



Newsletter No 245

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Commission de Surveillance
du Secteur Financier

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Claude Marx speaks about sustainable finance



On 10 June 2021, Claude Marx was the keynote speaker, alongside Romain Poulles, President of the CSDD, at the Farad Finance Forum 2021. This event gathered Luxembourg and EU financial industry's professionals and centered

around sustainable finance with a particular focus on the development of SDG-aligned investments.

More about this event:

<https://www.faradfinanceforum.com/>

Interview of Claude Marx: The banking sector weathered the crisis well

In an interview by RTL, Claude Marx discussed about the recent decision of the G7 to set a global minimum corporate tax rate and about the impact of the COVID-19 pandemic on the financial sector.

He stressed that despite the crisis the Luxembourg banking sector weathered the crisis well.

The full interview is available in Luxembourgish at :

<https://www.rtl.lu/news/national/a/1734834.html>

Focus on Amazonisation

Karen O'Sullivan, Head of Innovation, Payments, Market Infrastructure and Governance at the CSSF, participated in the conference "Focus on Amazonisation" which was held on 9 June. During this event, which was organised by Luxembourg for Finance, Karen provided the participants with the regulator's perspective, touching on a number of topics including the rise of digitalisation and the new risks that

the financial services firms

need to consider and understand.

More about the event:

<https://www.luxembourgforfinance.com/event/focus-on-amazonisation/>



The SEBI and the CSSF enter a Memorandum of Understanding

The Securities and Exchange Board of India (SEBI) and the CSSF have signed a Memorandum of Understanding on mutual cooperation and technical assistance relating to the supervision of securities markets. The agreement covers in particular the exchange of regulatory and technical information, as well as cooperation as regards supervision and inquiries. The Memorandum took effect on 2 June 2021.

On entering the agreement, Mr. Ajay Tyagi, Chairman of SEBI, stated that "With signing of this Memorandum

of Understanding, we look forward to a stronger partnership with CSSF leading to enhanced cross-border co-operation and exchange of information for discharge of our regulatory mandates."

Mr Claude Marx, Director General of the CSSF, said: "We trust that this Memorandum of Understanding provides an important cornerstone for strengthening the relationship between both our authorities and for enhancing cooperation in the areas covered by the memorandum."

Lëtzfïn

Eldorado issued an interview which explains crowdfunding. The interview is available at: <https://www.eldo.lu/radio/finance/a/110106.html>

An interview of Stéphanie Damgé, director of Jonk Entrepreneuren, was published on the website of Lëtzfïn. She explains the initiative Fit for Life carried out

in secondary schools. The interview is available at:

<https://www.letzfïn.lu/interview-letzfïn-jonk-entrepreneuren-luxembourg/#>





Coronavirus: Information for all supervised entities

Summary of the communications by the European authorities

On 3 May 2021, the ECB published a letter from Andrea Enria, Chair of the Supervisory Board, to Mr Herbrand, Member of the German Bundestag, in response to a written request related to IT and cyber risk.

https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.mepletter210503_Herbrand~04e3ccb7ff.en.pdf?0f9c243f941a60b59e9da9dafef40df2

On 3 May 2021, Andrea Enria, Chair of the Supervisory Board of the ECB, gave a speech at the Marco Fanno Alumni online conference.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210503~1672b8b1f0.en.html>

On 4 May 2021, the EBA published a discussion paper to facilitate the review of the standardised non-performing loans (NPL) data templates. The discussion paper invites all stakeholders and NPL market participants on the buyer and seller side to provide their input.

The consultation runs until **31 August 2021**.

<https://www.eba.europa.eu/eba-launches-discussion-npl-data-templates>

On 6 May 2021, Andrea Enria, Chair of the Supervisory Board of the ECB, was interviewed by Reuters. The interview was conducted by Francesco Canepa, Balazs Koranyi and Frank Siebelt.

<https://www.bankingsupervision.europa.eu/press/interviews/date/2021/html/ssm.in210506~ec5fa1bcac.en.html>

On 10 May 2021, the EBA published 2020 data relating to two key concepts and indicators in the Deposit Guarantee Schemes Directive (DGSD): available financial means and covered deposits. The EBA publishes this data on a yearly basis to enhance the transparency and public accountability of deposit guarantee schemes (DGSs) across the European Economic Area (EEA) to the benefit of depositors, markets, policymakers, DGSs and Members States.

<https://www.eba.europa.eu/eba-updates-data-deposit-guarantee-schemes-across-eea>

On 12 May 2021, Andrea Enria, Chair of the Supervisory Board of the ECB, was interviewed by Ta Nea. The interview was conducted by Maria Vasileiou.

<https://www.bankingsupervision.europa.eu/press/interviews/date/2021/html/ssm.in210512~e49ef8d15e.en.html>

On 12 May 2021, the EBA published its Report on convergence of supervisory practices in 2020. Notwithstanding a refocusing of supervisory practices towards the areas impacted by the COVID-19 crisis, in line with the EBA Guidelines on the pragmatic 2020 supervisory review and evaluation process in light of the COVID-19 crisis, overall, the Report finds that supervisors converged in using the key topics of the EBA 2020 Convergence Plan in their supervisory work in 2020 and good progress in supervisors' efforts could be achieved across the EU.

<https://www.eba.europa.eu/eba-observes-achievements-number-key-areas-supervisory-review-across-eu-also-highlights-items>

On 17 May 2021, the Joint Committee of the European Supervisory Authorities (ESAs – European Banking Authority, European Insurance and Occupational Pensions Authority and European Securities and Markets Authority) published its analysis of the implementation and the functioning of the EU Securitisation Regulation (SECR), including recommendations on how to address initial inconsistencies and challenges, which may affect the overall efficiency of the current securitisation regime. The Report is meant to provide guidance to the European Commission in the context of its review of the functioning

of the SECR. It also provides initial inputs to the ongoing discussion on the efficiency of the securitisation framework given the role that securitisation could play in the recovery post the COVID-19 pandemic.

<https://www.eba.europa.eu/esas-report-implementation-and-functioning-securitisation-regulation>

On 18 May 2021, the ECB published an overview ahead of the exchange of views of the Chair of the Supervisory Board of the ECB with the Eurogroup on 21 May 2021. The note provides the Eurogroup with an overview of the activities of the ECB Banking Supervision in the areas of credit risk, climate risk and Brexit.

https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.Preparatory_note_for_the_Eurogroup_meeting_on_21_May_2021~37d31d0726.en.pdf?7029021297fe9d05fa6c167dd707c911

On 19 May 2021, Andrea Enria, Chair of the Supervisory Board of the ECB, gave a presentation entitled “NPLs in the euro area: progress so far and COVID-19 outlook” at CEPR-SAFE Policy Webinar.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210519~84ac171a65.en.pdf?93b927a955b9dec720464be1c86bf68f>

On 19 May 2021, the ECB published a letter from Andrea Enria, the Chair of the Supervisory Board, to Mr Giegold, Member of the European Parliament, in response to a written request related to fit and proper assessment and to Mr Giegold and Mr Urtasun, Members of the European Parliament, in response to a written request related to dividend distributions.

https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.mepletter210519_Giegold~364c5d5380.en.pdf?f29b9b5c3f2e6f4a1b256cdd048623d6

On 19 May 2021, the ECB published its Supervision Newsletter for May 2021.

<https://www.bankingsupervision.europa.eu/press/supervisory-newsletters/html/index.en.html>

On 19 May 2021, the ECB published the Financial Stability Review of May 2021. This is the third issue of the Financial Stability Review (FSR) prepared in the context of the coronavirus (COVID-19) pandemic. This review assesses vulnerabilities at the euro area level - with particular attention to vulnerabilities in the corporate sector – and analyses their implications for financial market functioning, debt sustainability, bank profitability and the non-bank financial sector.

<https://www.ecb.europa.eu/pub/financial-stability/fsr/html/ecb.fsr202105~757f727fe4.en.html>

On 26 May 2021, ESMA has launched a consultation, as part of the post-COVID MiFID II Recovery Package, seeking input from market participants on its draft Technical Standards for commodity derivatives. The consultation closes on **23 July 2021**.

