process for consumer lending across the EU. The EBA's response focuses on the revision of the Consumer Credit Directive (CCD) and builds on the recent EBA guidelines on loan origination and monitoring.

14.10.2020	EBA published final draft regulatory technical standards specifying the prudential treatment of software assets	The EBA published its final draft Regulatory Technical Standards (RTS) 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 replace the current upfront full deduction prudential regime so as to strike an appropriate balance between the need to maintain sufficient conservatism in the prudential treatment of software assets and their relevance from a business and an economic perspective. The final draft RTS keep a simple approach based on a prudential amortisation of software assets calibrated over a period of maximum three years.
21.10.2020	EBA issued opinion to address possible infection risk stemming from legacy instruments	The EBA issued an opinion to clarify the prudential treatment of the so-called “legacy instruments” in view of the end of the grandfathering period on 31 December 2021. In its opinion, the EBA proposes policy options to address the infection risk when created by such instruments. The EBA’s recommendations aim at ensuring a high quality of capital for EU institutions and a consistent application of rules and practices across the Union.
29.10.2020	EBA issues first monitoring report on TLAC-MREL instruments accompanied by 15 recommendations	The EBA published its first monitoring Report on minimum requirement for own funds and eligible liabilities (MREL) and total loss absorbing capacity (TLAC) instruments. The purpose of this Report is to inform stakeholders about the implementation review performed by the EBA on TLAC / MREL instruments so far and to present its views and current recommendations on specific features commonly seen in these instruments. This Report follows the same approach of the reports regularly published on CET1 and AT1 monitoring of issuances.

Date	Consultations	Description
14.10.2020	EBA consults on the revision of the Guidelines on major incident reporting under PSD2	<p>The EBA launched a public consultation to propose revising the Guidelines on major incident reporting under the Payment Service Directive (PSD2). The proposal aims at optimising and simplifying the reporting process, capturing additional relevant security incidents, reducing the number of operational incidents that will be reported, and improving the meaningfulness of the incident reports received. The revision of the Guidelines also intends to decrease the reporting burden on payment service providers (PSPs).</p> <p>The consultation runs until 14 December 2020.</p>
29.10.2020	EBA launches consultation on revised Guidelines on sound remuneration policies	<p>The EBA launched a public consultation on revised Guidelines on sound remuneration policies. This review takes into account the amendments introduced by the CRD V in relation to institutions' sound remuneration policies and in particular the requirement that those remuneration policies should be gender neutral.</p> <p>The consultation runs until 29 January 2021.</p>
03.11.2020	EBA launches consultation to incorporate ESG risks into the governance, risk management and supervision of credit institutions and investment firms	<p>The EBA published a Discussion Paper on Environmental, Social and Governance (ESG) risks management and supervision aiming to collect feedback for the preparation of its final report on the topic. The Discussion Paper provides a comprehensive proposal on how ESG factors and ESG risks could be included in the regulatory and supervisory framework for credit institutions and investment firms.</p> <p>The consultation runs until 3 February 2021.</p>

Basel Committee on Banking Supervision (BCBS)

Date	Publications	Description
14.10.2020	The Basel Committee's initiatives on climate-related financial risks	Mr Kevin J Stiroh, co-chair of the Task Force on Climate-related Financial Risks of the Basel Committee on Banking Supervision and Executive Vice President of the Federal Reserve Bank of New York, at the panel session on "New regulatory and policy landscape for sustainable finance", 2020 IIF Annual Membership Meeting.
22.10.2020	Focus on the future of banking supervision in a changing world	<p>At the 21st International Conference of Banking Supervisors, senior banking supervisors and central bankers discussed issues related to the future of banking supervision in a changing world.</p> <p>Discussions covered the digitalisation of finance and the evolution of banking models, operational resilience, climate-related financial risks and remote working arrangements.</p>

Macroprudential topics and fora

European Central Bank (ECB)

Date	Publications	Description
14.10.2020	A review of economic analyses on the potential impact of Brexit	The ECB published a review aggregating several economic analyses of the potential impact of Brexit on the United Kingdom and the European Union (EU). The different pieces of analysis employ a wide range of methods to (i) investigate the impact of Brexit on the economy and trade, (ii) assess possible scenarios for the bilateral relationship between the EU and the United Kingdom after Brexit and (iii) investigate the role of the main macroeconomic channels of transmission of the Brexit shock.

