



Newsletter No 253

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Commission de Surveillance
du Secteur Financier

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WHITE PAPER – DISTRIBUTED LEDGER TECHNOLOGIES (DLT) AND BLOCKCHAIN



Distributed Ledger Technology (DLT) is a technology that has been used for many years. Its potential has been emphasised in 2008, through the development of the

blockchain (which is a particular type of DLT) on which the crypto-currency commonly referred to as Bitcoin still relies.

Nowadays, the DLT is seen, by some, as the next step towards the digital transformation and may have a significant impact on the financial sector in the decade to come. Over the past few years, the CSSF has been increasingly solicited by financial and non-financial institutions, incumbents and start-ups, wishing to present a large diversity of applications and use-cases of DLT, in various sectors.

The CSSF applies a principle of technology neutrality and acknowledges that innovative processes and technologies can contribute to the improvement of the provision of financial services. When properly used, a DLT, like other technologies, can provide benefits for the financial sector. At the same time, the DLT entails specific risks that must be understood, mitigated and monitored.

In this context, the CSSF has decided to publish a non-binding document in the form of a “white paper” aimed at guiding interested professionals in the conduct of their due diligence process related to the DLT and its use in the provision of services in the Luxembourg financial sector.

Further reading:

<https://www.cssf.lu/en/2022/01/white-paper-distributed-ledger-technologies-dlt-blockchain/>

INTERVIEW OF CLAUDE MARX FOR DELANO - PAPERJAM



Claude Marx: “The players that will emerge as winners will be those that are able to combine three dimensions: trust, talent and sustainability.”

Claude Marx was interviewed by Delano – Paperjam before speaking at the 10x6 Luxembourg - Financial centre 2030 conference.

He spoke, among others, about the risks and benefits of blockchain, cryptocurrencies etc. and he also gave his views on the actions to be taken

so that the Luxembourg financial sector remains competitive and sustainable.

He shared his perspective on the future of the Luxembourg financial centre:

“It will be stronger than ever. But many of the players will have evolved, and new ones will appear.”

Read the full article at: <https://paperjam.lu/article/the-winners-will-be-those-that>

LOOKING BACK ON THE 2022 CSSF AML/CFT CONFERENCE FOR SPECIALISED PFS



In order to foster interaction with the specialised PFS under its supervision, the CSSF held an online conference on 24 January 2022 highlighting the key

issues on AML/CFT for the sector. Representatives of the Luxembourg Ministry of Finance and the Luxembourg Financial Intelligence Unit (FIU) were also amongst the speakers.

The orators gave feedback and clarifications on the following topics:

- the person responsible for compliance with professional obligations (*responsable du respect des obligations*, RR) and the compliance

officer in charge of the control of compliance with the professional obligations (*responsable du contrôle du respect des obligations*, RC)

- key takeaways from the 2021 AML/CFT questionnaire for specialised PFS.
- legal framework and obligations for the operators in terms of international sanctions.
- interactions with the FIU.
- findings of off-site and on-site inspections.
- the EU AML Package.
- lessons learned from the 2020 Sub-sector risk assessment on trust and company service provider activities (“SSRA TCSP”).

Listen to the podcast:

<https://www.cssf.lu/en/Document/looking-back-on-the-2022-cssf-aml-cft-conference-for-specialised-pfs/>

INTERVIEW OF KAREN O’SULLIVAN FOR LUXEMBOURG FOR FINANCE



Karen O’Sullivan: “One of the ideas behind the guidance was to give assurance to the market that we are open and willing to embrace innovation.”

As part of the Focus on Digital Capital Raising organised by Luxembourg for Finance, Karen O’Sullivan was interviewed on the recent Guidance on Virtual Assets and related FAQs on Virtual Assets – UCIs and

Credit Institutions that the CSSF published at the end of last year. The questions asked were related to why the CSSF decided to issue this Guidance on virtual assets now, the thinking behind issuing a separate set

of FAQ related to investment funds and another for credit institutions. A specific clarification was sought as to the approach regarding the direct investment of UCITS in virtual assets and another question aiming at understanding why a credit institution could offer a securities account for virtual assets but not a current account denominated in a virtual currency. The session ended with a general question as to the current level of interest we see on the side of the industry and what a firm interested in providing virtual asset services should do.

Listen to the full interview (starts at 1:01:47):

<https://streaming.bce.lu/luxembourg-for-finance/focus-on-digital-capital-raising/46/#/home>



Coronavirus: Information for all supervised entities

Summary of the communications by the European authorities

On 10 January 2022, the EBA published its quarterly Risk Dashboard together with the results of the autumn edition of the Risk Assessment Questionnaire (RAQ). According to the EBA, the bank capital ratios remain well above regulatory requirements. Asset quality has further improved, but there are concerns for loans that have benefited from moratoria and public guarantee schemes not least due to general uncertainty due to COVID-19 variant Omicron. Profitability has stabilised at levels above those seen before the pandemic. The majority of banks expect a rise in operational risks mainly due to elevated cyber risks.

<https://www.eba.europa.eu/asset-quality-has-further-improved-cyber-risk-remains-source-concern-eu-banks>

On 12 January 2022, Andrea Enria, Chair of the Supervisory Board of the ECB, gave an introductory statement during the exchange of views with the European Affairs Committee and Finance Committee of the French Senate.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2022/html/ssm.sp220112~0fab1eb3ad.en.html>

On 13 January 2022, Pentti Hakkarainen, Member of the Supervisory Board of the ECB, gave a speech at the Institute for Financial Integrity and Sustainability.

<https://www.bankingsupervision.europa.eu/press/speeches/date/2022/html/ssm.sp220113~8101be7500.en.html>

On 17 January 2022, following the uncertainty over COVID-19 developments, the EBA confirmed the need to continue monitoring exposures and the credit quality of loans benefitting from various public support measures. To facilitate such monitoring, the EBA Guidelines on the reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis (EBA/GL/2020/07) continue to apply until further notice.

<https://www.eba.europa.eu/eba-confirms-continued-application-covid-19-related-reporting-and-disclosure-requirements-until>

On 18 January 2022, the ESRB published a report titled *Will video kill the radio star? – Digitalisation and the future of banking*. This report of the ESRB's Advisory Scientific Committee considers how digitalisation may change the way financial services are provided in the future, identifying financial and non-financial risks and forming possible policy responses to them.

https://www.esrb.europa.eu/pub/pdf/asc/esrb.ascreport202201_digitalisationandthefutureofbanking~83f079b5c7.en.pdf?87d77f9d8be17bcd1c5bacb79455b1f0

On 21 January 2022, the ECB published an article titled *Mind the liquidity gap: a discussion of money market fund reform proposals*. The article assesses proposed reforms to the Money Market Funds (MMF) Regulation to enhance the resilience of the sector. Specifically, the article provides a rationale for requiring private debt MMFs to hold higher levels of liquid assets, of which a part should be public debt, and considers the design and calibration of such a requirement. The article also proposes that the impediments to the use of liquidity buffers should be removed and authorities should have a role in releasing these buffers. Finally, while the removal of a stable net asset value (NAV) for low-volatility MMFs would reduce cliff effects, the article argues that this might not be necessary if liquidity requirements for these private debt MMFs are sufficiently strengthened.

https://www.ecb.europa.eu/pub/financial-stability/macprudential-bulletin/html/ecb.mpbu202201_1~218b65d720.en.html



Warnings

Warnings of the CSSF

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

- Warning concerning fraudulent activities misusing the identity of the management company DNCA Finance
- Warning regarding the fraudulent activities where the name of the investment firm Andreas Capital S.A. is misused
- Warning regarding the activities of an entity named CryptoLand

Given the significant number of fraudulent websites recently identified, the CSSF recommends verifying whether the entity with which you would like to do business is supervised by the CSSF by using the application "**Search Entities**". Please pay attention to details on the websites such as: unusual or foreign phone numbers, wrong address, spelling mistakes etc. In case of doubt, please visit our [website](#) and contact the CSSF.

