



Newsletter No 257

June 2022



Commission de Surveillance
du Secteur Financier

TABLE OF CONTENTS

News	3
Publication of the CSSF working paper “An Assessment of Investment Funds’ Liquidity Management Tools”	3
Warnings	4
Warnings of the CSSF	4
Warnings published by IOSCO	4
National regulation	4
Communiqués	5
Statistics	5
Monthly Statistics	5
Human resources	14
European/International News in May 2022	15
Single Supervisory Mechanism (SSM) - European Central Bank (ECB)	15
European Parliament, European Commission and European Council	15
European Banking Authority (EBA)	15
European Supervisory Authorities (ESAs)	18
Basel Committee on Banking Supervision (BCBS)	18
Macroprudential topics	19
Financial Stability Board (FSB)	20
European Securities and Markets Authority (ESMA)	20
Financial centre	22



PUBLICATION OF THE CSSF WORKING PAPER “AN ASSESSMENT OF INVESTMENT FUNDS’ LIQUIDITY MANAGEMENT TOOLS”



The CSSF presents in the working paper, written jointly with two co-authors from the BIS, an empirical assessment of the effectiveness of

liquidity management tools used by Luxembourg-domiciled open-ended funds (UCITS) during the COVID-19 crisis and the years before.

The analysis focuses on the following tools:

1. the funds’ portfolio management, including cash and other liquid assets;
2. the use of swing pricing; and
3. the temporary suspension of redemptions.

The main findings are the following:

- For most funds, the liquid asset ratio generally exceeds the maximum daily redemptions, suggesting that these funds have sufficient liquidity buffers to meet elevated redemptions. However, funds increase cash positions in periods of high volatility, such as the March 2020 market turmoil, and thereby contribute to pro-cyclical selling of assets.
- Fund managers’ estimates of how the liquidity of the fund portfolio would be affected in a stress scenario vary considerably across funds. Some assessments may underestimate the potential impact of concerted sales of the same, or highly correlated, assets by other funds.
- Funds frequently use swing pricing to pass on the trading costs to transacting investors. Swing pricing mitigates dilution of the fund value. It also dampens fund outflows during episodes of elevated market volatility, except during episodes of systemic stress, such as the March 2020 turmoil.
- Funds rarely suspend redemptions. Suspensions often precede the permanent closure and

liquidation of the fund. They may also lead to higher outflows from funds with similar portfolios. Lower survival rates and adverse signaling effects may imply that funds wait too long before suspending redemptions.

Overall, these results generally confirm the relevance and effectiveness of these tools in contributing to the overall liquidity risk management of open-ended funds, especially in supporting open-ended funds in managing large outflows. However, they also call for further guidance to support fund managers in assessing the liquidity of their portfolio to better reflect a macroprudential perspective and internalise the risk of concerted selling of assets by funds in a stress scenario. Further guidance could also be given to the calibration of swing pricing to make it more responsive to deteriorating market conditions. Finally, additional guidance on the use and timing of suspensions could make these more effective and enhance market stability.

The authors therefore trust that this paper will contribute to the current work being carried out on the regulatory framework for open-ended funds in international fora, such as the FSB, IOSCO and the international securities regulators, particularly on additional conclusions to be drawn from the recent COVID-19 crisis. It should also encourage fund managers to critically consider the above findings with a view to assess the appropriateness of their liquidity management processes for their managed products.

Read the full working paper at:

<https://www.cssf.lu/en/Document/an-assessment-of-investment-funds-liquidity-management-tools/>



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 name of the investment firm Privalux Management S.A.
- Warning concerning the website <https://www.extragt.com>
- Warning concerning the website www.egisinvestment.com
- Warning concerning the website <https://the-alternative-group.com/>
- Warning regarding the activities of an entity named Fibofix (<https://fibofix.com/en>)

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 22/814 – monitoring of the threshold and other procedural aspects under Article 21b of Directive 2013/36/EU

The purpose of the circular is to inform the persons concerned that the CSSF, in its capacity as competent authority, applies the Guidelines on the monitoring of the threshold and other procedural aspects on the establishment of an intermediate EU parent undertaking (an IPU) under Article 21b of Directive 2013/36/EU (EBA/GL/2021/08), published on 28 July 2021.

According to Article 34-4 of the Law of 5 April 1993 on the financial sector, two or more credit institutions and/or investment firms established in the EU, which are part of the same third-country group (a TCG), are required to set up an IPU (or, under exceptional cases, two IPUs) if the total value of assets in the EU of the TCG equals, or is greater than, EUR 40 billion (the IPU threshold). For the purpose of calculating the IPU threshold, TCGs shall include the assets of their third-country branches authorised in the EU.

