



# Newsletter No 247

August 2021



Commission de Surveillance  
du Secteur Financier

## TABLE OF CONTENTS

<b>News</b>	<b>3</b>
MoU between Luxembourg and Monaco regarding the fight against money laundering and the financing of terrorism	3
Panorama 2020	3
Business continuity in 2020 despite COVID-19	3
ESG (Environmental, social and governance)	4
<b>Coronavirus: Information for all supervised entities</b>	<b>5</b>
Summary of the communications by the European authorities	5
<b>Warnings</b>	<b>7</b>
Warnings of the CSSF	7
Warnings published by IOSCO	7
<b>National regulation</b>	<b>7</b>
<b>FAQ</b>	<b>7</b>
<b>Fight against money laundering and terrorist financing</b>	<b>8</b>
<b>Communiqués</b>	<b>9</b>
<b>Withdrawal decided by the CSSF</b>	<b>9</b>
<b>Statistics</b>	<b>10</b>
Monthly Statistics	10
Quarterly Statistics	18
<b>Human resources</b>	<b>19</b>
<b>European/International News in July 2021</b>	<b>20</b>
Single Supervisory Mechanism (SSM) - European Central Bank (ECB)	20
European Parliament, European Commission and European Council	20
European Banking Authority (EBA)	20
European Supervisory Authorities (ESAs)	23
Basel Committee on Banking Supervision (BCBS)	23
Macroprudential topics and fora	24
European Securities and Markets Authority (ESMA)	25
<b>Financial centre</b>	<b>28</b>

## MoU between Luxembourg and Monaco regarding the fight against money laundering and the financing of terrorism

In order to enhance their actions with respect to the supervision for the purpose of combating money laundering and terrorist financing (AML/CFT), the CSSF, represented by its Director General Claude Marx, and the Service d'Information et de Contrôle sur les Circuits Financiers (SICCFIN), represented by its Director Michel

Hunault, signed a Memorandum of Understanding on 23 July 2021.



## Panorama 2020



The CSSF published the digital magazine Panorama 2020.

This magazine reviews the key topics of 2020, such as COVID-19, Brexit and financial

innovation through interviews with the CSSF's Directors and agents.

Director General, Claude Marx, looks back on the milestones of the CSSF's action over the past financial year. Director, Marco Zwick, looks back on the way the COVID-19 crisis affected the fund industry. Director, Claude Wampach, looks back on the way the COVID-19 crisis affected the banking industry. Director, Françoise Kauthen, comments on the challenges posed by financial innovation in the supervision field.

Panorama 2020 is available at:

<https://panorama-cssf.lu/en/>

## Business continuity in 2020 despite COVID-19

In a context marked by the COVID-19 pandemic, Brexit and the accelerated move towards a more sustainable finance, the Commission de Surveillance du Secteur Financier (CSSF), continued its mission in 2020 to ensure the stability of the financial sector and the protection of investors and savers.

### **Financial crisis averted, so far**

The COVID-19 pandemic is without any doubt the event that left its mark on the year 2020. The health crisis, with extreme consequences for the health of many fellow citizens and the health systems of many countries, became an economic crisis, the effects of which could however be limited – for now – through the intervention of the political powers and the central banks. Until now, the financial systems demonstrated resilience owing notably to the reforms implemented after the financial crisis of 2007-2008.

### **CSSF business continuity**

*"The CSSF's prudential supervisory mission cannot be interrupted, not even for a single day", states Claude Marx, Director General. "Even if we were not prepared for this pandemic – no one was, actually – our continuity plan, the digitisation and modernisation of the work organisation pursued by us for several years allowed seamless continuity of services, even during*

*the lockdown, when, in spring 2020, more than 99 % of our agents worked offsite and partially outside Luxembourg borders."*

### **Innovation and flexibility, key words to support supervised entities**

The lockdown and strict sanitary rules forced the CSSF to innovate. On-site inspections, for example, an indispensable tool to its supervision, continued to take place but via videoconferencing tools.

The CSSF also showed flexibility in relation to the supervised entities, be it at the level of reporting, extensive use of IT tools, capital requirements, operational constraints, massive use of teleworking, moratoria and other arrangements. In addition, it issued a series of guidance for supervised entities in these difficult circumstances.

### **Liquidity and loans taking centre stage**

A particular concern was the supervision of liquidity of investment funds, notably of some money market funds. A crisis could be avoided through the funds' use of certain instruments but also and foremost through the purchase of private and public sector debt by the ECB via its Pandemic Emergency Purchase Programme (PEPP).

Another focus of the CSSF was the monitoring of the development of mortgage loans, corporate loans and loans to individuals, in times of crisis. In both cases, close supervision was carried out via a specific reporting and dialogue with the industry. The follow-up was performed by the CSSF as well as the Comité du Risque Systémique.

Throughout the year, the CSSF was in close contact with the European and international institutions, notably the ECB, the EBA, ESMA, the FSB and the Basel Committee, with the objective of flexibility, in line with the law and European standards, as well as the safekeeping of the financial stability, in mind.

### **A resilient and responsible financial sector**

The supervised entities deployed their business continuity plans successfully and no major operational incident had to be reported. Thanks to new loans granted (with or without partial State guarantee) and to moratoria, the banks acted responsibly and helped cushion the economic shock caused by the pandemic. In June 2020, moratoria reached almost EUR 3.7 billion but decreased to EUR 446 million at the end of 2020.

### **Brexit, SFDR and digitisation, the other topics that marked the year**

The CSSF teams made substantial efforts to support the entities concerned in their preparations for Brexit in view of the end of the transitional period on 31 December 2020. Thus, they provided a framework for the access of providers established in the United Kingdom to the Luxembourg market, determined the equivalence of the British regime in the context of the MiFID II/MiFIR third-country regime and reviewed a certain number of authorisation files received in the context of Brexit.

The greening of finance is more topical than ever. The CSSF closely monitored the developments at European level, and notably the preparation of the entry into force, on 10 March 2021, of the EU regulation on

sustainability-related disclosures in the financial services sector (SFDR), while Level-2 texts and the taxonomy had not yet been published. *"We adopted a tolerant and firm approach: tolerance with respect to certain open questions, pending notably a clarification by the European Commission, firmness with respect to those which do not prepare themselves and fail to comply with the standards"*, specifies Claude Marx. *"The CSSF will not use gold plating. There will not be additional national requirements, but the ambitious goals of the EU will have to be implemented in the Luxembourg financial sector which, given its importance, will significantly contribute to the transition towards and the financing of a more sustainable economy."*

The digitisation of the financial sector, under way prior to the health crisis, was accelerated as a result of the latter, especially due to the fact that a significant number of employees had to work remotely during a longer period. *"The CSSF will remain vigilant as to cybercrime risks and the risks posed by business models of entities not sufficiently preparing for the digital era"*, stresses Claude Marx. As regards digitisation and sustainable finance, training and sufficient knowledge at all levels, starting with the boards of directors and the executive committees, will be key attention points.

### **Additional information**

Additional information is available:

in the CSSF's Annual Report 2020 ([https://www.cssf.lu/wp-content/uploads/CSSF\\_RA\\_2020\\_EN.pdf](https://www.cssf.lu/wp-content/uploads/CSSF_RA_2020_EN.pdf));

on the CSSF's panorama-cssf.lu website (<https://panorama-cssf.lu/en/>) which notably proposes video interviews on the following topics: the CSSF's priorities, management of COVID-19, accompanying Brexit and financial innovation.

## **ESG (Environmental, social and governance)**



Claude Marx, Director General of the CSSF, spoke about sustainable finance at ESG2 Financial Square.

Claude Marx discussed the risks and opportunities surrounding the growing development of sustainable finance.

*ESG is not another piece of regulation, it is about saving the planet.*

He pointed out that sustainable finance will not only be achieved through regulation but also through education of the financial sector professionals and the consumers. He discussed the role the CSSF and Luxembourg as a country play in the achievement of sustainable finance. The full discussion is available at:

<https://www.esgsquare.com/post/claude-marx>



## Coronavirus: Information for all supervised entities

### Summary of the communications by the European authorities

**On 1 July 2021**, Andrea Enria, Chair of the Supervisory Board of the ECB, gave an introductory statement at a hearing at the European Parliament's Economic and Monetary Affairs Committee.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210701~3f0230c51f.en.html>

**On 2 July 2021**, Andrea Enria gave a speech titled "Enhanced outlook and emerging risk in the banking union" at the University of Naples.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210702~cf91f91b62.en.html>

**On 6 July 2021**, Andrea Enria gave an introductory statement at the Finance and Treasury Committee of the Italian Senate.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210706~8cd42515c2.en.html>

**On 6 July 2021**, the Basel Committee on Banking Supervision published a report which gives a preliminary assessment of the impact of implemented Basel reforms during the pandemic as part of a broader evaluation of their effectiveness. Higher quality capital and liquidity levels required by the reforms helped banks absorb the significant impact of COVID-19 shock. The banking system would have faced greater stress during this period had the reforms not been adopted and implemented.

