



Newsletter No 241

February 2021



Commission de Surveillance
du Secteur Financier

TABLE OF CONTENTS

News	3
Communication regarding the new CSSF application e-Prospectus	3
Financial Innovation a challenge and an ambition for the CSSF	3
Coronavirus: Information for all supervised entities	4
Summary of the communications by the European authorities	4
Warnings	6
Warnings of the CSSF	6
Warning issued by another authority	6
Warnings published by IOSCO	6
National regulation	7
FAQ	7
Fight against money laundering and terrorist financing	8
Communiqués	8
Withdrawal decided by the CSSF	9
Statistics	9
Monthly Statistics	9
Quarterly Statistics	18
Human resources	19
European/International News in January 2021	19
Single Supervisory Mechanism (SSM) - European Central Bank (ECB)	19
European Banking Authority (EBA)	20
European Supervisory Authorities (ESAs)	21
Basel Committee on Banking Supervision (BCBS)	21
Macroprudential topics and fora	22
European Securities and Markets Authority (ESMA)	23
Financial centre	25



Communication regarding the new CSSF application e-Prospectus

The CSSF announces the future Go-Live of its new application named **e-Prospectus**, regarding the filing of prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market under Regulation (EU) 2017/1129 and the Law of 16 July 2019 on prospectuses for securities.

This new web application will replace the current procedure for submission of such prospectus and relating documents to the CSSF by e-mail to prospectus.approval@cssf.lu as from 1 March 2021.

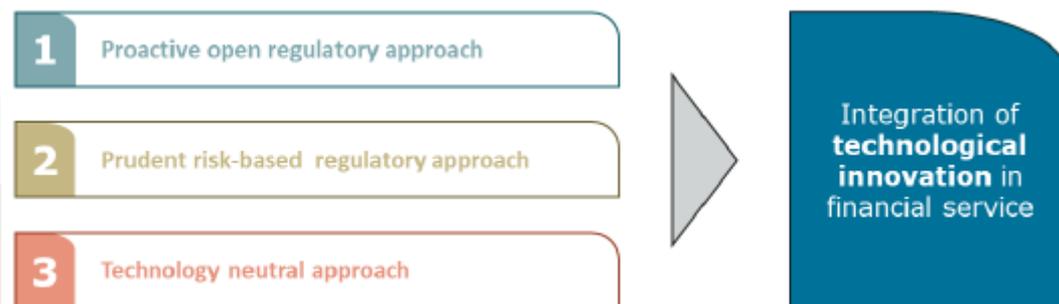
Access to the application will require an authentication with a LuxTrust certificate.

LuxTrust issues private and pro certificates, which will be linked to one e-Prospectus account.

In case you are not yet in possession of a LuxTrust certificate, we recommend you to order one as soon as possible in order to be able to submit your files via e-Prospectus.

Financial Innovation a challenge and an ambition for the CSSF

Financial innovation affects all financial sector activities and increasingly reshapes the way these activities are carried out and how the related financial services are used by clients.



Integration of technological innovation in financial services and markets is a continuing challenge for regulators such as the CSSF. To embrace this major challenge, the CSSF relies mainly on three approaches:

- a **proactive open regulatory approach** to avoid hindering new opportunities and benefits by creating excessive regulatory barriers for innovation;
- a **prudent risk-based regulatory approach** in order to safeguard the role of prudential supervision of the financial sector in ensuring the safety and soundness of the financial sector with a special focus on consumer protection, market confidence and AML considerations; and
- a **technology neutral approach** which ensures that each project presented to the CSSF is assessed on the basis of the services effectively provided, regardless of the technology used.

It is also important for the CSSF to raise awareness on the financial innovations currently impacting the industry and to communicate its position to both the public and the industry. It is for this reason that the CSSF regularly publishes documents on financial innovation topics such as *Artificial Intelligence*, *Cloud Computing*, *Robo-Advice* and *Digital on-boarding*.

Read the full communication of the CSSF describing the involvement and the work of the CSSF regarding the Financial Innovation at:

<https://www.cssf.lu/en/Document/financial-innovation-a-challenge-and-an-ambition-for-the-cssf/>.



Coronavirus: Information for all supervised entities

Summary of the communications by the European authorities

On 13 January 2021, the EBA published its quarterly Risk Dashboard together with the results of the Risk Assessment Questionnaire (RAQ).

The Q3 data shows a rise in capital ratios, and an improvement in the non-performing loans (NPL) ratio, while the return on equity (RoE) remained significantly below banks' cost of equity. The Risk Dashboard includes, for the first time, data on moratoria and public guarantee schemes.

<https://www.eba.europa.eu/eba-points-further-rise-capital-and-leverage-ratios-whereas-profitability-remains-strongly-subdued>

On 14 January 2021, the ECB published a letter from Andrea Enria, Chair of the Supervisory Board, to Mr Schäffler, Member of the German Bundestag, on non-performing loans.

https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.mepletter210114_Schaffler-2746c4bf9b.en.pdf?56845f592e99ceea5628ad64963aa0cb

On 14 January 2021, Commission Regulation (EU) 2021/25 of 13 January 2021 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 Accounting Standard 39 and International Financial Reporting Standards 4, 7, 9 and 16 was published in the Official Journal of the European Union.

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2021.011.01.0007.01.ENG&toc=OJ%3AL%3A2021%3A011%3ATOC

On 15 January 2021, the interview of Édouard Fernandez-Bollo, Member of the Supervisory Board of the ECB, conducted by Laure Bergala from Revue Banque on 11 December 2020, was published.

<https://www.bankingsupervision.europa.eu/press/interviews/date/2021/html/ssm.in210115-08e0efcc57.en.html>

On 18 January 2021, the EBA published its annual report on asset encumbrance.

As COVID-19 spread across Europe and activity in primary markets froze, banks made extensive use of central bank liquidity facilities to build precautionary liquidity buffers.

In this context, the asset encumbrance ratio rose substantially in the first half of 2020.

<https://www.eba.europa.eu/eba-observes-increase-asset-encumbrance-ratio-amidst-extensive-use-central-bank-facilities>

On 19 January 2021, the European Commission presented a new strategy to stimulate the openness, strength and resilience of the EU's economic and financial system.

This proposed approach includes to further develop EU financial market infrastructures and improving their resilience, including towards the extraterritorial application of sanctions by third countries.

The Commission, in cooperation with the ECB and the ESAs, will engage with financial-market infrastructure companies to carry out a thorough analysis of their vulnerabilities as regards the unlawful extraterritorial application of unilateral measures by third countries and take action to address such vulnerabilities.

https://ec.europa.eu/commission/presscorner/detail/en/ip_21_108

On 20 January 2021, the FSB published its work programme for 2021.

The work programme reflects a strategic shift in priorities in the COVID-19 environment and aims to maximise the value of FSB work to foster global financial stability while preserving the FSB's capacity to respond to new issues that may emerge.