The purpose of the Guidelines is to specify a common methodology to calculate the total value of assets in the EU of the TCGs with the aim to establish a consistent application of the IPU requirement.

<https://www.cssf.lu/en/Document/circular-cssf-22-814/>



Communiqués

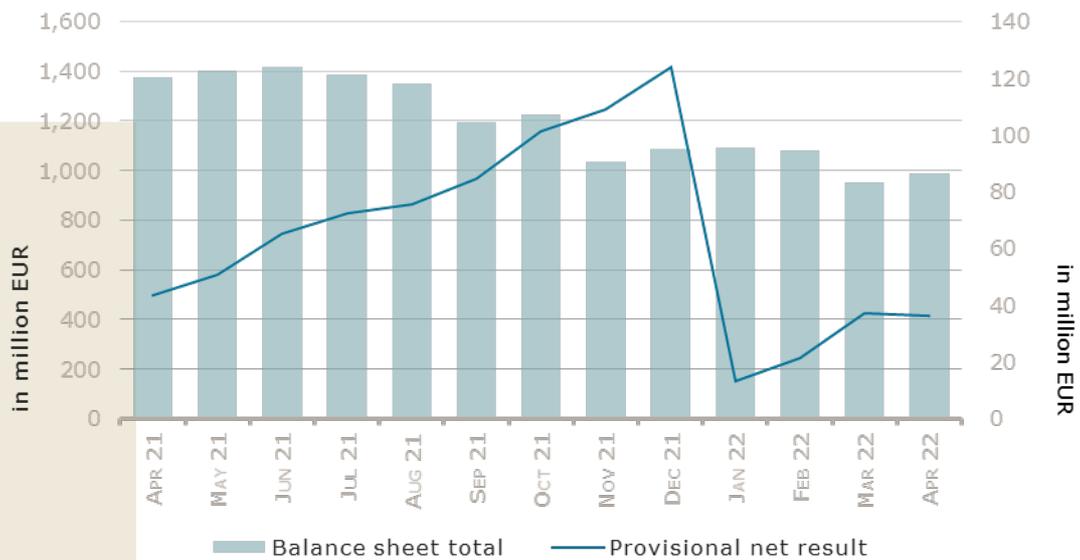
Date	Publications
01.06.2022	Global situation of undertakings for collective investment at the end of April 2022
10.06.2022	Statement relating to crowdfunding service providers
15.06.2022	Publications related to Regulation (EU) 2019/2088 – SFDR and Regulation (EU) 2020/852 – the EU Taxonomy Regulation



