



# Newsletter No 246

July 2021



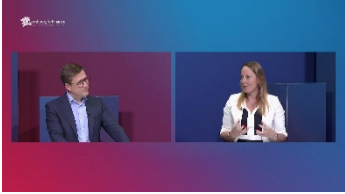
Commission de Surveillance  
du Secteur Financier

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### Governance



Karen O'Sullivan, Head of the CSSF's Innovation, Payments, Market Infrastructures and Governance Department, shared the regulator's

view on governance on the LFF's webinar dedicated to this topic.

More about this event:

<https://streaming.bce.lu/luxembourg-for-finance/focus-on-governance/26/#/event>

### Post-Brexit world

Isabelle Jaspart, Head of division – Legal Department, and Anne-George Kuzuhara, Deputy Head of the Banking Supervisory and SSM Coordination Department at



the CSSF discussed the post-Brexit world from the regulator's perspective.

The full discussion is available at:

<https://www.luxembourgforfinance.com/portfolio/the-regulators-perspective-a-post-brexit-reality/>

### Tokenisation and asset management

Karen O'Sullivan, Head of the CSSF's Innovation, Payments, Market Infrastructures and Governance Department spoke at the Funds Europe webinar on tokenisation and asset management.

More about the event:

<https://www.funds-europe.com/news/cssf-exec-calls-for-harmony-on-crypto-rules>

### New approval framework for (mixed) financial holding companies of banking groups

Anne-George Kuzuhara, Deputy Head of the Banking Supervisory Policy and Single Supervisory Mechanism Coordination, and Nicolas Bernon, expert on banking regulation at the CSSF, explain what the new framework introduced by CRD V means for (mixed)

financial holding companies that are parents of EU banks and financial institutions.

The podcast is available at:

<https://soundcloud.com/cssf/a-new-approval-framework-for-mixed-financial-holding-companies-of-banking-groups>



## Coronavirus: Information for all supervised entities

### Communication of the CSSF

#### CSSF COVID-19 reportings relating to investment fund managers end on 30 July 2021

On 10 March 2020, the CSSF implemented a specific monitoring of the largest investment fund managers ("IFMs") by collecting data on significant developments/issues as well as large redemptions for the investment funds they manage. The scope of the ad hoc reporting installed in that context was extended on 2 June 2020 (Launch of the IFM notification on fund issues and large redemptions via eDesk).

In April 2020, the CSSF launched, in addition, a weekly questionnaire to investment fund managers with the aim to cover financial data (total net assets, subscriptions and redemptions) and information on governance arrangements (Launch of a new weekly questionnaire to investment fund managers – updates on financial data and governance arrangements).

These reportings allowed the CSSF to continue ongoing supervision of the investment fund sector during the period of market turbulence experienced last year. The collected information also served the CSSF for the discussions at a European and international level with other authorities and with market players to identify issues at an early stage and to assist with the resolution of these.

In view of the evolution of financial markets in general and investment funds/IFMs more specifically since the March/April episode, the CSSF decided, at the current juncture, to end these ad hoc reportings at the end of July 2021. On this basis, the relevant IFMs have to provide the last reportings for the reference date 30 July 2021 (IFM notification on fund issues and large redemptions), respectively the reference week from 26 July to 30 July 2021 (Weekly IFM Questionnaire).

At the same time, the reporting “Early Warning on large redemptions”, which is only applicable to a limited number of UCITS that have in the past been contacted directly by the CSSF, will be reinstated with effect from 2 August 2021. The CSSF will reach out to the IFMs concerned separately with more specific instructions.

## Summary of the communications by the European authorities

**On 1 June 2021**, the ESRB published the report “Lower for longer - macroprudential policy issues arising from the low interest rate environment”. This report analyses the risks engendered by the low interest rate environment (LIRE) and related structural changes in the EU financial system and proposes macroprudential policy actions to mitigate them. While acknowledging country heterogeneity, the focus is mainly on the EU financial system as a whole and on interest rates in the EU. The time horizon for the analysis is medium term: five to ten years ahead. It is a follow-up to the ESRB’s 2016 report “Macroprudential policy issues arising from low interest rates and structural changes in the EU financial system”.

[https://www.esrb.europa.eu/pub/pdf/reports/esrb.reports210601\\_low\\_interest\\_rate~199fb84437.en.pdf](https://www.esrb.europa.eu/pub/pdf/reports/esrb.reports210601_low_interest_rate~199fb84437.en.pdf)

**On 3 June 2021**, Frank Elderson, Chair of the Central Banks and Supervisors Network for Greening the Financial System, Member of the Executive Board and Vice-Chair of the Supervisory Board of the ECB, gave a speech at The Green Swan Conference – Coordinating finance on climate.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210603~e0388eab0d.en.html>

**On 3 June 2021**, the EBA published its 2020 Annual Report, which provides a detailed account of all the work the Authority achieved in the past year and anticipates the key areas of focus in the coming year.

<https://www.eba.europa.eu/eba-published-its-2020-annual-report>

**On 7 June 2021**, the EBA published an updated list of indicators for risk assessment and risk analysis tools, together with the accompanying methodological guide. This guidance, which describes how risk indicators are computed in the EBA publications, allows competent authorities and users of EBA data to interpret key bank figures in a consistent fashion when conducting their risk assessments and analyses.

<https://www.eba.europa.eu/eba-updates-list-risk-indicators-and-analysis-tools>

**On 7 June 2021**, the BCBS discussed COVID-19 risks to banking system, reviewed provisioning practices and stressed the importance of using capital and liquidity buffers. The BCBS also reviewed the interim report evaluating the impact of the Basel Framework during COVID-19 and agreed to hold a public consultation on prudential treatment of cryptoasset exposures.

<https://www.bis.org/press/p210607.htm>

**On 10 June 2021**, the ECB published Eurosystem staff macroeconomic projections for the euro area. It is expected that progress on tackling the pandemic should lead to a significant rebound from the second quarter of the year onwards. Conditional on assumptions, euro area activity is projected to return to growth in the second quarter of 2021 and to pick up strongly in the second half of the year, driven by a sharp rebound in private consumption and an easing of supply bottlenecks.

[https://www.ecb.europa.eu/pub/projections/html/ecb.projections202106\\_eurosystemstaff~7000543a66.en.html](https://www.ecb.europa.eu/pub/projections/html/ecb.projections202106_eurosystemstaff~7000543a66.en.html)

**On 11 June 2021**, Edouard Fernandez-Bollo, Member of the Supervisory Board of the ECB, gave a keynote speech at a lecture on Corporate Banking Law at the University of Bologna.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210611~87256e1f4b.en.html>

**On 16 June 2021**, Elizabeth McCaul, Member of the Supervisory Board of the ECB, was interviewed by Gregory Savva for the Cyprus News Agency. This interview was published on 16 June 2021.

<https://www.bankingsupervision.europa.eu/press/interviews/date/2021/html/ssm.in210616~89484ab0fe.en.html>

**On 18 June 2021**, the ECB announced that euro area banks it directly supervises may continue to exclude certain central bank exposures from the leverage ratio, as exceptional macroeconomic circumstances due to the COVID-19 pandemic continue. The move extends until March 2022 the leverage ratio relief granted in September 2020, which was set to expire on 27 June 2021.

<https://www.bankingsupervision.europa.eu/press/pr/date/2021/html/ssm.pr210618~6cae096a27.en.html>

**On 21 June 2021**, Elizabeth McCaul, Member of the Supervisory Board of the ECB, gave a speech at the Salzburg Global Finance Forum, Financial Services in the Post-Pandemic Era: An Opportunity for a Green and Digitally-Enabled Recovery?