<https://www.bis.org/press/p210706.htm>

**On 7 July 2021**, Andrea Enria, Chair of the Supervisory Board of the ECB, gave a presentation titled "The post-pandemic outlook in the banking union" at an event on NPLs organised by Credit Village.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2021/html/ssm.sp210707~3e6cca4069.en.pdf?c0386caf582ba941f1d659451b677b84>

**On 7 July 2021**, the Financial Stability Board (FSB) published a letter from its Chair, Randal K. Quarles, to G20 Finance Ministers and Central Bank Governors ahead of their 9-10 July meeting. The letter notes mounting evidence of global recovery, even if uneven across regions. However, some risks to financial stability remain elevated. The global financial system has weathered the COVID Event thus far, thanks to greater resilience brought about by the G20 financial regulatory reforms, and the swift, bold and determined international policy response. But there are areas where there is a need to understand better whether the reforms have functioned as intended, and others where the COVID Event has surfaced vulnerabilities that need to be addressed with urgency, notably in non-bank financial intermediation, including in money market funds. The Chair's letter stresses the need for coordinated action to address financial risks posed by climate change, noting the large, and growing, number of international initiatives underway.

<https://www.fsb.org/wp-content/uploads/P070721-1.pdf>



**On 13 July 2021**, the FSB published a report which identifies preliminary lessons for financial stability from the COVID-19 experience and aspects of the functioning of the G20 financial reforms that may warrant attention at the international level. The report notes that, thus far, the global financial system has weathered the pandemic thanks to greater resilience, supported by the G20 reforms, and the swift, determined and bold international policy response. Authorities broadly used the flexibility within international standards to support financing to the real economy. Monitoring and coordination, guided by the FSB COVID-19 Principles, has discouraged actions that could distort the level playing field and lead to harmful market fragmentation. The FSB will engage with external stakeholders on preliminary findings and issues raised in this report. The final report, which will incorporate this feedback and set out tentative lessons and next steps to address the identified issues, will be delivered to the G20 Summit in October.

<https://www.fsb.org/wp-content/uploads/P130721.pdf>

**On 16 July 2021**, an interview with Elizabeth McCaul, Member of the Supervisory Board of the ECB, was conducted by Gregory Savva for the Cyprus News Agency.

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

**On 19 July 2021**, Elizabeth McCaul published a blog post on credit risk.

<https://www.bankingsupervision.europa.eu/press/blog/2021/html/ssm.blog210719~eaa6927766.en.html>

**On 21 July 2021**, the EBA published its annual report on Asset Encumbrance. As COVID-19 spread across Europe, banks made extensive use of central bank facilities to strengthen their liquidity buffers and maintain the flow of credit to the real economy. This resulted in the largest yearly rise in the asset encumbrance ratio since data is available.

<https://www.eba.europa.eu/eba-found-extensive-use-central-bank-facilities-drove-asset-encumbrance-ratios-2020>

**On 21 July 2021**, the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) published a report on financial market infrastructures' (FMIs) business continuity planning.

<https://www.bis.org/press/p210721.htm>

**On 23 July 2021**, the ECB decided not to extend beyond September 2021 its recommendation that all banks limit dividends. Instead, supervisors will assess the capital and distribution plans of each bank as part of the regular supervisory process.

<https://www.bankingsupervision.europa.eu/press/pr/date/2021/html/ssm.pr210723~7ef2cdf6b7.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.ainainvestment.com](http://www.ainainvestment.com)
- Warning concerning the website [www.lunav-invest.com](http://www.lunav-invest.com)
- Warning concerning the website [www.rdf-investissement.com](http://www.rdf-investissement.com)
- Warning concerning fraudulent activities misusing the name of the Swissquote Bank Europe 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

### Circular CSSF 21/778 – Update of Circular CSSF 11/509

The circular amends Circular CSSF 11/509 on the notification procedures to be followed by a UCITS governed by Luxembourg law wishing to market its units in another Member State of the European Union and by a UCITS of another Member State of the European Union wishing to market its units in Luxembourg by integrating technical modifications related to Directive (EU) 2019/1160 of 20 June 2019 amending the UCITS Directive.

<https://www.cssf.lu/en/Document/circular-cssf-21-778/>

### Circular CSSF 21/779 – ESMA Guidelines on certain aspects of the MiFID II compliance function requirements

The purpose of the circular is to inform the public that the CSSF, in its capacity as competent authority as defined under Article 1(2) of the Law of 5 April 1993 on the financial sector, as amended, applies the Guidelines of ESMA on certain aspects of the MiFID II compliance function requirements (Ref. ESMA35-36-1952). Consequently, the CSSF has integrated the Guidelines into its administrative practices and regulatory approach with a view to promote supervisory convergence in this field at European level.

<https://www.cssf.lu/en/Document/circular-cssf-21-779/>



## FAQ

The CSSF published the FAQ regarding the notification procedures under the CBDF Regulation (cross-border distribution of investment funds).

<https://www.cssf.lu/en/Document/faq-cbdf-notification-procedures/>



## Fight against money laundering and terrorist financing

### FATF Guidance on Proliferation Financing Risk Assessment and Mitigation (JUNE 2021)

In October last year, the FATF revised its Standards (Recommendation 1 and its Interpretative Note) to require countries, financial institutions, designated non-financial businesses and professions (DNFBPs) and virtual asset service providers (VASPs) to identify, assess, understand and mitigate their proliferation financing (PF) risks.

A public consultation on the draft version of a new guidance accompanying these new requirements was launched in March 2021 (see CSSF Newsletter no 242 – March 2021).

In June 2021, during its Plenary meeting, the FATF then adopted aforementioned guidance on proliferation financing risk assessment and mitigation (hereinafter the “FATF Guidance”) that takes into account the comments received during the public consultation phase and will assist countries, financial institutions, DNFBPs and VASPs in understanding their PF risks and how to adopt or improve measures to address those risks.

The FATF Guidance explains the 3 factors relevant for risk assessments in the context of PF, i.e.: (1) Threat; (2) Vulnerability; (3) Consequence.

- (1) Threat refers to designated persons and entities that have previously caused, breached or exploited a failure to implement PF-targeted financial sanctions (TFS) in the past, present or future.
- (2) Vulnerability refers to matters or weaknesses that can be exploited by the threat or that may support or facilitate the breach, non-implementation or evasion of PF-TFS.
- (3) Consequence refers to the outcome where i.a. the funds or assets are made available to designated persons and entities, which could ultimately allow them, for example, to source the required materials, items or systems for developing and maintaining illicit nuclear, chemical or biological weapon systems or where frozen assets of designated persons and entities would be used without authorisation, for PF.

The FATF Guidance reminds that any risk assessment process should cover both inherent risk (which refers to the natural level of risk, i.e. prior to introducing any mitigation measures) and residual risk (which refers to the level of risk which remain after the risk mitigation process). It is stressed that those concepts should be applied to PF risks in a similar manner to what countries and private sector firms have already done for ML/TF risks.

Thus, PF risk assessment may follow the same six stages as ML/TF risk assessment, i.e.:

- Preliminary scoping;
- Planning and organisation;
- Identification of threats and vulnerabilities;
- Analysis;
- Evaluation and follow-up;
- Update.

The FATF Guidance provides a detailed description of what each stage should entail. Also, the FATF Guidance contains an updated list of indicators of the potential breach, non-implementation or evasion of TFS.

Finally, the FATF Guidance highlights the need for notably strong customer onboarding procedures (particularly regarding beneficial ownership of legal persons and arrangements), ongoing monitoring processes, staff training, effective risk management procedures, adequate and flexible sanctions’ screening systems and procedures and an appropriate and effective compliance culture.

While the FATF Guidance is non-binding, it contains relevant recommendations for private and public sector.

Full text of the FATF Guidance on Proliferation Financing Risk Assessment and Mitigation can be found at: <https://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-Proliferation-Financing-Risk-Assessment-Mitigation.pdf>.





