



Newsletter No 256

May 2022



Commission de Surveillance
du Secteur Financier

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GUIDANCE FOR CONSUMERS IN THE CONTEXT OF VIRTUAL ASSETS



More and more consumers are regularly exposed to promotion campaigns for “easy” investments in virtual assets by user-friendly exchange platforms. Such advertisements are done via

social media platforms or other digital communication channels and highlight the possibility of earning high returns.

Virtual assets have historically shown a high risk, as well as a speculative nature and are consequently not a suitable investment for every type of investor.

Consumers that are interested in investing in virtual assets should therefore carefully read the CSSF warning on virtual assets and/or initial coin offerings (ICOs) and tokens.

Consumers should also read the European Supervisory Authorities (EBA, ESMA and EIOPA – the ESAs) consumer warning, in which they remind consumers that some crypto-assets are highly risky and speculative and that consumers must be alert to the high risks of buying and/or holding these instruments, including the possibility of losing all their money.

Despite the numerous risks expressed in said warnings (pertaining notably to extreme volatility and bubble risk,

low liquidity, absence of protection, lack of exit options, lack of price transparency, misleading information, unsuitability of virtual assets for most purposes, operational disruptions, counterparty, custody, fraud and manipulation risks), the general public’s appetite is increasing for this type of investment. Faced with this phenomenon, the legislator has recognised the need to regulate a certain number of risks brought about by investments in virtual assets, such as the AML/CTF risk, by including virtual asset service providers in existing AML/CTF laws and by developing a new legislation that aims at providing a legal framework for virtual assets that to this day did not fall under any regulation, i.e. the upcoming Markets in Crypto-assets Regulation (MiCA).

The guidance is published, with the aim of helping those consumers, who despite the risks inherent to virtual assets are willing to invest in them, by outlining some minimum steps to be performed before investing.

Read the full guidance at:

<https://www.cssf.lu/en/2022/04/guidance-for-consumers-in-the-context-of-virtual-assets/>

CIRCULAR CSSF 22/806 ON OUTSOURCING ARRANGEMENTS



The CSSF published Circular CSSF 22/806 on outsourcing arrangements (“Circular 22/806”). Its main purpose is to implement the requirements of the EBA

Guidelines on outsourcing arrangements (EBA/GL/2019/02). Circular CSSF 22/806 further aims at providing a transparent, homogeneous and harmonised national framework for outsourcing arrangements. It also gathers the requirements for outsourcing arrangements relating to information and communication technology (“ICT”), that were previously disseminated in individual CSSF circulars.

Circular CSSF 22/806 implements a simple notification process when outsourcing a critical or important function.

Circular CSSF 22/806 should be read in conjunction with:

- Circular CSSF 22/805 – Revised EBA Guidelines on outsourcing arrangements (EBA/GL/2019/02) – Publication of Circular CSSF 22/806 on outsourcing arrangements – Repeal or amendments of certain CSSF circulars – which provides particularly for the salient points of Circular CSSF 22/806 and contains some transitional provisions applicable to ICT outsourcing arrangements; and
- the related FAQs.

The circulars are available at:

<https://www.cssf.lu/en/Document/circular-cssf-22-805/>

<https://www.cssf.lu/en/Document/circular-cssf-22-806/>



Warnings

Warnings of the CSSF

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

- Warning regarding the activities of an entity named Cryptolumps
- Warning concerning emails sent from the address cssf@deposit-protection.online
- Warning concerning the website www.viabuy-bank.com
- Warning concerning websites misusing the name of "Shurgard" and "Shurgard Self Storage"
- Warning regarding the activities of an entity named Financial Cyber Investigations
- Warning concerning the website www.ashtonmoss.lu
- Warning concerning the website www.gestronassetmgt.com

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

Circular CSSF 22/805 – EBA guidelines on outsourcing arrangements

The purpose of the circular is to inform the entities concerned that the CSSF, in its capacity as competent authority, applies the revised EBA Guidelines on outsourcing arrangements (EBA/GL/2019/02). Consequently, the CSSF has integrated them into its administrative practice and regulatory approach via the Circular CSSF 22/806 with a view to contribute to supervisory convergence at European level. While the aforementioned guidelines apply to credit institutions, investment firms and payment and electronic money institutions only, having due regard to the principle of proportionality, Circular CSSF 22/806 covers a wider scope of supervised entities.

<https://www.cssf.lu/en/Document/circular-cssf-22-805/>

Circular CSSF 22/806 – outsourcing arrangements

The circular represents the CSSF's integrated framework on outsourcing arrangements and introduces a harmonised framework governing outsourcing arrangements in order to promote convergence at a national level. It complements the framework on internal governance arrangements by specifying guiding principles and laying down additional detailed requirements that supervised entities must observe when resorting to outsourcing arrangements. Therefore, this circular shall be read together with those relevant legal provisions and the CSSF circulars on central administration, internal governance and risk management as applicable to supervised entities. The circular compiles all supervisory requirements on outsourcing arrangements, including those on information and communication technology (ICT) outsourcing arrangements that were previously disseminated in individual circulars, in one single document.

<https://www.cssf.lu/en/Document/circular-cssf-22-806/>

Circular CSSF 22/807 – update of Circular CSSF 12/552

The purpose of the circular is to implement several guidelines from the European Supervisory Authorities by amending Circular CSSF 12/552. The guidelines are the following: EBA Guidelines on internal governance (EBA/GL/2021/05), joint ESMA and EBA guidelines on the assessment of the suitability of members of the management body (ESMA35-36-2319, EBA/GL/2021/06) and ESMA guidelines on certain aspects of MiFID II compliance function requirements (ESMA35-36-1952). Furthermore, additional amendments were made in order to adapt or specify certain sections of Circular CSSF 12/552. These amendments concern notably the responsibilities of the compliance function with respect to AML/CFT, the annual summary report of the compliance function as well as outsourcing requirements.

<https://www.cssf.lu/en/Document/circular-cssf-22-807/>

Circular CSSF-CODERES 22/14 – Single Resolution Fund

The purpose of the circular is to inform credit institutions of the ex-ante contributions to be paid for 2022.

<https://www.cssf.lu/en/Document/circular-cssf-coderes-22-14/>

Circular CSSF 22/808 – recovery plan indicators

The purpose of the circular is to inform the BRRD institutions submitting a recovery plan that the CSSF, in its capacity as competent authority, applies the revised Guidelines of the European Banking Authority (EBA) on recovery plan indicators under Article 9 of Directive 2014/59/EU (EBA/GL/2021/11), published on 9 November 2021. The guidelines specify the minimum list of quantitative and qualitative recovery plan indicators to be included in the recovery plans developed and assessed in accordance with Articles 5 to 9 of Directive 2014/59/EU, as further specified in Articles 3 to 21 of Commission Delegated Regulation (EU) 2016/1075, and set expectations regarding the appropriate arrangements for the regular monitoring of such indicators, the points at which actions referred to in the recovery plans may be taken, the action to be taken in relation to these indicators and any condition necessary for the application of Article 9(1) of Directive 2014/59/EU with regard to these indicators.

<https://www.cssf.lu/en/Document/circular-cssf-22-808/>

Circular CSSF 22/809 – criteria for the use of data inputs in the risk-measurement model

The purpose of the circular is to inform the entities concerned that the CSSF, in its capacity as competent authority, applies Guidelines EBA/GL/2021/07 of the European Banking Authority (EBA) on criteria for the use of data inputs in the risk-measurement model referred to in Article 325bc of Regulation (EU) No 575/2013 (Capital Requirements Regulation), published on 13 July 2021. These guidelines specify the criteria for the use of data inputs to determine the scenarios of future shocks applied to the modellable risk factors. They clarify the requirements that these data inputs should meet to be used for determining the scenario of future shocks in the institutions' expected shortfall risk measure.