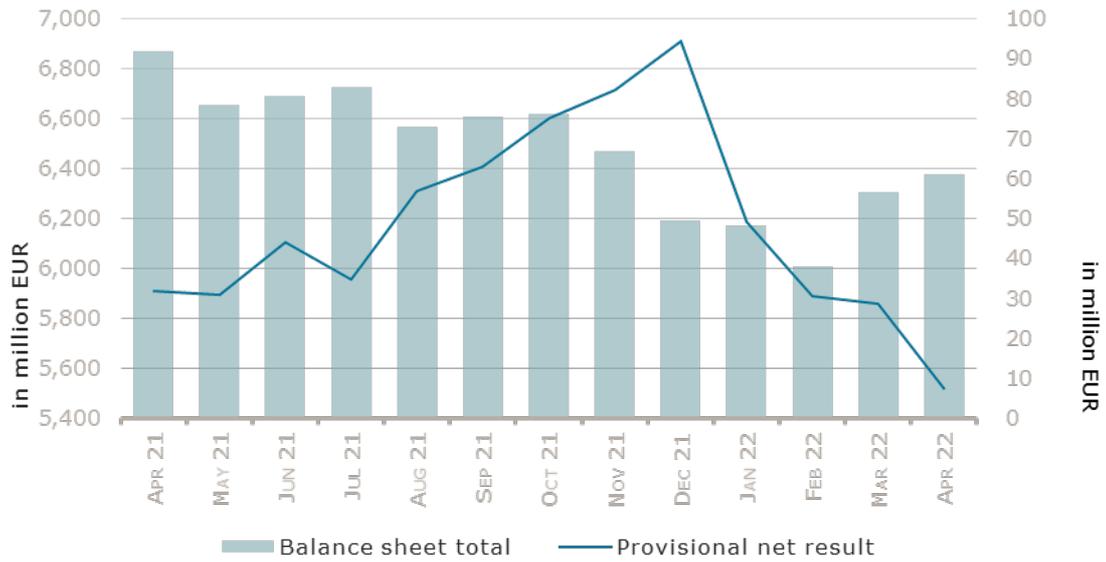
Statistics

MONTHLY STATISTICS

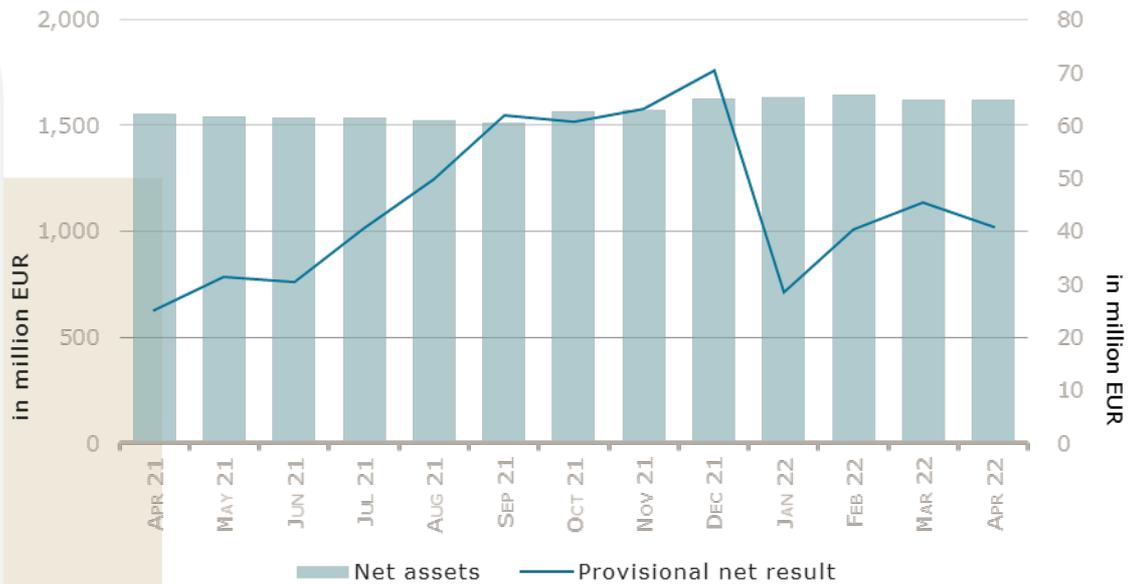
INVESTMENT FIRMS: INCREASE IN THE BALANCE SHEET TOTAL AS AT 30 APRIL 2022



**SPECIALISED PFS:
INCREASE IN THE BALANCE SHEET TOTAL AS AT 30 APRIL 2022**



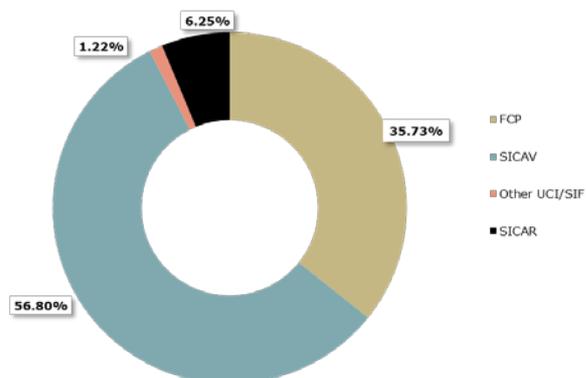
**SUPPORT PFS:
SLIGHT DECREASE IN THE BALANCE SHEET TOTAL AS AT 30 APRIL 2022**



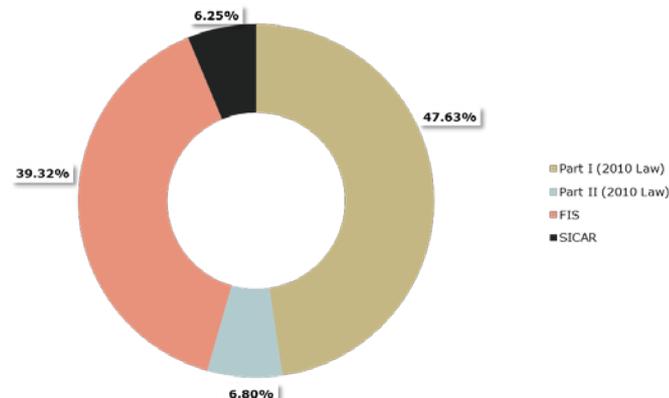
UCIS: SITUATION AS AT 30 APRIL 2022

NUMBER OF UCIS

Breakdown of UCIs according to legal form



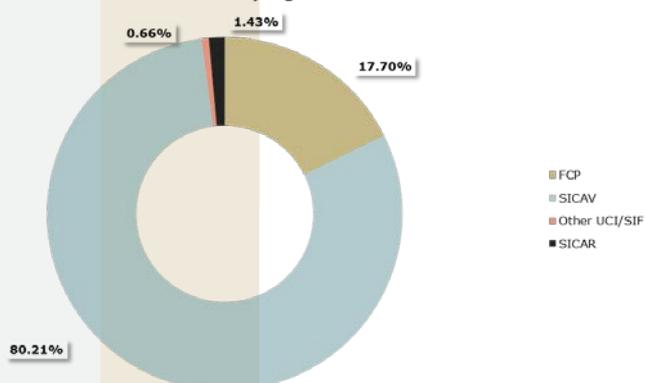
Breakdown of UCIs according to law and part applicable