<https://www.fsb.org/2021/01/fsb-sets-out-2021-work-programme/>

On 22 January 2021, the ECB published the Survey of Professional Forecasters for the first quarter of 2021. This ECB Survey of Professional Forecasters (SPF) was conducted between 7 and 11 January 2021 with 66 responses received. For the first quarter of 2021, respondents continued to cite the coronavirus (COVID-19) pandemic as the main factor affecting the overall macroeconomic outlook.

https://www.ecb.europa.eu/stats/ecb_surveys/survey_of_professional_forecasters/html/ecb.spf2021q1~041e9cfa36.en.html

On 22 January 2021, Regulation (EU) 2021/23 of the European Parliament and of the Council of 16 December 2020 on a framework for the recovery and resolution of central counterparties and amending Regulations (EU) No 1095/2010, (EU) No 648/2012, (EU) No 600/2014, (EU) No 806/2014 and (EU) 2015/2365 and Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 was published in the Official Journal of the European Union.

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2021.022.01.0001.01.ENG&toc=OJ%3AL%3A2021%3A022%3ATOC

On 25 January 2021, Frank Elderson, Member of the Executive Board of the ECB, made an introductory statement at the ECON Committee of the European Parliament.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210125~5e22dbcd23.en.html>

On 28 January 2021, Andrea Enria, Chair of the Supervisory Board of the ECB, made an introductory statement at the press conference on the results of the 2020 SREP cycle.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210128~78f262dd04.en.html>

On 28 January 2021, the ECB Banking Supervision published the assessment of risks and vulnerabilities for 2021. Based on the current risk picture, the ECB has identified the key vulnerabilities and priority areas for supervision in 2021.

<https://www.bankingsupervision.europa.eu/ecb/pub/ra/html/ssm.ra2021~edbbea1f8f.en.html>

On 28 January 2021, the ECB Banking Supervision published the SSM Supervisory Priorities for 2021. The establishment of supervisory priorities each year provides an important mechanism for coordinating supervisory actions across the SSM in a harmonised, effective and proportionate way. A clear set of supervisory priorities transparently communicated to the public contributes to enhancing the supervisory impact on banks and the overall level playing field.

The supervisory priorities for 2021 draw on an assessment of the key risks and vulnerabilities in the banking sector.

https://www.bankingsupervision.europa.eu/banking/priorities/html/ssm.supervisory_priorities2021~9b7076bb8b.en.html

On 28 January 2021, the ECB published the supervisory methodology. The ECB provides a broad description of the SREP methodology applied for SREP 2019 to significant institutions under direct supervision by the ECB (as set out in the SSM Regulation and the SSM Framework Regulation).

While the SREP methodology remains valid, JSTs have implemented a pragmatic approach for SREP 2020 focussed on the capacity to handle the challenges posed by COVID-19.

An overview of the pragmatic SREP approach is provided in the SREP 2020 results page.

https://www.bankingsupervision.europa.eu/banking/srep/2021/html/ssm.srep202101_supervisorymethodology2021.en.html#toc1

On 28 January 2021, the ECB published the 2020 SREP Aggregate Results in which it presents the results of the 2020 SREP exercise.

<https://www.bankingsupervision.europa.eu/banking/srep/2021/html/ssm.sreppaggagateresults2021.en.html>

On 29 January 2021, the EBA launched the 2021 EU-wide stress test and released the macroeconomic scenarios. Following the postponement of the 2020 exercise, due to the COVID-19 pandemic, this year's EU-wide stress test will provide valuable input for assessing the resilience of the European banking sector. Accordingly, the adverse scenario is based on a narrative of a prolonged COVID-19 scenario in a 'lower for longer' interest rate environment, in which negative confidence shocks would prolong the economic contraction. The EBA expects to publish the results of the exercise by 31 July 2021.

<https://www.eba.europa.eu/eba-launches-2021-eu-wide-stress-test-exercise>

On 29 January 2021, the EBA published additional clarifications on the application of the prudential framework in response to issues raised as a consequence of the COVID-19 pandemic. These clarifications update the FAQ section of the EBA Report on COVID-19 implementation policies, which provides clarity on the implementation of (i) the EBA Guidelines on moratoria and (ii) the EBA Guidelines on COVID-19 reporting and disclosure. This Report is part of the EBA's wider monitoring of the implementation of COVID-19 policies as well as of the application of existing policies under these exceptional circumstances.

<https://www.eba.europa.eu/eba-provides-additional-clarity-implementation-selected-covid-19-policies-0>



Warnings

Warnings of the CSSF

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

- Warning concerning a fraud scheme misusing the name of the Luxembourg authorised bank Quintet Private Bank (Europe) S.A.
- Warning concerning the website www.mircapitalsca.com
- Warning regarding the activities of an entity named "LG Patrimoine"
- Warning regarding the activities of an entity named "Meta Finance Trade"
- Warning concerning the website www.metals-finance.com
- Warning regarding the activities of an entity named "Bitcryptoprofit"
- Warning concerning a fraud scheme misusing the name of the Luxembourg bank Keytrade Bank Luxembourg S.A.
- Warning concerning the website www.bc-opportunityfund.com
- Warning concerning the website www.centreeuropeinvest.com
- Warning concerning the website www.ciplopartners.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.

Warning issued by another authority

Warning issued by the UK authority (FCA) regarding the activities of an entity named MIR Capital S.C.A.

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 22 January 2021 – central account keeper

The purpose of this law is to amend the Law of 5 April 1993 on the financial sector and the Law of 6 April 2013 on dematerialised securities.

<http://data.legilux.public.lu/file/eli-etat-leg-loi-2021-01-22-a43-jo-fr-pdf.pdf>.

The coordinated versions of the above-mentioned laws are available on the CSSF's website at:

<https://www.cssf.lu/en/Document/law-of-5-april-1993/>

<https://www.cssf.lu/en/Document/law-of-6-april-2013/>.

Circular-letter of 27 January 2021

The circular-letter concerns the 2020 survey related to the fight against money laundering and terrorist financing.

<https://www.cssf.lu/en/Document/circular-letter/>.

Circular CSSF 21/765

The purpose of the circular is to amend Circulars CSSF 01/27 and CSSF 07/325 following the amendments made to CSSF Regulation No 12-02 on the fight against money laundering and terrorist financing.

<https://www.cssf.lu/en/Document/circular-cssf-21-765/>.

Circular CSSF 12/552

The English version of Circular CSSF 12/552, as amended by Circular CSSF 20/759, is available at:

<https://www.cssf.lu/en/Document/circular-cssf-12-552/>.



FAQ

On 20 January 2021, the CSSF published a new version of its FAQ concerning the Luxembourg Law of 12 July 2013 on alternative investment fund managers. The document is available at:

<https://www.cssf.lu/en/Document/faq-alternative-investment-fund-managers/> .