Warnings published by IOSCO

Several warnings have been published on the IOSCO website at:

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



National regulation

CSSF Regulation No 22-01 – auditing standards

The purpose of CSSF Regulation No 22-01 is to adopt auditing standards in the field of statutory audit under the Law of 23 July 2016 concerning the audit profession and standards on professional ethics and internal quality control or on quality management, respectively, under the Law of 23 July 2016 concerning the audit profession.

<https://www.cssf.lu/en/Document/cssf-regulation-no-22-01/>

Circular CSSF 22/793 – electronic transmission of the annual closing documents

The circular provides details on the procedure for the electronic transmission to the CSSF of the annual closing documents by specialised PFS.

<https://www.cssf.lu/en/Document/circular-cssf-22-793/>

Circular CSSF 22/794 – audit profession

The purpose of this circular is to update the Annex to Circular CSSF 19/717 on the update of the general presentation of the Law of 23 July 2016 and of the regulations on audit profession following the publication of CSSF Regulation No 22-01.

<https://www.cssf.lu/en/Document/circular-cssf-22-794/>

Circular CSSF 22/795 – marketing communications under the regulation on cross-border distribution of funds

The purpose of the circular is to inform Luxembourg investment managers that the CSSF, in its capacity as competent authority, applies the Guidelines of ESMA on marketing communications (ESMA34-45-1272) under the CBDF Regulation, published on 2 August 2021. 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-22-795/>

Circular CSSF 22/796 – methodology, oversight function and record keeping under the Benchmarks Regulation

The purpose of the circular is to inform the persons or entities which are administrators as defined in Article 3(1)(6) of the Benchmarks Regulation (benchmark administrators) that the CSSF, in its capacity as competent authority, applies the Guidelines of ESMA on methodology, oversight function and record keeping under the Benchmarks Regulation (Ref. ESMA81-393-288) published on 7 December 2021. Consequently, the CSSF has integrated the Guidelines into its administrative practice and regulatory approach with a view to promoting supervisory convergence in this field at European level. All benchmark administrators must duly comply with them.

<https://www.cssf.lu/en/Document/circular-cssf-22-796/>

Circular CSSF 22/797 – sound remuneration policies

The purpose of the circular is to inform the entities concerned that the CSSF, in its capacity as competent authority, applies the Guidelines of the EBA on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04), published on 2 July 2021. Consequently, the CSSF has integrated the Guidelines into its administrative practice and regulatory approach with a view to promote supervisory convergence in this field at European level.

All credit institutions, as defined in point (12) of Article 1 of the Law of 5 April 1993 on the financial sector (LFS), and all CRR investment firms, as defined in point (9a) of Article 1 of the LFS, must duly comply with them.

Circular CSSF 17/658 regarding the adoption of the EBA Guidelines on sound remuneration policies (EBA/GL/2015/22) and Circular CSSF 11/505 regarding details relating to the application of the principle of proportionality are repealed.

<https://www.cssf.lu/en/Document/circular-cssf-22-797/>

Circular CSSF 22/798 – short selling and certain aspects of credit default swaps

The circular amends Circular CSSF 12/548 of 30 October 2012 on the entry into force of Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps and details on certain practical aspects of notification, disclosure and exemption procedures, as amended, in order to reflect changes made by Commission Delegated Regulation (EU) 2022/27 of 27 September 2021 amending Regulation (EU) No 236/2012 of the European Parliament and of the Council as regards the adjustment of the relevant threshold for the notification of significant net short positions in shares.

<https://www.cssf.lu/en/Document/circular-cssf-22-798/>

Circular letter of 31 January 2022 – fight against ML/TF

The circular concerns the annual online survey for the year 2021 collecting standardised key information concerning money laundering and terrorism financing risks to which the supervised professionals are exposed and the implementation of the related risk mitigation and targeted financial sanction measures. This survey will be launched on 15 February 2022.

<https://www.cssf.lu/en/Document/circular-letter-2022-01-31/>



Communiqués

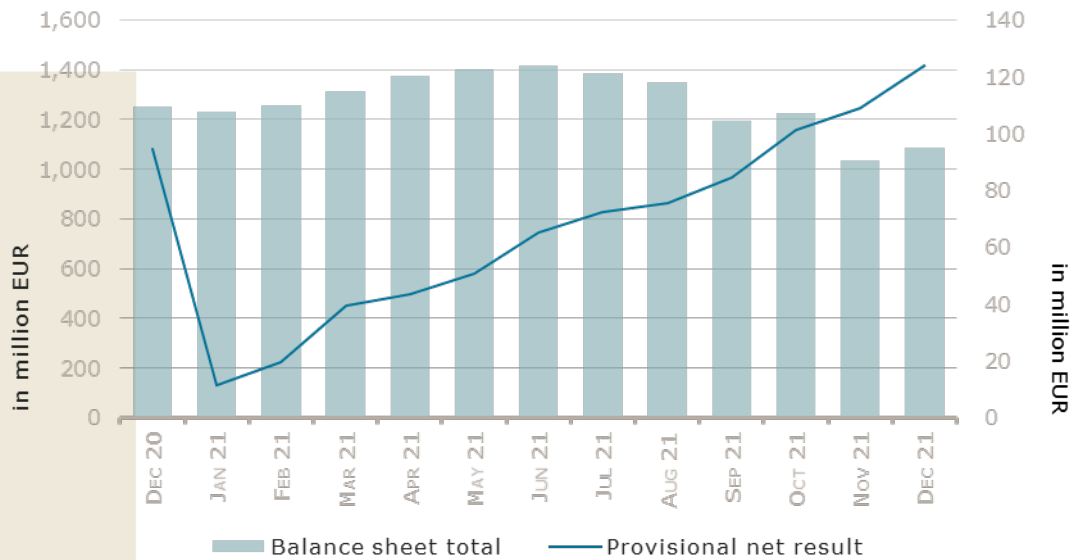
Date	Publications
24.01.2022	Launch of the ESMA Common Supervisory Action on valuation of UCITS and open-ended AIFs
01.02.2022	Monitoring the quality of transaction reports received under Article 26 of MiFIR
01.02.2022	Global situation of undertakings for collective investment at the end of December 2021