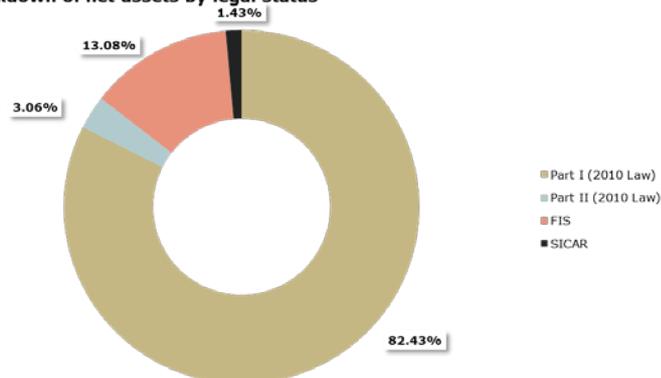
	FCP	SICAV	Other UCIs / SIFs	SICARs	Total
Part I (2010 Law)	838	807	0	0	1,645
Part II (2010 Law)	110	123	2	0	235
SIFs	286	1,032	40	0	1,358
SICARs	0	0	0	216	216
Total	1,234	1,962	42	216	3,454

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)	696.542	3,818.601	0.000	0.000	4,515.143
Part II (2010 Law)	47.993	119.167	0.400	0.000	167.560
SIFs	224.926	455.523	35.834	0.000	716.283
SICARs	0.000	0.000	0.000	78.118	78.118
Total	969.461	4,393.291	36.234	78.118	5,477.104

NET ASSETS BROKEN DOWN BY INVESTMENT POLICY

Breakdown by investment policy	Net assets (in bn €)	Number of fund units
Fixed-Income Transferable Securities	1,344.023	3,161
Variable-Yield Transferable Securities	1,886.907	4,138
Mixed Transferable Securities	1,104.154	3,512
Funds of Funds	353.579	2,066
Money Market Instruments and Other Short-Term Securities	401.802	205
Cash	9.678	9
Private Equity	70.833	244
Venture Capital	3.514	31
Real Estate	123.354	328
Futures and/or Options	15.171	76
Other Assets	85.971	299
Public-to-Private	0.139	2
Mezzanine	0.955	10
Venture Capital (SICAR)	9.395	69
Private Equity (SICAR)	67.629	273
TOTAL	5,477.104	14,423

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	1,243.548	2,729	38.175	54.703	-16.528
Variable-Yield Transferable Securities	1,807.138	3,811	54.328	57.556	-3.228
Mixed Transferable Securities	891.751	2,546	23.658	19.215	4.443
Funds of Funds	170.230	809	3.438	2.568	0.870
Money Market Instruments and Other Short-Term Securities	379.112	172	214.799	218.114	-3.315
Cash	9.645	8	2.476	3.313	-0.837
Futures and/or Options	8.843	43	0.333	0.352	-0.019
Other Assets	4.876	8	0.565	0.778	-0.213
SUB-TOTAL PART I	4,515.143	10,126	337.772	356.599	-18.827
PART II					
Fixed-Income Transferable Securities	15.655	88	0.343	0.725	-0.382
Variable-Yield Transferable Securities	14.673	65	0.201	0.177	0.024
Mixed Transferable Securities	63.806	181	1.580	1.816	-0.236
Funds of Funds	33.325	195	0.860	0.375	0.485
Money Market Instruments and Other Short-Term Securities	13.615	23	1.072	1.425	-0.353
Cash	0.000		0.000	0.000	0.000
Private Equity	14.513	21	0.812	0.002	0.810
Venture Capital	0.712	2	0.042	0.000	0.042
Real Estate	4.447	9	0.120	0.000	0.120
Futures and/or Options	1.918	13	0.046	0.083	-0.037
Other Assets	4.896	26	0.064	0.101	-0.037
SUB-TOTAL PART II	167.560	623	5.140	4.704	0.436