On 21 December 2020, the CSSF published a new FAQ on Regulation CSSF No 20-08 on borrower-based measures for residential real estate credit. The document is available at:

<https://www.cssf.lu/en/Document/technical-faq-on-regulation-cssf-no-20-08-on-borrower-based-measures-for-residential-real-estate-credit/>.



Fight against money laundering and terrorist financing

Publication of the first money laundering and terrorist financing vertical risk assessment on virtual asset service providers

The English version of the money laundering and terrorist financing vertical risk assessment on virtual asset service providers is available on the website of the Ministry of Justice:

<https://mj.gouvernement.lu/dam-assets/dossiers/blanchiment/ML-TF-vertical-risk-assessment-on-VASPs.pdf>.

A summary of the vertical assessment is available in French on the website of the Ministry of Justice:

<https://mj.gouvernement.lu/dam-assets/dossiers/blanchiment/Evaluation-verticale-des-risques-de-BC-FT-des-PSAV-Resume-en-francais.pdf>.

New COVID-19 related typologies reports available from the FIU

We draw the attention of the professionals supervised by the CSSF for the purposes of the fight against money laundering and terrorist financing, to four new typologies reports related to COVID-19, dated February 2021, which were made available by the Financial Intelligence Unit ("FIU"):

1. Illicit trade and the associated financial flows
2. Bribery and Corruption in the context of COVID-19
3. Infiltration into the Legal Economy
4. Money laundering through real estate during the COVID-19 crisis.

These reports may be requested to the FIU by sending a message via the message board of the FIU's goAML tool.

In this context, we reiterate the importance that the professionals in question register on goAML, the tool used to file suspicious reports to the FIU. For further information, please visit the following link:

<https://justice.public.lu/fr/organisation-justice/crf/goaml.html>.



Communiqués

Date	Publications
20.01.2021	Delay by one year of ESEF requirements for listed companies
26.01.2021	Key-takeaways from the AML/CFT virtual conference held on 25 January 2021 for Specialised PFS
02.02.2021	Global situation of undertakings for collective investment at the end of December 2020
05.02.2021	Communication on the SFDR fast track procedure and the deadline of 10 March 2021
08.02.2021	Communication regarding a new eDesk module: AML/CFT Market Entry Form (Funds and IFM)
09.02.2021	ESMA publishes Final Guidelines on Article 25 of Directive 2011/61/EU (AIFMD)
11.02.2021	MiFIR Transaction Reporting Issue/Error notification document



Withdrawal decided by the CSSF

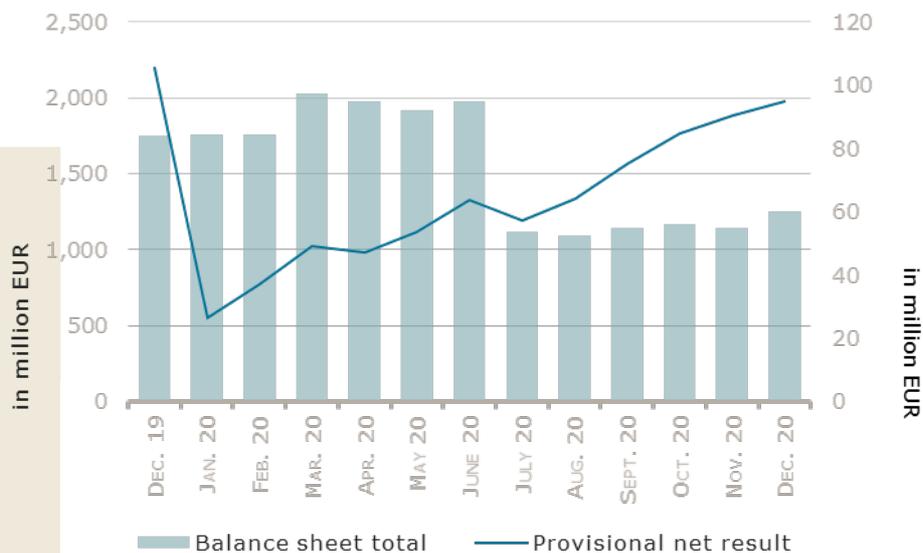
Following the CSSF's decision to withdraw the specialised investment fund LOG CAPITAL MANAGEMENT SIF-SICAV from the official list of specialised investment funds, the VIth Chamber of the Luxembourg Tribunal d'arrondissement (District Court), dealing with commercial matters, per judgement on 3 December 2020, pronounced the dissolution and ordered the liquidation of the specialised investment fund LOG CAPITAL MANAGEMENT SIF-SICAV. The same judgement has appointed Ms Muriel Wanderscheid as official receiver (*juge-commissaire*) and Mr Nicolas Thieltgen as liquidator.