<https://www.cssf.lu/en/Document/circular-cssf-22-809/>

Circular CSSF 22/810 – notification and de-notification procedures for UCIs and IFMs

The purpose of the circular is to inform Luxembourg UCIs and investment fund managers that the CSSF will phase in the notification and de-notification procedures for pre-marketing and cross-border marketing on the eDesk portal.

<https://www.cssf.lu/en/Document/circular-cssf-22-810/>

Circular CSSF 22/811 – UCI administrators

The circular clarifies the activity of UCI administrators by specifying the principles of sound governance and the CSSF requirements on internal organisation and good practice applicable to them. To that effect, the circular will apply to the entities acting as UCI administrator for regulated and non-regulated UCIs established, or not, in Luxembourg.

<https://www.cssf.lu/en/Document/circular-cssf-22-811/>

Circular CSSF 22/812 – limited network exclusion under Directive 2013/2366

The purpose of the circular is to draw the attention of the persons concerned to the fact that the CSSF, in its capacity of competent authority, complies with the Guidelines of the European Banking Authority on the limited network exclusion under Directive 2015/2366 (EBA/GL/2022/02) and applies them.

The Guidelines, which apply from 1 June 2022, aim at clarifying:

- the scope and limits of the limited network exclusion under Article 3(k) of Directive 2015/2366 (“PSD2”);
- the criteria and indicators to be taken into account by competent authorities in the assessment of whether the activities should fall or not under the said exclusion;
- the specific provisions applicable to the authorised payment services providers listed in Article 1 of PSD2 and electronic money issuers that would like to benefit from the exclusion;
- the notification process as per Article 37(2) of PSD2, including the calculation of the threshold and information to be included in the notification; and
- the description of the activities to be made publicly available on the national registers and central register of the EBA as per Article 37(5) of PSD2.

<https://www.cssf.lu/en/Document/circular-cssf-22-812/>

Circular CSSF 22/813 – delay in the disclosure of inside information and interactions with prudential supervision

The purpose of the circular is to inform the persons concerned that the CSSF, in its capacity as competent authority, applies the MAR Guidelines of ESMA on delay in the disclosure of inside information and interactions with prudential supervision (Ref. ESMA70-159-4966), published on 13 April 2022. All issuers bound to comply with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (“MAR”) shall duly comply with them.

<https://www.cssf.lu/en/Document/circular-cssf-22-813/>



Fight against money laundering and terrorist financing

ML/TF vertical risk assessment: legal persons and legal arrangements

On 23 February 2022, Luxembourg published its first ML/TF (money laundering and terrorist financing) vertical risk assessment related to legal persons and legal arrangements (“VRA 2022”, see [CSSF Newsletter No 254](#)). This vertical assessment follows the 2018 **National ML/TF Risk Assessment** of Luxembourg, updated in 2020 (“NRA 2020”), which identified legal persons and legal arrangements as exposed to a high inherent and residual risk to be used for ML/TF purposes. On this subject, the Financial Action Task Force (FATF)¹ already highlighted that transparency of legal persons and legal arrangements is a key element of anti-money laundering and counter-terrorist financing (AML/CFT) and according to **Recommendation 24 of the FATF** “countries should have mechanisms that [...] assess the money laundering and terrorist financing risks associated with different types of legal persons created in the country”.

Thus, the VRA 2022 first aims to provide **risk assessment focussed on transparency**, by studying also the **main obstacles to transparency**, such as those notably established by the FATF² and which include, for example, the use of nominee arrangements, bearer shares, structures with complex ownership and control chains. This VRA supplements the range of ML/TF risk assessments already existing in Luxembourg and the **entities supervised by the CSSF must take them into account** during the implementation of the risk-based approach (considering notably risk factors and indicators

¹ FATF, *Guidance on Transparency and Beneficial Ownership*, 2014

² Notably in the interpretative notes to Recommendation 24 and in the guidelines such as the FATF *Guidance on Transparency and Beneficial Ownership*

and mitigation measures mentioned in the VRA 2022), including in the context of the individual risk assessment relating to a business relationship, in order to adjust it, where appropriate³.

The VRA 2022 is also didactic as it **clarifies certain aspects**, including among others those relating to **nominee shareholder** and to **nominee director**, particularly significant in a context of transparency and identification of the real beneficial owner. The VRA 2022 underlines that these concepts of “nominee shareholder” and “nominee director” are Anglo-Saxon of origin and that they do not exist in Luxembourg law (civil or commercial). Thus, even if similar legal concepts may echo in Luxembourg, their potential ML/TF risks are well controlled by mechanisms ensuring transparency requirements. Thus, the concept of “nominee shareholder” may be brought close to that of “proxy” or “mandate”, a regime which is subject to legal provisions governing the mandate regime in Luxembourg, and according to which, proxies must identify their principal and also disclose such mandate to third parties. Therefore, ML/TF risk management for this type of mandate is well managed. In addition, the VRA 2022 clarifies that for **investment funds**, the positions held for so-called “nominees” are not similar to the conception of “nominee shareholder”, as used by the FATF, but are the positions held for “**intermediaries**”, on whom appropriate (enhanced) due diligence measures are carried out by professionals. As regards the concept of “nominee director”, here too, the VRA 2022 restates that administrators in Luxembourg are appointed, registered and fully liable reducing thereby the ML/TF risk, for example, the persons acting in the framework of a directorship or as board member, notably in investment funds.

The **methodology** used for the risk assessment is similar to that applied in the NRA 2020. Thus, it follows the methodological principles also recommended by the FATF, by crossing threats, vulnerabilities and occurrence probabilities to identify the inherent risk, take into account the mitigation measures and deduce a relevant residual risk therefrom. Based on this methodology, the VRA 2022 **provides two different analyses**:

- An analysis on the risk of abusive use of Luxembourg undertakings for ML/TF purposes, i.e. “**Corporate Risk**”.
- An analysis of the entity-type specific risk of a legal person and a legal arrangement established in Luxembourg, i.e. “**Entity-type specific risk**”.

The results of the VRA 2022 call to consider:

- as regards **Corporate Risk, commercial companies and legal arrangements** present a **very high inherent risk** and a **medium residual risk**, and
- as regards **Entity-type specific risk, fiducies** have a **very high inherent and residual risk**, and **sociétés anonymes (public limited companies)** and **sociétés à responsabilité limitée (private limited liability companies)** present a **high inherent risk**, but which, after application of mitigation measures, transforms into **medium residual risk**.⁴

It is noteworthy that the VRA 2022 does not address ML/TF risks associated with activity sectors of legal persons or legal arrangements, as they are assessed in the framework of the NRA and the different sub-sectoral assessments, notably those carried out by the CSSF⁵.

In respect of vulnerabilities related to the use of **legal persons for investment and holding vehicles**, the VRA 2022 clearly distinguishes between “commercial” structures and investment funds which pursue different objectives and which are regulated from a transparency and ML/TF risk point of view, at the same time by the sectoral laws, as by the AML/CFT framework that they must put in place and by their obligation to register with central registries.

In general, the VRA 2022 highlights the **solidity of the legal framework** in Luxembourg and restates the **measures which favour transparency** which must be implemented by professionals subject to the Law of 12 November 2004 on AML/CFT, as amended, which include financial sector entities, but also legal and accounting professions such as notaries that the VRA 2022 identifies as AML/CFT gatekeepers or *réviseurs d'entreprises* (statutory auditors). Among the legal provisions aiming to ensure transparency and obtain information on beneficial owners, it should be mentioned notably the law of

³ CSSF Regulation 12-02 as amended, Article 5

⁴ For an exhaustive view of the results of the VRA 2022, please consult the whole document available under ML/TF vertical risk assessment: *legal persons and legal arrangements – February 2022 – CSSF*

⁵ As a reminder, the sub-sectoral ML/TF risk assessment in relation to collective management (January 2020), that covering private banking activities carried out jointly with the ABBL (December 2019), that relating to specialised professionals of the financial sector providing services to companies and fiducies (February 2021)

2014 on immobilisation of bearer shares and units and the laws on central registries such as the beneficial owner register (“BOR”) or the register of *fiducies* and trusts (“RFT”).