SIF

Fixed-Income Transferable Securities	84.820	344	1.836	0.903	0.933
Variable-Yield Transferable Securities	65.096	262	0.586	5.585	-4.999
Mixed Transferable Securities	148.597	785	2.537	1.540	0.997
Funds of Funds	150.024	1,062	4.178	1.228	2.950
Money Market Instruments and Other Short-Term Securities	9.075	10	3.705	3.784	-0.079
Cash	0.033	1	0.001	0.000	0.001
Private Equity	56.320	223	0.511	0.273	0.238
Venture Capital	2.802	29	0.118	0.012	0.106
Real Estate	118.907	319	3.008	0.575	2.433
Futures and/or Options	4.410	20	0.040	0.037	0.003
Other Assets	76.199	265	1.415	0.829	0.586
SUB-TOTAL SIFs	716.283	3,320	17.935	14.766	3.169

SICARs

Public-to-Private	0.139	2	0.000	0.000	0.000
Mezzanine	0.955	10	0.000	0.000	0.000
Venture Capital	9.395	69	0.000	0.001	-0.001
Private Equity	67.629	273	0.000	0.000	0.000
TOTAL SICARs	78.118	354	0.000	0.001	-0.001
TOTAL LUXEMBOURG UCIS	5,477.104	14,423	360.847	376.070	-15.223

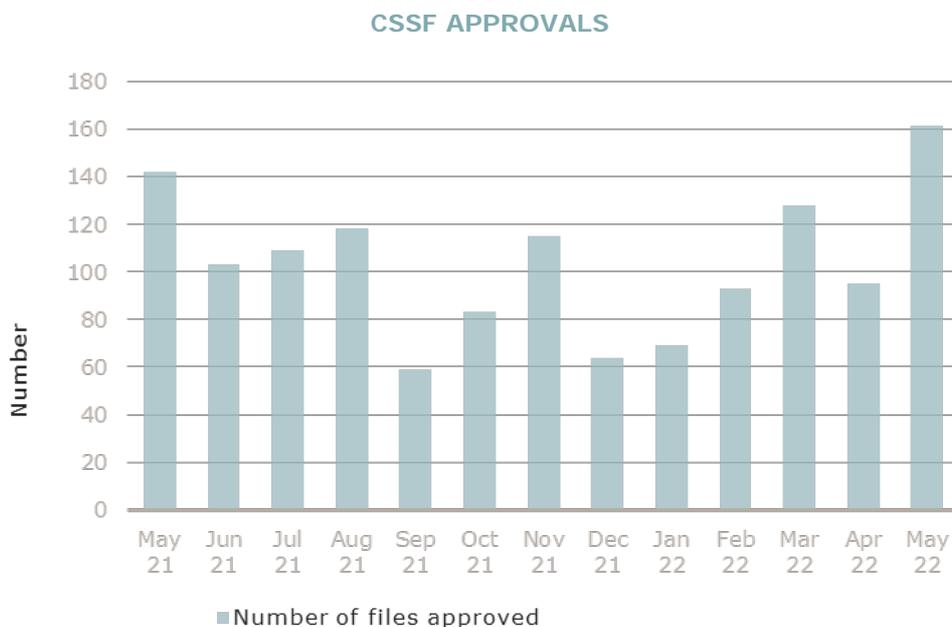
ORIGIN OF THE INITIATORS OF LUXEMBOURG UCIS

Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
US	1,096.450	20.0%	161	4.7%	1,167	8.1%
GB	910.569	16.6%	243	7.0%	1,642	11.4%
DE	805.424	14.7%	1,111	32.2%	2,369	16.4%
CH	758.031	13.8%	529	15.3%	2,692	18.7%
FR	588.812	10.8%	260	7.5%	1,541	10.7%
IT	348.555	6.4%	126	3.6%	1,262	8.7%
BE	233.477	4.3%	137	4.0%	750	5.2%
LU	213.430	3.8%	275	8.0%	839	5.8%
DK	122.578	2.2%	19	0.5%	201	1.4%
NL	117.958	2.2%	40	1.2%	256	1.8%
OTHERS	281.820	5.2%	553	16.0%	1,704	11.8%
TOTAL	5,477.104	100.0%	3,454	100.0%	14,423	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	3.172	0.058%	15	0.104%
CAD	4.134	0.075%	18	0.125%
CHF	53.635	0.979%	249	1.726%
CNH	11.155	0.204%	27	0.187%
CNY	8.959	0.164%	4	0.028%
CZK	1.309	0.024%	64	0.444%
DKK	1.851	0.034%	12	0.083%
EUR	2,873.109	52.457%	8,940	61.984%
GBP	171.515	3.132%	294	2.038%
HKD	3.852	0.070%	8	0.055%
HUF	0.233	0.004%	18	0.125%
JPY	55.582	1.015%	163	1.130%
NOK	6.325	0.115%	31	0.215%
NZD	0.320	0.006%	1	0.007%
PLN	0.171	0.003%	4	0.028%
RON	0.522	0.010%	2	0.014%
SEK	42.908	0.783%	123	0.853%
SGD	1.362	0.025%	7	0.049%
USD	2,236.969	40.842%	4,442	30.798%
ZAR	0.021	0.000%	1	0.007%
TOTAL	5,477.104	100.000%	14,423	100.000%