## Communiqués

Date	Publications
29.07.2021	AML/CFT controls applied to unregulated AIFs by the IFM
29.07.2021	Global situation of undertakings for collective investment at the end of June 2021
29.07.2021	SEC Thailand and CSSF sign a Fintech information sharing agreement
29.07.2021	Luxembourg IFMs compliance with the Benchmarks Regulation
30.07.2021	European Commission announcements related to Regulation (EU) 2019/2088 – SFDR
30.07.2021	Changes intended to optimise the authorisation processes of new UCI and new sub-funds added to existing fund structures
30.07.2021	Communication related to the publication of the Law of 21 July 2021 transposing Directive (EU) 2019/1160
13.08.2021	Transfer to the CSSF of competence for authorisation



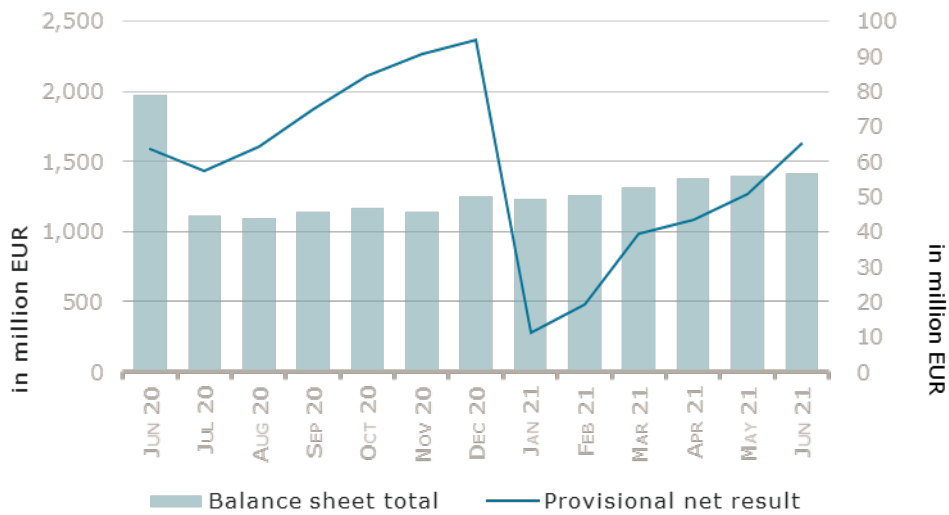
## Withdrawal decided by the CSSF

A decision to withdraw the specialised investment fund PRAEFINIUM from the official list of specialised investment funds was taken by the CSSF on 14 July 2021.

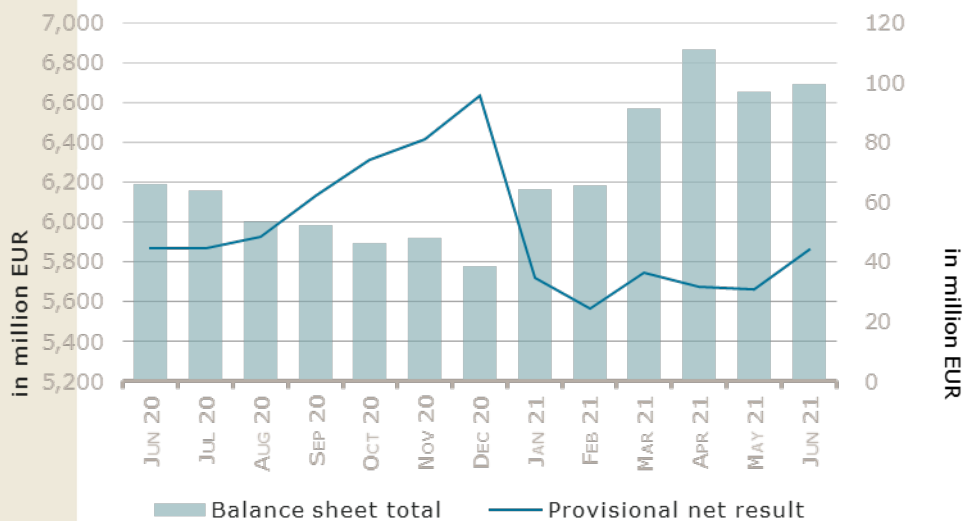


MONTHLY STATISTICS

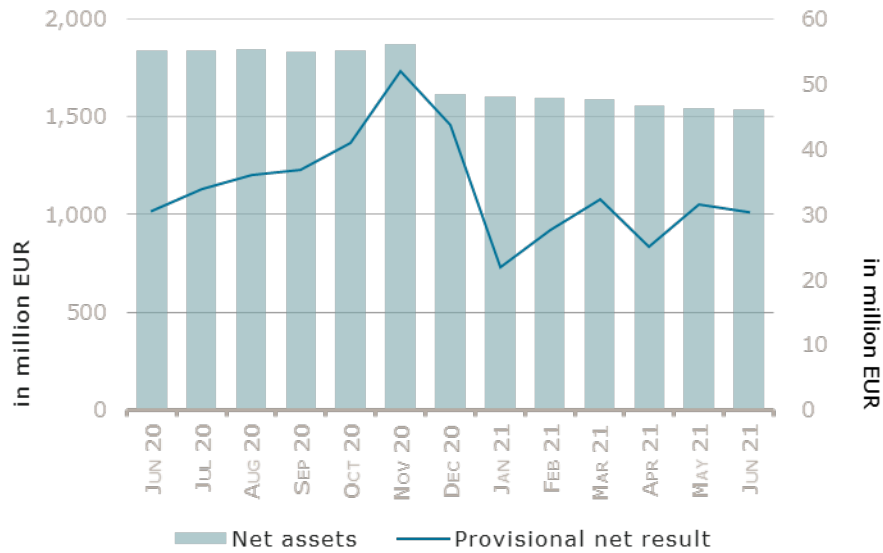
INVESTMENT FIRMS:  
INCREASE IN THE BALANCE SHEET TOTAL AS AT 30 JUNE 2021



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



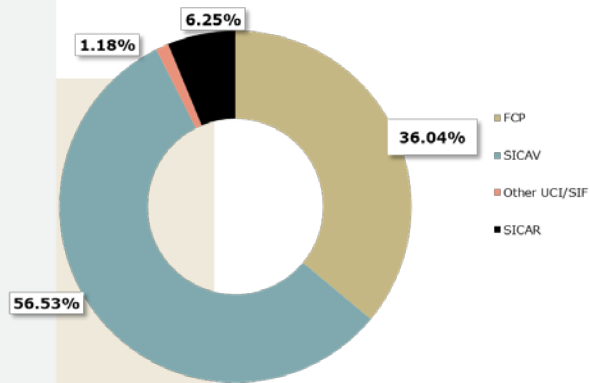
**SUPPORT PFS:  
DECREASE IN THE BALANCE SHEET TOTAL AS AT 30 JUNE 2021**



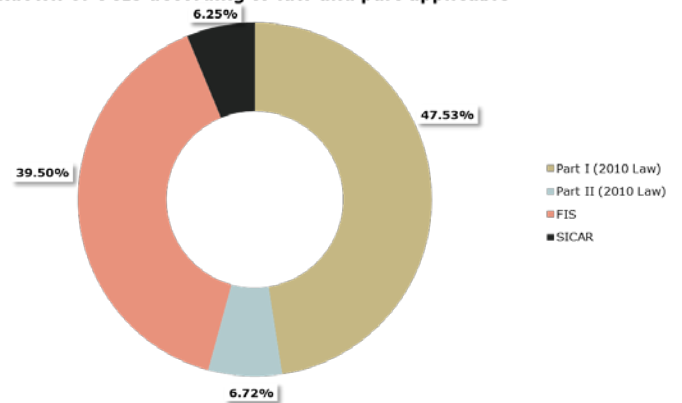
**UCIS:  
SITUATION AS AT 30 JUNE 2021**

**NUMBER OF UCIS**

**Breakdown of UCIs according to legal form**



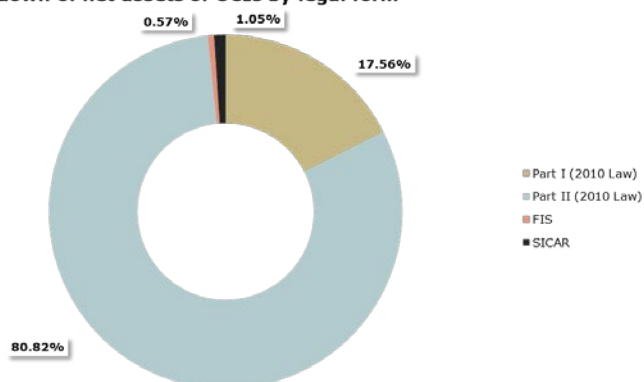
**Breakdown of UCIs according to law and part applicable**