European Systemic Risk Board (ESRB)

Date	Publications	Description
01.10.2020	ESRB risk dashboard, September 2020 (Issue 33)	The ESRB published its quarterly risk dashboard, presenting indicators related to systemic risk and financial market conditions, credit risk, banks, insurance, CCPs, investment funds and other financial institutions.

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	0.5%	01.07.2020
Luxembourg	0.25% 0.5%	01.01.2020 01.01.2021
Norway	1%	13.03.2020
Slovakia	1%	01.08.2020

Pending CCyB rates are followed by an asterisk ("*").

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
09.10.2020	FSB report highlights increased use of RegTech and SupTech	The FSB published a report on the use of supervisory (SupTech) and regulatory (RegTech) technology by FSB members and regulated institutions. The report finds that technology and innovation are transforming the global financial landscape, presenting opportunities, risks and challenges for regulated institutions and authorities alike.
09.10.2020	FSB encouraged broad and timely adherence to the ISDA IBOR Fallbacks Protocol	The FSB welcomed the announcement by the International Swaps and Derivatives Association (ISDA) of the forthcoming launch of its IBOR Fallbacks Protocol (the Protocol) and IBOR Fallbacks Supplement for IBOR-linked derivative contracts. The FSB strongly encourages widespread and early adherence to the Protocol – by all affected financial and non-financial firms – which will be a major driver of transition for derivatives in all LIBOR currencies and a critical step in benchmark transition ahead of end-2021.
12.10.2020	FSB published a report on financial stability implications of BigTech in finance in EMDEs	The FSB published a report about market developments and financial stability implications from the provision of financial services by BigTech firms in emerging market and developing economies (EMDEs). The report was delivered to G20 Finance Ministers and Central Bank Governors for their virtual meeting on 14 October.
13.10.2020	FSB published high-level recommendations for regulation, supervision and oversight of “global stablecoin” arrangements	The FSB published the final version of its high-level recommendations for the regulation, supervision and oversight of “global stablecoin” (GSC) arrangements following an earlier public consultation. The report states that GSC arrangements are expected to adhere to all applicable regulatory standards and to address risks to financial stability before commencing operation, and to adapt to new regulatory requirements as necessary.
13.10.2020	FSB delivered a roadmap to enhance cross-border payments	The FSB published a roadmap to enhance cross-border payments. The roadmap has been delivered to G20 Finance Ministers and Central Bank Governors for their meeting on 14 October 2020.
14.10.2020	FSB updated its work to address market fragmentation	The FSB published an update on its work, in collaboration with the international standard setting-bodies, to address market fragmentation. In June 2019, the FSB identified four areas for further work to address market fragmentation, to which this latest progress report provides updates: (i) defence; (ii) pre-positioning of capital and liquidity; (iii) regulatory and supervisory coordination and information sharing; (iv) “Too-big-to-fail” (TBTF) evaluation.
16.10.2020	FSB published global transition roadmap for LIBOR	The FSB published a global transition roadmap for LIBOR. The roadmap sets out a timetable of actions for financial and non-financial sector firms to take in order to ensure a smooth LIBOR transition by the end of 2021.
29.10.2020	FSB welcomes TCFD status report	The FSB welcomed the publication of the 2020 status report by the industry-led Task Force on Climate-related Financial Disclosures (TCFD), which reports on the further growth in TCFD-aligned disclosures by firms.