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



In May 2022, the CSSF approved a total of 161 documents pursuant to the Prospectus Regulation, which break down as follows:

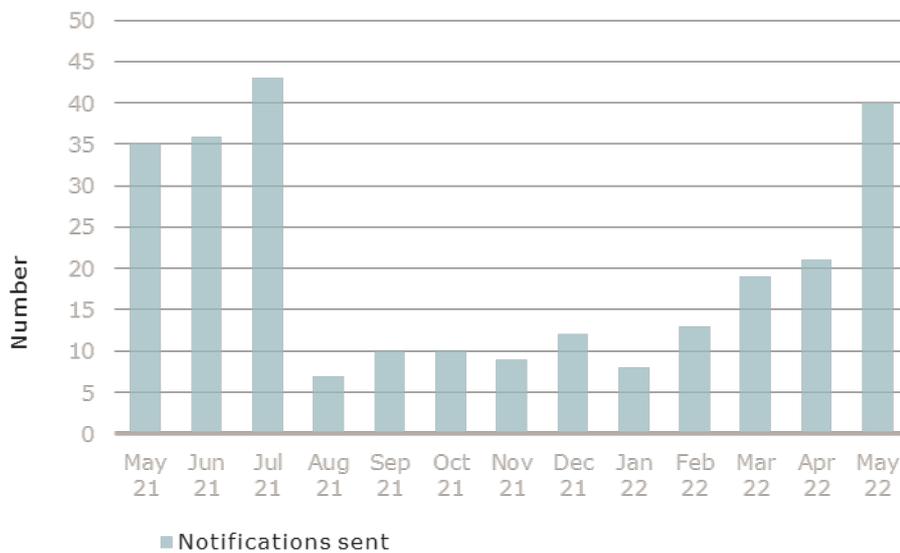
base prospectuses:	57 (35.40%)
other prospectuses:	18 (11.18%)
registration documents:	1 (0.62%)
supplements:	85 (52.80%)

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



In May 2022, the CSSF received 24 notifications relating to prospectuses and base prospectuses, 2 notifications relating to registration documents and 53 notifications relating to supplements from competent authorities of other EEA Member States.

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



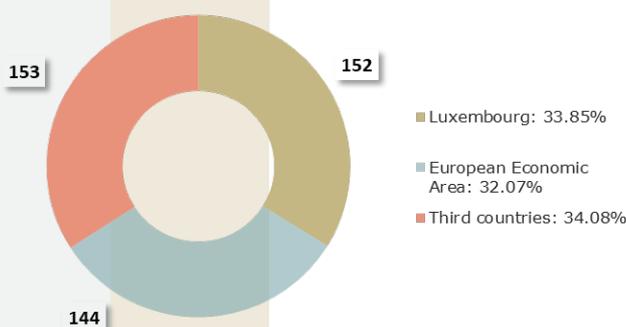
In May 2022, the CSSF sent 39 notifications relating to prospectuses and base prospectuses, 1 notification relating to registration document and 59 notifications relating to supplements to the competent authorities of other EEA Member States¹.

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")

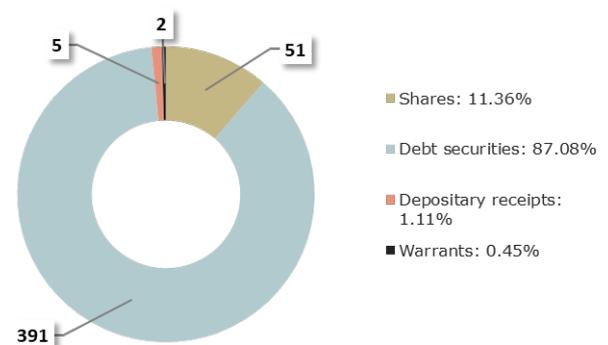
Since 30 April 2022, three issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, five issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 31 May 2022, **449 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 May 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 May 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 31 May 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.



Human resources

In order to increase its staff, the CSSF has hired 3 employees since the publication of the last Newsletter and counts 970 agents (530 men and 440 women). They have been assigned to the following departments:

On-site Inspection

Tania MARTINS ABRANTES

UCI Departments

Loïc DEVRESSE

Information Systems of the CSSF

Stéphanie AUBAUD



European/International News in May 2022

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

Date	Publication	Description
13/05/2022	List of supervised entities (as of 1 April 2022)	Publication of the list of supervised entities (as of 1 April 2022).