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210621~8eb4d7c420.en.html>

**On 24 June 2021**, the EBA launched a public consultation on amendments to its RTS on credit risk adjustments in the context of the calculation of the Risk Weight (RW) of defaulted exposures under the Standardised Approach (SA). The proposed amendments follow up on the European Commission's Action Plan to tackle non-performing loans in the aftermath of the COVID-19 pandemic, which indicated the need for a revision of the treatment of defaulted exposures under the SA. This update is necessary to ensure the prudential framework does not create disincentives to the sale of non-performing assets.

The consultation runs until **24 September 2021**.

<https://www.eba.europa.eu/eba-launches-consultation-amend-technical-standards-credit-risk-adjustments>

**On 30 June 2021**, the EBA published its quarterly Risk Dashboard together with the results of the spring edition of the Risk Assessment Questionnaire (RAQ). The Q1 data shows that the CET1 ratio increased slightly on a fully loaded basis. The NPL ratio improved further, except for some sectors that may have been more affected by the pandemic. Banks' profitability improved significantly.

<https://www.eba.europa.eu/eba-data-shows-deterioration-asset-quality-most-affected-sectors>



## Warnings

### Warnings of the CSSF

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

- Warning concerning emails sent in the formats "Name.Surname@asteoluxembourg.com" and "Name.Surname@asteo-luxembourg.com"
- Warning regarding the activities of an entity named Ilavska Vuillermoz Capital S.à r.l.
- Warning concerning the website <http://wh-luxembourg.com>
- Warning concerning the website [www.invesco.group](http://www.invesco.group)
- Warning issued by the Austrian authority (FMA) regarding the activities of an entity named Edufintech
- Warning concerning fraudulent activities misusing the name of the investment firm Alpha Patrimoine S.A.
- Warning regarding the activities of an entity named "Royal State Bank"
- Warning regarding the activities of an entity named "primecryptocapital"
- Warning regarding the activities of an entity named "Grandefex"
- Warning concerning fraudulent activities misusing the name of the Luxembourg credit institution HSBC Private Bank (Luxembourg) S.A.

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



## National regulation

### CSSF Regulation No 21-02 of 30 June 2021 - Countercyclical buffer rate

The regulation sets the countercyclical buffer rate for the third quarter of 2021 at 0.50%.

<https://www.cssf.lu/en/Document/cssf-regulation-no-21-02-of-30-june-2021/>

### Circular CSSF 21/773 - Climate-related and Environmental Risks

The purpose of the circular on the management of climate-related and environmental risks is to raise credit institutions' awareness on the need to consider and assess climate-related and environmental risks and to increase awareness of members of the management body and institutions' staff about these risks.

<https://www.cssf.lu/en/Document/circular-cssf-21-773/>

### Circular CSSF 12/774 – Update of Circular CSSF 14/593

The circular amends Circular CSSF 14/593, as amended, by adding the latest legal references and developments in reporting requirements.

The amendment consists in the update of the legal references, notably following the publication of:

- Implementing Regulation (EU) 2021/451 laying down implementing technical standards with regard to supervisory reporting of institutions;



- Implementing Regulation (EU) 2021/453 laying down implementing technical standards with regard to the specific reporting requirements for market risk;
- Regulation (EU) 2021/943 of the European Central Bank of 14 May 2021 amending Regulation (EU) 2015/534, as amended, on reporting of supervisory financial information.

<https://www.cssf.lu/en/Document/circular-cssf-21-774/>

### **Circular CSSF 21/775 – FATF statements**

The purpose of the circular is to inform about the decisions taken by the FATF with respect to high-risk jurisdictions on which enhanced due diligence and, where appropriate, counter-measures are imposed and jurisdictions under increased monitoring of the FATF.

<https://www.cssf.lu/en/Document/circular-cssf-21-775/>

### **Circular CSSF 21/776 - Alternative treatment of institutions' exposures related to 'tri-party repurchase agreements'**

The purpose of the circular is to inform that the CSSF, in its capacity as competent authority, applies the Guidelines of the EBA specifying the conditions for the application of the alternative treatment of institutions' exposures related to 'tri-party repurchase agreements' set out in Article 403(3) of Regulation (EU) 575/2013 for large exposures purposes (EBA/GL/2021/01), published on 16 February 2021. Consequently, the CSSF has integrated the Guidelines into its administrative practices and regulatory approach with a view to promoting supervisory convergence in this field at the European level.

<https://www.cssf.lu/en/Document/circular-cssf-21-776/>

### **Circular CSSF 21/777 - Outsourcing to cloud service providers**

The purpose of the circular is to implement the ESMA Guidelines on outsourcing to cloud service providers.

<https://www.cssf.lu/en/Document/circular-cssf-21-777/>

### **Circular CSSF-CPDI 21/26 – Covered deposits**

The purpose of the circular is to carry out a survey on deposits, and more particularly on covered deposits, as held by credit institutions incorporated under Luxembourg law, POST Luxembourg for its provision of postal financial services, and Luxembourg branches of credit institutions having their head office in a third country, as at 30 June 2021.

<https://www.cssf.lu/en/Document/circular-cssf-cpdi-21-26/>



## **FAQ**

On 21 June 2021, the CSSF published the FAQ regarding the AML/CFT Market Entry Form (Funds and IFMs), which refers to a list of questions/answers in relation to the completion of this form in eDesk. The document is available at: <https://www.cssf.lu/en/Document/faq-regarding-the-aml-cft-market-entry-form-funds-and-ifms/>.

On 29 June 2021, the CSSF published the FAQ regarding the submission of closing documents and financial information by investment fund managers. The document is available at:

<https://www.cssf.lu/en/Document/faq-submission-of-closing-documents-and-financial-information-by-managers/>.



## Communiqués

Date	Publications
18.06.2021	Publication of the Law of 20 May 2021 transposing the Capital Requirement Directive V
22.06.2021	ESMA Common Supervisory Action on UCITS Liquidity Risk Management
25.06.2021	Joint Public Statement on the forthcoming cessation of all LIBOR settings
25.06.2021	Profit and loss account of credit institutions as at 31 March 2021
29.06.2021	Global situation of undertakings for collective investment at the end of May 2021
30.06.2021	lètzfin website
30.06.2021	Reporting according to Annex IV to Commission Delegated Regulation (EU) No 231/2013 supplementing Directive 2011/61/EU – Update of the description of the feedback files and controls on the reporting files
06.07.2021	ESMA provides clarification on the reporting of risk measures under AIFMD



## Withdrawals decided by the CSSF

Following the CSSF's decision to withdraw the specialised investment fund ALLIANCE SICAV-SIF S.A. 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 24 June 2021, pronounced the dissolution and ordered the liquidation of the specialised investment fund ALLIANCE SICAV-SIF S.A. The same judgement has appointed Ms Jackie Mores as official receiver (*juge-commissaire*) and Mr Yann Baden as liquidator.