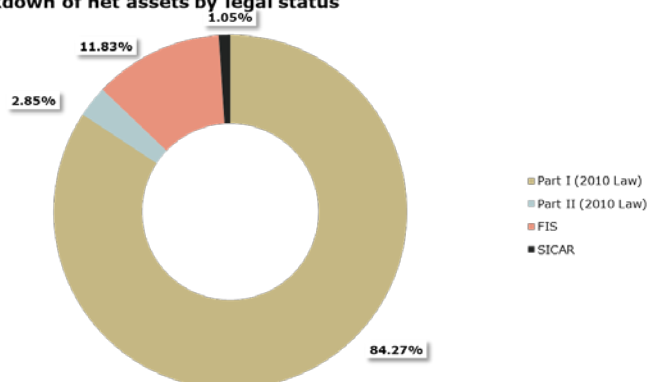
	FCP	SICAV	Other UCI / SIF	SICAR	Total
Part I (2010 Law)	864	825	0	0	<b>1,689</b>
Part II (2010 Law)	115	122	2	0	<b>239</b>
FIS	302	1,062	40	0	<b>1,404</b>
SICAR	0	0	0	222	<b>222</b>
<b>Total</b>	<b>1,281</b>	<b>2,009</b>	<b>42</b>	<b>222</b>	<b>3,554</b>

## NET ASSETS OF UCIS

Breakdown of net assets of UCIs by legal form



Breakdown of net assets by legal status



	FCP	SICAV	Other UCI / SIF	SICAR	Total
Part I (2010 Law)	708.862	3,915.654	0.000	0.000	<b>4,624.516</b>
Part II (2010 Law)	46.876	109.088	0.415	0.000	<b>156.379</b>
SIF	207.760	410.201	31.109	0.000	<b>649.070</b>
SICAR	0.000	0.000	0.000	57.561	<b>57.561</b>
<b>Total</b>	<b>963.498</b>	<b>4,434.943</b>	<b>31.524</b>	<b>57.561</b>	<b>5,487.526</b>

## NET ASSETS BROKEN DOWN BY INVESTMENT POLICY

Breakdown by investment policy	Net assets (in bn €)	Number of fund units
Fixed-Income Transferable Securities	1,441.495	3,210
Variable-Yield Transferable Securities	1,954.943	4,053
Mixed Transferable Securities	1,052.549	3,543
Funds of Funds	322.732	2,114
Money Market Instruments and Other Short-Term Securities	399.383	210
Cash	8.726	9
Private Equity	56.291	237
Venture Capital	3.452	31
Real Estate	102.621	322
Futures and/or Options	13.968	87
Other Assets	73.805	290
Public-to-Private	0.119	2
Mezzanine	1.047	10
Venture Capital (SICAR)	7.732	70
Private Equity (SICAR)	48.663	273
<b>TOTAL</b>	<b>5,487.526</b>	<b>14,461</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	1,339.608	2,735	52.939	47.273	5.666
Variable-Yield Transferable Securities	1,872.723	3,723	72.337	56.213	16.124
Mixed Transferable Securities	853.183	2,548	29.319	21.140	8.179
Funds of Funds	162.021	852	4.270	2.673	1.597
Money Market Instruments and Other Short-Term Securities	376.356	175	199.184	191.107	8.077
Cash	8.682	8	2.777	2.706	0.071
Futures and/or Options	8.350	44	0.295	0.121	0.174
Other Assets	3.593	9	0.180	0.354	-0.174
<b>SUB-TOTAL PART I</b>	<b>4,624.516</b>	<b>10,094</b>	<b>361.301</b>	<b>321.587</b>	<b>39.714</b>
<b>PART II</b>					
Fixed-Income Transferable Securities	14.802	89	0.733	0.738	-0.005
Variable-Yield Transferable Securities	13.506	54	0.042	0.119	-0.077
Mixed Transferable Securities	62.969	183	1.410	2.655	-1.245
Funds of Funds	31.859	209	2.246	0.281	1.965
Money Market Instruments and Other Short-Term Securities	13.813	25	1.681	2.088	-0.407
Cash	0.000	0	0.000	0.000	0.000
Private Equity	10.448	20	0.171	0.016	0.155
Venture Capital	0.244	1	0.040	0.000	0.040
Real Estate	2.825	8	0.013	0.000	0.013
Futures and/or Options	1.490	16	0.021	0.109	-0.088
Other Assets	4.423	20	0.205	0.060	0.145
<b>SUB-TOTAL PART II</b>	<b>156.379</b>	<b>625</b>	<b>6.562</b>	<b>6.066</b>	<b>0.496</b>

**SIF**

Fixed-Income Transferable Securities	87.085	386	2.044	1.041	1.003
Variable-Yield Transferable Securities	68.714	276	0.411	0.427	-0.016
Mixed Transferable Securities	136.397	812	1.951	1.134	0.817
Funds of Funds	128.852	1,053	3.071	1.120	1.951
Money Market Instruments and Other Short-Term Securities	9.214	10	1.653	1.923	-0.270
Cash	0.044	1	0.000	0.000	0.000
Private Equity	45.843	217	1.116	0.019	1.097
Venture Capital	3.208	30	0.069	0.015	0.054
Real Estate	99.796	314	1.477	0.235	1.242
Futures and/or Options	4.128	27	0.028	0.042	-0.014
Other Assets	65.789	261	2.630	0.703	1.927
<b>SUB-TOTAL SIFs</b>	<b>649.070</b>	<b>3,387</b>	<b>14.450</b>	<b>6.659</b>	<b>7.791</b>

**SICAR**

Public-to-Private	0.119	2	0.000	0.000	0.000
Mezzanine	1.047	10	0.000	0.000	0.000
Venture Capital	7.732	70	0.000	0.029	-0.029
Private Equity	48.663	273	0.201	0.292	-0.091
<b>TOTAL SICAR</b>	<b>57.561</b>	<b>355</b>	<b>0.201</b>	<b>0.321</b>	<b>-0.120</b>
<b>TOTAL LUXEMBOURG UCIS</b>	<b>5,487.526</b>	<b>14,461</b>	<b>382.514</b>	<b>334.633</b>	<b>47.881</b>

**ORIGIN OF THE INITIATORS OF LUXEMBOURG UCIS**

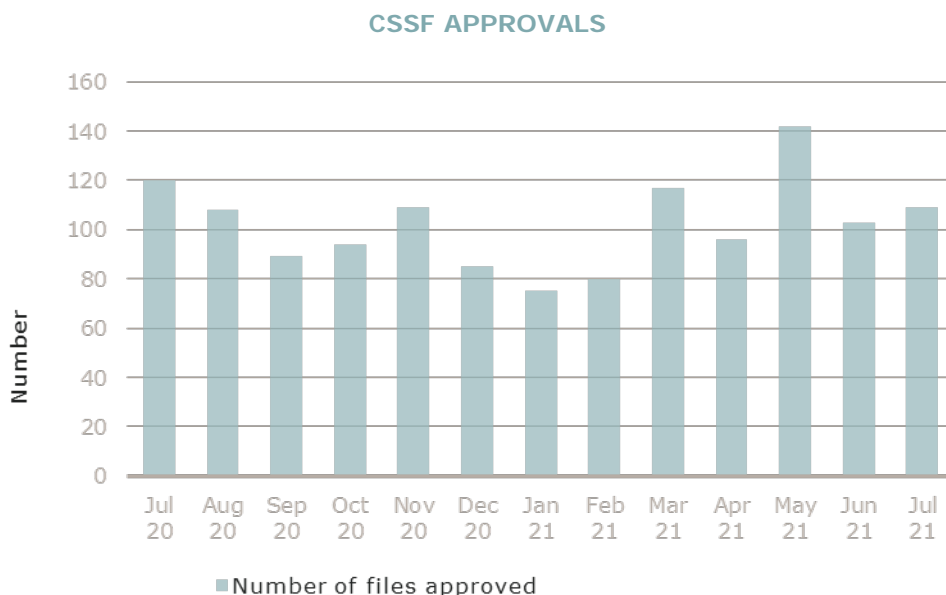
Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
<b>US</b>	1,133.176	20.6%	167	4.7%	1,136	7.9%
<b>GB</b>	937.953	17.1%	248	7.0%	1,640	11.3%
<b>CH</b>	773.951	14.1%	538	15.1%	2,687	18.6%
<b>DE</b>	763.490	13.9%	1,154	32.5%	2,399	16.6%
<b>FR</b>	558.692	10.2%	268	7.5%	1,512	10.5%
<b>IT</b>	351.568	6.4%	130	3.7%	1,235	8.5%
<b>BE</b>	236.804	4.3%	145	4.1%	828	5.7%
<b>LU</b>	189.492	3.5%	268	7.5%	813	5.6%
<b>NL</b>	125.617	2.3%	42	1.2%	262	1.8%
<b>DK</b>	117.461	2.1%	21	0.6%	203	1.4%
<b>OTHERS</b>	299.322	5.5%	573	16.1%	1,746	12.1%
<b>TOTAL</b>	<b>5,487.526</b>	<b>100.0%</b>	<b>3,554</b>	<b>100.0%</b>	<b>14,461</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	4.219	0.077%	22	0.152%
CAD	3.639	0.066%	18	0.124%
CHF	51.618	0.941%	260	1.798%
CNH	13.422	0.245%	26	0.180%
CNY	9.908	0.181%	4	0.028%
CZK	1.393	0.025%	75	0.519%
DKK	1.732	0.032%	12	0.083%
EUR	2,823.633	51.455%	8,985	62.132%
GBP	178.956	3.261%	308	2.130%
HKD	4.043	0.074%	7	0.048%
HUF	0.327	0.006%	23	0.159%
JPY	59.418	1.083%	175	1.210%
NOK	6.366	0.116%	37	0.256%
NZD	0.263	0.005%	1	0.007%
PLN	0.163	0.003%	4	0.028%
RON	0.559	0.010%	4	0.028%
SEK	49.273	0.898%	127	0.878%
SGD	1.392	0.025%	7	0.048%
USD	2,277.179	41.497%	4,365	30.185%
ZAR	0.023	0.000%	1	0.007%
<b>TOTAL</b>	<b>5,487.526</b>	<b>100.000%</b>	<b>14,461</b>	<b>100.000%</b>