Date	Interviews and speeches	Description
06/05/2022	Frank Elderson: Q&A on Twitter	Interview on Twitter with Frank Elderson, Member of the Executive Board of the ECB, conducted and published on 6 May 2022.
12/05/2022	Andrea Enria: Interview with ERT	Interview with Andrea Enria, Chair of the Supervisory Board of the ECB, conducted by Rallou Alexopoulou on 12 May 2022.
17/05/2022	Andrea Enria: Of temples and trees: on the road to completing the European banking union	Speech by Andrea Enria, Chair of the Supervisory Board of the ECB, at the Institut Montaigne, Paris, 17 May 2022.
18/05/2022	The euro area banking sector, one quarter after the start of the war in Ukraine	Presentation by Andrea Enria, Chair of the Supervisory Board of the ECB, at Associazione Bancaria Italiana - Comitato Esecutivo.
18/05/2022	Andrea Enria: Interview with La Repubblica	Interview with Andrea Enria, Chair of the Supervisory Board of the ECB, conducted by Francesco Manacorda.
19/05/2022	The desks mapping review – integrating Brexit banks into European banking supervision	Blog post by Andrea Enria, Chair of the Supervisory Board of the ECB.
20/05/2022	Kerstin af Jochnick: Interview with Dagens Industri	Interview with Kerstin af Jochnick, Member of the Supervisory Board of the ECB, conducted by Robert Triches.
24/05/2022	Enhancing cooperation in the fight against money laundering	Blog post by Elizabeth McCaul and Edouard Fernandez-Bollo, Members of the Supervisory Board of the ECB.
26/05/2022	Andrea Enria: Interview with CNN Portugal	Interview with Andrea Enria, Chair of the Supervisory Board of the ECB, conducted by Pedro Santos Guerreiro on 24 May 2022.

European Parliament, European Commission and European Council

Date	Regulatory development	Description
20/05/2022	Commission Delegated Regulation (EU) 2022/786 of 10 February 2022	Publication of Commission Delegated Regulation (EU) 2022/786 of 10 February 2022 amending Commission Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions.

European Banking Authority (EBA)

Date	Publications	Description
03/05/2022	EBA updates its Guidelines for assessing equivalence of professional secrecy regimes of third-country authorities	The EBA published its updated Guidelines for assessing equivalence of professional secrecy and confidentiality regimes of third-country authorities, to widen the scope and the purpose of the assessment.

Date	Publications	Description
03/05/2022	EBA publishes amended final draft technical standards on the mapping of ECAIs for securitisation positions	The EBA published its final draft Implementing Technical Standards (ITS) to amend the Implementing Regulation on the mapping of credit assessments of External Credit Assessment Institutions (ECAIs) for securitisation positions. The changes reflect the relevant amendments introduced by the new Securitisation Framework, as well as the mappings for three ECAIs that extended their credit assessments to cover securitisations.
04/05/2022	EBA provides its advice to the EU Commission on non-bank lending	The EBA published a Report on non-bank lending in response to the European Commission's February 2021 Call for Advice on this topic. The EBA's proposals aim at addressing risks arising from the provision of lending by non-bank entities in the areas of supervision, consumer protection, anti-money laundering and countering the financing of terrorism (AML/CFT), macro and microprudential risks.
05/05/2022	EBA updates technical standards in view of its 2023 benchmarking of internal approaches	The EBA published an update to its Implementing Technical Standards (ITS) which specify the data collection for the supervisory benchmarking exercise of 2023 in relation to the internal approaches used in market and credit risk and IFRS9 accounting. The updated ITS include all benchmarking portfolios and metrics that will be used for the 2023 exercise. The benchmarking exercise is an essential supervisory tool to monitor and enhance the quality of internal models, which are relevant for the assessment of the institution's capital adequacy.
10/05/2022	The EBA has designed an efficient framework for reporting of deposits subject to Russian and Belarusian economic sanctions	Following the request from the EU Commission, the EBA has developed a template for the annual reporting of information on deposits subject to the Russia and the Belarus Economic Sanctions Regulations. The EBA is making the template available for voluntary use by the relevant national competent authorities and by the EU Commission, with the aim to promote a convergent approach and to reduce any associated reporting costs, especially for cross-border banks.
11/05/2022	EBA sees progress in the implementation of the supervisory review and evaluation process and of the supervisory priorities for 2021 but flags some areas for improvement	The EBA published its annual Report on convergence of supervisory practices for 2021. Competent authorities made progress in the implementation of the EBA Guidelines on supervisory review and evaluation process (SREP). The Report also reflects consistent implementation into their supervisory practices of the key supervisory priorities for 2021. However, the Report sets expectations for additional efforts from Competent authorities on topics such as ICT risks, namely cyber risk and business model challenges and the respective digital transformation. In addition, the Report highlights the need for more harmonised practices in the determination of capital add-ons.
13/05/2022	EBA publishes final technical standards on crowdfunding service providers	The EBA published its final draft Regulatory Technical Standards (RTS) specifying the information that crowdfunding service providers shall provide to investors on the calculation of credit scores and prices of crowdfunding offers. The final draft RTS also specify a minimum set of common standards with regard to information to be considered in credit risk assessment and loan valuation and the underlying policies and governance arrangements.
17/05/2022	EBA publishes peer review on management of non-performing exposures	The EBA published the conclusion of its peer review of how prudential and consumer protection authorities supervise the management of non-performing exposures (NPE) by institutions and have implemented the EBA Guidelines on the management of NPE. The analysis suggests that the competent authorities across the EU have applied a risk-based approach to the supervision of NPE management. The EBA has not identified any significant concerns regarding the supervision practices but makes some general recommendations for further improvements.