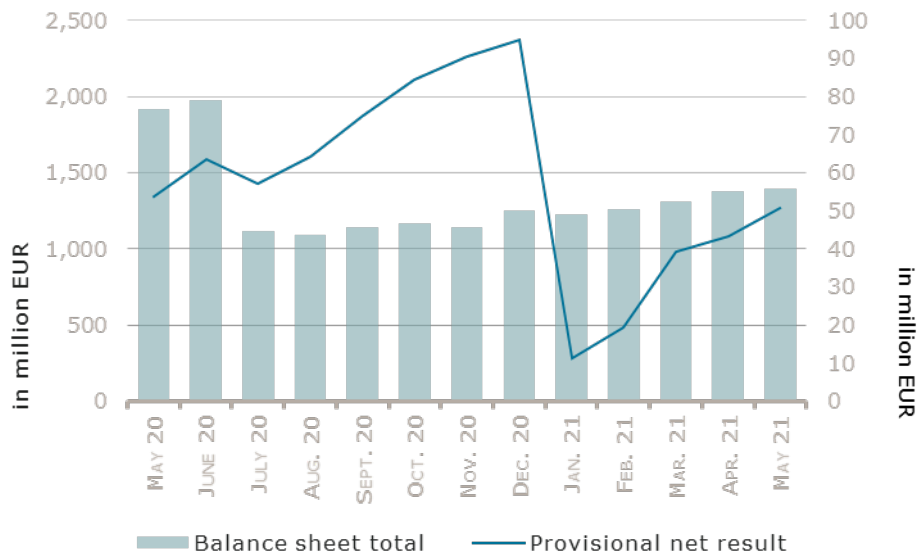
Following the CSSF's decision to withdraw the specialised investment fund MERIT CAPITAL SICAV-SIF from the official list of specialised investment funds, the VIth Chamber of the Luxembourg *Tribunal d'arrondissement* (District Court) dealing with commercial matters, per judgement on 1 July 2021, pronounced the dissolution and ordered the liquidation of the specialised investment fund MERIT CAPITAL SICAV-SIF. The same judgement has appointed Ms Maria Faria Alves as official receiver (*juge-commissaire*) and Mr Ferdinand Burg as liquidator.



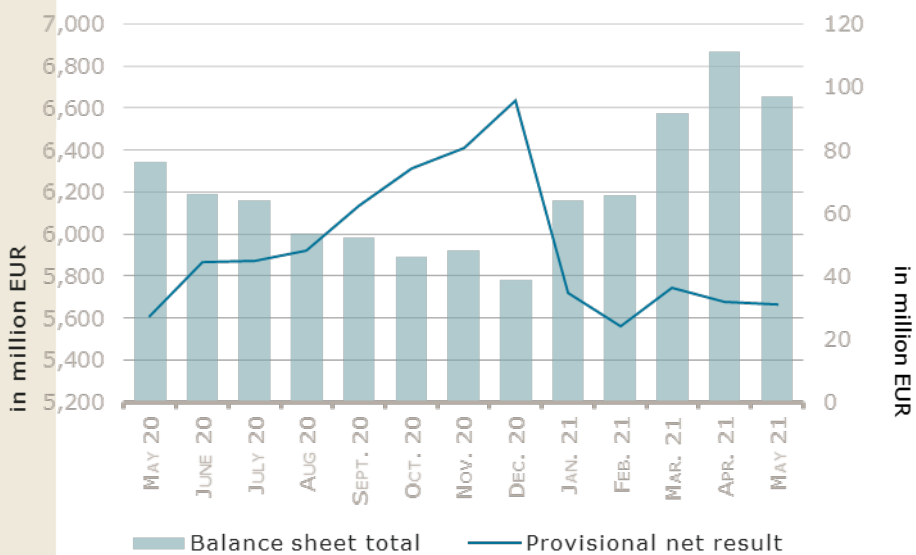


**MONTHLY STATISTICS**

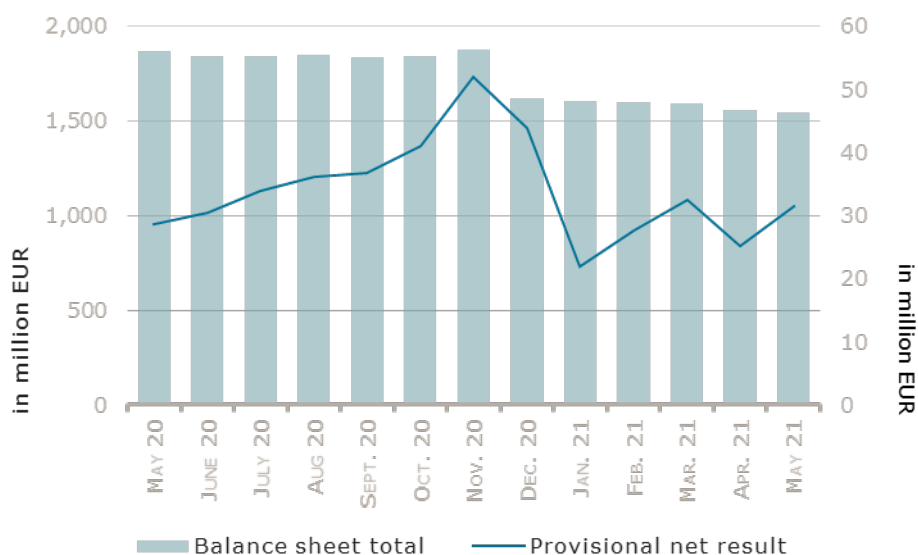
**INVESTMENT FIRMS:  
INCREASE IN THE BALANCE SHEET TOTAL AS AT 31 MAY 2021**



**SPECIALISED PFS:  
DECREASE IN THE BALANCE SHEET TOTAL AS AT 31 MAY 2021**



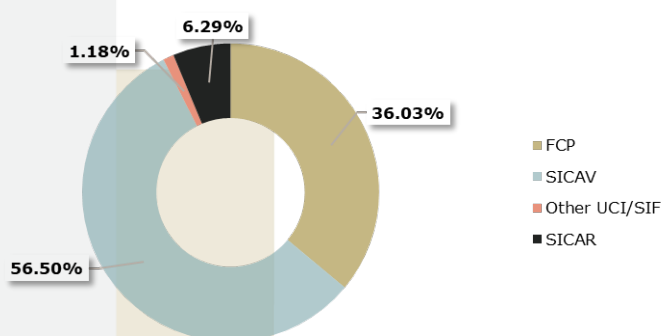
**SUPPORT PFS:  
DECREASE IN THE BALANCE SHEET TOTAL AS AT 31 MAY 2021**



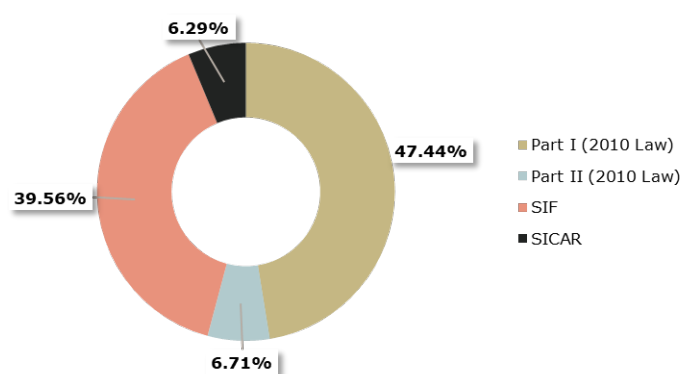
**NUMBER OF UCIS**

**UCIS:  
SITUATION AS AT 31 MAY 2021**

**Breakdown according to legal form**



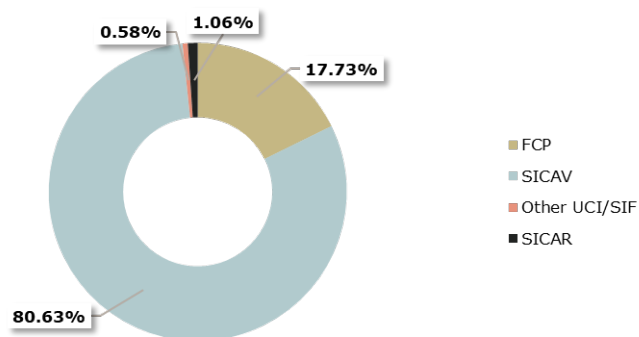
**Breakdown according to law and part applicable**