The VRA 2022 restates the **crucial role of these central registries** and the importance for professionals to comply with their inherent legal obligations. Thus, during the implementation of the AML/CFT due diligence measures, the supervised entities can consult these central registries and collect the registration or the extract from the relevant registry. They are also required notably to inform the manager of the BOR as soon as they observe the existence of erroneous data, within a deadline of 30 days as from the observation, favouring thus a subsequent control of the information included in the central registry⁶. In addition, as underlined in the VRA 2022, the supervised entities, including the investment funds are obliged to fulfil their own registration formalities by registering their beneficial owner(s) in the BOR⁷.

The VRA 2022 thus highlights the importance of the **role of professionals** in the implementation of risk mitigation mechanisms and restates the existing coercive and repressive measures in case of infringements of the provisions of the laws aiming to ensure transparency and to obtain information on beneficial owners⁸.



FAQ

A new document titled *CSSF FAQ – Circular CSSF 22/806 on outsourcing arrangements* was drawn up by the CSSF and published on 22 April 2022.

<https://www.cssf.lu/en/Document/cssf-faq-circular-cssf-22-806-on-outsourcing-arrangements/>



Communiqués

Date	Publications
19.04.2022	Monitoring the quality of transaction reports received under Article 9 of EMIR
29.04.2022	Global situation of undertakings for collective investment at the end of March 2022
05.05.2022	Audit profession : Practical details on the EAP – 2022 Session
12.05.2022	Communication regarding the publication of Circular CSSF 22/810
16.05.2022	The CSSF publishes a new circular on UCI administrators
18.05.2022	Notification obligation of the limited network exclusion of the law on payment services

⁶ Please consult also the new requirements introduced by draft law no 7961 amending:

1° the Law of 19 December 2002 concerning the trade and companies register, as well as the accounting and annual account of companies, as amended;

2° the Law of 13 January 2019 establishing the Beneficial Owner Register, as amended,

⁷ Cf. Explanatory note of the LBR Slide 1 (lbr.lu)

⁸ Notably in the context of investment funds, cf. the CSSF's publication dating 2015 Bearer shares and units: Warning to holders and issuers – CSSF



Withdrawals decided by the CSSF

A decision to withdraw the specialised investment fund ARISTA S.A. SICAV-SIF (in bankruptcy) from the official list of specialised investment funds was taken by the CSSF on 25 February 2022.

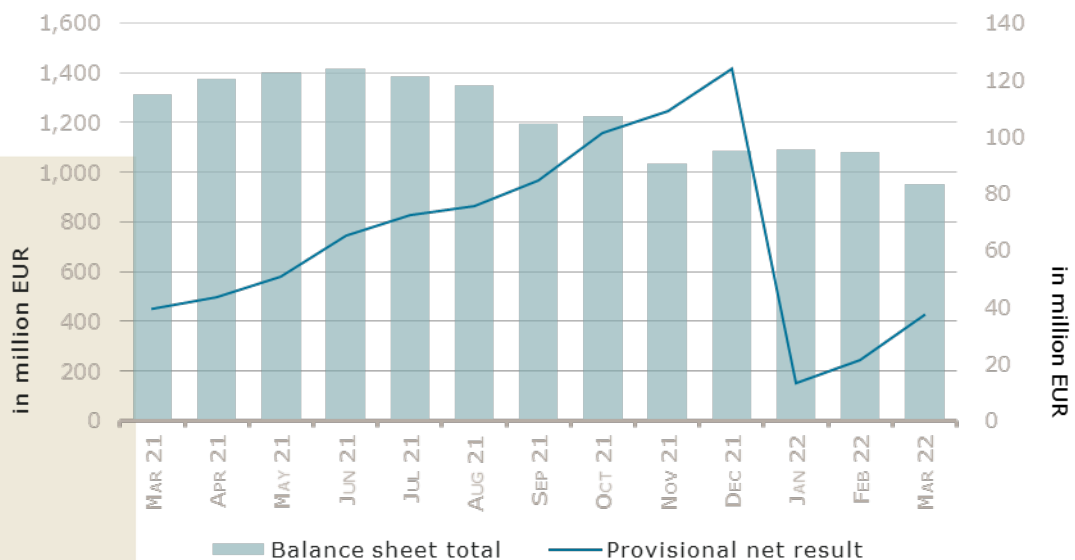
Following the CSSF's decision to withdraw the specialised investment fund LFP I SICAV-SIF S.A. from the official list of specialised investment funds, the VIth Chamber of the Luxembourg *Tribunal d'arrondissement* (District Court) dealing with commercial matters, per judgement of 5 May 2022, pronounced the dissolution and ordered the liquidation of the specialised investment fund LFP I SICAV-SIF S.A. The same judgement has appointed Ms Maria Faria Alves as official receiver (*juge-commissaire*) Mr Christian Steinmetz as liquidator.