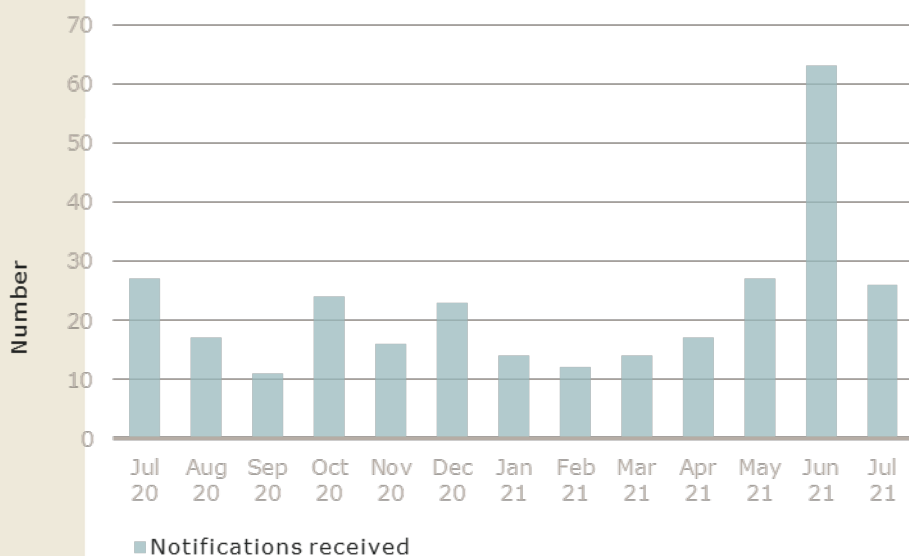
## PROSPECTUSES TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET



In July 2021, the CSSF approved a total of 109 documents pursuant to the Prospectus Regulation, which break down as follows:

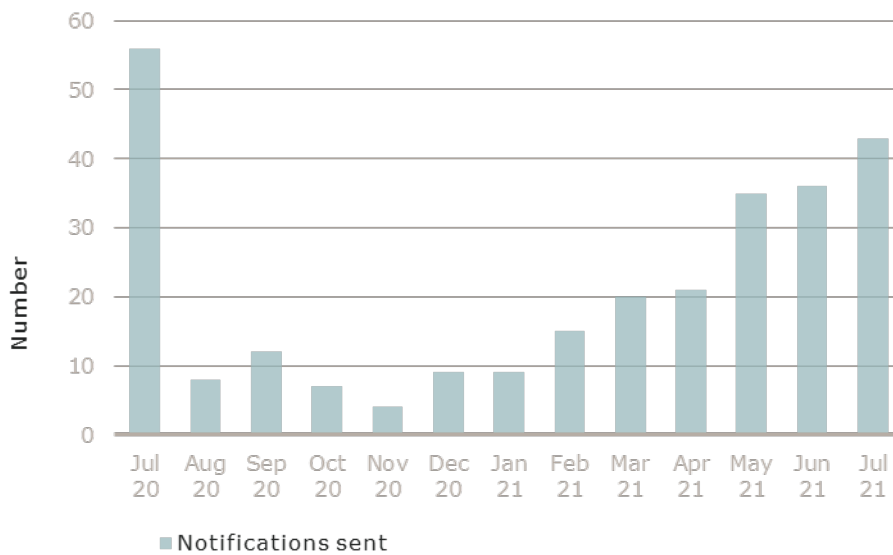
base prospectuses:	57 (52.29%)
other prospectuses:	11 (10.09%)
registration documents:	2 (1.84%)
supplements:	39 (35.78%)

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



In July 2021, the CSSF received 26 notifications relating to prospectuses and base prospectuses and 51 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



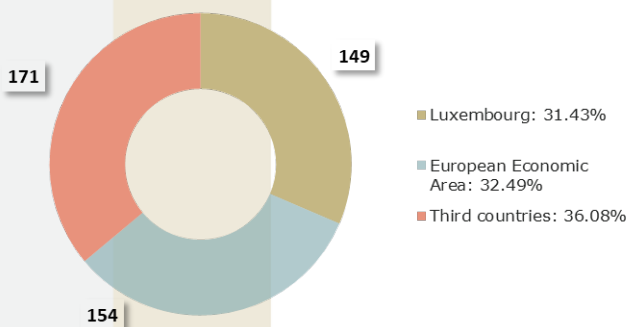
In July 2021, the CSSF sent 43 notifications relating to prospectuses and base prospectuses and 26 notifications relating to supplements to the competent authorities of other EEA Member States<sup>1</sup>.

## 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")

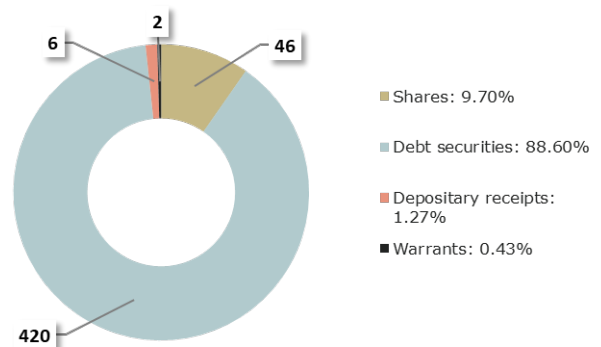
Since 30 June 2021, six issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, four issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 31 July 2021, **474 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 31 July 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

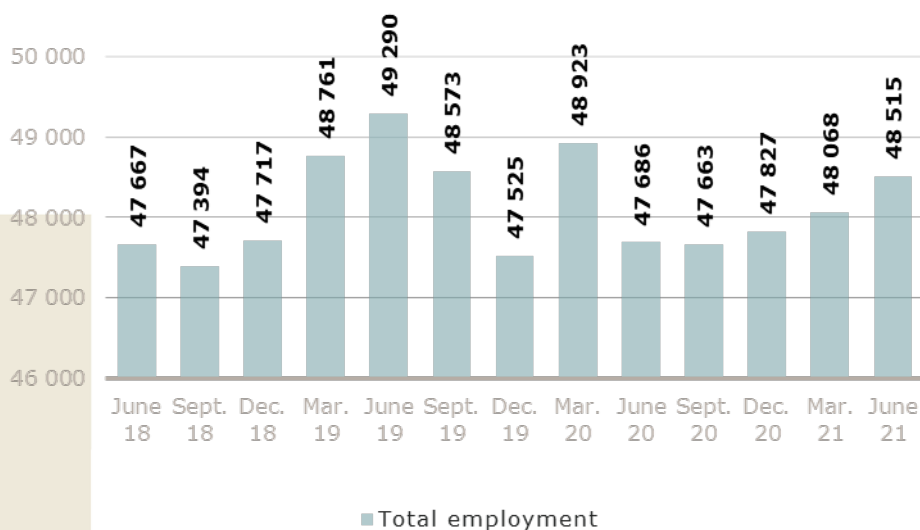
The number of **securitisation undertakings** authorised by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **29** entities as at 31 July 2021.