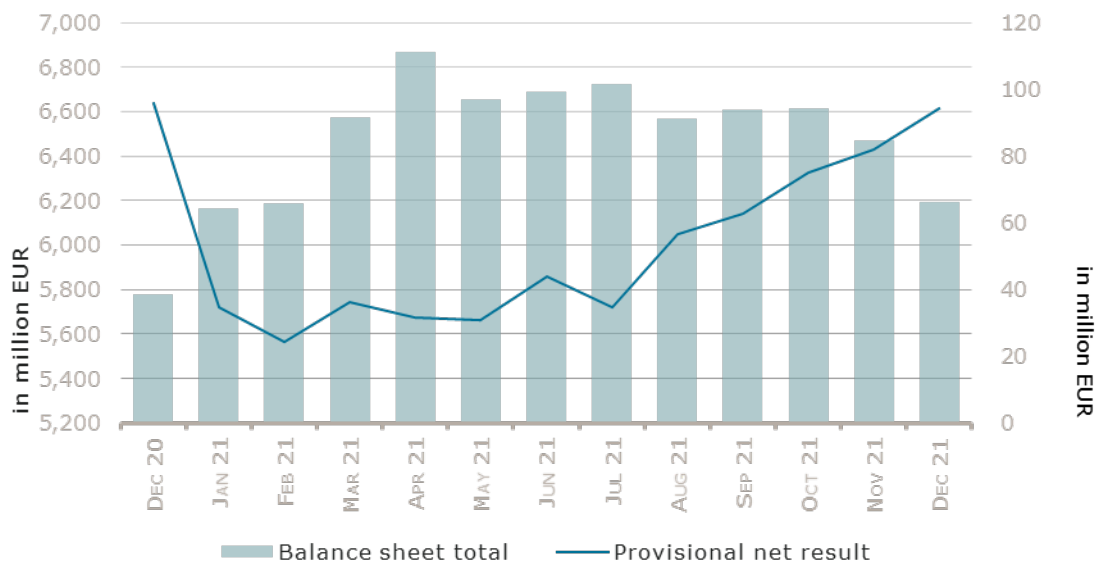
Statistics

MONTHLY STATISTICS

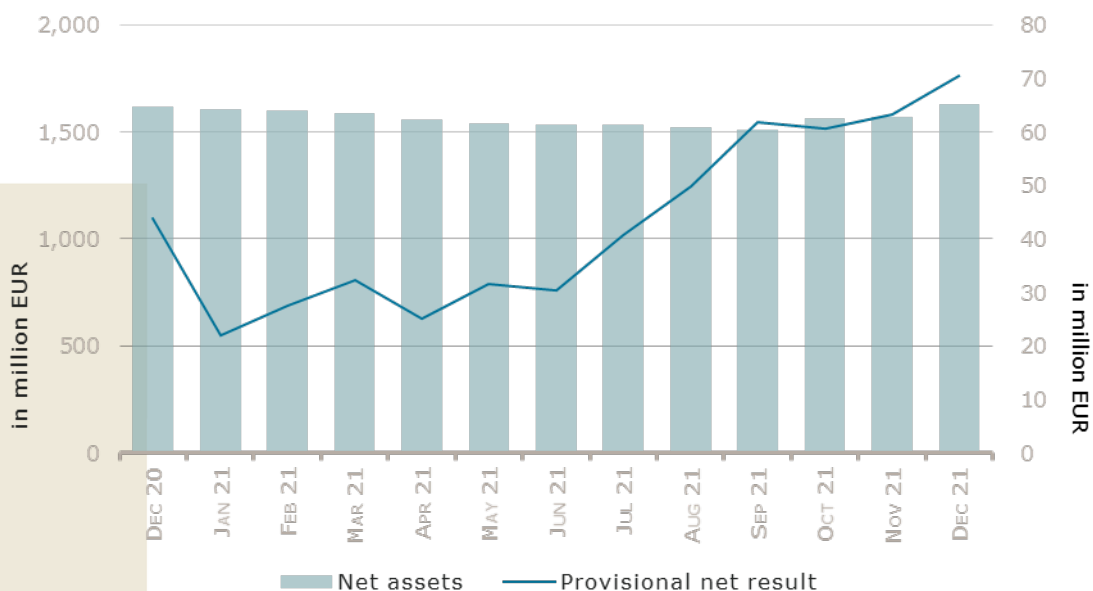
INVESTMENT FIRMS: INCREASE IN THE BALANCE SHEET TOTAL AS AT 31 DECEMBER 2021



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



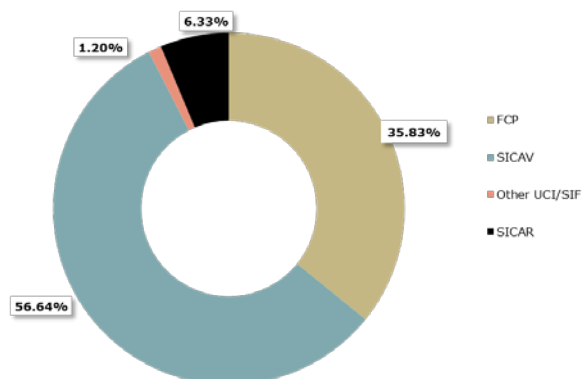
**SUPPORT PFS:
INCREASE IN THE BALANCE SHEET TOTAL AS AT 31 DECEMBER 2021**



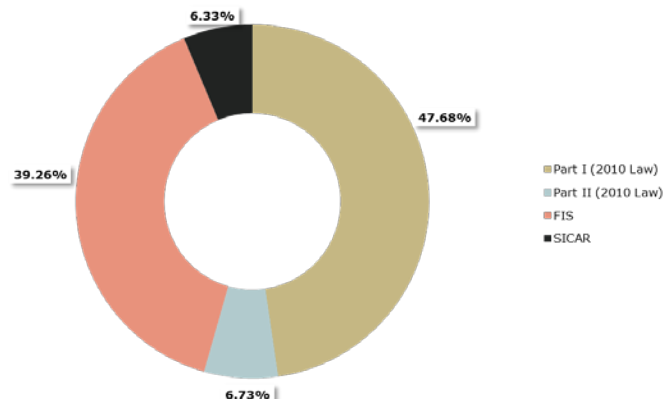
UCIS: SITUATION AS AT 31 DECEMBER 2021

NUMBER OF UCIS

Breakdown of UCIs according to legal form



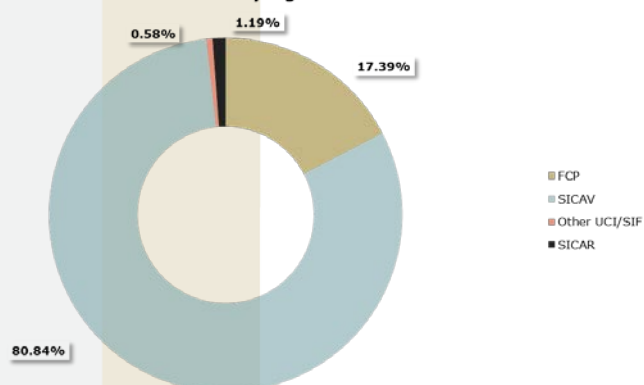
Breakdown of UCIs according to law and part applicable