<https://www.esma.europa.eu/press-news/esma-news/esma-consults-commodity-derivatives-technical-standards-part-mifidii-recovery>

On 27 May 2021, Pentti Hakkarainen, Member of the Supervisory Board of the ECB, gave a speech at the 33rd Annual Conference of the Group of Banking Supervisors from Central and Eastern Europe.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210527~8b69fbb1de.en.html>

On 27 May 2021, the EBA published a thematic note comparing provisioning practices in the US and the EU during the peak of the COVID-19 pandemic. The note looks into the differences in the macroeconomic impact of the pandemic, in banks' loan portfolios, and in accounting rules that might explain why the cost of risk (CoR) of US banks was much higher compared to their EU peers in the first half of 2020 and fell at a faster pace afterwards.

<https://www.eba.europa.eu/eba-provides-comparison-provisioning-united-states-and-european-union-context-covid-19-pandemic>

On 28 May 2021, Andrea Enria, Chair of the Supervisory Board of the ECB, gave a speech at the Florence School of Banking and Finance online seminar "Banks' Board Members and Policy Makers: A Conversation".

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210528~e78912ded9.en.html>



Warnings

Warnings of the CSSF

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

- Warning concerning the website www.fifty3management.com
- Warning concerning the website www.alphaonecm.com
- Warning concerning the websites www.bit-flyer.com and www.bitflyerex.net

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 visit our [website](#) and contact the CSSF.

Warnings published by IOSCO

Several warnings have been published on the IOSCO website at:

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



National regulation

Law of 20 May 2021 transposing the Capital Requirement Directive V and the Bank Recovery and Resolution Directive 2

Amendment of the Law of 5 April 1993 on the financial sector

The CSSF would like to inform the public of the publication of the Law of 20 May 2021 (the **Law**), which, among others, transposes Directive (EU) 2019/878 of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (**CRD V**) and amends the Law of 5 April 1993 on the financial sector (**LFS**).

In this context, the CSSF would like to draw the public's attention more specifically to the following developments under or in connection with the Law:

a) New approval process for financial holding companies and mixed financial holding companies (Articles 34-1 to 34-3 of the LFS)

Articles 34-1 to 34-3 of the LFS introduce a new approval process for and direct supervisory powers over certain (mixed) financial holding companies ((**M**)FHCs). The aim of this procedure is to ensure that such holding companies can be held directly responsible for ensuring compliance with consolidated prudential requirements stemming from CRD V and Regulation (EU) No 575/2013 (**CRR**). (M)FHCs are however not subject to additional prudential requirements on an individual basis.

The new approval procedure applies both to existing and newly established (M)FHCs.

According to the Law, (M)FHCs shall seek an approval and submit the application file and the supporting documentation to the competent authority in charge of the supervision of the group on a consolidated basis and, where the (M)FHC is established in a different Member State, also to the competent authority of the Member State where the (M)FHC is established. In this latter case, both the consolidating

supervisor and the competent authority of the Member State where the (M)FHC is established shall reach a joint decision to approve the (M)FHC.

Please note however that, where the (M)FHC is established in the Banking Union and is part of a significant group subject to the direct supervision of the European Central Bank (**ECB**), the application file and the supporting documentation are to be provided to the ECB exclusively, which is competent to grant the approval.

Please note that there are situations where a (M)FHC is not required to be approved, in particular when it does not engage in taking management, operational or financial decisions affecting the group or its subsidiaries that are institutions or financial institutions. Such exemption is however subject to the fulfilment of a number of conditions set out in the Law. In this case, a (M)FHC shall nonetheless apply for an exemption from approval and provide the supporting documentation to the same competent authority(ies) as stated above.

In accordance with Article 67 of the LFS, (M)FHCs already existing on 27 June 2019 can benefit from a transitional period but are required to apply for approval (or for an exemption) **by 28 June 2021**.

For any question relating to (M)FHCs, please contact: crd_referentiel@cssf.lu.

b) Intermediate EU parent undertaking – Article 34-4 of the LFS

According to Article 34-4 of the LFS, institutions established in the EU and owned by third-country groups (**TCGs**) are now required to set up an intermediate parent undertaking (**IPU**) if the TCG has two or more institutions in the EU with a combined total value of assets equal to or greater than EUR 40 billion. For the purpose of calculating such threshold, TCGs shall include the assets of their third-country branches authorised in the EU (though third-country branches are not required to become branches of the EU institutions under the IPU).

The general rule is that TCGs should in principle set up one single IPU, which may be a credit institution or a (M)FHC that has been granted approval in accordance with Article 34-2 of the LFS.

In accordance with Article 68 of the LFS, TCGs which met the EUR 40 billion threshold as of 27 June 2019 have **until 30 December 2023** to set up an IPU.

Finally, the CSSF would like to draw the attention of the public to the forthcoming EBA Guidelines on the monitoring of the threshold for establishing an intermediate EU parent undertaking. These guidelines will specify the methodology for computing the EUR 40 billion threshold.

For any question relating to IPUs, please contact: crd_referentiel@cssf.lu.

c) CSSF Regulation No 15-02

The existing provisions of the CSSF Regulation No 15-02 relating to the supervisory review and evaluation process (**SREP**) that applies to CRR institutions, including to Luxembourg branches of such institutions incorporated in a third country, are now fully integrated into the LFS.

The Law clarifies in particular the conditions for the application of Pillar 2 capital add-ons and the distinction between Pillar 2 requirements (**P2R**) and supervisory expectations to hold additional capital, also known as Pillar 2 Guidance (**P2G**). In addition, the Law introduces the application of Pillar 2 measures for the risk of excessive leverage (**LR-P2R** and **LR-P2G**) and the composition of capital for P2R is clarified.

For any question relating to the SREP, please contact: srep@cssf.lu.

d) Capital conservation measures

Although the capital conservation measures are not fundamentally amended by the Law, further flexibility is provided in the use of Systemic Risk Buffer (**SyRB**) and the Other Systematically Important Institutions (**O-SII**) buffer. Regarding the SyRB, there are two major changes introduced: (i) a clarified scope of application in the sense that the SyRB addresses systemic risks, to the extent that these are not already covered by the capital buffers for systemically important institutions (G-SIIs/O-SIIs) or the countercyclical capital buffer (**CCyB**), and (ii) the sectoral dimension of the SyRB. The SyRB can either apply to all exposures or to a sectoral subgroup of exposures, e.g. residential or commercial real estate exposures. Finally, the SyRB can apply to all banks or to one or more subsets of banks.

The changes to the O-SII buffer aim at providing a level playing field for EU banks and ensure greater homogeneity of capital requirements within banking groups and their subsidiaries. The changes include an increase of the overall buffer rate to 3% as well as an increase of the cap for subsidiaries.

For any question relating to the capital conservation measures, please contact: macropru@cssf.lu.

e) Remuneration

The criteria for identifying material risk takers defined under Article 38-5(2) of the LFS should be read in conjunction with the criteria defined in the Commission Delegated Regulation (EU) 2021/923.

New provisions related to variable remuneration have been introduced in Article 38-6 of the LFS. Articles 38-6(2) and (3) of the LFS introduce some waivers for smaller and non-complex institutions in the application of a limited number of remuneration requirements. The EBA Guidelines on sound remuneration policies, which are currently under revision, and in particular its Section 4 on proportionality shall be taken into account when applying such waivers.

Article 38(5) and (6) of the LFS clarify the application of the remuneration requirements in a group context and in particular with regard to institutions that are subject to a specific remuneration framework.

Finally, according to the Law, remuneration policies and practices shall now be gender neutral.

For any question relating to the remuneration requirements, please contact: remuneration@cssf.lu.

Amendment of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms

Furthermore, the Law amending the Law of 18 December 2015 on the failure of credit institutions and certain investment firms (the **2015 Law**), implements in Luxembourg law Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 (**BRRD2**), which amends Directive 2014/59/EU (**BRRD1**) as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC.