## PUBLIC OVERSIGHT OF THE AUDIT PROFESSION

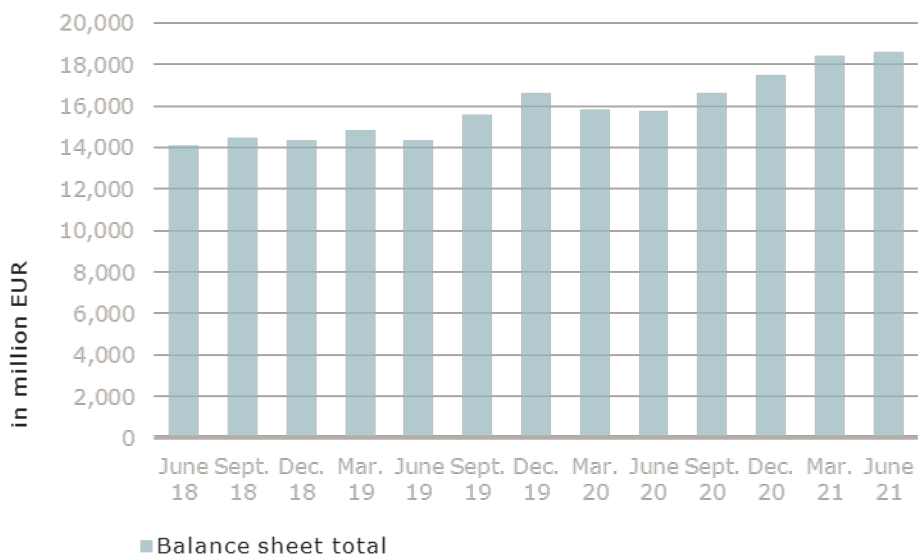
The public oversight of the audit profession covered **54 cabinets de révision agréés** (approved audit firms) and **331 réviseurs d'entreprises agréés** (approved statutory auditors) as at 31 July 2021. The oversight also included **27 third-country auditors and audit firms** duly registered in accordance with the Law of 23 July 2016 concerning the audit profession.

## QUARTERLY STATISTICS

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



## MANAGEMENT COMPANIES AUTHORISED ACCORDING TO CHAPTER 15 OF THE 2010 LAW INCREASE IN THE BALANCE SHEET TOTAL AS AT 30 JUNE 2021



## 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 4 agents, 942 agents (509 men and 433 women). They have been assigned to the following departments:

### Banking supervision department

Carine PEIFFER

### Supervision of investment firms

Arnaud GOFFIN

### Supervision of information systems and support PFS

Jens MÜLLER

### Information systems of the CSSF (IT)

Mikaël ANDRES



## European/International News in July 2021

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

Date	Publications	Description
01.07.2021	Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Melo, MEP, on non-performing loans	The ECB published a letter from the Chair of the Supervisory Board to a Member of the European Parliament in response to a written request on non-performing loans.
08.07.2021	Supervisory Banking Statistics First quarter 2021	The ECB published the Supervisory Banking Statistics for the first quarter 2021.
12.07.2021	Annual report on the outcome of the 2020 SREP IT Risk Questionnaire - Feedback to the industry	The ECB published the annual report on the outcome of the 2020 SREP IT Risk Questionnaire.
21.07.2021	Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Schäffler, Member of the German Bundestag, on Institutional Protection Schemes' monitoring	The ECB published a letter from Andrea Enria, Chair of the Supervisory Board, to Mr Schäffler, Member of the German Bundestag, on Institutional Protection Schemes' monitoring.
30.07.2021	Stress test shows euro area banking system resilient under challenging macroeconomic scenario	The ECB published the results of the 2021 stress test, which show that the euro area banking system is resilient to adverse economic developments. The Common Equity Tier 1 (CET1) capital ratio of the 89 banks in the stress test would fall by an average of 5.2 percentage points, to 9.9% from 15.1%, if they were exposed to a three-year stress period marked by challenging macroeconomic conditions.

### European Parliament, European Commission and European Council

Date	Publication	Description
02.07.2021	Commission Regulation 2021/1080 of 28 June 2021	Publication of Commission Regulation 2021/1080 of 28 June 2021 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Accounting Standards 16, 37 and 41, and International Financial Reporting Standards 1, 3 and 9

### European Banking Authority (EBA)

Date	Publications	Description
01.07.2021	EBA provides clarification on the implementation of the new prudential regime for investment firms	The EBA published an Opinion to ease the implementation of the Investment Firms Regulation (IFR) and Investment Firms Directive (IFD), which entered into force on 26 June 2021. The IFR/IFD classify investment firms according to their business model and size, the latter of which is benchmarked on various threshold. For the vast majority of investment firms, sufficient clarity already exists with regard to the prudential regime, which applies to them. However, in a few cases, especially for investment firms of third-country groups, the Opinion provides guidance on the actions to be taken in case of uncertainty on whether these investment firms should apply for an authorisation as a credit institution in the absence of the delegated act establishing the methodology for the calculation of the highest threshold (the EUR 30bn threshold), on which the EBA has opened a second public consultation.



Date	Publications	Description
01.07.2021	EBA confirms quality of unsolicited credit assessments	The EBA published a revised Decision confirming the quality of unsolicited credit assessments assigned by certain External Credit Assessment Institutions (ECAIs) for calculating institutions' capital requirements. The revised Decision, which reflects the recognition of two additional ECAIs and the de-registering of three ECAIs, is part of the Single Rulebook in banking and will ensure regulatory harmonisation across the European Union (EU) regarding the use of unsolicited credit ratings for determining institutions' own funds requirements.
02.07.2021	EBA publishes its final Guidelines on internal governance	The EBA published its revised Guidelines on internal governance. The update takes into account the amendments introduced by the fifth Capital Requirements Directive (CRD V) and the Investment Firms Directive (IFD) in relation to credit institutions' sound and effective governance arrangements, in particular with regard to gender diversity, money laundering, financing terrorism risk and the management of conflicts of interest, including in the context of loans and other transactions with members of the management body and their related parties. The final revised Guidelines will apply from 31 December 2021.
02.07.2021	EBA publishes its final revised Guidelines on sound remuneration policies	The EBA published its revised Guidelines on sound remuneration policies. This update takes into account the amendments introduced by the fifth Capital Requirements Directive (CRD V) in relation to institutions' sound remuneration policies and, in particular, the requirement that remuneration policies should be gender neutral. The final Guidelines also consider supervisory practices and clarify some aspects of retention bonuses and severance pays. The revised Guidelines will apply from 31 December 2021.
05.07.2021	EBA publishes final draft technical standards to improve supervisory cooperation for investment firms	The EBA published final draft regulatory technical standards (RTS) and Implementing Technical Standards (ITS) on cooperation and information exchange between competent authorities involved in prudential supervision of investment firms. These draft standards, developed in consultation with the European Securities and Markets Authority (ESMA), provide a solid framework for (i) cooperation in the supervision of investment firm groups through colleges of supervisors and (ii) for information exchange for investment firms operating within the EU through branches or the free provision of services. These draft standards are part of the phase 2 mandates of the EBA roadmap on investment firms, and aim at improving cooperation and information exchanges between the supervisors of investment firms.
07.07.2021	EBA releases phase 2 of its 3.1 reporting framework	The EBA published today phase 2 of its 3.1 reporting framework. 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 version 3.1.
13.07.2021	EBA publishes final Guidelines for the use of data inputs in the expected shortfall risk measure under the Internal Model Approach	The EBA published its final Guidelines clarifying the requirements that the data inputs used to determine the scenarios of future shocks applied to modellable risk factors should meet. The Guidelines, which are part of the deliverables included in the roadmap for the new market and counterparty credit risk approaches, will be applicable from 1 January 2022.
21.07.2021	The European Banking Authority publishes a methodological guide to mystery shopping	The EBA published a methodological guide to mystery shopping (MS). This guide has been developed based on the findings and good practices identified in the EBA report on MS activities of National Competent Authorities (NCAs) published earlier this year and aims to support NCAs in the design and implementation of MS activities.

Date	Publications	Description
28.07.2021	EBA publishes its final Guidelines on the monitoring of the threshold for establishing an intermediate EU parent undertaking	The EBA published its final Guidelines on the monitoring of the threshold and other procedural aspects on the establishment of intermediate EU parent undertakings (IPU) as laid down in the Capital Requirements Directive (CRD). The Guidelines specify how third-country groups should calculate and monitor the total value of their assets in the Union in order to ensure timely application of the IPU requirement.
30.07.2021	EBA publishes the results of its 2021 EU-wide stress test	The EBA published the results of its 2021 EU-wide stress test, which involved 50 banks from 15 EU and EEA countries, covering 70% of the EU banking sector assets. This exercise allows assessing, in a consistent way, the resilience of EU banks over a three-year horizon under both a baseline and an adverse scenario, which is characterised by severe shocks taking into account the impact of the pandemic. The individual bank results promote market discipline and are an input into the supervisory decision-making process. The adverse scenario has an impact of 485 bps on banks' CET1 fully loaded capital ratio (497 bps on a transitional basis), leading to a 10.2% CET1 capital ratio at the end of 2023 (10.3% on a transitional basis).
30.07.2021	EBA publishes clarifications to the sixth set of issues raised by its industry working group on Application Programming Interfaces under the Payment Services Directive (PSD2)	The EBA published clarifications to a sixth set of issues that had been raised by participants of its Working Group (WG) on Application Programming Interfaces (APIs) under the Payment Services Directive (PSD2). The clarifications respond to issues raised on authentication with electronic signatures, biometrics and authentication on mobile apps, preventing social engineering fraud, ability of payment initiation service providers to refuse a payer's request to initiate a payment transaction, and complexity in the authentication process.