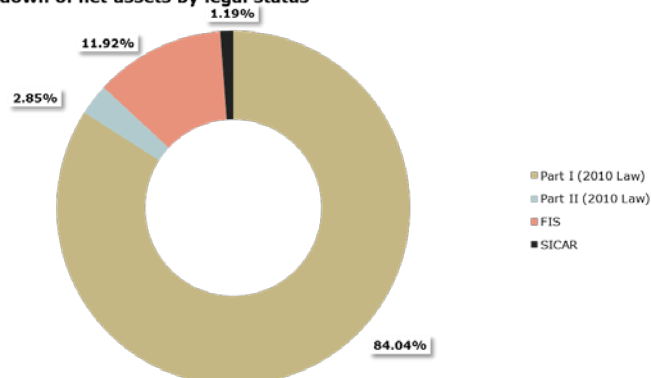
	FCP	SICAV	Other UCIs / SIFs	SICARs	Total
Part I (2010 Law)	849	816	0	0	1,665
Part II (2010 Law)	110	123	2	0	235
SIFs	292	1,039	40	0	1,371
SICARs	0	0	0	221	221
Total	1,251	1,978	42	221	3,492

NET ASSETS OF UCIS

Breakdown of net assets of UCIs by legal form



Breakdown of net assets by legal status



in billion EUR	FCP	SICAV	Other UCIs / SIFs	SICARs	Total
Part I (2010 Law)	744.676	4,179.834	0.000	0.000	4,924.510
Part II (2010 Law)	48.682	117.657	0.420	0.000	166.759
SIFs	225.560	439.593	33.399	0.000	698.552
SICARs	0.000	0.000	0.000	69.664	69.664
Total	1,018.918	4,737.084	33.819	69.664	5,859.485

NET ASSETS BROKEN DOWN BY INVESTMENT POLICY

Breakdown by investment policy	Net assets (in bn €)	Number of fund units
Fixed-Income Transferable Securities	1,475.105	3,186
Variable-Yield Transferable Securities	2,101.164	4,098
Mixed Transferable Securities	1,141.861	3,520
Funds of Funds	354.267	2,098
Money Market Instruments and Other Short-Term Securities	432.395	208
Cash	11.078	9
Private Equity	64.561	241
Venture Capital	3.083	32
Real Estate	110.801	321
Futures and/or Options	15.025	78
Other Assets	80.481	297
Public-to-Private	0.120	2
Mezzanine	2.986	13
Venture Capital (SICARs)	11.386	79
Private Equity (SICARs)	55.172	263
TOTAL	5,859.485	14,445

Breakdown by investment policy	Net assets (in bn €)	Number of fund units	Subscriptions (in bn €)	Redemptions (in bn €)	Net subscriptions (in bn €)
PART I					
Fixed-Income Transferable Securities	1,369.138	2,742	58.948	52.276	6.672
Variable-Yield Transferable Securities	2,013.922	3,773	71.117	64.043	7.074
Mixed Transferable Securities	931.651	2,547	31.685	26.342	5.343
Funds of Funds	177.573	844	4.995	4.112	0.883
Money Market Instruments and Other Short-Term Securities	408.040	175	275.630	268.905	6.725
Cash	11.038	8	4.509	4.031	0.478
Futures and/or Options	9.373	44	0.662	0.618	0.044
Other Assets	3.775	9	0.108	0.322	-0.214
SUB-TOTAL PART I	4,924.510	10,142	447.654	420.649	27.005
PART II					
Fixed-Income Transferable Securities	15.619	89	0.552	0.340	0.212
Variable-Yield Transferable Securities	14.357	63	0.199	0.211	-0.012
Mixed Transferable Securities	66.744	182	1.324	1.164	0.160
Funds of Funds	33.262	199	0.606	0.592	0.014
Money Market Instruments and Other Short-Term Securities	13.971	23	1.111	1.203	-0.092
Cash	0.000	0	0.000	0.000	0.000
Private Equity	12.482	20	0.009	0.025	-0.016
Venture Capital	0.450	1	0.051	0.000	0.051
Real Estate	3.620	8	0.019	0.000	0.019
Futures and/or Options	1.455	13	0.024	0.016	0.008
Other Assets	4.799	24	0.056	0.061	-0.005
SUB-TOTAL PART II	166.759	622	3.951	3.612	0.339

SIF

Fixed-Income Transferable Securities	90.348	355	2.324	1.715	0.609
Variable-Yield Transferable Securities	72.885	262	0.692	0.984	-0.292
Mixed Transferable Securities	143.466	791	1.844	1.375	0.469
Funds of Funds	143.432	1,055	2.793	1.377	1.416
Money Market Instruments and Other Short-Term Securities	10.384	10	2.236	3.534	-1.298
Cash	0.040	1	0.000	0.000	0.000
Private Equity	52.079	221	1.090	0.241	0.849
Venture Capital	2.633	31	0.069	0.011	0.058
Real Estate	107.181	313	2.725	0.422	2.303
Futures and/or Options	4.197	21	0.055	0.011	0.044
Other Assets	71.907	264	1.039	0.547	0.492
SUB-TOTAL SIFs	698.552	3,324	14.867	10.217	4.650

SICARs

Public-to-Private	0.120	2	0.000	0.000	0.000
Mezzanine	2.986	13	0.000	0.000	0.000
Venture Capital	11.386	79	0.000	0.000	0.000
Private Equity	55.172	263	0.214	0.092	0.122
TOTAL SICARs	69.664	357	0.214	0.092	0.122
TOTAL LUXEMBOURG UCIS	5,859.485	14,445	466.686	434.570	32.116

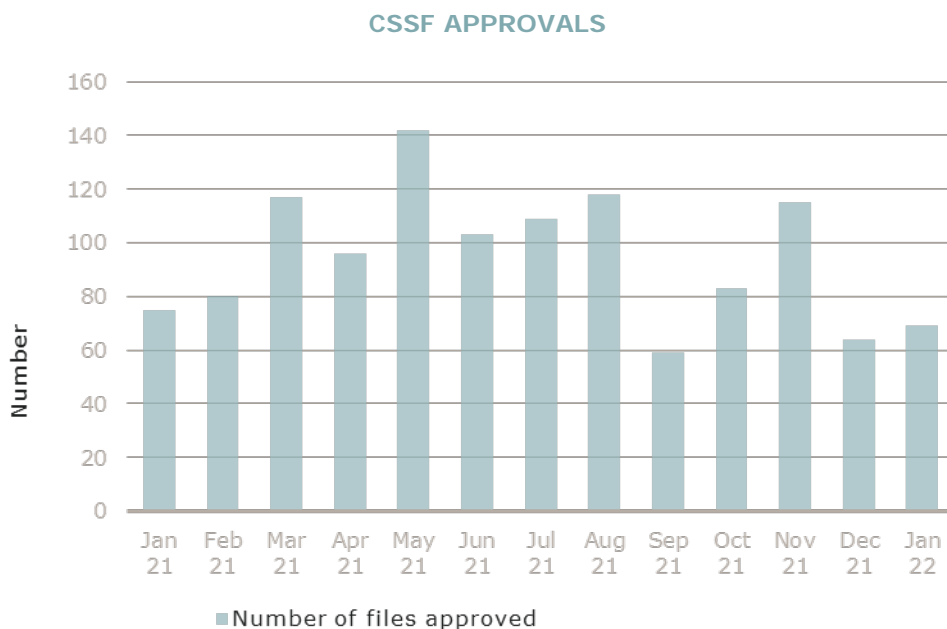
ORIGIN OF THE INITIATORS OF LUXEMBOURG UCIS

Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
US	1,203.936	20.5%	165	4.7%	1,161	8.0%
GB	977.373	16.7%	245	7.0%	1,644	11.4%
DE	835.916	14.3%	1,125	32.2%	2,377	16.4%
CH	825.437	14.1%	528	15.1%	2,696	18.7%
FR	616.306	10.5%	265	7.6%	1,527	10.6%
IT	365.394	6.2%	127	3.7%	1,232	8.5%
BE	249.488	4.3%	140	4.0%	775	5.4%
LU	215.642	3.7%	277	7.9%	837	5.8%
DK	130.044	2.2%	20	0.6%	204	1.4%
NL	128.038	2.2%	41	1.2%	261	1.8%
OTHERS	311.911	5.3%	559	16.0%	1,731	12.0%
TOTAL	5,859.485	100.0%	3,492	100.0%	14,445	100.0%

BREAKDOWN OF UCI FUND UNITS REGISTERED IN LUXEMBOURG BY REFERENCE CURRENCY

Currency	Net assets (in bn EUR)	in %	Number of fund units	in %
AUD	4.008	0.068%	20	0.138%
CAD	4.285	0.073%	18	0.125%
CHF	57.889	0.988%	254	1.758%
CNH	13.805	0.236%	27	0.187%
CNY	10.586	0.181%	4	0.028%
CZK	1.415	0.024%	70	0.485%
DKK	1.648	0.028%	12	0.083%
EUR	3,039.549	51.874%	8,933	61.842%
GBP	192.636	3.288%	296	2.049%
HKD	3.819	0.065%	8	0.055%
HUF	0.272	0.005%	21	0.145%
JPY	63.724	1.087%	165	1.142%
NOK	6.854	0.117%	36	0.249%
NZD	0.291	0.005%	1	0.007%
PLN	0.158	0.003%	4	0.028%
RON	0.574	0.010%	4	0.028%
SEK	47.177	0.805%	121	0.838%
SGD	1.338	0.023%	7	0.048%
USD	2,409.436	41.120%	4,443	30.758%
ZAR	0.021	0.000%	1	0.007%
TOTAL	5,859.485	100.000%	14,445	100.000%

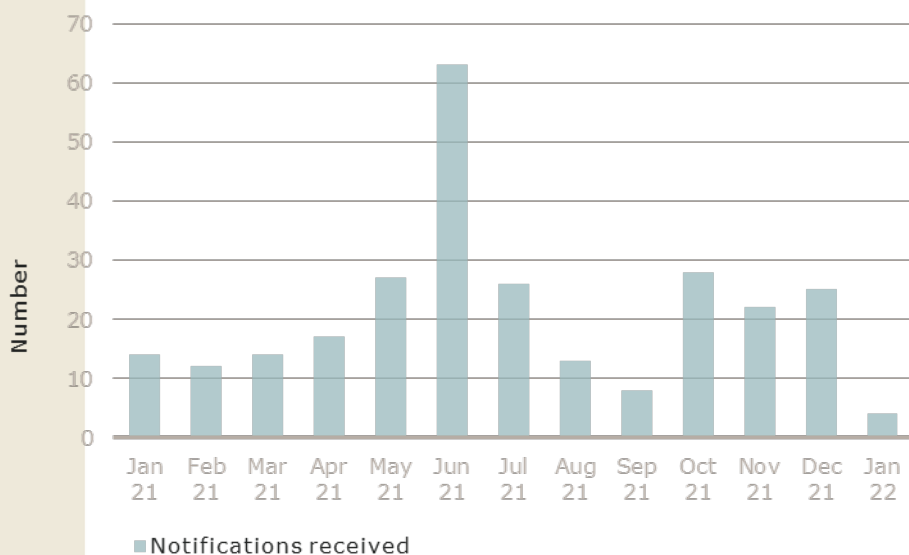
PROSPECTUSES TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET



In January 2022, the CSSF approved a total of 69 documents pursuant to the Prospectus Regulation, which break down as follows:

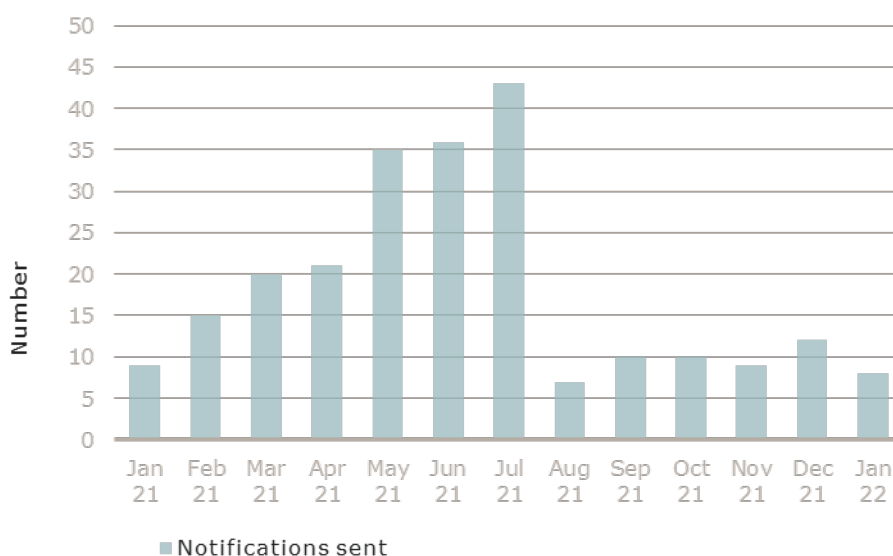
base prospectuses:	9 (13.04%)
other prospectuses:	9 (13.04%)
supplements:	51 (73.92%)

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



In January 2022, the CSSF received 4 notifications relating to prospectuses and base prospectuses and 28 notifications relating to supplements from competent authorities of other EEA Member States.