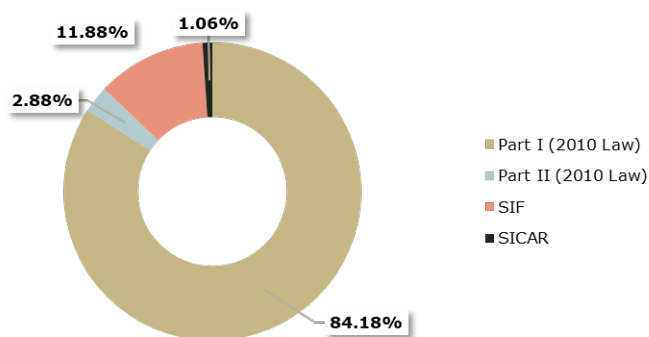
	FCP	SICAV	Other UCI / SIF	SICAR	Total
Part I (2010 Law)	860	823	0	0	<b>1,683</b>
Part II (2010 Law)	114	122	2	0	<b>238</b>
FIS	304	1,059	40	0	<b>1,403</b>
SICAR	0	0	0	223	<b>223</b>
<b>Total</b>	<b>1,278</b>	<b>2,004</b>	<b>42</b>	<b>223</b>	<b>3,547</b>

## 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)	695.757	3,792.887	0.000	0.000	<b>4,488.644</b>
Part II (2010 Law)	46.792	106.606	0.413	0.000	<b>153.811</b>
SIF	202.887	399.896	30.809	0.000	<b>633.592</b>
SICAR	0.000	0.000	0.000	56.345	<b>56.345</b>
<b>Total</b>	<b>945.436</b>	<b>4,299.389</b>	<b>31.222</b>	<b>56.345</b>	<b>5,332.392</b>

## NET ASSETS BROKEN DOWN BY INVESTMENT POLICY

Breakdown by investment policy	Net assets (in bn €)	Number of fund units
Fixed-Income Transferable Securities	1,418.189	3,215
Variable-Yield Transferable Securities	1,878.585	4,047
Mixed Transferable Securities	1,028.322	3,554
Funds of Funds	312.438	2,116
Money Market Instruments and Other Short-Term Securities	386.614	209
Cash	8.642	9
Private Equity	53.756	233
Venture Capital	3.238	31
Real Estate	101.115	320
Futures and/or Options	13.921	89
Other Assets	71.227	288
Public-to-Private	0.118	2
Mezzanine	0.972	8
Venture Capital (SICAR)	8.462	76
Private Equity (SICAR)	46.793	267
<b>TOTAL</b>	<b>5,332.392</b>	<b>14,464</b>

Breakdown by investment policy	Net assets (in bn €)	Number of fund units	Subscriptions (in bn €)	Redemptions (in bn €)	Net subscriptions (in bn €)
<b>PART I</b>					
Fixed-Income Transferable Securities	1,318.560	2,729	44.156	42.099	2.057
Variable-Yield Transferable Securities	1,797.650	3,715	66.229	53.640	12.589
Mixed Transferable Securities	831.215	2,550	25.228	17.944	7.284
Funds of Funds	157.604	858	4.601	2.594	2.007
Money Market Instruments and Other Short-Term Securities	363.154	175	170.251	174.630	-4.379
Cash	8.602	8	2.183	2.335	-0.152
Futures and/or Options	8.181	46	0.441	0.275	0.166
Other Assets	3.678	9	0.085	0.099	-0.014
<b>SUB-TOTAL PART I</b>	<b>4,488.644</b>	<b>10,090</b>	<b>313.174</b>	<b>293.616</b>	<b>19.558</b>
<b>PART II</b>					
Fixed-Income Transferable Securities	14.712	89	0.202	0.275	-0.073
Variable-Yield Transferable Securities	13.587	56	0.111	0.232	-0.121
Mixed Transferable Securities	63.068	184	1.575	2.243	-0.668
Funds of Funds	29.443	208	1.822	0.239	1.583
Money Market Instruments and Other Short-Term Securities	13.999	24	0.917	0.981	-0.064
Cash	0.000	0	0.000	0.000	0.000
Private Equity	10.221	20	0.253	0.027	0.226
Venture Capital	0.198	1	0.018	0.000	0.018
Real Estate	2.812	7	0.011	0.001	0.010
Futures and/or Options	1.570	15	0.068	0.028	0.040
Other Assets	4.201	20	0.042	0.045	-0.003
<b>SUB-TOTAL PART II</b>	<b>153.811</b>	<b>624</b>	<b>5.019</b>	<b>4.071</b>	<b>0.948</b>

**SIF**

Fixed-Income Transferable Securities	84.917	397	1.412	2.264	-0.852
Variable-Yield Transferable Securities	67.348	276	0.851	0.765	0.086
Mixed Transferable Securities	134.039	820	1.683	1.678	0.005
Funds of Funds	125.391	1,050	2.349	1.334	1.015
Money Market Instruments and Other Short-Term Securities	9.461	10	2.183	1.723	0.460
Cash	0.040	1	0.000	0.000	0.000
Private Equity	43.535	213	0.611	0.552	0.059
Venture Capital	3.040	30	0.003	0.001	0.002
Real Estate	98.303	313	2.257	0.551	1.706
Futures and/or Options	4.170	28	0.054	0.102	-0.048
Other Assets	63.348	259	1.302	0.955	0.347
<b>SUB-TOTAL SIFs</b>	<b>633.592</b>	<b>3,397</b>	<b>12.705</b>	<b>9.925</b>	<b>2.780</b>

**SICAR**

Public-to-Private	0.118	2	0.000	0.000	0.000
Mezzanine	0.972	8	0.000	0.056	-0.056
Venture Capital	8.462	76	0.000	0.000	0.000
Private Equity	46.793	267	0.017	0.007	0.010
<b>TOTAL SICAR</b>	<b>56.345</b>	<b>353</b>	<b>0.017</b>	<b>0.063</b>	<b>-0.046</b>
<b>TOTAL LUXEMBOURG UCIS</b>	<b>5,332.392</b>	<b>14,464</b>	<b>330.915</b>	<b>307.675</b>	<b>23.240</b>