European Securities and Markets Authority (ESMA)

Date	Publication	Description
01.10.2020	ESMA updates statements on the impact of Brexit on MiFID II/MiFIR and the Benchmarks Regulation	ESMA has updated two statements on its approach to the application of key provisions of MiFID II/MiFIR and the Benchmark Regulation (BMR).
02.10.2020	ESMA responds to EU Green Bond Standard consultation	ESMA has responded to the European Commission's (EC) targeted consultation on the establishment of the EU green bond standard (GBS). ESMA highlighted that the success of the EU GBS will be determined by whether it is seen as a reliable indicator of investment in sustainable economic activities.
02.10.2020	ESMA faces new set of challenges in 2021	ESMA has published its 2021 Work Programme (WP), setting out its priorities and areas of focus for the next 12 months in support of its mission to enhance investor protection and promote stable and orderly financial markets.
02.10.2020	ESMA announces update to reporting under the Money Market Funds Regulation	ESMA has announced an update of the validations of the technical instructions for reporting under the Money Market Funds Regulation (MMFR).
05.10.2020	ESMA publishes updated Q&As on securitisation topics and Guidelines on Portability of Information between Securitisation Repositories	ESMA has published its final report on the Guidelines on portability of information between securitisation repositories under the Securitisation Regulation. These Guidelines set out common provisions that a securitisation repository (SR) should follow when transferring securitisation information to another SR.
07.10.2020	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).
12.10.2020	ESAs' Board of Appeal dismisses case against ESMA on alleged non-application of Union law	The Joint Board of Appeal of the European Supervisory Authorities (ESAs – European Banking Authority, European Insurance and Occupational Pensions Authority and European Securities and Markets Authority) published its decision in the appeal case brought by Mr Howerton against ESMA. The Board of Appeal's decision considered as inadmissible the Appellant's claim that six national financial supervisory authorities and ESMA should have taken supervisory steps in relation to an alleged non-application of Union law.
12.10.2020	Steven Maijoor speaks at the ESAs Annual ECON Committee Hearing	The Chair of ESMA, Steven Maijoor, participated in the annual hearing of the European Parliament's Economic and Monetary Affairs Committee (ECON), together with the Chairmen of the European Banking Authority and European Occupational Pensions Authority.
21.10.2020	Steven Maijoor delivers keynote at Irish Funds Online Conference	Steven Maijoor, Chair of ESMA, has delivered a keynote address at the Irish Funds Annual Global Funds Online Conference today.
23.10.2020	ESMA consults on standards for CCP activities and model amendments	ESMA has launched a consultation on draft Regulatory Technical Standards (RTS) related to changes to central counterparties' (CCPs) activities and models. The consultation runs until 16 November 2020 .
23.10.2020	ESMA consults on CCP supervisory reviews and evaluation processes	ESMA has launched a consultation on guidelines addressing the consistency of supervisory reviews and evaluation processes of CCPs under Article 21 of EMIR. The consultation runs until 16 November 2020 .

26.10.2020	ESMA sets out final position on Share Trading Obligation	ESMA has released a public statement that clarifies the application of the European Union's (EU) trading obligation for shares (STO) following the end of the UK's withdrawal from the EU on 31 December 2020.
26.10.2020	EMIR Reporting Validation Rules applicable from 8 March 2021	ESMA has postponed the applicability date of the updated EMIR validation rules from 1 February to 8 March 2021.
27.10.2020	ESMA updates Statement to address credit ratings from the United Kingdom	ESMA has published an update to its March 2019 statement on the endorsement of credit ratings from the United Kingdom.
27.10.2020	ESMA adds UK venues to opinions on third-country trading venues	ESMA has updated the list of third-country venues (TCTV) in the context of the opinions on post-trade transparency and position limits under MiFID II and MiFIR.
28.10.2020	ESMA publishes translations for decision of renewal to lower the reporting thresholds of net short positions	ESMA has issued the official translations of its decision of renewal of 16 September 2020 to lower the reporting thresholds of net short positions under Art.28 of the SSR.
29.10.2020	ESMA submits two draft technical standards under the revised Market Abuse Regulation to the European Commission	ESMA has published the Final Report on the amendments to the Market Abuse Regulation (MAR) for the promotion of the use of SME Growth Markets (SME GMs). These amendments focused on liquidity contracts and insider lists for SME GMs.
30.10.2020	ESMA makes new bond liquidity data available	ESMA has made available new data for bonds subject to the pre- and post-trade requirements of the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR) through its data register.
30.10.2020	MiFID II: ESMA publishes data for the systematic internaliser calculations for equity, equity-like instruments, bonds and other non-equity instruments	ESMA has published data for the systematic internaliser quarterly calculations for equity, equity-like instruments, bonds and for other non-equity instruments under the Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR).