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



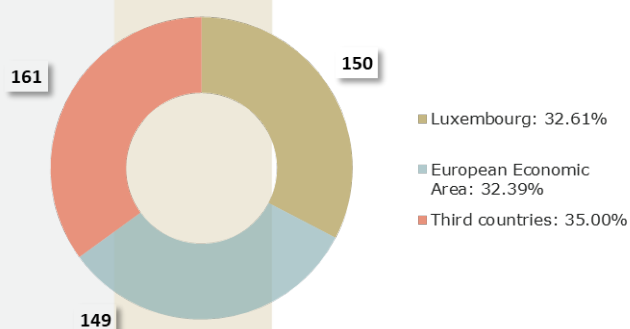
In January 2022, the CSSF sent 8 notifications relating to prospectuses and base prospectuses and 33 notifications relating to supplements to the competent authorities of other EEA Member States¹.

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

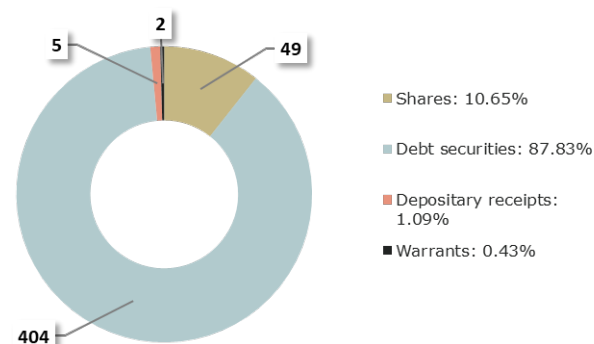
Since 31 December 2021, four issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, three issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 31 January 2022, **460 issuers** subject to the supervision of the CSSF were included in the list of issuers whose home Member State is Luxembourg pursuant to the Transparency Law.

Breakdown of issuers according to countries



Breakdown of issuers according to type of securities admitted to trading



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

PENSION FUNDS

As at 31 January 2022, **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 **16**.

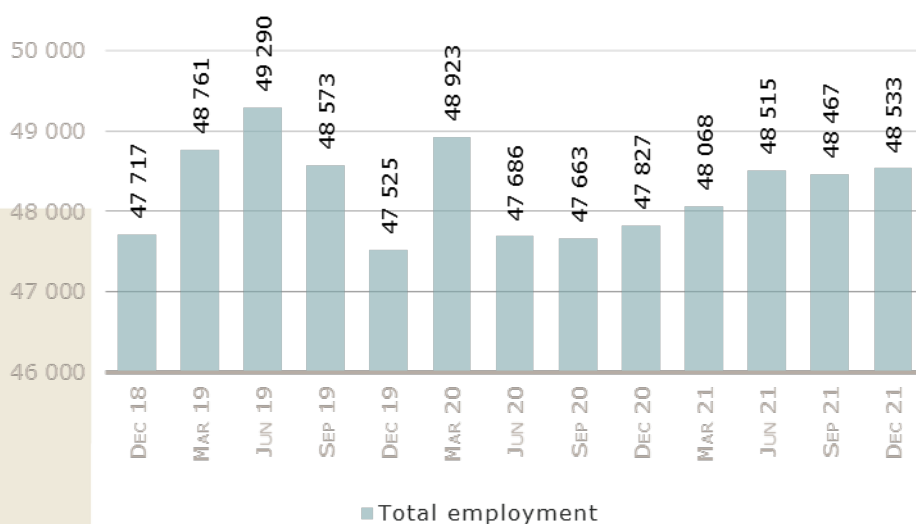
SECURITISATION UNDERTAKINGS

The number of **securitisation undertakings** authorised by the CSSF in accordance with the Law of 22 March 2004 on securitisation amounted to **28** entities as at 31 January 2022.

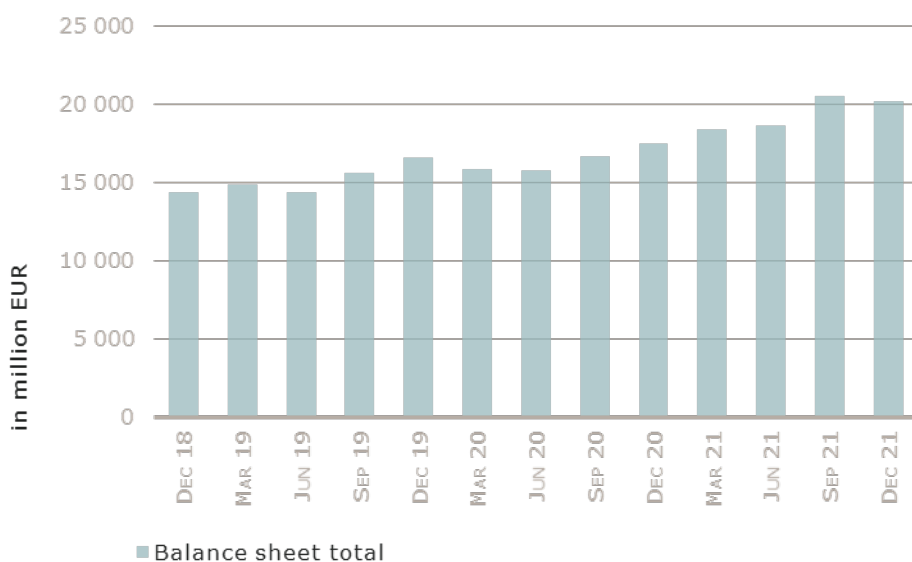
PUBLIC OVERSIGHT OF THE AUDIT PROFESSION

The public oversight of the audit profession covered **52 cabinets de révision agréés** (approved audit firms) and **341 réviseurs d'entreprises agréés** (approved statutory auditors) as at 31 January 2022. The oversight also included **22 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 DECREASE IN THE BALANCE SHEET TOTAL AS AT 31 DECEMBER 2021



Human resources

In order to increase its staff, the CSSF has hired 10 employees since the publication of the last Newsletter and counts, after the departure of 2 agents, 961 agents (524 men and 437 women). They have been assigned to the following departments:

On-site Inspection

Thomas REMETTER

Depositor and Investor Protection

Romain LOMBARDO

Supervision of Information Systems and Support PFS

Ana Cristina ARAUJO BARROS

Department "Human Resources and Finance"

Patrick FIGUEIREDO LADEIRA

Saida HALOUM

Nina KRAFT

Marie REITEROVA

Kim WILWERT

Information Systems of the CSSF (IT)

Quentin LACOUR

Pierre PARET



European/International News in January 2022

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

Date	Publications	Description
07/01/2022	Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Comín i Oliveres, Ms Ponsatí Obiols, Mr Puigdemont i Casamajó, MEPs, on banking supervision	Publication of a letter from the Chair of the Supervisory Board to Members of the European Parliament in response to a written request related to banking supervision.
12/01/2022	ECB publishes supervisory banking statistics for the third quarter of 2021	Publication of the supervisory banking statistics for the third quarter of 2021.
27/01/2022	ECB Banking Supervision launches 2022 climate risk stress test	Publication of a press release concerning the launch of the 2022 climate risk stress test.
27/01/2022	Macro-financial scenarios for the 2022 climate risk stress test	Publication of a note concerning the macro-financial scenarios for the 2022 climate risk stress test.

Date	Interviews and speeches	Description
10/01/2022	Andrea Enria: Interview with Les Échos	Interview with Andrea Enria, Chair of the Supervisory Board of the ECB, conducted by Thibaut Madelin, Édouard Lederer and Alexandre Counis.