**ORIGIN OF THE INITIATORS OF LUXEMBOURG UCIS**

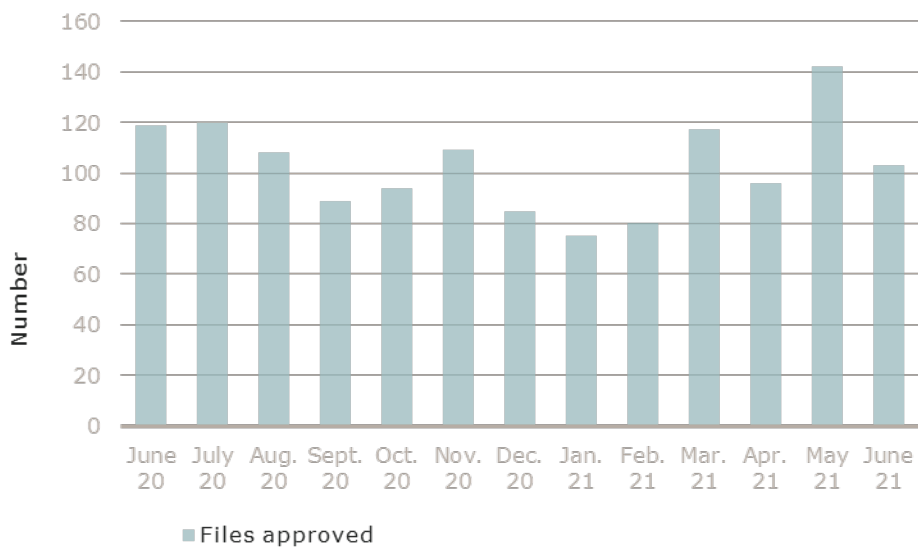
Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
<b>US</b>	1,086.626	20.4%	166	4.7%	1,133	7.8%
<b>GB</b>	914.159	17.1%	248	7.0%	1,648	11.4%
<b>CH</b>	754.137	14.1%	538	15.2%	2,686	18.6%
<b>DE</b>	743.136	13.9%	1,152	32.5%	2,397	16.6%
<b>FR</b>	543.303	10.2%	267	7.5%	1,508	10.4%
<b>IT</b>	348.261	6.5%	131	3.7%	1,246	8.6%
<b>BE</b>	232.234	4.4%	146	4.1%	837	5.8%
<b>LU</b>	184.073	3.5%	264	7.4%	802	5.6%
<b>NL</b>	123.202	2.3%	42	1.2%	262	1.8%
<b>DK</b>	114.517	2.2%	21	0.6%	204	1.4%
<b>OTHERS</b>	288.744	5.4%	572	16.1%	1,741	12.0%
<b>TOTAL</b>	<b>5,332.392</b>	<b>100.0%</b>	<b>3,547</b>	<b>100.0%</b>	<b>14,464</b>	<b>100.0%</b>

## BREAKDOWN OF UCI FUND UNITS REGISTERED IN LUXEMBOURG BY REFERENCE CURRENCY

Currency	Net assets (in bn EUR)	in %	Number of fund units	in %
AUD	4.278	0.080%	23	0.159%
CAD	3.504	0.066%	18	0.124%
CHF	50.660	0.950%	260	1.798%
CNH	13.029	0.245%	26	0.180%
CNY	9.388	0.176%	4	0.028%
CZK	1.401	0.026%	75	0.518%
DKK	1.687	0.032%	12	0.083%
EUR	2,766.638	51.884%	8,996	62.196%
GBP	177.147	3.322%	319	2.205%
HKD	4.012	0.075%	7	0.048%
HUF	0.335	0.006%	25	0.173%
JPY	58.026	1.088%	175	1.210%
NOK	6.227	0.117%	37	0.256%
NZD	0.275	0.005%	2	0.014%
PLN	0.163	0.003%	4	0.028%
RON	0.551	0.010%	4	0.028%
SEK	48.218	0.904%	127	0.878%
SGD	1.076	0.020%	6	0.041%
USD	2,185.753	40.990%	4,343	30.026%
ZAR	0.024	0.001%	1	0.007%
<b>TOTAL</b>	<b>5,332.392</b>	<b>100.000%</b>	<b>14,464</b>	<b>100.000%</b>

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

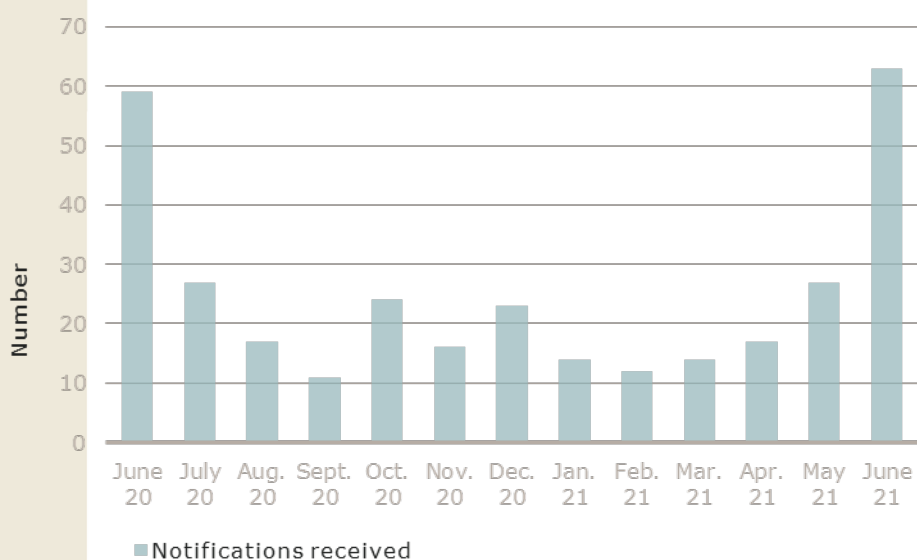
### CSSF APPROVALS



In June 2021, the CSSF approved a total of 103 documents pursuant to the Prospectus Regulation, which break down as follows:

base prospectuses:	46 (44.66%)
other prospectuses:	11 (10.68%)
registration documents:	6 (5.83%)
supplements:	40 (38.83%)

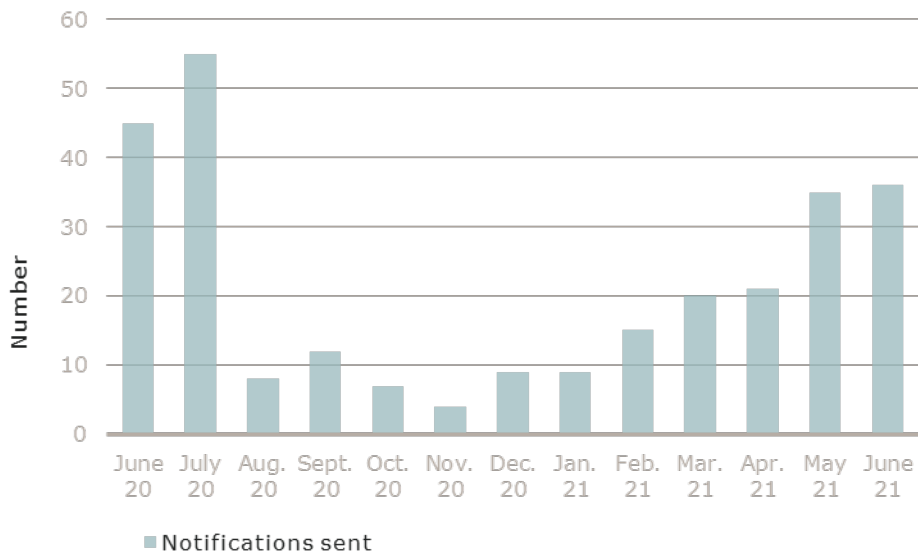
### NOTIFICATIONS RECEIVED BY THE CSSF FROM THE COMPETENT AUTHORITIES OF OTHER EEA MEMBER STATES



In June 2021, the CSSF received 61 notifications relating to prospectuses and base prospectuses, 2 notifications relating to registration documents and 26 notifications relating to supplements from competent authorities of other EEA Member States.