Date	Consultations	Description
15.07.2021	EBA consults on the draft Guidelines on the limited network exclusion under the revised Payment Services Directive	The EBA launched a public consultation on draft Guidelines providing clarity on the application of the limited network exclusion requirements, which certain payment instruments might benefit from, as laid down in the revised Payment Services Directive (PSD2). Such payment instruments include store cards, fuel cards, public transport cards, and meal vouchers. Given the significant inconsistencies the EBA has identified on how this exclusion is applied across the EU, the proposed Guidelines aim at clarifying specific aspects of its application, including on how a network of service providers or a range of goods and services should be assessed in order to qualify as 'limited', the use of payment instruments within limited networks, the provision of excluded services by regulated financial institutions and the submission of notification to competent authorities. The consultation runs until 15 October 2021.
16.07.2021	EBA consults to amend its technical standards on currencies with constraints on the availability of liquid assets	The EBA launched a public consultation on amendments to its Implementing Technical Standards (ITS) on currencies with constraints on the availability of liquid assets in the context of the liquidity coverage ratio (LCR). The proposed amendments remove the Norwegian Krone (NOK) from the list, with the result that no currency will be recognised as having constraints on the availability of liquid assets. The consultation runs until 16 October 2021.
22.07.2021	EBA launches discussion on proportionality assessment methodology	The EBA published a Discussion Paper aiming at gathering some preliminary input on how to standardise the proportionality assessment methodology for credit institutions and investment firms. The discussion paper invites all market participants affected by the proportional treatment in the application of EBA regulatory products to provide their input. The consultation runs until 22 October 2021.

Date	Consultations	Description
26.07.2021	EBA consults on technical standards to identify shadow banking entities	The EBA launched a public consultation on draft regulatory technical standards (RTS) setting out criteria for the identification of shadow banking entities for the purposes of reporting large exposures. The consultation runs until 26 October 2021.
02.08.2021	EBA consults on new Guidelines on the role of AML/CFT compliance officers	The EBA launched a public consultation on new Guidelines on the role, tasks and responsibilities of anti-money laundering and countering the financing of terrorism (AML/CFT) compliance officers. The Guidelines also include provisions on the wider AML/CFT governance set-up, including at the level of the group. Once adopted, these Guidelines will apply to all financial sector operators that are within the scope of the AML Directive. This consultation runs until 2 November 2021.

### European Supervisory Authorities (ESAs)

Date	Publication	Description
02.07.2021	EBA and ESMA publish final guidance on fit and proper requirements	The EBA and ESMA published their revised final joint Guidelines on the assessment of the suitability of members of the management body and key function holders. These Guidelines take into account the amendments introduced by the revised Capital Requirements Directive (CRD V) and the Investment Firms Directive (IFD), and their effect on the assessment of the suitability of members of the management body, in particular with regard to money laundering and financing terrorism risks, and gender diversity. The joint final Guidelines will apply from 31 December 2021.

### Basel Committee on Banking Supervision (BCBS)

Date	Publication	Description
01.07.2021	Technical amendments finalised for minimum haircut floors for securities financing transactions	The BCBS has finalised technical amendments to the calculation of minimum haircut floors for securities financing transactions. The regulatory treatment of collateral upgrade transactions has been clarified and the calculation formula applied to netting sets has been revised.

Date	Consultation	Description
20.07.2021	Basel Committee consults on an amendment to the process for reviewing the G-SIB methodology	The BCBS consults on a technical amendment to the Basel Framework to reflect a new process for reviewing the G-SIB assessment methodology. The BCBS plans to replace the existing three-year review cycle with a process of ongoing monitoring and review. The consultation runs until 3 September 2021.

## Macroprudential topics and fora

### European Central Bank (ECB)

Date	Publications	Description
01.07.2021	Climate-related risk and financial stability	This report drafted by the ECB/ESRB Project Team on climate risk monitoring outlines several advances made in filling analytical gaps, thereby providing a better foundation to quantify the risks to EU financial stability arising from climate-related drivers. This report finds that, on average, financial stability risks from climate change are both concentrated in sectors, geographies and firms and vary over the next decades given strongly path-dependent risks. The report concludes that notwithstanding the notable progress made in measuring and assessing the impacts of climate change on financial stability, much remains to be done with regard to filling data gaps.
26.07.2021	Macroeconomic impact of Basel III finalisation on the euro area	This article assesses the economic costs and benefits of the Basel III finalisation package for the euro area and shows that the transitory costs of the reform are outweighed by its permanent long-term benefits. Implementing EU-specific modifications to the Basel III reform, such as the small and medium-sized enterprise (SME) supporting factor, credit valuation adjustment (CVA) exemptions and discretion with regard to the operational risk capital charge, reduce the already moderate transitory costs of the reform, although they also reduce its long-run benefits. Approaches that, in addition, modify the implementation of the output floor fail to further reduce the short-term economic costs of the reform while again decreasing its long-term benefits.

### European Systemic Risk Board (ESRB)

Date	Publications	Description
01.07.2021	ESRB risk dashboard, June 2021 (Issue 36)	The ESRB published its quarterly risk dashboard. For information, the ESRB risk dashboard is a set of quantitative and qualitative indicators of systemic risk in the EU financial system.
01.07.2021	ESRB Annual Report 2020	The ESRB published its annual report covering the period between 1 April 2020 and 31 March 2021. After providing an overview of the main systemic risks at the EU level, the Annual Report describes in detail the measures adopted and sets out the related policy work undertaken by the ESRB. The banking sector has been a particular point of focus, as rising credit risk related to the economic impact of the pandemic will only become fully visible over time. The ESRB's work includes studying how to use capital buffers to ensure that banks can provide lending to the real economy throughout the economic cycle, as well as identifying how to build capacity – both in the public and private sector – to manage a possible rise in corporate insolvencies.
01.07.2021	Issues note on systemic vulnerabilities of and preliminary policy considerations to reform money market funds (MMFs)	This issues note sets out the ESRB's analysis of systemic vulnerabilities in money market funds (MMFs) and identifies a broad set of preliminary policy options for their reform. The financial market turmoil at the onset of the coronavirus (COVID-19) pandemic revealed systemic vulnerabilities in MMFs which call for a reassessment of certain aspects of post-global financial crisis regulatory reforms. Some MMFs investing in private sector debt securities experienced acute liquidity strains when faced with a high level of redemptions by investors combined with a lack of liquidity in private debt money markets. This led to concerns that liquidity strains in those MMFs might amplify the effects of the COVID-19 shock in other parts of the financial system. To inform the European Commission's review of the MMF Regulation (MMFR), the ESRB will refine the policy options set out in this issues note, being mindful of wider work underway internationally.

## 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
	1%	01.07.2022
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
07.07.2021	Report on promoting climate-related disclosures	Globally consistent and comparable disclosures by firms of their climate-related financial risks are increasingly important to market participants and financial authorities as a means to give investors and other market participants the information they need to manage risks, and seize opportunities, stemming from climate change. The report sets high-level guidance, in the form of recommendations, to support financial authorities in their development of frameworks, as they consider appropriate to their wider public policy objectives, regulatory and legal frameworks. While recognising the need for jurisdictional flexibility, it aims to promote greater consistency in approaches and accelerate progress.
07.07.2021	The availability of data with which to monitor and assess climate-related risks to financial stability	This report examines the availability of data with which to monitor and assess climate-related risks to financial stability. The report also outlines priority areas of work – some of which are already in progress – that should address important data gaps to improve the monitoring and assessment of climate-related risks to financial stability. This report was prepared in close coordination with other international bodies and draws on a number of inputs. In particular, it has benefited from contributions from the BCBS, the IAIS, the IMF, IOSCO, the OECD and the World Bank. It has also been informed by the work of the Task Force on Climate-related Financial Disclosures (TCFD).
07.07.2021	FSB roadmap for addressing climate-related financial risks	The FSB roadmap sets out a comprehensive and coordinated plan for addressing climate-related financial risks, including steps and indicative timeframes needed to do so, and paves the way for implementation. It will be delivered to the G20 Finance Ministers and Central Bank Governors meeting in July 2021.

## European Securities and Markets Authority (ESMA)

Date	Publication	Description
01.07.2021	ESMA publishes latest edition of its newsletter	ESMA published its latest edition of the Newsletter "Spotlight on Markets".