The Law introduces different new definitions as well as new concepts in the Luxembourg resolution legislation such as, for example, 'resolution entity' and 'resolution group'. The first concept refers to an entity for which the resolution plan provides for a resolution action and the second refers to a resolution entity together with its subsidiaries. The Law introduces furthermore a number of changes to the 2015 Law as regards group resolution planning, speeding up the procedures in case of a potential impediment to resolvability deriving from a violation of the MREL requirements.

Concerning the powers of the CSSF as national resolution authority (the **CSSF-RA**), the Law introduces a new moratorium power limited, however, to a maximum period of two days for the suspension of contractual obligations. Obligations to central banks, central counterparties and payment and settlement systems are however not covered. Financial contracts concluded by banks subject to third-country law have to contain contractual clauses recognising this power of the CSSF-RA. If the new moratorium power is exercised with respect to covered deposits, such deposits should not be considered unavailable. In order to ensure that depositors do not face financial difficulties during the suspension period, Article 34-1(3) of the 2015 Law provides that the CSSF-RA must ensure that these depositors can make withdrawals up to a daily amount of EUR 250 and within the limit of their balance.

Other new powers of the CSSF-RA are related to the fact that where a bank does not meet its minimum requirement for own funds and eligible liabilities ("**MREL**") the CSSF-RA may impose a maximum distributable amount ("**M-MDA**") restriction after consulting the CSSF as competent authority (the **CSSF-CA**). During the first nine months of the breach, the CSSF-RA will assess whether to impose such restriction. Such assessment must be carried out monthly while the MREL breach persists. After nine months, the M-MDA restriction becomes mandatory unless certain conditions as laid down in Article 31-1(3) of the 2015 Law would apply.

In order to protect retail clients from the mis-selling of subordinated eligible MREL liabilities the BRRD2 offered different options to the Member States. The Luxembourg legislator made its choice in favor of introducing a minimum denomination of at least EUR 50,000 for subordinated eligible liabilities, which can be sold to retail clients. So pursuant to Article 45-1 of the 2015 Law, if the minimum denomination of the subordinated eligible liability is less than EUR 50,000 then the prohibition to sell it to a retail client applies.

A big part of the Law deals with the amendments introduced by the BRRD2 in order to align the calibration of the MREL requirement with the TLAC standard set up by the Financial Stability Board. The

TLAC standard which aims at ensuring that G-SIIs¹ have a minimum loss-absorbing and recapitalization capacity enabling them to ensure their critical functions further to the application of any resolution action has been implemented in CRR (introduced by CRR II²) (Pillar 1 MREL calibration).

Under BRRD1/the 2015 Law, MREL was expressed as a percentage of a bank's total liabilities and own funds and was set by the resolution authorities for banks under their remits. In order to align denominators that measure the loss-absorbing and recapitalisation capacity with those provided for in the TLAC standard, BRRD2/the Law require overall MREL to be expressed as a percentage of the total risk exposure amount, a risk-based ratio, and as a percentage of the leverage ratio exposure measure, a non-risk-based ratio. The levels resulting from the two new measurements have to be met simultaneously.

Banks that are classified as 'resolution entities' (see above) and are G-SIIs must at all times respect an external TLAC requirement (or Pillar 1 MREL) of:

- 16% of total risk exposure amount and 6% of leverage ratio exposure measure, calculated on a consolidated basis at resolution group level, from 27 June 2019 until 31 December 2021, and of
- 18% of total risk exposure amount and of 6.75% of leverage ratio exposure measure from 1 January 2022 onwards.

The Law enlarges also the group of banks that will be subject to these minimum Pillar 1 MREL requirements. It does this by creating a new category referred to as "top tier banks". These are non G-SIIs with total assets in excess of EUR 100 billion. Banks not meeting this criterion could still be classified as a top tier bank ("fished banks") under certain conditions by the CSSF-RA.

Top tier banks will be subject to the following Pillar 1 MREL requirement:

- 13.5% of total risk exposure amount and 5% of leverage ratio exposure measure, calculated on a consolidated basis at resolution group level.

For banks that are neither G-SIIs nor top tier banks, there will be no statutory minimum MREL requirement but the CSSF-RA will determine the MREL requirement in line with the prescriptions laid down in Article 46-3(5) of the 2015 Law.

The Law introduces a new Article 46-2 in the 2015 Law which cross-refers to a new Article 72a of CRR, introduced by CRR II, specifying which liabilities are eligible to qualify as MREL. The eligibility for the TLAC standard as incorporated by CRR II, CRD V and the BRRD2 MREL requirement are aligned with the exception of subordination and embedded derivatives. In terms of subordination, to be eligible for the CRR II TLAC standard, an instrument must be wholly subordinated to claims arising from excluded liabilities. This is dis-applied for the purpose of the eligibility for the MREL requirement. Therefore, embedded derivatives and certain debt instruments with derivative-like features (such as structured notes) may become MREL eligible liabilities, provided certain conditions are met as provided by Article 46-2(2) of the 2015 Law.

The Law determines also to what extent the MREL requirement has to be met with subordinated liabilities (those ranking below traditional senior debt). Under the current 2015 Law the CSSF-RA could require subordination on a case-by-case basis. Instead of introducing full MREL subordination, the Law, in line with the BRRD2 provisions, retains certain partial subordination requirements applicable to different categories of banks as follows:

- G-SIIs – subordination criteria reflect the TLAC standard but with the addition of a mandatory floor of 8% total liabilities and own funds.
- Top tier banks – highest of 13.5% total risk exposure amount, 5% leverage ratio exposure amount, with a mandatory floor of 8% total liabilities and own funds (capped at 27% total risk exposure amount).
- Banks not meeting the top tier bank criterion but whose failure poses a systemic risk to Luxembourg, as determined by the CSSF-RA – would have to respect the same requirements as top tier banks but without the cap of 27% total risk exposure amount.
- All other banks: subordination can be required where there are risks of no credit worse off claims.

¹ List of Global Systemically Important Institutions: <https://www.fsb.org/work-of-the-fsb/market-and-institutional-resilience/post-2008-financial-crisis-reforms/ending-too-big-to-fail/global-systemically-important-financial-institutions-g-sifis/>.

² Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012

Institutions or entities that are identified as resolution entities (see above) are subject to the external MREL requirement only at the consolidated resolution group level by virtue of Article 46-5 of the 2015 Law. Resolution entities are thus required to issue eligible instruments for the purposes of MREL for the benefit of external third-party creditors who would participate in the bail-in in the event that the resolution entity is placed under resolution.

The requirement of internal MREL applies to banks that are subsidiaries of a resolution entity but are not resolution entities themselves (Article 46-6 of the 2015 Law). Such entities are required to issue eligible (debt) instruments within the group that would be acquired by the resolution entity. Where such a subsidiary would reach the point of non-viability, these instruments will be written down or converted into equity and the losses of that entity will be up-streamed to the resolution entity.

If the conditions of Article 46-6(3) and (4) of the 2015 Law are fulfilled the CSSF-RA may waive the application of internal MREL to a subsidiary that is not a resolution entity, provided that the latter and its resolution entity are established in Luxembourg. Also, pursuant to Article 46-6(5) of the 2015 Law, the CSSF-RA may permit the requirement for internal MREL to be met in full or in part with a guarantee provided by the resolution entity.

Finally, in order to ensure a transparent application of the minimum requirement for own funds and eligible liabilities, new resolution reporting requirements are introduced as well as the public disclosure of certain relevant key indicators. Article 46-11(4) provides for certain exemptions and the annual public disclosure will become mandatory only from 1 January 2024 onwards.



FAQ

On 4 June 2021, the CSSF updated the FAQ regarding the fight against money laundering and terrorist financing (AML/CFT) for individuals/investors. The document is available at: <https://www.cssf.lu/en/Document/faq/>.