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



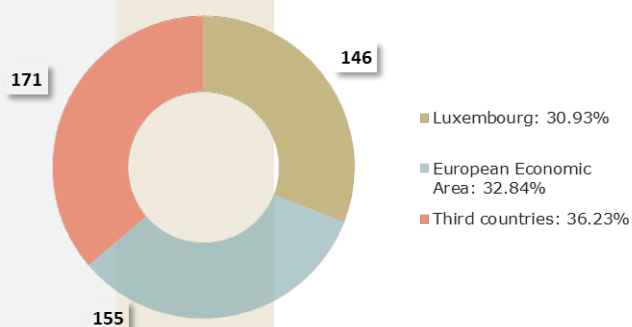
In June 2021, the CSSF sent 32 notifications relating to prospectuses and base prospectuses, 4 notifications relating to registration documents and 23 notifications relating to supplements to the competent authorities of other EEA Member States<sup>1</sup>.

## ISSUERS OF SECURITIES WHOSE HOME MEMBER STATE IS LUXEMBOURG PURSUANT TO THE LAW OF 11 JANUARY 2008 ON TRANSPARENCY REQUIREMENTS FOR ISSUERS (THE "TRANSPARENCY LAW")

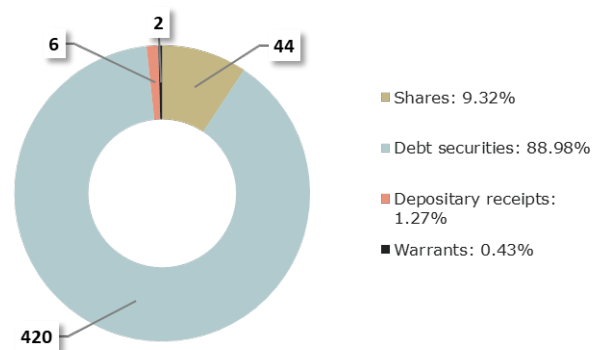
Since 31 May 2021, five issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, five issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 30 June 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



<sup>1</sup> These figures are the number of prospectuses, base prospectuses, registration documents and supplements for which the CSSF sent one or several notifications. Where notifications were sent at different dates and/or in several Member States, only the first notification is included in the statistical calculation. Each document notified in one or several Member States is thus only counted once.

## PENSION FUNDS

As at 30 June 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 30 June 2021.

## PUBLIC OVERSIGHT OF THE AUDIT PROFESSION

The public oversight of the audit profession covered **55 cabinets de révision agréés** (approved audit firms) and **330 réviseurs d'entreprises agréés** (approved statutory auditors) as at 30 June 2021. The oversight also included **27 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 five employees since the publication of the last Newsletter and counts, after the departure of 4 agents, 941 agents (509 men and 432 women). They have been assigned to the following departments:

### UCI departments

Ewa BAGINSKA

Guillaume WIRTZ

### Innovation, payments, market infrastructures and governance

Christophe PETRIK

### Personnel, administration and finance

Rudolf SCHRÖDER

### Information systems of the CSSF (IT)

Jérôme GILLET



## European/International News in June 2021

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

Date	Publications	Description
15.06.2021	List of supervised entities (as of 1 May 2021)	The ECB updated the list of supervised entities and supervised groups that are directly supervised by the ECB ("significant supervised entity" and "significant supervised group", as defined in Article 2, points (16) and (22) of the SSM Framework Regulation). It also published the list of entities supervised by a national competent authority (NCA).
24.06.2021	The European Commission, ECB Banking Supervision, EBA and ESMA encourage market participants to cease all LIBOR settings	The European Commission, the ECB in its banking supervisory capacity, the EBA and the ESMA issued a joint statement in which they strongly encourage market participants to use the time remaining until the cessation or loss of representativeness of USD LIBOR, GBP LIBOR, JPY LIBOR, CHF LIBOR and EUR LIBOR to substantially reduce their exposures to these rates. The statement also encourages market participants to cease using the 35 LIBOR settings, including USD LIBOR, as a reference rate in new contracts as soon as practicable and by 31 December 2021 at the latest. Participants are also called on to limit the use of any LIBOR setting published under a changed methodology and to include robust fallback clauses nominating alternative rates in all contracts referencing LIBOR. The European Commission, ECB Banking Supervision, the EBA and ESMA will monitor the situation and LIBOR exposures closely.
25.06.2021	ECB takes over supervision of systemic investment firms	The ECB will supervise the largest and most systemic investment firms under new EU legislation, which applies as of 26 June 2021. These investment firms must apply for a banking licence and as a consequence will be supervised by the ECB. The new legal framework aims to better address the specific activities and risks posed by investment firms.

Date	Interviews and speeches	Description
15.06.2021	ECB Banking Supervision seeking greater diversity within banks	Blog post by Frank Elderson, Vice-Chair of the Supervisory Board of the ECB, and Elizabeth McCaul, Member of the Supervisory Board of the ECB.
16.06.2021	Frank Elderson: Patchy data is a good start: from Kuznets and Clark to supervisors and climate	Keynote speech by Frank Elderson, Member of the Executive Board of the ECB and Vice-Chair of the Supervisory Board of the ECB, at the ECB-EBRD joint conference on "Emerging climate-related risk supervision and implications for financial institutions".

Date	Consultation	Description
15.06.2021	ECB launches consultation on its revised Guide to fit and proper assessments	The ECB launched a public consultation on the draft of a revised and more comprehensive version of its Guide to fit and proper assessments and a new Fit and proper questionnaire. The new versions will eventually replace the existing guide (from May 2018) and questionnaire (from 2016). The consultation period runs until <b>2 August 2021</b> .
29.06.2021	ECB launches consultation on updates to options and discretions policies	The ECB launched a public consultation on updates to its harmonised policies for exercising the options and discretions that it is allowed to exercise under EU law when supervising banks. The consultation period runs until <b>23 August 2021</b> .

## European Parliament, European Commission and European Council

Date	Publication	Description
10.06.2021	Commission Delegated Regulation (EU) 2021/930 of 1 March 2021	Publication of Commission Delegated Regulation (EU) 2021/930 of 1 March 2021 supplementing Regulation (EU) No575/2013 of the European Parliament and of the Council with regard to regulatory technical standards specifying the nature, severity and duration of an economic downturn referred to in Article 181(1), point (b), and Article 182(1), point (b), of that Regulation.
10.06.2021	Commission Delegated Regulation (EU) 2021/931 of 1 March 2021	Publication of Commission Delegated Regulation (EU) 2021/931 of 1 March 2021 supplementing Regulation (EU) No575/2013 of the European Parliament and of the Council with regard to regulatory technical standards specifying the method for identifying derivative transactions with one or more than one material risk driver for the purposes of Article 277(5), the formula for calculating the supervisory delta of call and put options mapped to the interest rate risk category and the method for determining whether a transaction is a long or short position in the primary risk driver or in the most material risk driver in the given risk category for the purposes of Article 279a(3)(a) and (b) in the standardised approach for counterparty credit risk.
25.06.2021	Commission Implementing Regulation (EU) 2021/1043 of 24 June 2021	Publication of Commission Implementing Regulation (EU) 2021/1043 of 24 June 2021 on the extension of the transitional provisions related to own funds requirements for exposures to central counterparties set out in Regulation (EU) No 575/2013 of the European Parliament and of the Council.