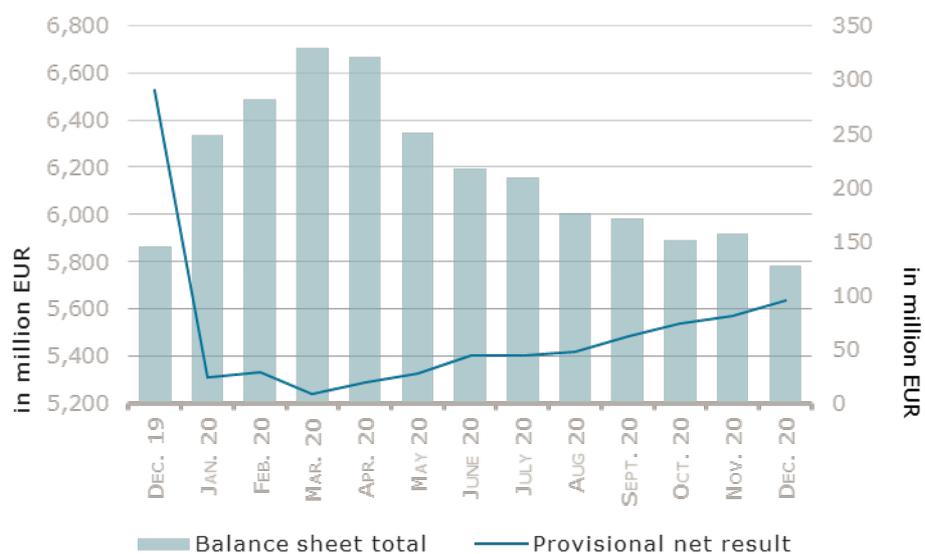
Statistics

MONTHLY STATISTICS

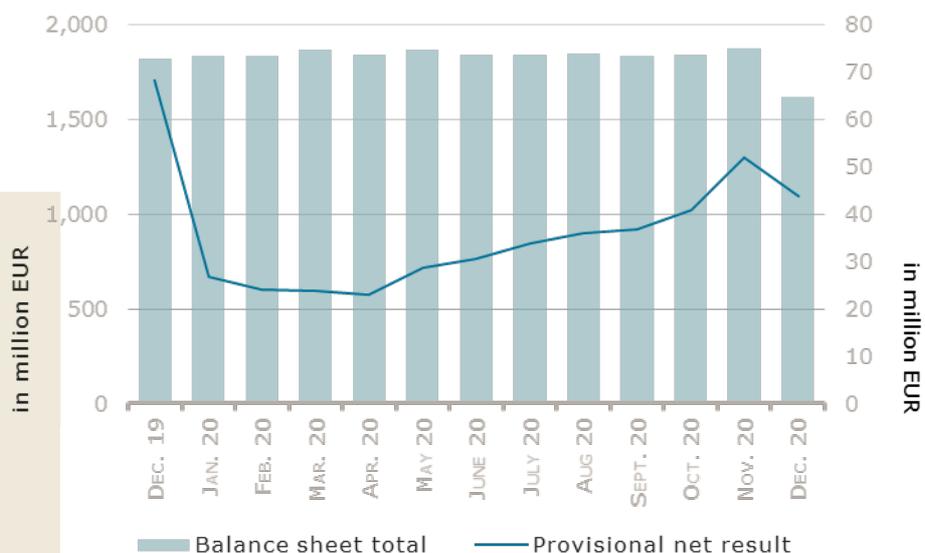
INVESTMENT FIRMS: INCREASE IN THE BALANCE SHEET TOTAL AS AT 31 DECEMBER 2020



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



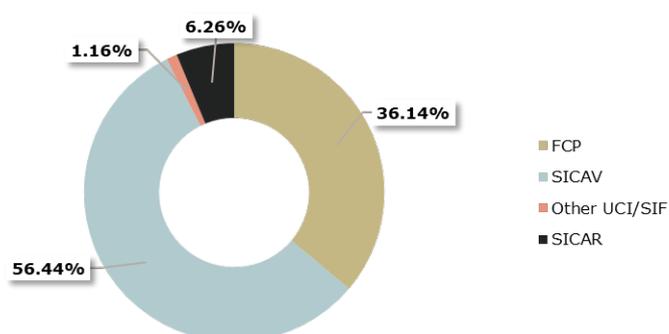
**SUPPORT PFS:
DECREASE IN THE BALANCE SHEET TOTAL AS AT 31 DECEMBER 2020**



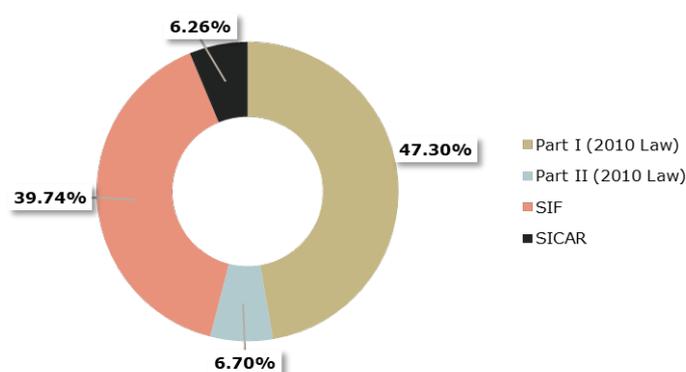
UCIS:
SITUATION AS AT 31 DECEMBER 2020

NUMBER OF UCIS

Breakdown according to legal form



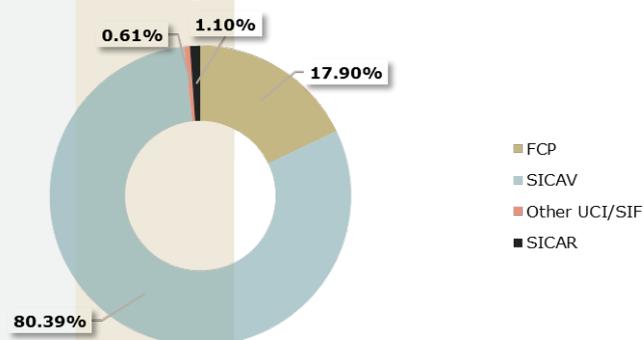
Breakdown according to law and part applicable



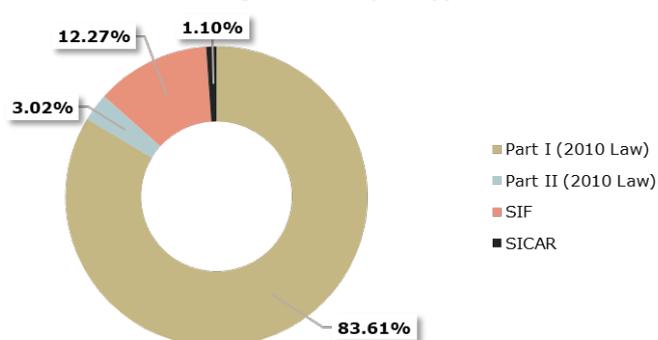
	FCP	SICAV	Other UCI / SIF	SICAR	Total
Part I (2010 Law)	881	827	0	0	1,708
Part II (2010 Law)	116	124	2	0	242
FIS	308	1,087	40	0	1,435
SICAR	0	0	0	226	226
Total	1,305	2,038	42	226	3,611

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)	645.401	3,513.029	0.000	0.000	4,158.430
Part II (2010 Law)	48.983	100.640	0.503	0.000	150.126
SIF	196.123	384.842	29.539	0.000	610.504
SICAR	0.000	0.000	0.000	54.720	54.720
Total	890.507	3,998.511	30.042	54.720	4,973.780

NET ASSETS BROKEN DOWN BY INVESTMENT POLICY

Breakdown by investment policy	Net assets (in bn €)	Number of fund units
Fixed-Income Transferable Securities	1,412.963	3,212
Variable-Yield Transferable Securities	1,619.138	4,055
Mixed Transferable Securities	963.995	3,628
Funds of Funds	283.325	2,136
Money Market Instruments and Other Short-Term Securities	405.060	218
Cash	9.423	11
Private Equity	48.081	227
Venture Capital	2.954	29
Real Estate	93.495	332
Futures and/or Options	11.955	94
Other Assets	68.671	292
Public-to-Private	0.125	3
Mezzanine	2.752	12
Venture Capital (SICAR)	8.280	75
Private Equity (SICAR)	43.563	266
TOTAL	4,973.780	14,590