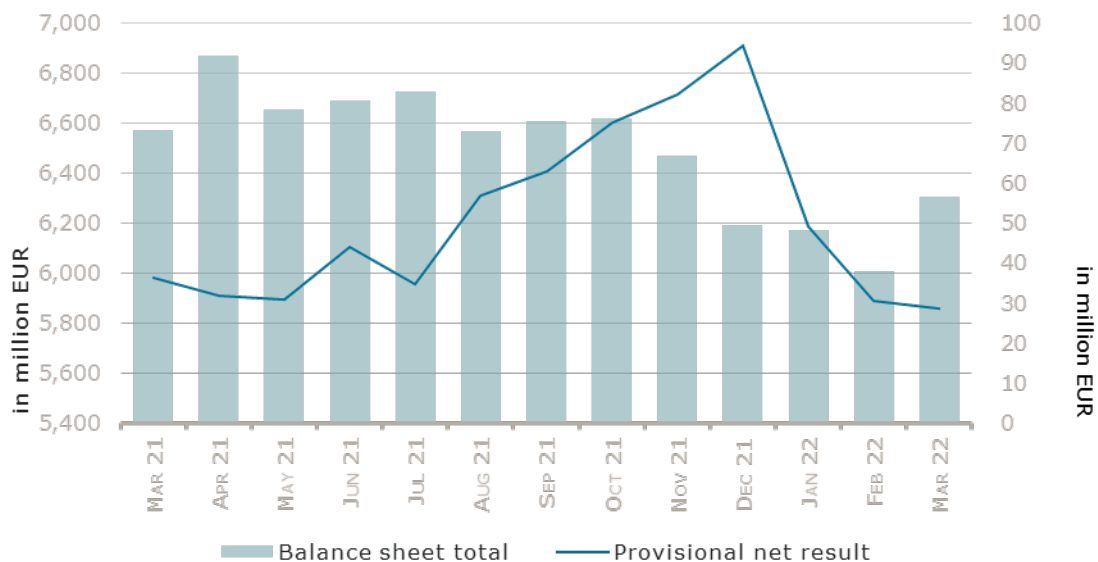
Statistics

MONTHLY STATISTICS

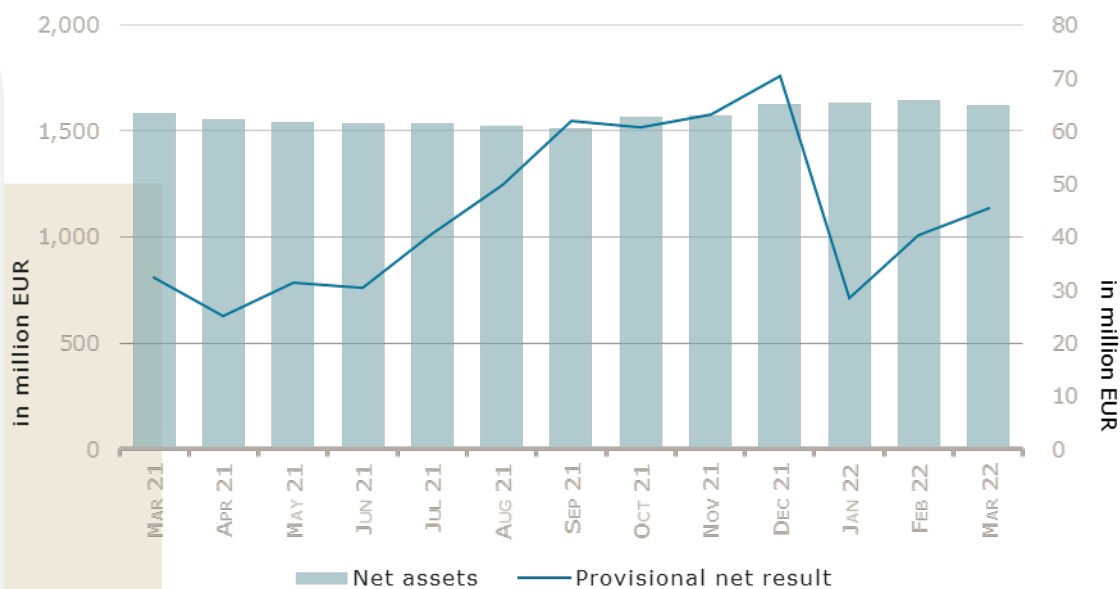
INVESTMENT FIRMS: DECREASE IN THE BALANCE SHEET TOTAL AS AT 31 MARCH 2022



**SPECIALISED PFS:
INCREASE IN THE BALANCE SHEET TOTAL AS AT 31 MARCH 2022**



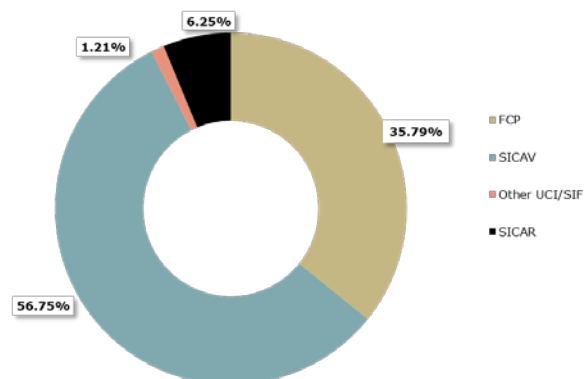
**SUPPORT PFS:
DECREASE IN THE BALANCE SHEET TOTAL AS AT 31 MARCH 2022**



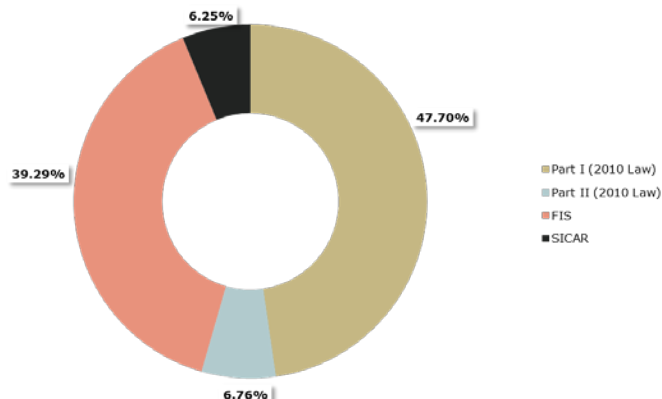
UCIS: SITUATION AS AT 31 MARCH 2022

NUMBER OF UCIS

Breakdown of UCIs according to legal form



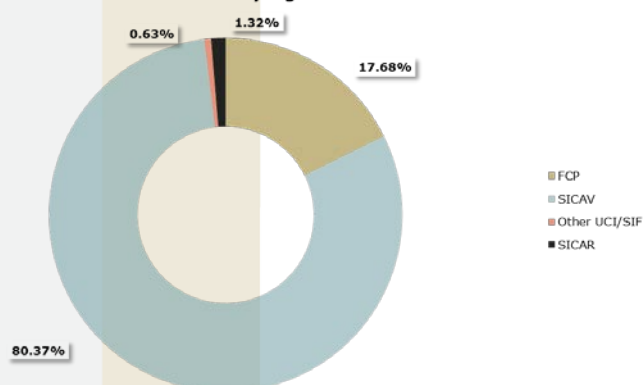
Breakdown of UCIs according to law and part applicable



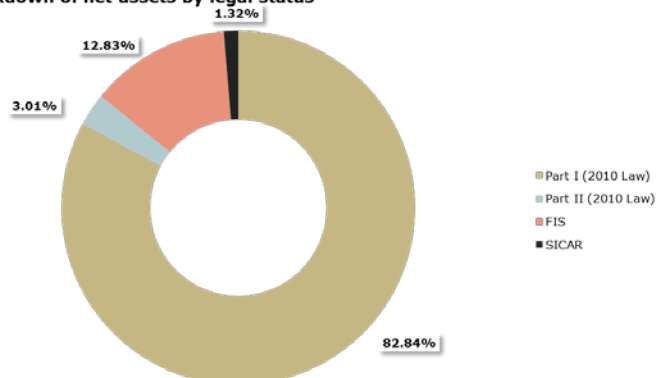
	FCP	SICAV	Other UCIs / SIFs	SICARs	Total
Part I (2010 Law)	843	807	0	0	1,650
Part II (2010 Law)	109	123	2	0	234
SIFs	286	1,033	40	0	1,359
SICARs	0	0	0	216	216
Total	1,238	1,963	42	216	3,459

NET ASSETS OF UCIS

Breakdown of net assets of UCIs by legal form



Breakdown of net assets by legal status



<i>in billion EUR</i>	FCP	SICAV	Other UCIs / SIFs	SICARs	Total
Part I (2010 Law)	710.682	3,893.161	0.000	0.000	4,603.843
Part II (2010 Law)	48.363	118.292	0.398	0.000	167.053
SIFs	223.513	455.093	34.382	0.000	712.988
SICARs	0.000	0.000	0.000	73.458	73.458
Total	982.558	4,466.546	34.780	73.458	5,557.342

NET ASSETS BROKEN DOWN BY INVESTMENT POLICY

Breakdown by investment policy	Net assets (in bn €)	Number of fund units
Fixed-Income Transferable Securities	1,374.729	3,170
Variable-Yield Transferable Securities	1,946.868	4,124
Mixed Transferable Securities	1,115.947	3,517
Funds of Funds	351.899	2,074
Money Market Instruments and Other Short-Term Securities	393.615	204
Cash	10.476	9
Private Equity	68.072	242
Venture Capital	3.286	32
Real Estate	120.054	327
Futures and/or Options	14.841	76
Other Assets	84.097	297
Public-to-Private	0.139	2
Mezzanine	1.060	10
Venture Capital (SICAR)	9.938	75
Private Equity (SICAR)	62.321	268
TOTAL	5,557.342	14,427