## European Banking Authority (EBA)

Date	Publications	Description
03.06.2021	EBA updates technical standards in view of its 2022 benchmarking of internal approaches	The EBA published an update to its Implementing Technical Standards (ITS) on benchmarking of internal approaches. The updated ITS include all benchmarking portfolios and metrics that will be used for the 2022 exercise. The benchmarking exercise is an essential supervisory tool to enhance the quality of internal models, which is particularly important in a stressed economic situation.
03.06.2021	EBA releases a new erratum (erratum 3) of the taxonomy package on reporting framework 3.0.1	The EBA published an erratum of the technical package on the reporting framework 3.0.1. This is to correct mainly data type of two metrics and to modify the domain of the securitisation internal code (SIC) dimension. The impacted modules are COREP OF and COREP LE.
07.06.2021	EBA makes recommendations for reducing supervisory reporting costs	As part of its drive for more proportionate regulatory and supervisory framework, the EBA has finalised its comprehensive study of the cost of compliance of European Economic Area (EEA) banks with the supervisory reporting requirements. In the summary report published, the EBA has identified numerous recommendations collectively leading to a potential reduction of the banks' reporting costs by up to 15-24%. Most of the recommendations will be implemented by the EBA as part of its ongoing policy work on developing and enhancing the common EU supervisory reporting framework.
10.06.2021	EBA publishes final revised Guidelines on major incident reporting under PSD2	The EBA published its final revised Guidelines on major incident reporting under the Payment Service Directive (PSD2). The revised Guidelines optimise and simplify the reporting process and templates, focus on incidents with significant impact on payment service providers (PSPs), and improve the meaningfulness of the information to be reported. The revised Guidelines are also estimated to reduce the reporting burden for PSPs.

Date	Publications	Description
10.06.2021	EBA issues revised list of ITS validation rules	The EBA issued a revised list of validation rules in its ITS on supervisory reporting, highlighting those, which have been deactivated either for incorrectness or for triggering IT problems. Competent Authorities throughout the EU are informed that data submitted in accordance with these ITS should not be formally validated against the set of deactivated rules.
11.06.2021	EBA publishes report on the data provided by PSPs on their readiness to apply strong customer authentication for e-commerce card-based payment transactions	The EBA published a Report on the data provided by PSPs on their readiness to apply SCA for the subset of payment transactions that are e-commerce card-based payment transactions. The Report highlights the status of issuing and acquiring PSPs in enrolling online merchants, payment cards and payment service users (PSUs) into SCA-compliant solutions, and in requesting SCA for online payment transactions after 31 December 2020, when the SCA migration period ended.
23.06.2021	The EBA proposes to further harmonize EU law applicable to branches of third country credit institutions	The EBA published a Report on the treatment of incoming third country branches (TCB) under the national law of Member States. The Report, which is addressed to the European Parliament, the Council and the Commission, illustrates the results of a stock-taking exercise conducted with competent authorities about their national regulatory law/regulations and supervisory practices and a mapping of the TCBS established in the Member States. Considering the increased volume of activities carried out by TCBS in a context of regulatory fragmentation across the EU, the Report lays down 14 high-level policy recommendations for further harmonisation of EU law.
23.06.2021	EBA publishes its Report on management and supervision of ESG risks for credit institutions and investment firms	The EBA published its Report on Environmental, Social and Governance (ESG) risks management and supervision. The Report, which is a key component of the EBA's broader ESG work, provides a comprehensive proposal on how ESG factors and ESG risks should be included in the regulatory and supervisory framework for credit institutions and investment firms.
24.06.2021	EBA updates on monitoring of Additional Tier 1 instruments and issues recommendations for ESG-linked capital issuances	The EBA published its updated Report on the monitoring of Additional Tier 1 (AT1) instruments including an update on the monitoring of the implementation of the EBA's Opinion on legacy instruments and its considerations on ESG capital bonds. The objective of this update is to further strengthen the robustness and quality of EU institutions' own funds and eligible liabilities instruments.
25.06.2021	EBA publishes final draft technical standards on supervisory disclosure under the Investment Firms Directive	The EBA published its final draft ITS on information on supervisory approaches and aggregate statistical data concerning the new prudential requirements that competent authorities will have to disclose publicly for all types of investment firms authorised under the Markets in Financial Instruments Directive (MiFID). These final draft technical standards, which are part of the Phase 2 mandates of the EBA Roadmap on investment firms, will ensure that the disclosed information is comprehensive and comparable across all Member States.
28.06.2021	EBA announces timing for publication of 2021 EU-wide stress test results	The EBA announced that individual results for the banks participating in the 2021 EU-wide stress test, along with a report summarising the results in aggregate terms, will be published on Friday 30 July 2021 at 18:00 Central European Summer Time (CEST).

Date	Publications	Description
29.06.2021	EBA assesses benefits, challenges and risks of RegTech use in the EU and puts forward steps to be taken to support sound adoption and scale-up of RegTech solutions	The EBA published an analysis of the current RegTech landscape in the EU. The Report assesses the overall benefits and challenges faced by financial institutions and RegTech providers in the use of RegTech. It also identifies potential risks arising from RegTech solutions that supervisors will need to address and proposes actions designed to enhance knowledge and skills in competent authorities. These actions also aim to ensure technological neutrality in regulatory and supervisory approaches to RegTech, whilst addressing any inadvertent obstacles within the Single Market to facilitate the adoption of RegTech across the EU.
30.06.2021	EBA issues revised list of ITS validation rules	The EBA issued a revised list of validation rules included in its ITS on supervisory reporting, highlighting those which have been deactivated either for incorrectness or for triggering IT problems and were not included in the list published on 10 June. Competent Authorities throughout the EU are informed that data submitted in accordance with these ITS should not be formally validated against the set of deactivated rules.

Date	Consultations	Description
04.06.2021	EBA consults on technical standards on crowdfunding service providers	The EBA published a consultation paper on draft Regulatory Technical Standards (RTS) specifying the information that crowdfunding service providers offering individual portfolio management of loans shall provide to investors in relation to the method to assess credit risk, and on each individual portfolio. The draft RTS also specify the policies, procedures and organisational arrangements that crowdfunding service providers shall have in place in relation to any contingency fund they may offer to investors. The consultation runs until 4 September 2021.
07.06.2021	EBA launches second consultation on its technical standards on the calculation of the EUR 30bn threshold for investment firms	The EBA launched a second consultation on its draft RTS on the calculation of the threshold for investment firms. With this consultation, the EBA is seeking to address the level playing field concerns raised by the industry in relation to geographical constraints of some undertakings as well as to ensure a more proportionate and consistent methodology for the calculation of the thresholds. These RTS are part of the EBA's roadmap for delivering on mandates related to the implementation of a new prudential regime for investment firms. The consultation runs until 17 July 2021.
23.06.2021	The EBA launches consultation on amendments to reporting on securitisation, asset encumbrance and G-SIIs	The EBA launched a public consultation to amend its ITS on Supervisory Reporting with regards to COREP and asset encumbrance reporting as well as the reporting for the purposes of identifying global systemically important institutions (G-SIIs). Among others, this consultation paper aims to enhance proportionality in the area of asset encumbrance reporting, as recommended by the EBA's Report on the Study on the Cost of compliance with supervisory reporting requirements (CoC report). The consultation runs until 23 September 2021.
28.06.2021	EBA consults to review its Guidelines on common procedures and methodologies for the supervisory review and evaluation process	The EBA launched a public consultation on its revised Guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP) and supervisory stress testing. The comprehensive revisions aim at implementing the recent amendments to the Capital Requirements Directive (CRD V) and Capital Requirements Regulation (CRR II), as well as aligning with other regulatory developments and best supervisory practices. The consultation runs until 28 September 2021.