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	1,305.147	2,710	58.263	52.369	5.894
Variable-Yield Transferable Securities	1,541.794	3,724	81.252	56.901	24.351
Mixed Transferable Securities	772.069	2,609	26.577	25.423	1.154
Funds of Funds	142.389	874	3.597	2.788	0.809
Money Market Instruments and Other Short-Term Securities	377.868	180	202.738	202.306	0.432
Cash	9.366	9	3.192	2.980	0.212
Futures and/or Options	6.916	48	0.167	0.357	-0.190
Other Assets	2.881	9	0.097	0.113	-0.016
SUB-TOTAL PART I	4,158.430	10,163	375.883	343.237	32.646
PART II					
Fixed-Income Transferable Securities	16.068	87	0.463	0.580	-0.117
Variable-Yield Transferable Securities	14.088	57	0.114	0.259	-0.145
Mixed Transferable Securities	59.729	186	1.956	1.484	0.472
Funds of Funds	26.389	213	0.408	0.651	-0.243
Money Market Instruments and Other Short-Term Securities	16.898	28	1.202	1.921	-0.719
Cash	0.000	0	0.000	0.000	0.000
Private Equity	8.613	20	0.094	0.012	0.082
Venture Capital	0.119	1	0.007	0.000	0.007
Real Estate	2.843	7	0.014	0.000	0.014
Futures and/or Options	1.209	16	0.011	0.036	-0.025
Other Assets	4.170	19	0.072	0.093	-0.021
SUB-TOTAL PART II	150.126	634	4.341	5.036	-0.695

SIF

Fixed-Income Transferable Securities	91.748	415	1.693	1.770	-0.077
Variable-Yield Transferable Securities	63.256	274	0.450	0.477	-0.027
Mixed Transferable Securities	132.197	833	2.525	2.154	0.371
Funds of Funds	114.547	1,049	2.036	2.757	-0.721
Money Market Instruments and Other Short-Term Securities	10.294	10	1.814	1.525	0.289
Cash	0.057	2	0.000	0.000	0.000
Private Equity	39.468	207	0.823	0.051	0.772
Venture Capital	2.835	28	0.007	0.006	0.001
Real Estate	90.652	325	0.674	0.625	0.049
Futures and/or Options	3.830	30	0.094	0.059	0.035
Other Assets	61.620	264	0.707	0.985	-0.278
SUB-TOTAL SIFs	610.504	3,437	10.823	10.409	0.414

SICAR

Public-to-Private	0.125	3	0.000	0.000	0.000
Mezzanine	2.752	12	0.000	0.000	0.000
Venture Capital	8.280	75	0.000	0.198	-0.198
Private Equity	43.563	266	1.415	0.550	0.865
TOTAL SICAR	54.720	356	1.415	0.748	0.667
TOTAL LUXEMBOURG UCIs	4,973.780	14,590	392.462	359.430	33.032

ORIGIN OF THE INITIATORS OF LUXEMBOURG UCIS

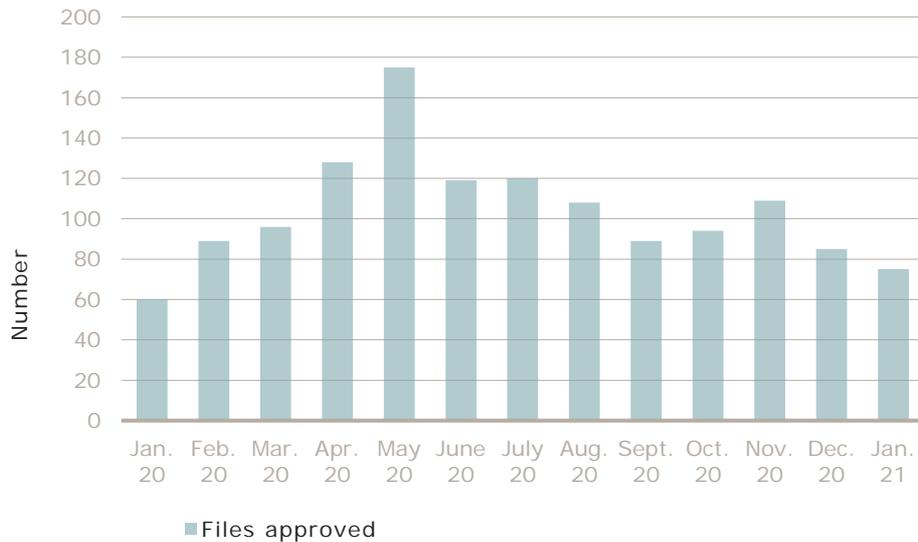
Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
US	1,028.470	20.7%	173	4.8%	1,123	7.7%
GB	846.661	17.0%	252	7.0%	1,634	11.2%
CH	707.869	14.2%	544	15.0%	2,709	18.6%
DE	683.017	13.7%	1,178	32.6%	2,445	16.8%
FR	493.009	9.9%	277	7.7%	1,552	10.6%
IT	336.438	6.8%	133	3.7%	1,244	8.5%
BE	221.562	4.5%	150	4.1%	859	5.9%
LU	171.551	3.5%	261	7.2%	794	5.4%
NL	111.829	2.2%	42	1.2%	263	1.8%
DK	105.753	2.1%	21	0.6%	203	1.4%
OTHERS	267.621	5.4%	580	16.1%	1,764	12.1%
TOTAL	4,973.780	100.0%	3,611	100.0%	14,590	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	6.204	0.125%	26	0.178%
CAD	3.582	0.072%	20	0.137%
CHF	47.062	0.946%	260	1.782%
CNH	8.127	0.163%	28	0.192%
CNY	5.191	0.104%	4	0.027%
CZK	1.251	0.025%	70	0.480%
DKK	1.875	0.038%	12	0.082%
EUR	2,605.204	52.379%	9,125	62.543%
GBP	165.054	3.319%	312	2.139%
HKD	4.117	0.083%	9	0.062%
HUF	0.323	0.007%	26	0.178%
JPY	57.992	1.166%	179	1.227%
NOK	5.791	0.116%	37	0.254%
NZD	0.763	0.015%	3	0.021%
PLN	0.196	0.004%	6	0.041%
RON	0.517	0.010%	4	0.027%
SEK	45.501	0.915%	128	0.877%
SGD	1.040	0.021%	6	0.041%
USD	2,013.967	40.492%	4,334	29.705%
ZAR	0.023	0.000%	1	0.007%
TOTAL	4,973.780	100.000%	14,590	100.000%