On 10 June 2021, the CSSF updated the FAQ concerning the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment (version 11) and the FAQ concerning the Luxembourg Law of 12 July 2013 on alternative investment fund managers (version 18). The documents are available at:

<https://www.cssf.lu/en/Document/faq-concerning-the-luxembourg-law-of-17-december-2010-relating-to-undertakings-for-collective-investment-version-11/>

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

On 15 June 2021, the CSSF updated question 52 of the FAQ (Part II) on the statuses of PFS with respect to the granting of loans to the public (Article 28-4 of the Law of 5 April 1993 on the financial sector). The document is available at: <https://www.cssf.lu/en/Document/faq-part-ii-on-the-statuses-of-pfs/>.



Communiqués

Date	Publications
27.05.2021	Global situation of undertakings for collective investment at the end of April 2021
30.05.2021	Audit profession: Practical details on the EAP – 2021 Session
31.05.2021	Monitoring the quality of transaction reports received under Article 9 of EMIR
03.06.2021	SEBI and CSSF enter a Memorandum of Understanding
08.06.2021	Data collection on commercial real estate for investment fund managers
10.06.2021	Publication of the CSSF FAQ providing clarifications on the application of MiFID to Luxembourg Investment Fund Managers (IFMs)
11.06.2021	Implementation of the FRANDT commercial terms to provide clearing services
15.06.2021	Adaptation of the FAQ on the statuses of PFS with respect to the PFS status relating to the granting of loans to the public (Article 28-4 of the Law of 5 April 1993 on the financial sector (LFS))



Withdrawals decided by the CSSF

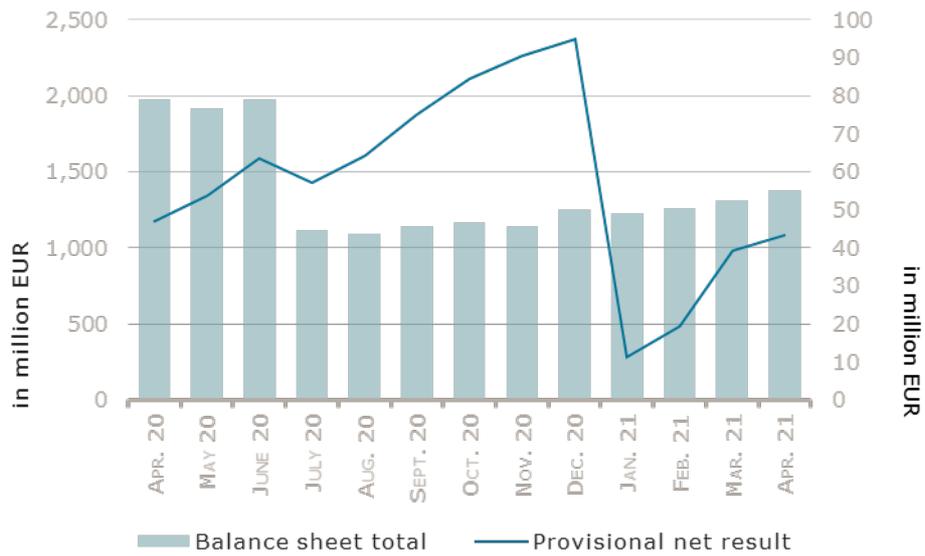
A decision to withdraw the specialised investment fund ALPHA FUND, S.C.A., SICAV-SIF from the official list of specialised investment funds was taken by the CSSF on 26 April 2021.

A decision to withdraw the undertaking for collective investment AMETOS SICAV from the official list of undertakings for collective investment was taken by the CSSF on 19 May 2021.