European Parliament, European Commission and European Council

Date	Regulatory developments	Description
20/01/2022	Commission Delegated Regulation (EU) 2022/76 of 22 September 2021	Publication of Commission Delegated Regulation (EU) 2022/76 of 22 September 2021 supplementing Regulation (EU) 2019/2033 of the European Parliament and of the Council with regard to regulatory technical standards specifying adjustments to the K-factor 'daily trading flow' (K-DTF) coefficients for investment firms

European Banking Authority (EBA)

Date	Publications	Description
05/01/2022	EBA alerts on the detrimental impact of unwarranted de-risking and ineffective management of money laundering and terrorist financing risks	The EBA published its Opinion on the scale and impact of de-risking in the EU and the steps competent authorities should take to tackle unwarranted de-risking. Providing access to at least basic financial products and services is a prerequisite for the participation in modern economic and social life and de-risking, when unwarranted, can cause the financial exclusion of legitimate customers. It can also affect competition and financial stability.
13/01/2022	EBA publishes Guidelines for institutions and resolution authorities on improving banks' resolvability	The EBA published its final Guidelines for institutions and resolution authorities on improving banks' resolvability. These Guidelines represent a significant step in complementing the EU legal framework in the field of resolution based on international standards and leveraging on EU best practices.

Date	Publications	Description
17/01/2022	EBA publishes a Discussion Paper on its preliminary observations on selected payment fraud data under the Payment Services Directive	The EBA published a Discussion Paper on its preliminary observations on selected payment fraud data under the Payment Services Directive (PSD2), as reported by the industry for the years 2019 and 2020. This Paper presents the main findings related to three payment instruments: credit transfers, card-based payments and cash withdrawals and also outlines other patterns that appear to be inconclusive and that would benefit from comments and views from market stakeholders. The responses to the questions raised in the Discussion Paper will support the EBA, the European Central Bank (ECB) and national authorities in interpreting the fraud data that will be reported in future years.
24/01/2022	EBA publishes binding standards on Pillar 3 disclosures on ESG risks	The EBA published its final draft implementing technical standards (ITS) on Pillar 3 disclosures on Environmental, Social and Governance (ESG) risks. The final draft ITS put forward comparable disclosures to show how climate change may exacerbate other risks within institutions' balance sheets, how institutions are mitigating those risks, and their ratios, including the GAR, on exposures financing taxonomy-aligned activities, such as those consistent with the Paris agreement goals.
26/01/2022	EBA amends standards on currencies with constraints on the availability of liquid assets	The EBA published its final Report 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. As a result, no currency will be recognised as having constraints on the availability of liquid assets.
31/01/2022	EBA launches today 'EuReCA', the EU's central database for anti-money laundering and counter-terrorism financing	The EBA launched its central database for anti-money laundering and counter-terrorist financing (AML/CFT). This European reporting System for material AML/CFT weaknesses, EuReCA, will be central to coordinating efforts by competent authorities and the EBA to prevent and counter money laundering and terrorist financing (ML/TF) risks in the Union.

Date	Consultations	Description
13/01/2022	EBA launches a public consultation on transferability in the context of resolution	The EBA launched its consultation paper on Guidelines for institutions and resolution authorities on transferability of parts of or a whole bank in the context of resolution to complement the resolvability assessment for transfer strategies. In particular, the Guidelines specify separability in the context of the application of transfer tools. The consultation runs until 15 April 2022.
21/01/2022	EBA consults on updates to its Guidelines on data collection exercises regarding high earners	The EBA launched a consultation on updates to its Guidelines on the data collection exercise on high earners, which were originally published in 2012 and revised in 2014. The review of the data collection exercises reflects the amended remuneration framework laid down in the Capital Requirements Directive (CRD V), including the introduction of derogations to pay out a part of the variable remuneration in instruments and under deferral arrangements. In addition, the need to update these Guidelines stems from the specific remuneration regime that has been introduced for investment firms and is laid down in the Investment Firms Directive (IFD) and Investment Firms Regulation (IFR). The consultation runs until 21 March 2022.

21/01/2022	EBA consults on draft Guidelines on remuneration and gender pay gap benchmarking exercise for banks and investment firms	<p>The EBA launched a consultation to update its Guidelines on the remuneration benchmarking exercise under the Capital Requirements Directive (CRD V), which was originally published in 2012 and updated in 2014. The review integrates additional requirements introduced by CRD V regarding the application of derogations to the requirement to pay out a part of variable remuneration in instruments and under deferral arrangements and the benchmarking of the gender pay gap. In addition, the review also includes guidance on how to harmonise the benchmarking of approvals granted by shareholders to use higher ratios than 100% between the variable and fixed remuneration. A separate and specific set of Guidelines is provided for investment firms under the Investment Firms Directive (IFD).</p> <p>The consultation runs until 21 March 2022.</p>
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European Supervisory Authorities (ESAs)

Date	Publication	Description
07/01/2022	The ESAs publish list of financial conglomerates for 2021	The Joint Committee of the ESAs published the list of identified financial conglomerates for 2021.
27/01/2022	The ESAs welcome ESRB Recommendation to create a pan-European systemic cyber incident coordination framework	The ESAs published a statement welcoming the European Systemic Risk Board's (ESRB) Recommendation on systemic cyber risk, which calls on the ESAs to prepare for the gradual development of a Pan-European systemic cyber incident coordination framework (EU-SCICF). This will support an effective and coordinated response at EU-level in the event of a major cross-border cyber incident that could have a systemic impact on the Union's financial sector.
31/01/2022	The ESAs publish thematic repository on financial education and digitalisation initiatives of National Competent Authorities	The ESAs published a Joint ESAs thematic repository on financial education and digitalisation initiatives of National Competent Authorities (NCAs), with a specific focus on cybersecurity, scams and fraud. The repository contains 127 national initiatives that provide consumers with helpful information on how to improve their financial literacy. In addition, the EBA also published the second edition of its general repository of national education initiatives in the banking sector, which contains another 200 initiatives.

Macroprudential topics and fora

European Systemic Risk Board (ESRB)

Date	Publications	Description
25/01/2022	ESRB recommends increasing the resilience of money market funds	In view of the forthcoming revision of the Money Market Fund Regulation, the ESRB issued several recommendations to the European Commission (e.g. with regard to liquidity transformation and the monitoring and stress-testing frameworks).
27/01/2022	ESRB recommends establishing a systemic cyber incident coordination framework	The ESRB recommends the establishment of a pan-European systemic cyber incident coordination framework (EU-SCICF). According to the ERSB, this new framework would complement the existing EU cyber incident response frameworks by addressing the risks to financial stability stemming from cyber incidents.