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

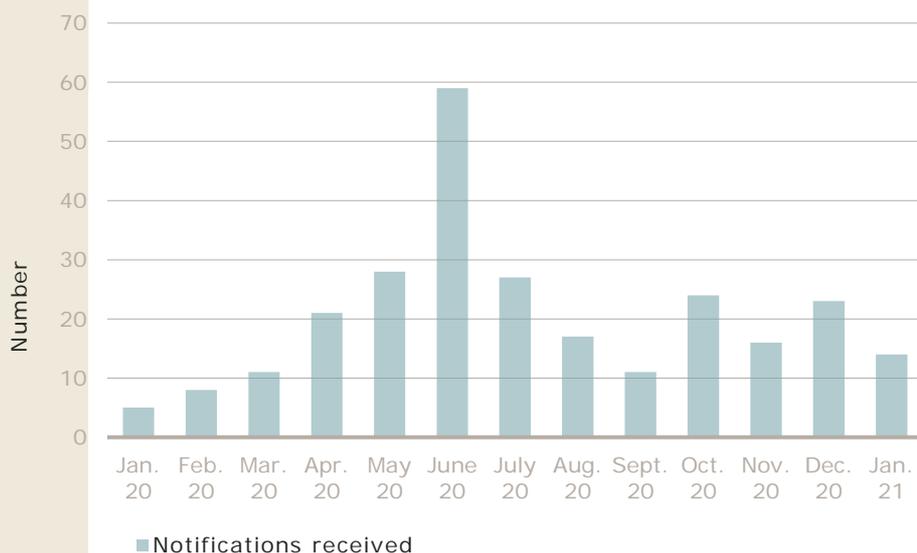
CSSF APPROVALS



In January 2021, the CSSF approved a total of 75 documents pursuant to the Prospectus Regulation, which break down as follows:

base prospectuses:	7 (9.33%)
other prospectuses:	10 (13.34%)
registration documents:	1 (1.33%)
supplements:	57 (76.00%)

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



In January 2021, the CSSF received 14 notifications relating to prospectuses and base prospectuses and 21 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



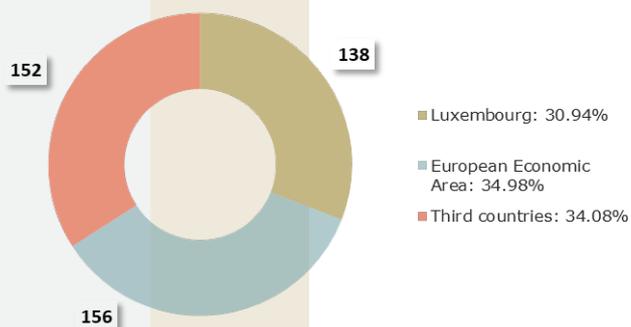
In January 2021, the CSSF sent 9 notifications relating to prospectuses and base prospectuses and 41 notifications relating to supplements to the competent authorities of other EEA Member States¹.

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")

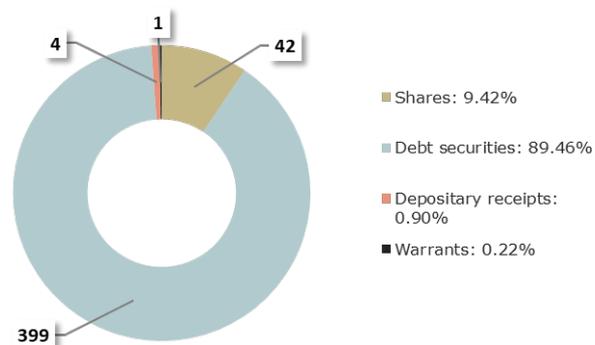
Since 31 December 2020, twenty-one issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, eight issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 31 January 2021, **446 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 31 January 2021, **15 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

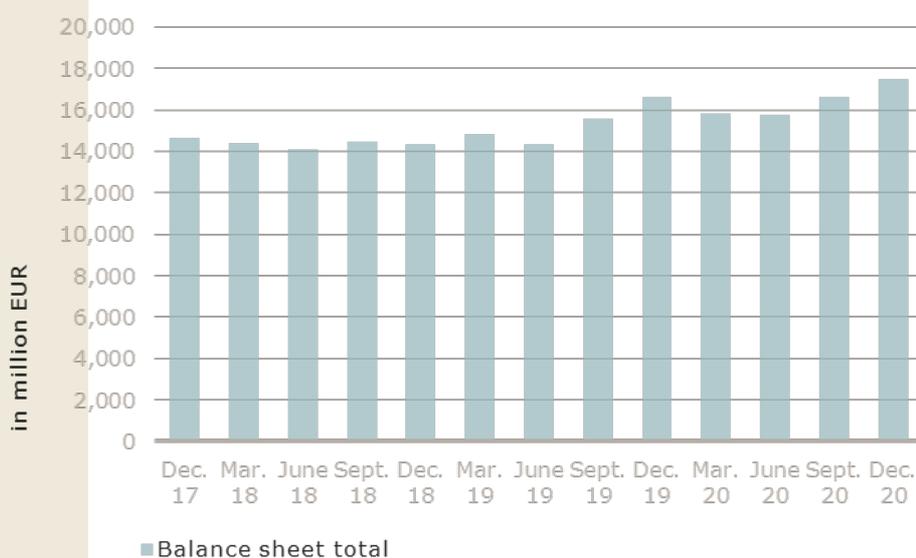
The number of **securitisation undertakings** authorised by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **30** entities as at 31 January 2020.

PUBLIC OVERSIGHT OF THE AUDIT PROFESSION

The public oversight of the audit profession covered **54 cabinets de révision agréés** (approved audit firms) and **323 réviseurs d'entreprises agréés** (approved statutory auditors) as at 31 January 2021. The oversight also included **28 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 31 DECEMBER 2020





Human resources

In order to increase its staff, the CSSF hired five employees on 1 February 2021 and counts, after the departure of 3 agents, 938 agents (504 men and 434 women). They have been assigned to the following departments:

On-site inspection

Maya PHILIPPE

Supervision of banks

Raphaël SCHOTT

Single Supervisory Mechanism (SSM)

Mehdi MABROUKI

Personnel, administration and finance

Sonia CHAVES DA CRUZ

Meliha HODZIC



European/International News in January 2021

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

Date	Publications	Description
12.01.2021	ECB finalised guide on supervisory approach to consolidation	The ECB published the final guide outlining its supervisory approach to consolidation in the banking sector, following a public consultation which ended on 1 October 2020. The ECB will make use of its supervisory tools to facilitate sustainable consolidation projects. Such projects must be based on a credible business and integration plan, improve the sustainability of the business model, and respect high standards of governance and risk management.
13.01.2021	ECB publishes supervisory banking statistics for the third quarter of 2020	The ECB published the Supervisory Banking Statistics for the third quarter 2020.
19.01.2021	List of supervised entities (as of 1 December 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 also published the list of entities supervised by a national competent authority (NCA).
25.01.2021	Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Schäffler, Member of the German Bundestag, on ECB banking supervision	The ECB published a letter from the Chair of the Supervisory Board to one Member of the German Bundestag, on the reporting of TARGET2 outages to ECB Banking Supervision or national supervisory authorities.