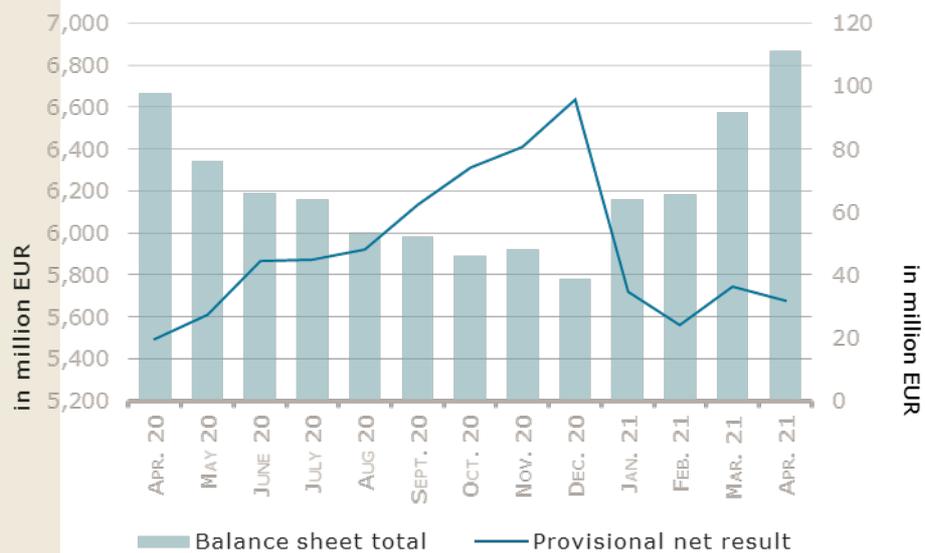


MONTHLY STATISTICS

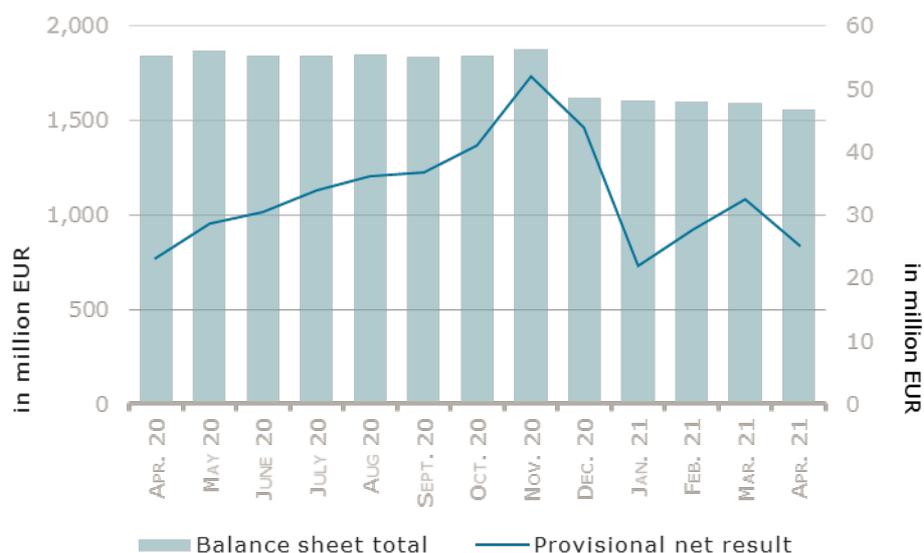
INVESTMENT FIRMS:
INCREASE IN THE BALANCE SHEET TOTAL AS AT 30 APRIL 2021



SPECIALISED PFS:
INCREASE IN THE BALANCE SHEET TOTAL AS AT 30 APRIL 2021



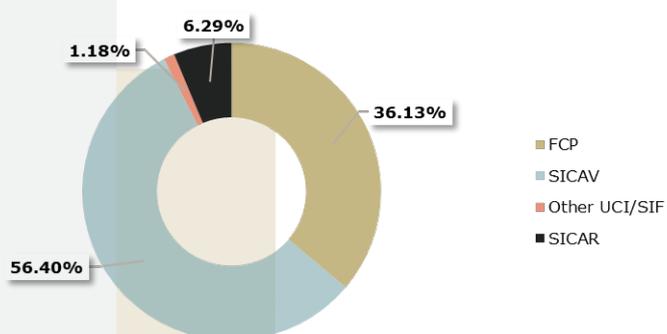
**SUPPORT PFS:
DECREASE IN THE BALANCE SHEET TOTAL AS AT 30 APRIL 2021**



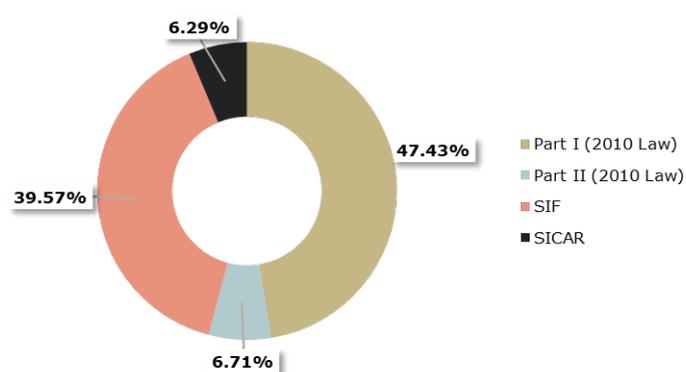
NUMBER OF UCIS

**UCIS:
SITUATION AS AT 30 APRIL 2021**

Breakdown according to legal form



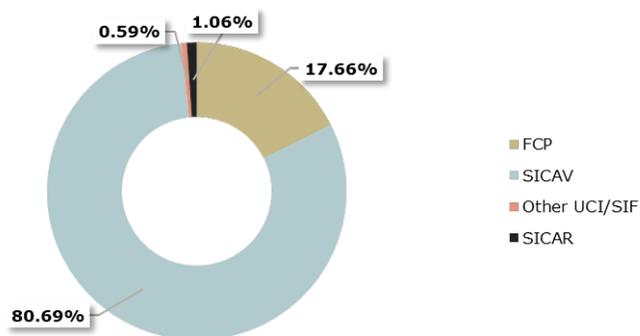
Breakdown according to law and part applicable



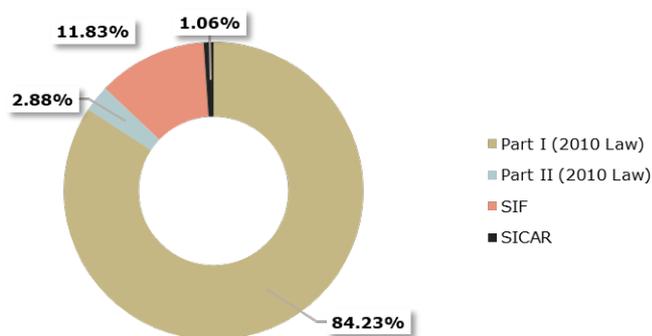
	FCP	SICAV	Other UCI / SIF	SICAR	Total
Part I (2010 Law)	862	821	0	0	1,683
Part II (2010 Law)	114	122	2	0	238
FIS	306	1,058	40	0	1,404
SICAR	0	0	0	223	223
Total	1,282	2,001	42	223	3,548

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)	688.922	3,769.810	0.000	0.000	4,458.732
Part II (2010 Law)	47.105	105.058	0.414	0.000	152.577
SIF	198.724	396.922	30.729	0.000	626.375
SICAR	0.000	0.000	0.000	56.132	56.132
Total	934.751	4,271.790	31.143	56.132	5,293.816

NET ASSETS BROKEN DOWN BY INVESTMENT POLICY

Breakdown by investment policy	Net assets (in bn €)	Number of fund units
Fixed-Income Transferable Securities	1,414.962	3,221
Variable-Yield Transferable Securities	1,858.402	4,070
Mixed Transferable Securities	1,017.572	3,576
Funds of Funds	307.314	2,122
Money Market Instruments and Other Short-Term Securities	392.018	210
Cash	8.760	9
Private Equity	53.201	230
Venture Capital	3.222	30
Real Estate	97.782	321
Futures and/or Options	13.660	90
Other Assets	70.791	286
Public-to-Private	0.125	2
Mezzanine	1.100	11
Venture Capital (SICAR)	8.574	77
Private Equity (SICAR)	46.333	262
TOTAL	5,293.816	14,517

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	1,315.110	2,730	47.755	43.758	3.997
Variable-Yield Transferable Securities	1,777.749	3,737	72.416	52.974	19.442
Mixed Transferable Securities	821.386	2,572	25.683	18.103	7.580
Funds of Funds	155.356	861	4.559	2.351	2.208
Money Market Instruments and Other Short-Term Securities	368.895	176	188.199	190.376	-2.177
Cash	8.718	8	2.651	2.104	0.547
Futures and/or Options	7.920	47	0.302	0.195	0.107
Other Assets	3.598	9	0.054	0.077	-0.023
SUB-TOTAL PART I	4,458.732	10,140	341.619	309.938	31.681
PART II					
Fixed-Income Transferable Securities	14.780	90	0.348	0.533	-0.185
Variable-Yield Transferable Securities	13.790	57	0.048	0.361	-0.313
Mixed Transferable Securities	63.339	182	1.305	1.048	0.257
Funds of Funds	27.854	209	0.560	0.388	0.172
Money Market Instruments and Other Short-Term Securities	14.168	24	0.906	1.216	-0.310
Cash	0.000	0	0.000	0.000	0.000
Private Equity	9.982	20	0.724	0.047	0.677
Venture Capital	0.182	1	0.010	0.000	0.010
Real Estate	2.802	7	0.004	0.037	-0.033
Futures and/or Options	1.489	15	0.029	0.018	0.011
Other Assets	4.191	19	0.092	0.108	-0.016
SUB-TOTAL PART II	152.577	624	4.026	3.756	0.270

SIF

Fixed-Income Transferable Securities	85.072	401	1.746	7.280	-5.534
Variable-Yield Transferable Securities	66.863	276	0.882	1.492	-0.610
Mixed Transferable Securities	132.847	822	2.129	2.017	0.112
Funds of Funds	124.104	1,052	2.657	0.671	1.986
Money Market Instruments and Other Short-Term Securities	8.955	10	1.308	1.322	-0.014
Cash	0.042	1	0.000	0.000	0.000
Private Equity	43.219	210	1.698	0.768	0.930
Venture Capital	3.040	29	0.061	0.006	0.055
Real Estate	94.980	314	1.867	0.519	1.348
Futures and/or Options	4.251	28	0.122	0.026	0.096
Other Assets	63.002	258	1.521	2.357	-0.836
SUB-TOTAL SIFs	626.375	3,401	13.991	16.458	-2.467

SICAR

Public-to-Private	0.125	2	0.000	0.000	0.000
Mezzanine	1.100	11	0.000	0.018	-0.018
Venture Capital	8.574	77	0.004	0.000	0.004
Private Equity	46.333	262	0.006	0.019	-0.013
TOTAL SICAR	56.132	352	0.010	0.037	-0.027
TOTAL LUXEMBOURG UCIs	5,293.816	14,517	359.646	330.189	29.457