## European Supervisory Authorities (ESAs)

Date	Publication	Description
10.06.2021	ESAs publish amended technical standards on the mapping of ECAIs	<p>The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) published two amended ITS on the mapping of credit assessments of External Credit Assessment Institutions (ECAIs).</p> <p>The amendments reflect:</p> <ul style="list-style-type: none"> <li>- the recognition of two new credit rating agencies (CRAs);</li> <li>- the outcome of a monitoring exercise on the adequacy of existing mappings; and</li> <li>- the deregistration of a number of CRAs.</li> </ul> <p>The ITS 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>

## Basel Committee on Banking Supervision (BCBS)

Date	Consultations	Description
10.06.2021	Basel Committee consults on prudential treatment of cryptoasset exposures	<p>The BCBS issued a public consultation on preliminary proposals for the prudential treatment of banks' cryptoasset exposures. The proposals split cryptoassets into two broad groups: those eligible for treatment under the existing Basel Framework with some modifications; and others, such as bitcoin, are subject to a new conservative prudential treatment.</p> <p>The BCBS invites submissions on the proposals by <b>10 September 2021</b>.</p>

## Macroprudential topics and fora

### European Systemic Risk Board (ESRB)

#### 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
30.06.2021	Policy proposals to enhance money market fund resilience: Consultation Report	<p>The report outlines policy options that aim to address vulnerabilities of money market funds (MMFs) and are intended to inform jurisdiction-specific reforms and any necessary adjustments to the policy recommendations for MMFs issued by the International Organization of Securities Commissions (IOSCO). Enhancing MMF resilience will help address systemic risks and minimise the need for future extraordinary central bank interventions to support the sector.</p> <p>The consultation period runs until <b>16 August 2021</b>.</p>

## European Securities and Markets Authority (ESMA)

Date	Publication	Description
01.06.2021	ESMA publishes final report on the MiFID II/MIFIR obligations on market data	ESMA published its Final Report on Guidelines on the MiFIDII/MiFIR obligations on market data. The Final Report sets out guidelines on the requirements to publish market data on a reasonable commercial basis and to make market data available free of charge 15 minutes after publication.
01.06.2021	ESMA publishes latest edition of its newsletter	ESMA published its latest edition of the Newsletter "Spotlight on Markets".
03.06.2021	ESMA sees a prolonged period of risk from market corrections	ESMA published its first Risk Dashboard (RD) for 2021 covering the first quarter of the year. The RD highlights that the main risk for EU financial markets remains that posed by a sudden risk reassessment, amid the general decoupling of securities prices from economic fundamentals, and is maintains its risk assessment at a very high level.
07.06.2021	ESMA launches 2021 Central Counterparties stress test	ESMA published the framework for its fourth Stress Test for Central Counterparties (CCPs). ESMA, as required by the European Markets Infrastructure Regulation (EMIR), initiates and coordinates this exercise to assess the resilience and safety of recognised European Union (EU) and Tier 2 Third Country CCPs (TC-CCPs) to adverse market developments and to identify any potential shortcomings.
08.06.2021	ESMA issues an opinion on product intervention measures on turbos	ESMA issued an opinion on product intervention measures communicated by The Netherlands Authority for the Financial Markets (AFM).
16.06.2021	ESMA publishes its 2020 annual report	ESMA published its Annual Report, which reviews its achievements in 2020 against its priorities and objectives in meeting its mission of enhancing investor protection and promoting stable and orderly financial markets in the European Union.
17.06.2021	ESMA organised second workshop on "CCP margins and procyclicality in times of crisis"	ESMA organised its second workshop on CCP margins and procyclicality in times of crisis.
21.06.2021	ESMA recommends changes to supervisory fees for credit rating agencies	ESMA published its final report providing technical advice to the European Commission on the supervisory fees charged to credit rating agencies (CRAs).
25.06.2021	ESMA registers European Datawarehouse GMBH and SECREP B.V as securitisation repositories	ESMA has approved the registrations of the first two securitisation repositories (SRs) under the Securitisation Regulation (SECR). The registration decisions became effective on 30 June 2021.
29.06.2021	ESMA announces the appointment of James Von Moltke as Chairman of the EURO risk-free rates working group	ESMA in its capacity as Secretariat of the Working Group on Euro Risk-Free Rates (EUR RFR WG), announced the appointment of James von Moltke, Chief Financial Officer and Management Board Member of Deutsche Bank AG, to Chair EUR RFR WG.



## Financial centre

### Main updated figures regarding the financial centre

			Annual comparison
<b>Banks</b>	Number (30/06/2021)	126	↘ 1 entity
	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
<b>Payment institutions</b>	Number (30/06/2021)	14	no variation
<b>Electronic money institutions</b>	Number (30/06/2021)	11	↗ 2 entities
<b>UCIs</b>	Number (30/06/2021)	Part I 2010 Law: 1,689	↘ 51 entities
		Part II 2010 Law: 239	↘ 6 entities
		SIFs: 1,404	↘ 44 entities
	TOTAL: 3,332	↘ 101 entities	
	Number (30/06/2021)	SICAR: 222	↘ 14 entities
	Total net assets (31/05/2021)	EUR 5,332.392 bn	↗ EUR 849.159 bn
<b>Management companies (Chapter 15)</b>	Number (30/06/2021)	180	↘ 12 entities
	Balance sheet total (31/03/2021) <sup>2</sup>	EUR 18.422 bn	↗ EUR 2.621 bn
<b>Management companies (Chapter 16)</b>	Number (30/06/2021)	156	↘ 1 entity
<b>AIFMs</b>	Number (30/06/2021)	265	↗ 7 entities
<b>Pension funds</b>	Number (30/06/2021)	12	↗ 1 entity
<b>Authorised securitisation undertakings</b>	Number (30/06/2021)	30	↘ 3 entities
<b>Investment firms</b>	Number (30/06/2021)	93	↘ 6 entities
	Balance sheet total (31/05/2021)	EUR 1.398 bn	↘ EUR 515 m
	Provisional net profit (31/05/2021)	EUR 50.83 m	↘ EUR 2.78 m
<b>Specialised PFS</b>	Number (30/06/2021)	98	↘ 4 entities
	Balance sheet total (31/05/2021)	EUR 6.651 bn	↗ EUR 217 m
	Provisional net profit (31/05/2021)	EUR 30.86 m	↗ EUR 3.35 m
<b>Support PFS</b>	Number (30/06/2021)	71	no variation
	Balance sheet total (31/05/2021)	EUR 1.539 bn	↘ EUR 325 m
	Provisional net profit (31/05/2021)	EUR 31.45 m	↗ EUR 2.78 m
<b>Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law</b>	Number (30/06/2021)	472	↗ 33 entities
<b>Public oversight of the audit profession</b>	Number (30/06/2021)	55 <i>cabinets de révision agréés</i>	no variation
		330 <i>réviseurs d'entreprises agréés</i>	↗ 12 people
		27 third-country auditors and audit firms	↗ 3 entities
<b>Employment (31/03/2021)</b>	Banks	26,145 people	↘ 245 people
	Management companies (Chapter 15) <sup>2</sup>	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
	<b>Total</b>	<b>48,068 people</b>	<b>↘ 855 people<sup>3</sup></b>

<sup>2</sup> Preliminary figures.

<sup>3</sup> 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.