Date	Interviews and speeches	Description
15.01.2021	Andrea Enria: Crisis management for medium-sized banks: the case for a European approach	Speech by Andrea Enria, Chair of the Supervisory Board of the ECB, at the Banca d'Italia workshop on the crisis management framework for banks in the EU

European Banking Authority (EBA)

Date	Publications	Description
14.01.2021	EBA releases erratum of the taxonomy package on reporting framework 3.0 phase 1	The EBA published an erratum of the technical package on the reporting framework 3.0 phase 1. The corrections are mainly on the taxonomy files in the COREP NSFR module and COREP LR module where the EBA has addressed the issue of non-reportable data points on columns 0020 and 0030 of tables C 84, and amended a member code for "Cash pooling arrangements" in C 47.
21.01.2021	EBA publishes final draft technical standards to identify investment firms' risk takers and to specify the instruments used for the purposes of variable remuneration	The EBA published two final draft Regulatory Technical Standards (RTS) on (i) the criteria to identify all categories of staff whose professional activities have a material impact on the investment firm's risk profile or asset it manages ('risk takers') and (ii) on the classes of instruments that adequately reflect the credit quality of the investment firm and possible alternative arrangements that are appropriate to be used for the purposes of variable remuneration. The objective of these RTS is to define and harmonise the criteria for the identification of such staff and the use of instruments or alternative arrangements for the purposes of variable remuneration so as to ensure a consistent approach across the EU.

Date	Consultations	Description
15.01.2021	EBA consults on its new guidelines on the monitoring of the threshold for establishing an IPU	The EBA launched public consultations on its new guidelines on the monitoring of the threshold and other procedural aspects on the establishment of intermediate EU parent undertakings (IPU) as laid down in the Capital Requirements Directive (CRD). This guidance specifies the methodology to calculate the total value of assets in the Union of the third-country groups and clarifies how to monitor this value in order to meet the IPU requirement. The consultation runs until 15 March 2021.

European Supervisory Authorities (ESAs)

Date	Publication/Consultation	Description
18.01.2021	ESAs publish final draft ITS on reporting templates for intra-group transactions and risk concentration under FICOD	<p>The ESAs – the EBA, ESMA and the European Insurance and Occupational Pensions Authority (EIOPA) – submitted to the European Commission the final report on the draft Implementing Technical Standards (ITS) under the Financial Conglomerates Directive (FICOD) on reporting templates for intra-group transactions (IGT) and risk concentration (RC).</p> <p>The draft ITS aim at further increasing comparability amongst conglomerates of different EU Member States thereby improving supervisory consistency.</p>
29.01.2021	ESAs consult to amend technical standards on the mapping of ECAIs' credit assessments	<p>The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) launched a public consultation to amend the Implementing Regulations on the mapping of credit assessments of External Credit Assessment Institutions (ECAIs) for credit risk. The amendments are needed to assign mappings for two newly established ECAIs and to reflect the outcomes of a monitoring exercise on the adequacy of existing mappings, namely changes to the Credit Quality Steps (CQS) allocation for two ECAIs and the introduction of new credit rating scales for nine ECAIs. The Implementing Regulations are part of the EU Single Rulebook for banking and insurance aimed at creating a safe and sound regulatory framework consistently applicable across the European Union.</p> <p>The consultation runs until 5 March 2021.</p>

Basel Committee on Banking Supervision (BCBS)

Date	Publications/Consultations	Description
26.01.2021	Minimum haircut floors for securities financing transactions	<p>The BCBS has published for consultation two technical amendments to the chapter of the Basel Framework that sets out the calculation of minimum haircut floors for securities financing transactions (SFTs).</p> <p>The technical amendments seek to address an interpretative issue relating to collateral upgrade transactions and correct for a misstatement of the formula used to calculate haircut floors for netting sets of STFs.</p> <p>Comments on the proposed technical amendments should be submitted by 31 March 2021.</p>

Macroprudential topics and fora

European Central Bank (ECB)

Date	Publications	Description
07.01.2021	Economic Bulletin	The Economic Bulletin presents the economic and monetary information which forms the basis for the Governing Council's policy decisions. This edition informs about the recent decision of the ECB's Governing Council to recalibrate its monetary policy instruments at its meeting on 10 December 2020. The incoming data and the December 2020 Eurosystem staff macroeconomic projections suggest a more pronounced near-term impact of the pandemic on the economy and a more protracted weakness in inflation than previously envisaged, which lead to this decision.
19.01.2021	The euro area bank lending survey – Fourth quarter of 2020	The results reported in the January 2021 bank lending survey (BLS) relate to changes observed during the fourth quarter of 2020 and expectations for the first quarter of 2021. The survey was conducted between 4 and 29 December 2020. A total of 143 banks were surveyed in this round, with a response rate of 100%. In addition to results for the euro area as a whole, this report also contains results for the four largest euro area countries.

European Systemic Risk Board (ESRB)

Date	Publications	Description
01.01.2021	ESRB published adverse scenario for the ESMA money market fund stress-testing guidelines	The ESRB published the adverse scenario as input into the ESMA's updated stress testing guidelines for managers of money market funds under Article 28 of the money market funds (MMF) Regulation.

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%	01.01.2020
	0.5%	01.01.2021
Norway	1%	13.03.2020
Slovakia	1%	01.08.2020

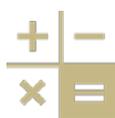
Pending CCyB rates are followed by an asterisk ("**").

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

European Securities and Markets Authority (ESMA)

Date	Publication	Description
04.01.2021	Brexit: ESMA Withdraws the registrations of six UK-Based Credit Rating Agencies and four Trade Repositories	ESMA, the supervisor of the European Union credit rating agencies (CRAs) and trade repositories (TRs), has withdrawn the registrations of 6 CRAs and 4 TRs based in the United Kingdom.
05.01.2021	Publication of financial instruments reference data after the end of the Brexit transition period	ESMA has published its first set of Financial Instruments Reference Data System files following the end of the Brexit transition period.
06.01.2021	ESMA promotes transparency for TLTRO III transactions	ESMA has issued a public statement promoting transparency in the IFRS financial statements of banks regarding accounting for the third series of the European Central Bank's Targeted Longer-Term Refinancing Operations (TLTRO III).
06.01.2021	ESMA launches a Common Supervisory Action with NCAs on the supervision of costs and fees of UCITs	ESMA is launching a Common Supervisory Action (CSA) with national competent authorities (NCAs) on the supervision of costs and fees of UCITS across the European Union (EU). The CSA will be conducted during 2021.
07.01.2021	CFTC and ESMA sign enhanced MOU related to certain recognized Central Counterparties	The Commodity Futures Trading Commission (CFTC) and ESMA announced the signing of a new Memorandum of Understanding (MOU) regarding cooperation and the exchange of information with respect to certain registered derivatives clearing organisations established in the United States that are central counterparties recognized by ESMA under the European Market Infrastructure Regulation.
08.01.2021	Publication of Transparency calculations update after the end of the Brexit transition period	ESMA has published today its first Financial Instruments Transparency System file following the end of the Brexit transition period.
11.01.2021	ESAs' joint board of appeal dismissed appeal by scope ratings GMBH against the European Securities Markets Authority	The Joint Board of Appeal of the European Supervisory Authorities unanimously decided to dismiss the appeal brought by the credit rating agency Scope Ratings GmbH against the European Securities and Markets Authority in relation to the interpretation of the applicable legal provisions of the Credit Rating Agencies (CRA) Regulation.
12.01.2021	ESAs' BOA decided in ESMA's favour in the appeal by scope ratings	The Joint Board of Appeal of the European Supervisory Authorities decided in ESMA's favour in the appeal put forward by Scope Ratings GmbH against ESMA's decision from May 2020.
13.01.2021	ESMA reminds firms of the MiFID II rules on reverse solicitation	ESMA is issuing a Public Statement to remind firms of the MiFID II requirements on the provision of investments services to retail or professional clients by firms not established or situated in the European Union.
13.01.2021	ESMA agrees positions limits under MiFID II	ESMA has published two opinions on position limits regarding commodity derivatives under MiFID II/MiFIR.
15.01.2021	ESAs' board of appeal dismisses case against the EBA on alleged non-application of union law as manifestly inadmissible	The Joint Board of Appeal of ESMA published today its decision in relation to an alleged non-application of Union law by eight national competent authorities brought by Mr Howerton against the European Banking Authority (EBA).