ORIGIN OF THE INITIATORS OF LUXEMBOURG UCIS

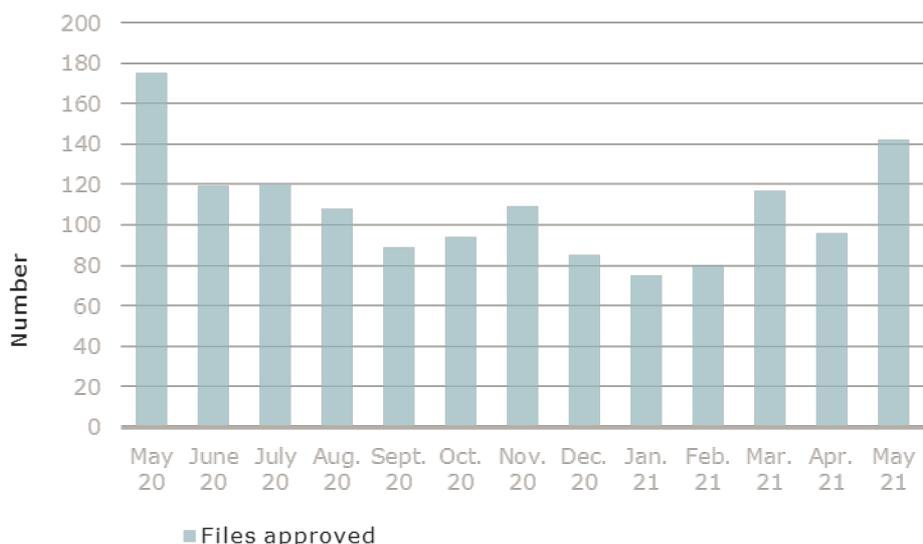
Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
US	1,092.273	20.6%	166	4.7%	1,135	7.8%
GB	904.127	17.1%	249	7.0%	1,650	11.4%
CH	749.157	14.2%	540	15.2%	2,696	18.6%
DE	732.403	13.8%	1,155	32.5%	2,398	16.5%
FR	536.983	10.2%	269	7.6%	1,535	10.6%
IT	345.806	6.5%	130	3.7%	1,248	8.6%
BE	231.196	4.4%	146	4.1%	846	5.8%
LU	180.351	3.4%	262	7.4%	799	5.5%
NL	121.778	2.3%	42	1.2%	263	1.8%
DK	112.526	2.1%	21	0.6%	203	1.4%
OTHERS	287.216	5.4%	568	16.0%	1,744	12.0%
TOTAL	5,293.816	100.0%	3,548	100.0%	14,517	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	4.334	0.082%	23	0.158%
CAD	3.610	0.068%	18	0.124%
CHF	49.807	0.941%	261	1.798%
CNH	12.322	0.233%	26	0.179%
CNY	8.792	0.166%	4	0.028%
CZK	1.317	0.025%	75	0.517%
DKK	1.716	0.032%	12	0.083%
EUR	2,736.293	51.689%	9,028	62.189%
GBP	171.208	3.234%	319	2.197%
HKD	4.082	0.077%	7	0.048%
HUF	0.326	0.006%	25	0.172%
JPY	57.724	1.090%	179	1.233%
NOK	6.308	0.119%	37	0.255%
NZD	0.276	0.005%	2	0.014%
PLN	0.182	0.004%	5	0.034%
RON	0.540	0.010%	4	0.028%
SEK	47.818	0.903%	127	0.875%
SGD	1.111	0.021%	6	0.041%
USD	2,186.026	41.294%	4,358	30.020%
ZAR	0.024	0.001%	1	0.007%
TOTAL	5,293.816	100.000%	14,517	100.000%

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

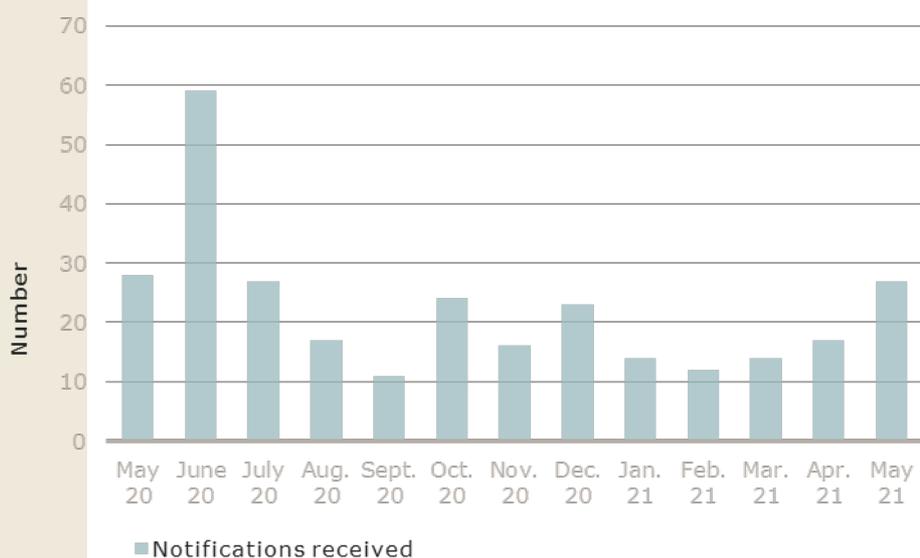
CSSF APPROVALS



In May 2021, the CSSF approved a total of 142 documents pursuant to the Prospectus Regulation, which break down as follows:

base prospectuses:	46 (32.39%)
other prospectuses:	18 (12.68%)
registration documents:	1 (0.70%)
supplements:	77 (54.23%)

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



In May 2021, the CSSF received 24 notifications relating to prospectuses and base prospectuses, 1 notification relating to registration documents, 2 notifications relating to universal registration documents and 104 notifications relating to supplements from competent authorities of other EEA Member States.

NOTIFICATIONS SENT BY THE CSSF TO COMPETENT AUTHORITIES OF OTHER EEA MEMBER STATES



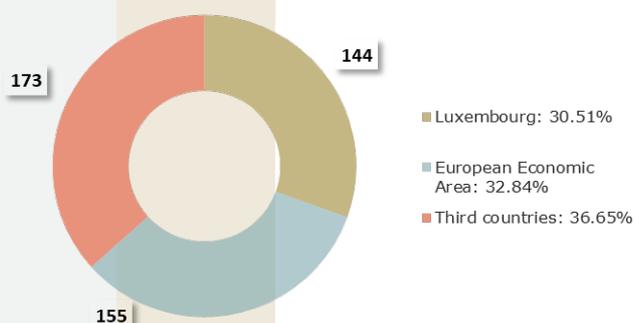
In May 2021, the CSSF sent 34 notifications relating to prospectuses and base prospectuses, 1 notification relating to registration documents and 48 notifications relating to supplements to the competent authorities of other EEA Member States³.

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")

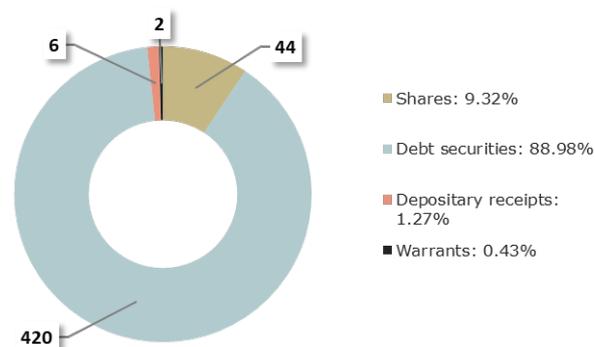
Since 30 April 2021, five issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, eight issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 31 May 2021, **472** 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



³ 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 May 2021, **12 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 May 2021.

PUBLIC OVERSIGHT OF THE AUDIT PROFESSION

The public oversight of the audit profession covered **55 cabinets de révision agréés** (approved audit firms) and **325 réviseurs d'entreprises agréés** (approved statutory auditors) as at 31 May 2021. The oversight also included **26 third-country auditors and audit firms** duly registered in accordance with the Law of 23 July 2016 concerning the audit profession.



Human resources

In order to increase its staff, the CSSF has hired four employees since the publication of the last Newsletter and counts, after the departure of 3 agents, 940 agents (506 men and 434 women). They have been assigned to the following departments:

Legal departments

Nathalie TARANTI

Depositor and investor protection

Hélène KOHLER

Innovation, payments, market infrastructures and governance

Philippe VAN VOORST TOT VOORST

Information systems of the CSSF (IT)

Hugues RATTIN



European/International News in May 2021

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

Date	Publications	Description
06.05.2021	ECB contribution to the European Commission's targeted consultation on the review of the crisis management and deposit insurance framework	The ECB contributed to the European Commission's targeted consultation on the review of the bank crisis management and deposit insurance framework.
14.05.2021	ECB Banking Supervision to supervise securitisation requirements for banks	The ECB announced its decision to start ensuring that the banks it directly supervises comply with the requirements for risk retention, transparency and resecuritisation, which are set out under Articles 6 to 8 of the EU Securitisation Regulation.
20.05.2021	Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Zanni, Ms Donato, Mr Grant and Mr Rinaldi, MEPs, on exposure of the European banking system to speculative investment risk	The ECB published a letter from the Chair of the Supervisory Board to four Members of the European Parliament in response to a written request related to the exposure of the European banking system to speculative investment risk.