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	1,272.821	2,732	61.653	70.988	-9.335
Variable-Yield Transferable Securities	1,861.730	3,797	78.718	87.062	-8.344
Mixed Transferable Securities	901.872	2,551	27.386	29.358	-1.972
Funds of Funds	172.530	815	4.218	3.251	0.967
Money Market Instruments and Other Short-Term Securities	371.058	171	254.930	259.164	-4.234
Cash	10.438	8	3.392	3.483	-0.091
Futures and/or Options	8.656	43	0.374	1.061	-0.687
Other Assets	4.738	8	0.462	0.489	-0.027
SUB-TOTAL PART I	4,603.843	10,125	431.133	454.856	-23.723
PART II					
Fixed-Income Transferable Securities	15.795	89	0.394	0.447	-0.053
Variable-Yield Transferable Securities	14.511	65	0.250	0.102	0.148
Mixed Transferable Securities	65.069	181	2.227	2.053	0.174
Funds of Funds	33.114	195	0.434	0.391	0.043
Money Market Instruments and Other Short-Term Securities	13.456	23	1.162	1.757	-0.595
Cash	0.000	0	0.000	0.000	0.000
Private Equity	13.464	20	0.215	0.004	0.211
Venture Capital	0.635	2	0.046	0.000	0.046
Real Estate	4.328	9	0.504	0.000	0.504
Futures and/or Options	1.790	13	0.108	0.252	-0.144
Other Assets	4.891	25	0.181	0.219	-0.038
SUB-TOTAL PART II	167.053	622	5.521	5.225	0.296

SIF

Fixed-Income Transferable Securities	86.113	349	2.277	1.788	0.489
Variable-Yield Transferable Securities	70.627	262	0.556	0.686	-0.130
Mixed Transferable Securities	149.006	785	8.305	1.403	6.902
Funds of Funds	146.255	1,064	2.630	2.823	-0.193
Money Market Instruments and Other Short-Term Securities	9.101	10	5.183	5.774	-0.591
Cash	0.038	1	0.001	0.000	0.001
Private Equity	54.608	222	1.102	0.108	0.994
Venture Capital	2.651	30	0.004	0.044	-0.040
Real Estate	115.726	318	1.572	0.443	1.129
Futures and/or Options	4.395	20	0.038	0.059	-0.021
Other Assets	74.468	264	0.995	0.797	0.198
SUB-TOTAL SIFs	712.988	3,325	22.663	13.925	8.738

SICARs

Public-to-Private	0.139	2	0.000	0.000	0.000
Mezzanine	1.060	10	0.000	0.000	0.000
Venture Capital	9.938	75	0.000	0.000	0.000
Private Equity	62.321	268	0.009	0.191	-0.182
TOTAL SICARs	73.458	355	0.009	0.191	-0.182
TOTAL LUXEMBOURG UCIs	5,557.342	14,427	459.326	474.197	-14.871

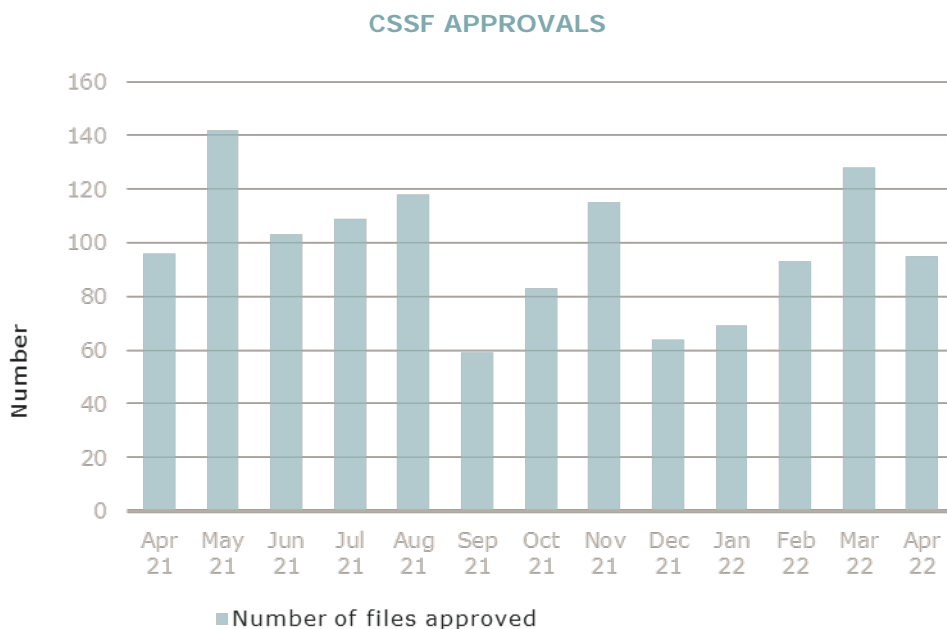
ORIGIN OF THE INITIATORS OF LUXEMBOURG UCIS

Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
US	1,108.244	19.9%	163	4.7%	1,165	8.1%
GB	919.658	16.6%	243	7.0%	1,646	11.4%
DE	813.745	14.7%	1,113	32.2%	2,371	16.4%
CH	774.080	13.9%	528	15.3%	2,685	18.6%
FR	598.540	10.8%	261	7.5%	1,538	10.6%
IT	355.651	6.4%	126	3.6%	1,258	8.7%
BE	238.328	4.3%	137	4.0%	759	5.3%
LU	213.042	3.8%	275	8.0%	835	5.8%
DK	124.105	2.2%	19	0.5%	202	1.4%
NL	120.717	2.2%	40	1.2%	256	1.8%
OTHERS	291.232	5.2%	554	16.0%	1,712	11.9%
TOTAL	5,557.342	100.0%	3,459	100.0%	14,427	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	3.874	0.070%	19	0.132%
CAD	4.071	0.073%	18	0.125%
CHF	54.185	0.975%	251	1.740%
CNH	11.692	0.210%	27	0.187%
CNY	9.378	0.169%	4	0.028%
CZK	1.391	0.025%	70	0.485%
DKK	1.880	0.034%	12	0.083%
EUR	2,922.625	52.590%	8,933	61.918%
GBP	177.138	3.187%	294	2.038%
HKD	3.747	0.067%	8	0.055%
HUF	0.259	0.005%	19	0.132%
JPY	57.503	1.035%	165	1.144%
NOK	6.237	0.112%	31	0.215%
NZD	0.337	0.006%	1	0.007%
PLN	0.171	0.003%	4	0.028%
RON	0.537	0.010%	2	0.014%
SEK	43.789	0.788%	124	0.859%
SGD	1.306	0.024%	7	0.048%
USD	2,257.199	40.617%	4,437	30.755%
ZAR	0.023	0.000%	1	0.007%
TOTAL	5,557.342	100.000%	14,427	100.000%

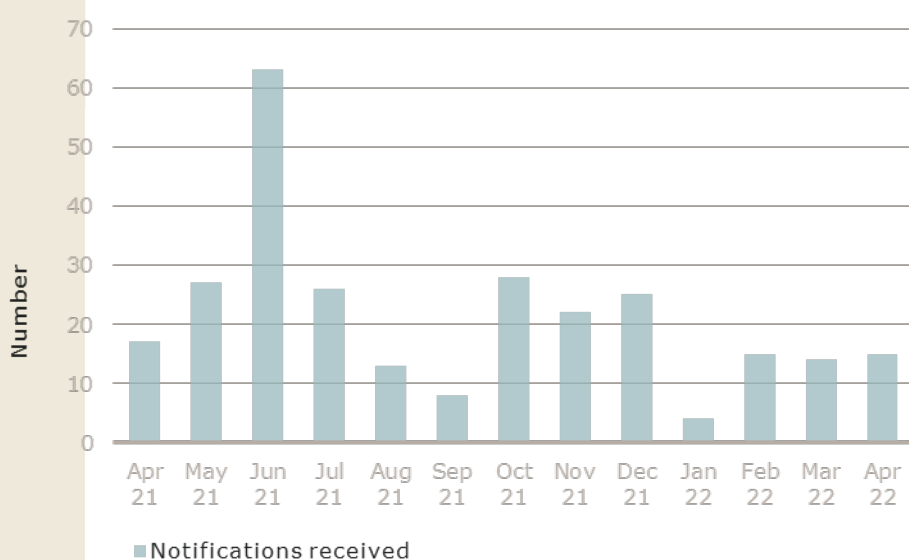
PROSPECTUSES TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET



In April 2022, the CSSF approved a total of 95 documents pursuant to the Prospectus Regulation, which break down as follows:

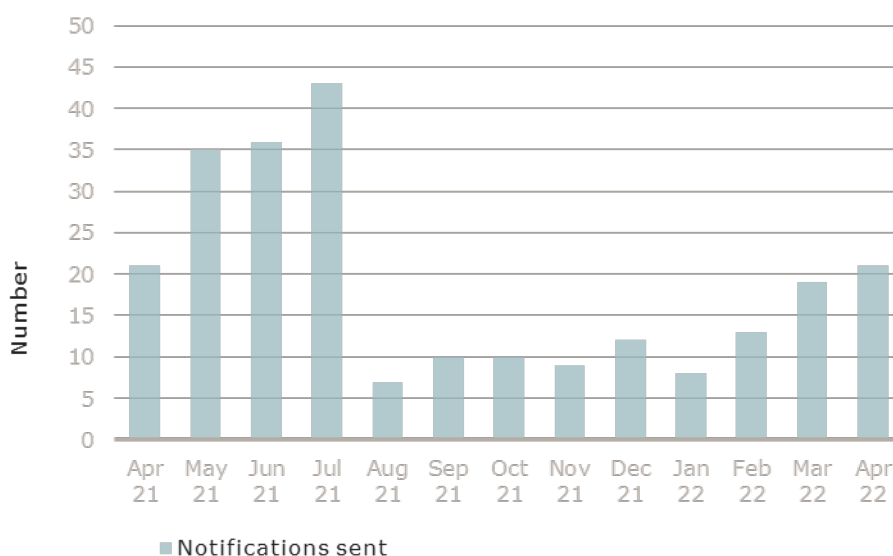
base prospectuses:	26 (27.37%)
other prospectuses:	18 (18.95%)
registration documents:	4 (4.21%)
supplements:	47 (49.47%)

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



In April 2022, the CSSF received 15 notifications relating to prospectuses and base prospectuses and 108 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



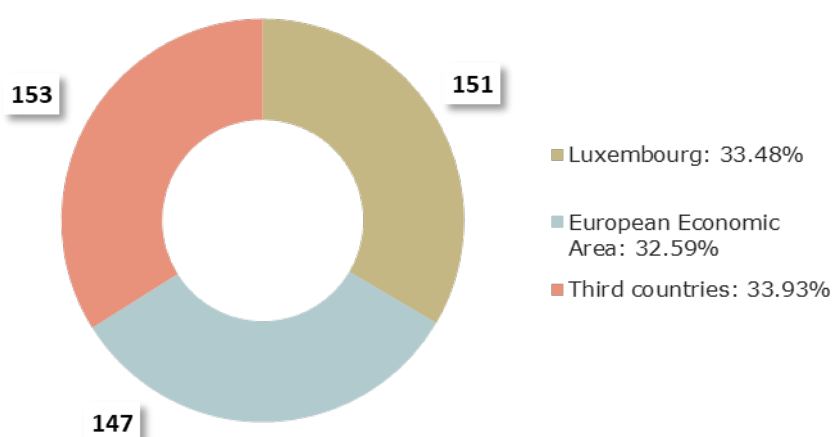
In April 2022, the CSSF sent 21 notifications relating to prospectuses and base prospectuses and 34 notifications relating to supplements to the competent authorities of other EEA Member States⁹.

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 March 2022, no new issuer has 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 30 April 2022, **451 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



⁹ These figures are the number of prospectuses, base prospectuses, registration documents and supplements for which the CSSF sent one or several notifications. Where notifications were sent at different dates and/or in several Member States, only the first notification is included in the statistical calculation. Each document notified in one or several Member States is thus only counted once.

PENSION FUNDS

As at 30 April 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**.

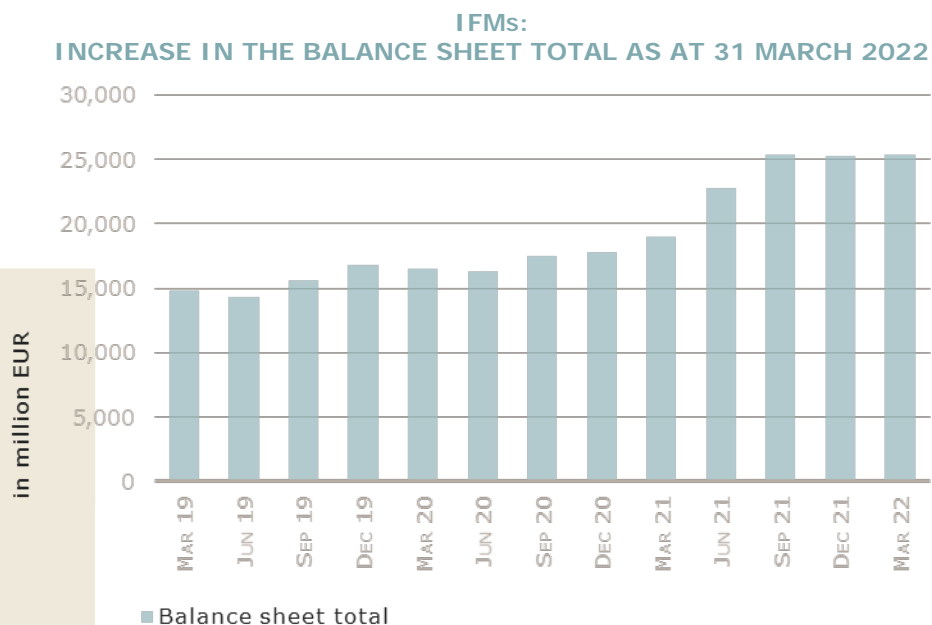
SECURITISATION UNDERTAKINGS

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 30 April 2022.

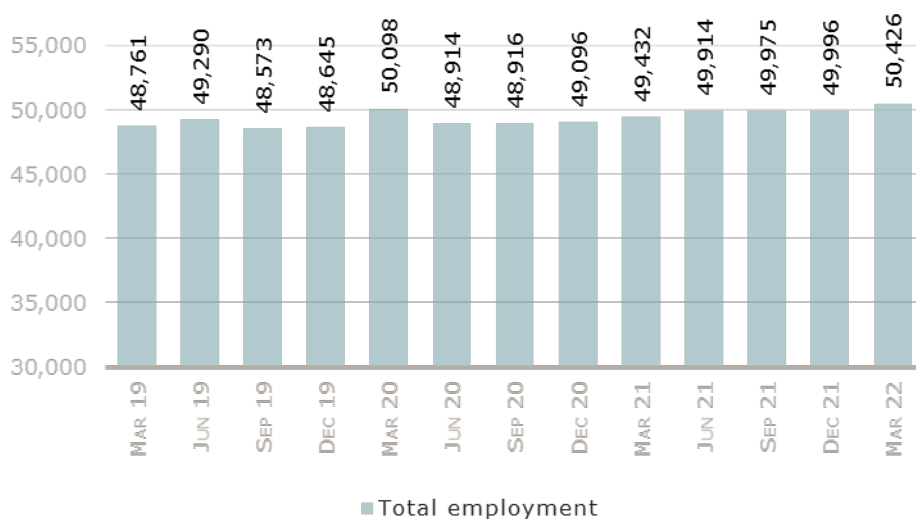
PUBLIC OVERSIGHT OF THE AUDIT PROFESSION

The public oversight of the audit profession covered **53 cabinets de révision agréés** (approved audit firms) and **344 réviseurs d'entreprises agréés** (approved statutory auditors) as at 30 April 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



**EMPLOYMENT:
INCREASE IN THE EMPLOYMENT AS AT 31 MARCH 2022**



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 4 agents, 967 agents (529 men and 438 women). They have been assigned to the following departments:

On-site Inspection

Khaled SAHRAOUI

UCI Departments

Soufian BOUDELIOU

Colas BOUVERESSE

Camille GUILLAUME

Peik HEIRMAN

Supervision of Specialised PFS

Alice MINGOZZI

Banking Departments

Patrick STEFFEN

Supervision of Information Systems and Support PFS

Mohamed Oussama NAFIAA

Department "Human Resources and Finance"

Joana DOS SANTOS RIBEIRINHO

Francesco FRASCARIA



European/International News in April 2022

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

Date	Publications	Description
06/04/2022	Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Grant, Mr Rinaldi, Mr Zanni, 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.
08/04/2022	ECB publishes supervisory banking statistics for the fourth quarter of 2021	Publication of the supervisory banking statistics for the fourth quarter of 2021.
20/04/2022	Letter from Andrea Enria, Chair of the Supervisory Board, to Mr Andresen, Mr Fernández, Mr Garicano, Mr Urtasun, 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.
26/04/2022	FAQs on Russia-Ukraine war and ECB Banking Supervision	Publication of FAQs on the Russia-Ukraine war and ECB Banking Supervision.
27/04/2022	SREP IT Risk Questionnaire 2022	Publication of the 2022 IT Risk Questionnaire.
28/04/2022	Opinion on a proposal for a Directive of the European Parliament and of the Council amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, environmental, social and governance risks (CON/2022/16)	Publication of the ECB opinion on the proposal for a Directive of the European Parliament and of the Council amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, environmental, social and governance risks (CON/2022/16).

European Parliament, European Commission and European Council

Date	Regulatory developments	Description
13/04/2022	Corrigendum to Commission Delegated Regulation (EU) 2021/2268 of 6 September 2021	Publication of the Corrigendum to Commission Delegated Regulation (EU) 2021/2268 of 6 September 2021 amending the regulatory technical standards laid down in Commission Delegated Regulation (EU) 2017/653 as regards the underpinning methodology and presentation of performance scenarios, the presentation of costs and the methodology for the calculation of summary cost indicators, the presentation and content of information on past performance and the presentation of costs by packaged retail and insurance-based investment products (PRIIPs) offering a range of options for investment and alignment of the transitional arrangement for PRIIP manufacturers offering units of funds referred to in Article 32 of Regulation (EU) No 1286/2014 of the European Parliament and of the Council as underlying investment options with the prolonged transitional arrangement laid down in that Article.

19/04/2022	Commission Implementing Regulation (EU) 2022/631 of 13 April 2022	Publication of Commission Implementing Regulation (EU) 2022/631 of 13 April 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of exposures to interest rate risk on positions not held in the trading book.
26/04/2022	Commission Delegated Regulation (EU) 2022/676 of 3 December 2021	Publication of Commission Delegated Regulation (EU) 2022/676 of 3 December 2021 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards specifying the conditions in accordance with which consolidation is to be carried out in the cases referred to in Article 18(3) to (6) and Article 18(8) of that Regulation.

European Banking Authority (EBA)

Date	Publications	Description
08/04/2022	EBA issues an opinion on the European Commission's proposed amendments to the EBA final draft technical standards for own funds and eligible liabilities	The EBA published an Opinion on the amendments proposed by the European Commission to the EBA final draft Regulatory Technical Standards (RTS). In the Opinion the EBA expresses its disagreement with two substantive changes proposed by the Commission and agrees with the other amendments, which are considered non-substantive.
12/04/2022	EBA publishes final draft technical standards on the risk retention requirements for securitisations	The EBA published its final draft Regulatory Technical Standards (RTS) specifying the requirements for originators, sponsors and original lenders related to risk retention as laid down in the Securitisation Regulation and as amended by the Capital Markets Recovery Package (CMRP). These RTS aim to provide clarity on the risk retention requirements ensuring a better alignment of interests and reducing the risk of moral hazard, thus contributing further to the development of a sound, safe and robust securitisation market in the EU.
22/04/2022	EBA sees progress in MREL shortfall reduction by largest institutions while smaller institutions are lagging behind	The EBA published its annual Report on minimum requirements for own funds and eligible liabilities (MREL). The Report shows progress in closing MREL shortfalls, as of December 2020, which was mostly driven by the largest institutions while smaller institutions lagged somewhat behind.
27/04/2022	EBA calls on financial institutions and supervisors to provide access to the EU's financial system	The EBA published a statement addressed to both financial institutions and supervisors to ensure they make every effort to provide access for Ukrainian refugees to at least basic financial products and services. In the statement, the EBA sets out how its anti-money laundering and counter-terrorist financing (AML/CFT) guidelines apply in the current context, and how financial institutions can adapt their AML/CFT measures to provide a pragmatic and proportionate response to the compliance challenges they face. It also clarifies what financial institutions and supervisors can do to protect vulnerable persons from abuse by criminals and calls on financial institutions to ensure that compliance with the EU's restrictive measures regime does not lead to unwarranted de-risking.
29/04/2022	EBA proposes to simplify and improve the macroprudential framework	The EBA published its response to the European Commission's Call for Advice on the review of the macroprudential framework, proposing a set of recommendations to simplify the procedures around some of the existing macroprudential tools and to increase harmonisation for others.

Date	Consultation	Description
05/04/2022	EBA launches survey for banks on the application of the infrastructure supporting factor	The EBA launched a survey for banks on their experiences with the application of the so-called infrastructure supporting factor in accordance with the Capital Requirement Regulation (CRR 2). Besides assessing the application of the supporting factor, the survey aims at providing valuable information on the materiality of infrastructure project loans across EU banks, irrespective of whether credit institutions specialise in infrastructure lending or not. The survey runs until 27 May 2022.

European Supervisory Authorities (ESAs)

Date	Publications	Description
13/04/2022	ESAs see recovery stalling amid existing and new risks	The ESAs issued their first joint risk assessment report for 2022. The report highlights the increasing vulnerabilities across the financial sector as well as the rise of environmental and cyber risks.
19/04/2022	ESAs publish joint Annual Report for 2021	The ESAs published its 2021 Annual Report, providing a detailed account of its joint work completed over the past year.

Macprudential topics and fora

European Central Bank (ECB)

Date	Publications	Description
06/04/2022	Financial Integration and Structure in the Euro Area, April 2022	This is the second edition of the European Central Bank's biennial report on financial integration and structure in the euro area. It is designed to focus on structural developments in the financial system of the euro area, and in some cases also of the European Union (EU), and related policy issues. In so doing, it covers developments in financial integration across member countries, changes in financial structure (the mixture of financial markets and intermediaries) and financial development or modernisation (for example through innovations in the financial system).
12/04/2022	The euro area bank lending survey – First quarter of 2022	The results reported in the April 2022 bank lending survey (BLS) relate to changes observed during the first quarter of 2022 and expectations for the second quarter of 2022. In addition to results for the euro area as a whole, this report also contains results for the four largest euro area countries.
28/04/2022	Annual Report 2021	The Annual Report relates to the ECB's activities in 2021 and was finalised before the Russian invasion of Ukraine. 2021 was the year in which the euro area moved onto a firmer path of recovery from the pandemic emergency.
28/04/2022	Economic Bulletin Issue 3, 2022	The Economic Bulletin presents information which forms the basis for the ECB's monetary policy decisions. It features insights into the economy and its outlook and provides an update on the economic and monetary developments in the euro area and global economies.

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
Croatia	0.5%	31.03.2023
Czech Republic	0.5%	01.07.2020
	1%*	01.07.2022
	1.5%*	01.10.2022
	2%*	01.01.2023
	2.5%*	01.04.2023
Denmark	1%*	30.09.2022
	2%*	31.12.2022
Estonia	1%*	07.12.2022
Germany	0.75%*	01.02.2023
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
	2.5%*	31.03.2023
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](#).