<b>01.07.2021</b>	ESMA publishes first overview of national rules governing fund marketing	ESMA submitted to the European Parliament, the Council and the European Commission its first report on national rules governing the marketing of investment funds under the Regulation on cross-border distribution of funds.
<b>09.07.2021</b>	ESMA consults on derivatives clearing and trading obligations in view of the Benchmarks transition	ESMA launched a consultation on the review of the regulatory technical standards (RTS) specifying classes of derivatives subject to the clearing (CO) and trading obligations (DTO). The consultation runs until 2 September 2021.
<b>09.07.2021</b>	ESMA consults on the review of transparency requirements under MIFIR	ESMA launched a Consultation Paper on the review of the regulatory technical standards – RTS 1 equity and RTS 2 – non-equity transparency – on transparency requirements under the Markets in Financial Instruments Regulation (MiFIR). The consultation runs until 1 October 2021.
<b>12.07.2021</b>	DTCC derivatives repository fined €408,000 for EMIR data breaches	ESMA fined DTCC Derivatives Repository Plc (DDRL) a total of €408,000 for seven infringements of the European Market Infrastructure Regulation (EMIR) regarding data confidentiality, data integrity, and direct and immediate access to data.
<b>12.07.2021</b>	ESMA launches public consultations on CCP recovery regime	ESMA launched seven public consultations to gather stakeholder feedback on how to implement its central counterparty (CCP) recovery mandates. The consultations run until 20 September 2021.
<b>13.07.2021</b>	ESMA warns firms and investors about risks arising from payment for order flow	ESMA issued a public statement to remind firms that the receipt of payment for order flow (PFOF) raises significant investor protection concerns. It also highlights key MiFID II obligations aimed at ensuring firms act in their clients' best interest when executing their orders.
<b>13.07.2021</b>	ESMA publishes methodology for assessing third-country CCPs systemic importance	ESMA published a methodology for assessing whether a third-country central counterparty (TC-CCP) or some of its clearing services are of such substantial systemic importance that the TC-CCP should not be recognised to provide certain clearing services or activities in the European Union.
<b>13.07.2021</b>	ESMA consults on EMIR reporting guidelines	ESMA launched a public consultation on its draft Guidelines for derivatives reporting under EMIR. The consultation runs until 30 September 2021.
<b>15.07.2021</b>	ESMA publishes disclosure and investor protection guidance on SPACS	ESMA issued a Public Statement on the prospectus disclosure and investor protection issues raised by special purpose acquisition companies (SPACs).
<b>15.07.2021</b>	ESMA consults on amendments to MAR guidelines on delayed disclosure of inside information	ESMA launched a Consultation Paper on the review of its Guidelines on delayed disclosure of inside information under the Market Abuse Regulation (MAR) in relation to its interaction with prudential supervision. The consultation runs until 27 August 2021.
<b>16.07.2021</b>	ESMA publishes its third report on CSDR implementation	ESMA published its CSDR Report on the provision of banking-type ancillary services by central securities depositories (CSDs).
<b>19.07.2021</b>	ESMA consults on remuneration requirements under MIFID II	ESMA launched a consultation on draft ESMA guidelines on certain aspects of the MiFID II remuneration requirements. The consultation runs until 19 October 2021.
<b>19.07.2021</b>	ESMA finds NCAs imposed sanctions of €8.4 million for MIFID II breaches in 2020	ESMA published its third report on the use of sanctions and measures by National Competent Authorities (NCAs) under the Markets in Financial Instruments Directive (MiFID II).



<b>20.07.2021</b>	New Q&As available	ESMA updated its Questions and Answers on the following topics: <ul style="list-style-type: none"> <li>• AIFMD</li> <li>• UCITS</li> <li>• MiFIR data reporting</li> <li>• Prospectus</li> <li>• BMR</li> </ul>
<b>20.07.2021</b>	ESMA publishes fourth annual report on use of sanctions for UCITS	ESMA published its 2020 report on the use of supervisory sanctions by National Competent Authorities (NCAs) under the Undertakings for Collective Investments in Transferrable Securities (UCITS) Directive.
<b>20.07.2021</b>	ESMA publishes second report on sanctions under AIFMD	ESMA published its second annual report on the use by National Competent Authorities (NCAs) of sanctions under the Alternative Investment Fund Managers Directive (AIFMD).
<b>20.07.2021</b>	ESMA see small decrease in EEA prospectus approvals in 2020	ESMA published a joint Annual Report on Prospectus Activity and Sanctions for 2020.
<b>21.07.2021</b>	ESMA highlights areas for improvement in compliance with MIFID II suitability requirements	ESMA published the results of the 2020 Common Supervisory Action (CSA) on MiFID II suitability requirements.
<b>28.07.2021</b>	ESMA publishes MIFID II/MiFIR annual review report on RTS 2	ESMA published the MiFID II/MiFIR Annual Review Report under Commission Delegated Regulation (EU) 2017/583 (RTS 2). ESMA proposes to the European Commission to move to stage three of the phase-in for the transparency requirements, for both the average daily number of trades threshold used for the quarterly liquidity assessment of bonds, and for the pre-trade size specific to the instrument threshold for bonds.
<b>30.07.2021</b>	ESMA makes first CTP data available	ESMA has made available the first consolidated tape provider (CTP) data.
<b>30.07.2021</b>	ESMA makes new bond liquidity data available	ESMA has made available new data for bonds subject to the pre- and post-trade requirements of MiFID II and MiFIR through its data register.
<b>30.07.2021</b>	ESMA publishes data for the systematic internaliser calculations	ESMA published data for the systematic internaliser quarterly calculations for equity, equity-like instruments, bonds and for other non-equity instruments under MiFID II and MiFIR.



## Financial centre

### Main updated figures regarding the financial centre

			Annual comparison
<b>Banks</b>	Number (31/07/2021)	125	↘ 3 entities
	Balance sheet total (31/12/2020)	EUR 863.368 bn	↗ EUR 41.593 bn
	Profit before provisions (31/03/2021)	EUR 1.321 bn	↗ EUR 79 m
<b>Payment institutions</b>	Number (31/07/2021)	14	no variation
<b>Electronic money institutions</b>	Number (31/07/2021)	11	↗ 1 entity
<b>UCIs</b>	Number (31/07/2021)	Part I 2010 Law: 1,683	↘ 49 entities
		Part II 2010 Law: 239	↘ 6 entities
		SIFs: 1,396	↘ 55 entities
	TOTAL: 3,318	↘ 110 entities	
	Number (31/07/2021)	SICAR: 223	↘ 13 entities
	Total net assets (30/06/2021)	EUR 5,487.526 bn	↗ EUR 902.33 bn
<b>Management companies (Chapter 15)</b>	Number (31/07/2021)	180	↘ 11 entities
	Balance sheet total (30/06/2021) <sup>2</sup>	EUR 18.608 bn	↗ EUR 2.846 bn
<b>Management companies (Chapter 16)</b>	Number (31/07/2021)	155	↘ 3 entities
<b>AIFMs</b>	Number (31/07/2021)	264	↗ 6 entities
<b>Pension funds</b>	Number (31/07/2021)	12	↗ 1 entity
<b>Authorised securitisation undertakings</b>	Number (31/07/2021)	29	↘ 4 entities
<b>Investment firms</b>	Number (31/07/2021)	94	↘ 5 entities
	Balance sheet total (30/06/2021)	EUR 1.417 bn	↘ EUR 556 m
	Provisional net profit (30/06/2021)	EUR 65.08 m	↗ EUR 1.6 m
<b>Specialised PFS</b>	Number (31/07/2021)	98	↘ 2 entities
	Balance sheet total (30/06/2021)	EUR 6.688 bn	↗ EUR 497 m
	Provisional net profit (30/06/2021)	EUR 44.09 m	↘ EUR 0.46 m
<b>Support PFS</b>	Number (31/07/2021)	70	↘ 1 entity
	Balance sheet total (30/06/2021)	EUR 1.535 bn	↘ EUR 302 m
	Provisional net profit (30/06/2021)	EUR 30.36 m	↘ EUR 0.13 m
<b>Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law</b>	Number (31/07/2021)	474	↗ 34 entities
<b>Public oversight of the audit profession</b>	Number (31/07/2021)	54 <i>cabinets de révision agréés</i>	↘ 1 entity
		331 <i>réviseurs d'entreprises agréés</i>	↗ 14 people
		27 third-country auditors and audit firms	↗ 3 entities
<b>Employment (30/06/2021)</b>	Banks	26,293 people	↗ 68 people
	Management companies (Chapter 15) <sup>2</sup>	5,009 people	↗ 114 people
	Investment firms	1,841 people	↗ 81 people
	Specialised PFS	5,654 people	↗ 297 people
	Support PFS	9,049 people	↗ 187 people
	Payment institutions/electronic money institutions	669 people	↗ 82 people
	<b>Total</b>	<b>48,515 people</b>	<b>↗ 829 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.