21.01.2021	ESMA updates guidelines on written agreements between CCP college members	ESMA has published the final report on its revised Guidelines regarding written agreements between members of CCP colleges.
25.01.2021	ESMA call experts on commodity derivatives to join consultative industry group	ESMA has published a call for candidates to renew a Consultative Working Group for the ESMA's Commodity Derivatives Task Force. Interested experts are asked to send their application to ESMA by 7 March 2021.
27.01.2021	ESMA reports on the resources and staffing it will need to apply new rules for third-country firms under MiFIR	ESMA has published its Report containing the assessment of ESMA's staffing and resources needs arising from the assumption of powers and duties in accordance with the new MiFIR regime for third-country firms.
28.01.2021	ESMA appoints new Management Board member	ESMA has appointed a new member to its Management Board to fill a vacancy following the departure of a member of the Board of Supervisors.
28.01.2021	ESMA updates SFTR Q&A's	ESMA has updated its Questions and Answers related to reporting under the Securities Financing Transactions Regulation (SFTR).
28.01.2021	ESMA updates its Q&As relating to the Prospectus Regulation	ESMA has updated its Questions and Answers (Q&As) on the Prospectus Regulation with six new Q&As.
28.01.2021	ESMA updates EMIR Q&A's	ESMA has updated its Questions and Answers document on practical questions regarding reporting issues under the European Markets Infrastructure Regulation (EMIR).
29.01.2021	ESMA supports the endorsement of IFRS 17 insurance contracts	ESMA has published its response to the European Financial Reporting Advisory Group's consultation on its draft advice on the endorsement into European law of the new international accounting standards for insurance contracts (IFRS 17). ESMA supports the endorsement of IFRS 17 which will provide a consistent system of requirements to account for insurance and reinsurance contracts.
29.01.2021	ESMA consults on appropriateness and execution-only under MiFID II	ESMA has launched a consultation on guidelines on the application of certain aspects of the appropriateness and execution-only requirements under MiFID II. The consultation runs until 29 April 2021.
29.01.2021	ESMA calls for legislative action on ESG ratings and assessment tools	ESMA has written to the European Commission sharing its views on the main challenges in the area of ESG ratings and assessment tools. ESMA highlights the need to match the growth in demand for these products with appropriate regulatory requirements to ensure their quality and reliability.
29.01.2021	ESMA consults on changes to CRA supervisory fees	ESMA has launched a public consultation on the revision of the Delegated Regulation regarding fees charged to CRAs.



Financial centre

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (31/01/2021)	127	no variation
	Balance sheet total (30/09/2020)	EUR 846.758 bn	↗ EUR 4.826 bn
	Profit before provisions (30/09/2020)	EUR 3.684 bn	↘ EUR 81 m
Payment institutions	Number (31/01/2021)	14	no variation
Electronic money institutions	Number (31/01/2021)	11	↗ 2 entities
UCIs	Number (31/01/2021)	Part I 2010 Law: 1,700	↘ 58 entities
		Part II 2010 Law: 239	↘ 29 entities
		SIFs: 1,418	↘ 31 entities
	TOTAL: 3,357	↘ 118 entities	
	Number (31/01/2021)	SICAR: 224	↘ 18 entities
	Total net assets (31/12/2020)	EUR 4,973.780 bn	↗ EUR 254.866 bn
Management companies (Chapter 15)	Number (31/01/2021)	183	↘ 10 entities
	Balance sheet total (31/12/2020) ²	EUR 17.505 bn	↗ EUR 888 m
Management companies (Chapter 16)	Number (31/01/2021)	156	no variation
AIFMs	Number (31/01/2021)	263	↗ 7 entities
Pension funds	Number (31/01/2021)	15	↗ 3 entities
Authorised securitisation undertakings	Number (31/01/2021)	30	↘ 3 entities
Investment firms	Number (31/01/2021)	93	↘ 7 entity
	Balance sheet total (31/12/2020)	EUR 1.248 bn	↘ EUR 498 m
	Provisional net profit (31/12/2020)	EUR 94.71 m	↘ EUR 10.469 m
Specialised PFS	Number (31/01/2021)	98	↘ 6 entities
	Balance sheet total (31/12/2020)	EUR 5.779 bn	↘ EUR 84 m
	Provisional net profit (31/12/2020)	EUR 95.66 m	↘ EUR 194.475 m
Support PFS	Number (31/01/2021)	71	↘ 4 entities
	Balance sheet total (31/12/2020)	EUR 1.616 bn	↘ EUR 204 m
	Provisional net profit (31/12/2020)	EUR 43.80 m	↘ EUR 24.38 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (31/01/2021)	446	↘ 16 entities
Public oversight of the audit profession	Number (31/01/2021)	54 <i>cabinets de révision agréés</i>	↘ 1 entity
		323 <i>réviseurs d'entreprises agréés</i>	↗ 3 people
		28 third-country auditors and audit firms	↗ 4 entities
Employment (31/12/2020)	Banks ³		
	Management companies (Chapter 15) ²	4,862 people	↗ 2 people
	Investment firms	1,785 people	↗ 95 people
	Specialised PFS	5,476 people	↗ 293 people
	Support PFS	8,987 people	↗ 111 people
	Payment institutions/electronic money institutions	611 people	↗ 30 people
	Total	21,721 people⁴	↗ 531 people⁵

² Preliminary figures

³ The data as at 31 December 2020 were not available at the time of the drawing-up of the Newsletter.

⁴ Partial data

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.