Financial Stability Board (FSB)

Date	Publication	Description
20/04/2022	FSB Chair's letter to G20 Finance Ministers and Central Bank Governors: April 2022	The letter notes that the Russian invasion of Ukraine triggered large price fluctuations in global financial markets, particularly commodity markets, where prices have swung wildly, with liquidity temporarily evaporating in some commodity derivatives market segments and a number of traders coming under strain, including from large margin calls. However, thus far, the direct global financial stability impact of the war in Ukraine appears limited compared to the COVID-19-induced turmoil in March 2020.
26/04/2022	US Dollar Funding and Emerging Market Economy Vulnerabilities	The growth in external USD financing from non-bank financial institutions following the 2008 global financial crisis has created new financial stability challenges for emerging market economies. The report proposes a number of policy measures that seek to reduce EME vulnerabilities stemming from external funding and non-bank financing, as well as to enhance crisis management tools.
29/04/2022	Supervisory and Regulatory Approaches to Climate-related Risks: Interim Report	This report aims to assist supervisory and regulatory authorities in developing their approaches to monitor, manage and mitigate risks arising from climate change and to promote consistent approaches across sectors and jurisdictions.

European Securities and Markets Authority (ESMA)

Date	Publication	Description
01.04.2022	ESMA sees EMIR and SFTR data quality improve following coordinated actions	ESMA published the second edition of its Data Quality Report based on data gathered under the European Markets Infrastructure Regulation (EMIR) and, for the first time in 2021, the Securitised Financing Transactions Regulation (SFTR) reporting regimes.
01.04.2022	ESMA postpones RTS 2 annual review	ESMA has postponed the annual review of the regulatory technical standards – RTS 2 – on non-equity transparency. The decision was taken because the on-going MiFIR review is likely to have a significant impact on the instruments subject to this report.
01.04.2022	New Q&As available	ESMA has updated the following Questions and Answers: <ul style="list-style-type: none"> • Benchmarks Regulation (BMR) • ESMA Guidelines on Alternative Performance Measures • MiFIR data reporting SFTR data reporting
04.04.2022	ESMA seeks experts in sustainable finance for its new consultative working group	ESMA was seeking candidates for its newly established Consultative Working Group (CWG) of the Coordination Network on Sustainability (CNS). The CWG will have approximately 20 members, selected for a renewable term of two years, and will be composed of experts in sustainable finance.
04.04.2022	ESMA publishes its final report on the review of the short selling regulation	ESMA published its Final Report on the review of the Short Selling Regulation (SSR). The Final Report proposes targeted amendments to improve its operation, focused on clarifying the procedures for the issuance of short and long-term bans, ESMA's intervention powers, the prohibition of naked short selling and the calculation of net short positions (NSPs) and their publication.
04.04.2022	ESMA publishes latest edition of its newsletter	ESMA published its March edition of its Spotlight on Markets Newsletter.
05.04.2022	ESG funds provided better returns for investors in 2020	ESMA published its fourth annual statistical report on the cost and performance of European Union (EU) retail investment products. A new finding this year is that UCITS with an environmental, social and governance (ESG) strategy (including equity, bond and mixed funds) outperformed their non-ESG peers, and were also overall cheaper.

05.04.2022	ESMA responds to European commission consultation on EMIR review	ESMA has written to the European Commission (EC) providing its high-level response to the consultation on a targeted review of EMIR with respect to the European Union (EU) central clearing framework.
08.04.2022	ESMA publishes complementary annual transparency calculations	ESMA has started to make available the results of the annual transparency calculations for equity and equity-like instruments. This was previously communicated by ESMA on 1 March and supplemented on 31 March.
21.04.2022	ESMA postpones the annual calculations of LIS and SSTI for bonds and the quarterly bonds liquidity assessment	ESMA has decided to postpone the publication of sizes large in scale compared to the standard market size (LIS) and the size specific to the instrument (SSTI) as well as the May quarterly bonds liquidity assessment. The amended regulatory technical standards (RTS 2) and the move to stage 3, will enter into force on 3 May 2022.
29.04.2022	ESMA makes recommendations to improve investor protection	ESMA has advised the European Commission on certain aspects relating to retail investor protection. In the advice ESMA has put forward proposals that will make it easier for investors to get the key information they need to take well-informed investment decisions, whilst also protecting them from aggressive marketing techniques and detrimental practices.
29.04.2022	ESMA publishes the annual transparency calculations for non-equity instruments and the quarterly systematic internaliser calculations	ESMA has made available the results of the annual transparency calculations for non-equity instruments other than bonds and the quarterly systematic internaliser calculations.

Date	Speech	Description
08.04.2022	Verena Ross delivers closing remarks at the launch of the EU digital finance platform	ESMA Chair, Verena Ross, delivered the closing remarks at the launch of the EU Digital Finance Platform, event organised by the European Commission. She talked about the support for innovation facilitators, the work of the European Forum of Innovation Facilitators (EFIF), the Cross-Border Testing Framework – one of the most prominent projects of the EFIF in the past year – and the future ambitions for the Platform.



Financial centre

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (31/03/2022)	123	↘ 2 entities
	Balance sheet total (30/09/2021)	EUR 921.437 bn	↗ EUR 74.679 bn
	Net profit (31/12/2021)	EUR 4.044 bn	↗ EUR 953 m
Payment institutions	Number (30/04/2022)	16	↗ 2 entities
Electronic money institutions	Number (30/04/2022)	10	↘ 1 entity
UCIs	Number (31/03/2022)	Part I 2010 Law: 1,645	↘ 38 entities
		Part II 2010 Law: 235	↘ 3 entities
		SIFs: 1,358	↘ 46 entities
		TOTAL: 3,238	↘ 87 entities
	Number (30/04/2022)	SICARs: 216	↘ 7 entities
	Total net assets (31/03/2022)	EUR 5,557.342 bn	↗ EUR 308.371 bn
Authorised Investment Fund Managers¹⁰	Number (30/04/2022)	305	↘ 6 entities
	Balance sheet total (31/03/2022) ¹¹	EUR 25.340 bn	↗ EUR 6.354 bn
Pension funds	Number (30/04/2022)	12	no variation
Authorised securitisation undertakings	Number (30/04/2022)	28	↘ 2 entities
Investment firms	Number (30/04/2022)	93	no variation
	Balance sheet total (31/03/2022)	EUR 949 m	↘ EUR 362 m
	Provisional net profit (31/03/2022)	EUR 37.27 m	↘ EUR 2.08 m
Specialised PFS	Number (30/04/2022)	97	↘ 2 entity
	Balance sheet total (31/03/2022)	EUR 6.305 bn	↘ EUR 267 m
	Provisional net profit (31/03/2022)	EUR 28.62 m	↘ EUR 7.55 m
Support PFS	Number (30/04/2022)	69	↘ 2 entities
	Balance sheet total (31/03/2022)	EUR 1.622 bn	↗ EUR 36 m
	Provisional net profit (31/03/2022)	EUR 45.52 m	↗ EUR 13.17 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (30/04/2022)	451	↘ 24 entities
Public oversight of the audit profession	Number (30/04/2022)	53 <i>cabinets de révision agréés</i>	↘ 2 entities
		344 <i>réviseurs d'entreprises agréés</i>	↗ 22 people
		22 third-country auditors and audit firms	↘ 4 entities
Employment (31/03/2022)	Banks ¹¹	26,092 people	↘ 53 people
	Authorised Investment Fund Managers	6,738 people ¹¹	↗ 470 people
	Investment firms	1,894 people	↗ 51 people
	Specialised PFS	6,133 people	↗ 625 people
	Support PFS	8,829 people	↘ 228 people
	Payment institutions/electronic money institutions	740 people	↗ 129 people
	Total	50,426 people	↗ 706 people¹²

¹⁰ Authorised IFMs comprise the following types of fund managers:

- management companies subject to Chapter 15 of the Law of 17 December 2010 relating to undertakings for collective investment
- authorised alternative investment fund managers (AIFMs) subject to the Law of 12 July 2013 on alternative investment fund managers

¹¹ Preliminary figures.

¹² 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.