Date	Interviews and speeches	Description
08.05.2021	Frank Elderson: Interview with Het Financieele Dagblad	Interview with Frank Elderson, Member of the Executive Board of the ECB, conducted by Annemiek Leclaire.
14.05.2021	Fostering a compliance culture in the European banking system	Blog post by Edouard Fernandez-Bollo, Member of the Supervisory Board of the ECB, and Pedro Gustavo Teixeira, Director General SSM Governance and Operations.
24.05.2021	Elizabeth McCaul: Trends in the prudential supervision of money laundering and terrorism financing (ML/TF) risks	Presentation by Elizabeth McCaul, Member of the Supervisory Board of the ECB, at the Compliance Talks.

European Parliament, European Commission and European Council

Date	Regulatory developments	Description
12.05.2021	Commission Implementing Regulation (EU) 2021/763 of 23 April 2021	Publication of the Commission Implementing Regulation (EU) 2021/763 of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities.

European Banking Authority (EBA)

Date	Publications	Description
03.05.2021	EBA publishes report on mystery shopping activities of national authorities	The EBA published a Report on the mystery shopping activities of NCAs. The EBA collated mystery shopping activities by NCAs with a view to share experiences, learn valuable lessons, and identify good practices for the benefit of the EBA and NCAs that use or intend to use mystery shopping in the future.

Date	Publications	Description
10.05.2021	EBA updates phase 1 of its 3.1 reporting framework	The EBA published phase 1 of its reporting framework v3.1. The technical package supports the implementation of the reporting framework by providing standard specifications and includes the validation rules, the Data Point Model (DPM) and the XBRL taxonomies for v3.1.
17.05.2021	EBA publishes report on Member States' reliance on external credit ratings	The EBA published a Report, which analyses the extent to which the Member States' national law relies on external credit ratings. Based on a survey among EU banking supervisors, no mechanistic reliance on external credit ratings was identified. Furthermore, using the EBA supervisory reporting data, the Report shows that the use of external credit ratings in the calculation of risk-weighted exposure amounts (RWEA) under the standardised approach, and under the External Ratings Based Approach (SEC-ERBA) of the securitisation framework is limited. The EBA's assessment will ensure a comprehensive overview of the reliance on ratings for regulatory purposes ahead of the implementation of Basel III reforms into the EU legislative framework.
18.05.2021	EBA announces plans for the 2021 EU-wide Transparency exercise and EBA Risk Assessment Report	The EBA has announced that the annual 2021 EU-wide Transparency exercise will be carried out in autumn 2021 and the information on the banks' exposures and asset quality during the crisis will be released to market participants. The exercise will cover the figures from the second half of 2020 and the first half of 2021. The exercise is planned to be launched in September 2021 and the results are expected to be published at the beginning of December 2021, along with the EBA Risk Assessment Report.
21.05.2021	EBA publishes results of EU-wide pilot exercise on climate risk	The EBA published the findings of its first EU-wide pilot exercise on climate risk, whose main objective is to map the banks' exposures to climate risk and provide an insight into the green estimation efforts banks have carried out so far. The findings give a clear picture of the banks' data gaps and highlight the sense of urgency to remedy them if they are to achieve a meaningful and smooth transition to a low-carbon economy. It is only through a more harmonised approach and common metrics that the banks' efforts will prove meaningful in addressing and mitigating the potentially disruptive impacts of environmental risks. The findings also show big differences in the banks' application of the EU taxonomy. A first estimate of the starting point of their green asset ratio (GAR) estimated with a top-down tool currently stands at 7.9%.
26.05.2021	EBA publishes final draft technical standards on own funds and eligible liabilities	The EBA published its final draft Regulatory Technical Standards (RTS) on own funds and eligible liabilities. Since their entry into force, the RTS on own funds have significantly enhanced regulatory harmonisation of prudential rules and contributed to strengthening the quality of regulatory capital. With the revised Capital Requirements Regulation (CRR) introducing new criteria and requirements for eligible liabilities, these amended RTS capture several aspects of eligible liabilities as well as the changes to the own funds framework.

Date	Publications	Description
27.05.2021	EBA issues Report on the application of the BRRD early intervention framework	The EBA published a Report on the application of early intervention measures under the Bank Recovery and Resolution Directive (BRRD). The Report highlights the key challenges faced by supervisors in the application of the current regulatory framework on the early intervention measures (EIMs) and various options for addressing them. The Report follows the Discussion Paper launched in June 2020 to explore ways of enhancing crisis management tools available for competent authorities in addition to well-established and widely used supervisory powers laid down in the Capital Requirements Directive (CRD) and in the Single Supervisory Mechanism Regulation (SSMR).
27.05.2021	EBA shows good progress in the reduction of MREL shortfall for the largest banks	The EBA published its second quantitative Report on minimum requirements for own funds and eligible liabilities (MREL) under the new methodology. The Report shows that as of December 2019, the largest institutions have made good progress in reducing MREL shortfalls and that smaller institutions tend to lag behind.

Date	Consultations	Description
06.05.2021	EBA consults on its proposals for a central AML/CFT database	The EBA launched a public consultation on draft RTS on a central database on anti-money laundering and countering the financing of terrorism (AML/CFT) in the EU. This database will be a key tool for the EBA's recently enhanced mandate to lead, coordinate and monitor AML/CFT efforts in the European Union. The consultation runs until 17 June 2021 .
27.05.2021	EBA consults on new Guidelines on cooperation and information exchange in the area of anti-money laundering and countering the financing of terrorism	The EBA launched a public consultation on its new Guidelines that set out how prudential supervisors, AML/CFT supervisors and financial intelligence units (FIUs) should cooperate and exchange information in relation to AML/CFT, in line with provisions laid down in the CRD. Cooperation and information exchange is key to ensuring the prudential soundness and viability of institutions, to protecting the EU's financial system from financial crime and to safeguarding its stability and integrity. This consultation runs until 27 August 2021 .
28.05.2021	EBA consults on institutions' Pillar 3 disclosure of interest rate risk exposures	The EBA launched a public consultation on draft implementing technical standards (ITS) on Pillar 3 disclosures regarding exposures to interest rate risk on positions not held in the trading book (IRRBB). The draft ITS put forward comparable disclosures that would allow stakeholders to assess the institutions' IRRBB risk management framework as well as the sensitivity of the institutions' economic value of equity and net interest income to changes in interest rates. The proposed standards will amend the comprehensive ITS on the institutions' public disclosures, in line with the strategic objective of developing a single and comprehensive Pillar 3 package that should facilitate implementation by institutions and further promote market discipline. The consultation runs until 30 August 2021 .

Macroprudential topics and fora

European Central Bank (ECB)

Date	Publications	Description
28.05.2021	Letter from the President of the ECB to Mr Zanni, Ms Donato, Mr Grant and Mr Rinaldi, MEPs, on financial stability	The ECB published a letter from the President of the ECB to four Members of the European Parliament in response to a written request related to the potential systemic risks from hedge fund investments in situations of market stress.

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	0.5%	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](#).

Financial Stability Board (FSB)

Date	Consultation	Description
31.05.2021	Targets for Addressing the Four Challenges of Cross-Border Payments: Consultative document	This consultation sets out quantitative targets for addressing the challenges of cost, speed, transparency and access faced by cross-border payments. The consultation (i) describes the principles, and key design features underpinning, the targets and target metrics, (ii) proposes three market segments (wholesale, retail and remittances) for which targets will be set across the four challenges, (iii) considers factors in setting the targets and (iv) proposes a small number of high-level, simple targets that are focused on end-users. The consultation runs until 16 July 2021 .