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
	1%	01.10.2022
	1.5%*	01.01.2023
Czech Republic	0.5%	01.07.2020
	1%	01.07.2022
	1.5%	01.10.2022
	2%	01.01.2023
Denmark	1%	30.09.2022
	2%*	31.12.2022
Estonia	1%	07.12.2022
Iceland	2%	29.09.2022
Luxembourg	0.5%	01.01.2021
Norway	1%	13.03.2020
	1.5%	30.06.2022
	2%	31.12.2022
Romania	0.5%	17.10.2022
Slovakia	1%	01.08.2020
Sweden	1%	29.09.2022

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

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

European Securities and Markets Authority (ESMA)

Date	Publication	Description
03.01.2022	ESMA publishes guidance on appropriateness and execution-only requirements under MIFID II	ESMA published the final report on its Guidelines on certain aspects of the MiFID II appropriateness and execution-only requirements.
04.01.2022	ESMA launches call for evidence on distributed ledger technology	ESMA published a call for evidence on distributed ledger technology (DLT). The call for evidence seeks input from stakeholders on the use of DLT for trading and settlement and on the need for amending the regulatory technical standards (RTS) on regulatory reporting and transparency requirements. The deadline for comments is 4 March 2022.
05.01.2022	ESMA publishes guidelines on delayed disclosure under MAR	ESMA published its Final Report on the amendment of the Market Abuse Regulation (MAR) guidelines on delayed disclosure in relation to prudential supervision. The Guidelines are adding certain cases to the list of legitimate interests of issuers for delaying public disclosure of inside information.
07.01.2022	ESMA seeks investor protection and intermediaries' experts for stakeholder panel	ESMA extended the deadline for the call for candidates to renew the composition of its Consultative Working Group (CWG) which advises its Investor Protection and Intermediaries Standing Committee (IPISC).
18.01.2022	ESMA issues 2021 report on accepted market practices under MAR	ESMA published its annual report on the application of accepted market practices (AMPs) in accordance with the Market Abuse Regulation (MAR).

20.01.2022	ESMA launches a common supervisory action with NCAs on valuation of UCITS and open-ended AIFS	ESMA launched a Common Supervisory Action (CSA) with National Competent Authorities (NCAs) on the valuation of UCITS and open-ended Alternative Investment Funds (AIFs) across the EU.
26.01.2022	ESMA appoints two new members to its management board	ESMA reappointed one current member and appointed two new members to its Management Board to replace outgoing members. The appointments took place at the Board of Supervisors meeting on 25 January.
26.01.2022	ESMA requires to report net short positions between 0.1% and 0.2% during transition	ESMA published a statement to clarify how to report net short positions (NSPs) between 28 and 31 January 2022 when the reporting threshold changes from 0.2% to 0.1%.
28.01.2022	New Q&As available	ESMA updated the following Questions and Answers: <ul style="list-style-type: none"> • Benchmarks Regulation (BMR) • European crowdfunding service providers for business Regulation • MiFID II and MiFIR transparency topics • SFTR data reporting
31.01.2022	ESMA starts supervision of benchmarks and assumes chair of EURIBOR college	ESMA is since 1 January the supervisor of European Union (EU) critical benchmarks administrators and EU recognised third-country administrators under the Benchmarks Regulation.
31.01.2022	ESMA publishes final reports on CCP recovery regime	ESMA published its Final Reports on the central counterparties (CCPs) recovery regime, as mandated under the CCP Recovery and Resolution Regulation (CCPRRR).

Date	Consultations	Description
27.01.2022	ESMA consults on the review of MiFID II suitability guidelines	ESMA consults on certain aspects of suitability requirements under the Markets in Financial Instruments Directive (MiFID II), in order to update its guidelines following amendments to MiFID II relating to sustainability. The consultation runs until 27 April 2022.
27.01.2022	ESMA consults on CCP anti-procyclicality measures	ESMA launched a consultation paper to review the European Market Infrastructure Regulation's (EMIR) requirements on anti-procyclicality (APC) margin measures for central counterparties (CCPs). The consultation runs until 31 March 2022.
28.01.2022	ESMA consults on scope of the CRA regulation for private credit ratings	ESMA launched a public consultation on a targeted revision to its Guidelines and Recommendations on the scope of the CRA Regulation. The consultation runs until 11 March 2022.
28.01.2022	ESMA consults on trading venue perimeter	ESMA launched a consultation paper (CP) on what constitutes a multilateral system. The consultation runs until 29 April 2022.



Financial centre

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (31/01/2022)	123	↘ 4 entities
	Balance sheet total (30/09/2021)	EUR 921.437 bn	↗ EUR 74.679 bn
	Profit before provisions and taxes (30/09/2021)	EUR 3.876 bn	↗ EUR 455 m
Payment institutions	Number (31/01/2022)	15	↗ 1 entity
Electronic money institutions	Number (31/01/2022)	10	↘ 1 entity
UCIs	Number (31/01/2022)	Part I 2010 Law: 1,654	↘ 46 entities
		Part II 2010 Law: 234	↘ 5 entities
		SIFs: 1,368	↘ 50 entities
		TOTAL: 3,256	↘ 101 entities
	Number (31/01/2022)	SICARs: 218	↘ 6 entities
	Total net assets (31/12/2021)	EUR 5,859.485 bn	↗ EUR 885.705 bn
Management companies (Chapter 15)	Number (31/01/2022)	178	↘ 5 entities
	Balance sheet total (31/12/2021) ²	EUR 20.149 bn	↗ EUR 2.644 bn
Management companies (Chapter 16)	Number (31/01/2022)	146	↘ 10 entities
AIFMs	Number (31/01/2022)	260	↘ 3 entities
Pension funds	Number (31/01/2022)	12	↘ 3 entities
Authorised securitisation undertakings	Number (31/01/2022)	28	↘ 2 entities
Investment firms	Number (31/01/2022)	95	↗ 2 entities
	Balance sheet total (31/12/2021)	EUR 1.085 bn	↘ EUR 163 m
	Provisional net profit (31/12/2021)	EUR 124.1 m	↗ EUR 29.39 m
Specialised PFS	Number (31/01/2022)	98	no variation
	Balance sheet total (31/12/2021)	EUR 6.191 bn	↗ EUR 412 m
	Provisional net profit (31/12/2021)	EUR 94.11 m	↘ EUR 1.55 m
Support PFS	Number (31/01/2022)	69	↘ 2 entities
	Balance sheet total (31/12/2021)	EUR 1.629 bn	↗ EUR 13 m
	Provisional net profit (31/12/2021)	EUR 70.40 m	↗ EUR 26.6 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (31/01/2022)	460	↗ 14 entities
Public oversight of the audit profession	Number (31/01/2022)	52 <i>cabinets de révision agréés</i>	↘ 2 entities
		341 <i>réviseurs d'entreprises agréés</i>	↗ 18 people
		22 third-country auditors and audit firms	↘ 6 entities
Employment (31/12/2021)	Banks	25,965 people	↘ 141 people
	Management companies (Chapter 15) ¹	5,084 people	↗ 222 people
	Investment firms	1,903 people	↗ 118 people
	Specialised PFS	5,949 people	↗ 473 people
	Support PFS	8,892 people	↘ 95 people
	Payment institutions/electronic money institutions	740 people	↗ 129 people
	Total	48,533 people	↗ 706 people³

² Preliminary figures.

³ 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.