Financial centre

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (31/10/2020)	128	↘ 2 entities
	Balance sheet total (30/06/2020)	EUR 868.031 bn	↗ EUR 40.273 bn
	Profit before provisions (30/06/2020)	EUR 2.685 bn	↗ EUR 203 m
Payment institutions	Number (31/10/2020)	12	↘ 1 entity
Electronic money institutions	Number (31/10/2020)	10	↗ 1 entity
UCIs	Number (31/10/2020)	Part I 2010 Law: 1,718	↘ 67 entities
		Part II 2010 Law: 245	↘ 29 entities
		SIFs: 1,440	↘ 33 entities
	TOTAL: 3,403	↘ 129 entities	
	Number (31/10/2020)	SICAR: 233	↘ 22 entities
Total net assets (30/09/2020)	EUR 4,696.186 bn	↗ EUR 126.187 bn	
Management companies (Chapter 15)	Number (31/10/2020)	190	↘ 14 entities
	Balance sheet total (30/09/2020) ⁶	EUR 16.627 bn	↗ EUR 1.038 bn
Management companies (Chapter 16)	Number (31/10/2020)	155	↘ 8 entities
AIFMs	Number (31/10/2020)	262	↗ 5 entities
Pension funds	Number (31/10/2020)	11	↘ 1 entity
Authorised securitisation undertakings	Number (31/10/2020)	32	↘ 1 entity
Investment firms	Number (31/10/2020)	99	↗ 1 entity
	Balance sheet total (30/09/2020)	EUR 1.137 bn	↘ EUR 344 m
	Provisional net profit (30/09/2020)	EUR 75.04 m	↘ EUR 3.4 m
Specialised PFS	Number (31/10/2020)	100	↘ 8 entities
	Balance sheet total (30/09/2020)	EUR 5.983 bn	↘ EUR 576 m
	Provisional net profit (30/09/2020)	EUR 62.22 m	↘ EUR 201.78 m
Support PFS	Number (31/10/2020)	71	↘ 4 entities
	Balance sheet total (30/09/2020)	EUR 1.833 bn	↘ EUR 281 m
	Provisional net profit (30/09/2020)	EUR 36.81 m	↘ EUR 12.83 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (31/10/2020)	438	↘ 27 entities
Public oversight of the audit profession	Number (31/10/2020)	54 <i>cabinets de révision agréés</i>	↘ 5 entities
		325 <i>réviseurs d'entreprises agréés</i>	↗ 2 people
		23 third-country auditors and audit firms	↘ 1 entity
Employment (30/09/2020)	Banks ⁷	26,154 people	↘ 284 people
	Management companies (Chapter 15) ⁸	4,933 people	↗ 145 people
	Investment firms	1,761 people	↘ 360 people
	Specialised PFS	5,380 people	↗ 720 people
	Support PFS	8,923 people	↘ 1,087 people
	Payment institutions/electronic money institutions	512 people	↘ 44 people
	Total	47,663 people	↘ 910 people⁹

⁶ Preliminary figures

⁷ Preliminary figures

⁸ Preliminary figures

⁹ 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.