European Securities and Markets Authority (ESMA)

Date	Publication	Description
03.05.2021	ESA's Joint Board of Appeal dismissed appeal by SOCIETATEA DE ASIGURARE-REASIGURARE CITY INSURANCE SA against the European insurance and occupational pension authority	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) unanimously decided that the appeal brought by Societatea de Asigurare-Reasigurare City Insurance SA against the European Insurance and Occupational Pensions Authority (EIOPA) is inadmissible.

05.05.2021	ESMA updates its Q&As relating to the prospectus regulation	ESMA updated its Questions and Answers (Q&As) on the Prospectus Regulation (PR) with three new Q&As.
06.05.2021	ESMA updates its opinion on ancillary activity calculations	ESMA published an updated Opinion on ancillary activity calculations. The opinion provides the estimation of the market size of commodity derivatives and emission allowances for 2020.
07.05.2021	ACRA Europe's CRA registration withdrawn	ESMA has withdrawn the credit rating agency (CRA) registration of ACRA Europe, a.s. (ACRAE).
07.05.2021	ESMA issues latest double volume cap data	ESMA updated today its public register with the latest set of double volume cap (DVC) data under MiFID II.
12.05.2021	ESMA consults on its MiFID II/MiFIR annual report	ESMA has launched a consultation seeking input from market participants on its MiFIDII /MiFIR Annual Review Report under Commission Delegated Regulation (EU) 2017/583 (RTS 2). The consultation closes on 11 June 2021 .
20.05.2021	ESMA proposes lowering the reporting threshold for net short positions to 0.1% on a permanent basis	ESMA recommended to the European Commission (EC) to permanently lower the threshold to notify net short positions on shares to national competent authorities (NCAs) from 0.2% to 0.1%.
20.05.2021	ESMA appoints Natasha Cazenave as Executive Director	ESMA has appointed Natasha Cazenave as its new Executive Director. Ms. Cazenave will take up her position on 1 June 2021.
21.05.2021	ESMA appoints Derville Rowland to Chair the Investment Management Standing Committee	The Board of Supervisors of ESMA published a statement on the appointment of Derville Rowland, Director General (Financial Conduct) of the Central Bank of Ireland (CBI), as the new chair of its Investment Management Standing Committee (IMSC).
25.05.2021	ESMA launches call for evidence on digital finance	ESMA published a call for evidence on digital finance. The call for evidence aims to gather relevant information on particular issues including value chains, platforms and the groups' provision of financial and non-financial services. The feedback will contribute to ESMA's technical advice to the European Commission.
25.05.2021	ESMA publishes Guidelines on the calculation of positions under SFTR	ESMA published the Final Report on Guidelines on the calculation of positions in SFTs by Trade Repositories (TRs) under the Securities Financing Transactions Regulation (SFTR).
26.05.2021	ESMA consults on disclosure requirements for initial reviews and preliminary ratings	ESMA has launched a Public Consultation on Disclosure Requirements for Initial Reviews and Preliminary Ratings. ESMA will consider the responses it receives in Q3 2021.
26.05.2021	ESMA responds to European Commission consultation on the ESAS	ESMA published its response to the European Commission's targeted consultation on the functioning of the European Supervisory Authorities (ESAs).
27.05.2021	ESMA consults on synthetic securitisation RTS and amendments to STS templates	ESMA published a Consultation Paper (CP) on draft regulatory technical standards (RTS) implementing the amended Securitisation Regulation (SECR). The consultation runs until 20 August 2021 .
27.05.2021	ESMA publishes guidance on funds' marketing communications	ESMA published the final report on its Guidelines under the Regulation on cross-border distribution of funds. The Guidelines specify the requirements that the funds' marketing communications must meet.

28.05.2021	ESMA updates its opinion on reporting information under the AIFMD	ESMA updated the Opinion Collection of information for the effective monitoring of systemic risk under Article 24(5), first sub-paragraph, of the AIFMD, in the context of AIFMD reporting.
28.05.2021	ESMA consults on guidelines for data transfer between trade repositories under EMIR and SFTR	ESMA has launched a consultation on amendments to its Guidelines on data transfer between Trade Repositories (TRs) under EMIR, as well as on Guidelines regarding data transfer between TRs under SFTR. The consultation runs until 27 August 2021 .
28.05.2021	New Q&A available	ESMA updated its Questions and Answers on the following topics: <ul style="list-style-type: none"> • AIFMD • UCITS • EMIR implementation • MiFID II and MiFIR Investor Protection topics • MiFIR data reporting topics • SFTR reporting • CSDR • sustainability-related disclosures for benchmarks • Securitisation
31.05.2021	EBA and ESMA publish provisional list of instruments and funds for the smallest investment firms under the investment firms regulation	ESMA together with the EBA published a provisional list of additional instruments and funds that competent authorities may allow to use as own funds for some of the smallest investment firms.
31.05.2021	ESMA issues a negative opinion on an accepted market practice on liquidity contracts proposed by the French AMF	ESMA published a negative opinion on the intended Accepted Market Practice (AMP) notified by the French Autorité des Marchés Financiers (AMF).



Financial centre

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (31/05/2021)	126	no variation
	Balance sheet total (31/12/2020)	EUR 863.368 bn	↗ EUR 41.593 bn
	Profit before provisions (31/12/2020)	EUR 4.726 bn	↘ EUR 55 m
Payment institutions	Number (31/05/2021)	14	no variation
Electronic money institutions	Number (31/05/2021)	11	↗ 2 entities
UCIs	Number (31/05/2021)	Part I 2010 Law: 1,683	↘ 59 entities
		Part II 2010 Law: 238	↘ 23 entities
		SIFs: 1,403	↘ 41 entities
		TOTAL: 3,324	↘ 123 entities
	Number (31/05/2021)	SICAR: 223	↘ 16 entities
	Total net assets (30/04/2021)	EUR 5,293.816 bn	↗ EUR 890.133 bn
Management companies (Chapter 15)	Number (31/05/2021)	181	↘ 11 entities
	Balance sheet total (31/03/2021) ⁴	EUR 18.422 bn	↗ EUR 2.621 m
Management companies (Chapter 16)	Number (31/05/2021)	156	↘ 1 entity
AIFMs	Number (31/05/2021)	265	↗ 6 entities
Pension funds	Number (31/05/2021)	12	↗ 1 entity
Authorised securitisation undertakings	Number (31/05/2021)	30	↘ 3 entities
Investment firms	Number (31/05/2021)	93	↘ 6 entities
	Balance sheet total (30/04/2021)	EUR 1.374 bn	↘ EUR 601 m
	Provisional net profit (30/04/2021)	EUR 43.37 m	↘ EUR 3.7 m
Specialised PFS	Number (31/05/2021)	99	↘ 4 entities
	Balance sheet total (30/04/2021)	EUR 6.867 bn	↗ EUR 202 m
	Provisional net profit (30/04/2021)	EUR 31.68 m	↗ EUR 11.96 m
Support PFS	Number (31/05/2021)	71	↘ 1 entity
	Balance sheet total (30/04/2021)	EUR 1.554 bn	↘ EUR 286 m
	Provisional net profit (30/04/2021)	EUR 25.08 m	↗ EUR 2 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (31/05/2021)	472	↗ 31 entities
Public oversight of the audit profession	Number (31/05/2021)	55 <i>cabinets de révision agréés</i>	no variation
		325 <i>réviseurs d'entreprises agréés</i>	↗ 7 people
		26 third-country auditors and audit firms	↗ 2 entities
Employment (31/03/2021)	Banks	26,145 people	↘ 245 people
	Management companies (Chapter 15) ⁴	4,904 people	↗ 1 person
	Investment firms	1,843 people	↗ 134 people
	Specialised PFS	5,508 people	↗ 270 people
	Support PFS	9,057 people	↘ 1,021 people
	Payment institutions/electronic money institutions	611 people	↗ 6 people
	Total	48,068 people	↘ 855 people⁵

⁴ Preliminary figures

⁵ This development does not mean a net creation or loss of jobs, but includes the transfer of existing jobs from the non-financial sector to the financial sector and vice versa.