Date	Publications	Description
18/05/2022	EBA adopts decision on supervisory reporting for intermediate EU parent undertaking threshold monitoring	The EBA has adopted a decision on supervisory reporting for EU parent undertaking (IPU) threshold monitoring for those entities belonging to third country groups, including third-country branches. Competent authorities shall report to the EBA information on the total value assets held by these entities within the scope of their jurisdiction in the format specified in the Annexes to the Decision.
23/05/2022	EBA publishes final technical standards to identify shadow banking entities	The EBA published its final draft Regulatory Technical Standards (RTS) specifying the criteria to identify shadow banking entities for the purposes of reporting large exposures. The final draft RTS clarify that entities carrying out banking activities or services and which have been authorised and supervised in accordance with the EU prudential framework, shall not be considered as shadow banking entities.
24/05/2022	EBA updates mapping between technical standards on Pillar 3 disclosures and technical standards on supervisory reporting (v3.0)	The EBA published an updated mapping between quantitative disclosure data points and the relevant supervisory reporting data points. The mapping is part of the EBA's overall objective to make the reporting and disclosure process more efficient and less costly for banks and aims at facilitating institutions' compliance with disclosure requirements and improving the consistency and quality of the information disclosed. The updated mapping applies to the reporting framework 3.0 and the Implementing Technical Standards (ITS) on institutions' Pillar 3 public disclosures.
25/05/2022	EBA announces timeline for the 2022 EU-wide Transparency exercise and EBA Risk Assessment Report	The EBA will be launching its annual 2022 EU-wide Transparency exercise in September 2022 and expects to release the information on banks' exposures and asset quality at the beginning of December 2022, along with the EBA Risk Assessment Report. The exercise will cover the figures from the second half of 2021 and the first half of 2022.

Date	Consultations	Description
02/05/2022	Discussion paper on the role of environmental risk in the prudential framework	The EBA published a Discussion Paper on the role of environmental risks in the prudential framework for credit institutions and investment firms. The Paper explores whether and how environmental risks are to be incorporated into the Pillar 1 prudential framework. It launches the discussion on the potential incorporation of a forward-looking perspective in the prudential framework. It also stresses the importance of collecting relevant and reliable information on environmental risks and their impact on institutions' financial losses. The consultation runs until 2 August 2022.
16/05/2022	Consultation on Implementing Technical Standards on NPL transaction data templates	The EBA launched a public consultation on the draft Implementing Technical Standards (ITS) specifying the requirements for the information that sellers of non-performing loans (NPL) shall provide to prospective buyers, seeking to improve the functioning of NPL secondary markets. The objective of the draft ITS is to provide a common standard for the NPL transactions across the EU enabling cross-country comparison and thus reducing information asymmetries between the sellers and buyers of NPL. The consultation runs until 31 August 2022.

European Supervisory Authorities (ESAs)

Date	Publications	Description
02/05/2022	ESAs recommend changes to make the PRIIPs key information document more consumer-friendly	The ESAs published their technical advice to the European Commission on the review of the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation. The advice will serve as input for developing the Commission's Retail Investment Strategy.
10/05/2022	ESAs call for improvements in product descriptions intended for retail investors	The ESAs issued today a joint supervisory statement regarding the 'What is this product?' section of the key information document (KID) for PRIIPs. The expectations put forward in the supervisory statement aim at improving the quality of descriptions provided by PRIIPs manufacturers and thereby contribute to better protection of retail investors.

Date	Consultations	Description
02/05/2022	ESAs consult on sustainability disclosures for simple, transparent and standardised securitisations	The ESAs published their technical advice to the European Commission on the review of the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation. The advice will serve as input for developing the Commission's Retail Investment Strategy. The consultation runs until 2 July 2022.
02/05/2022	ESAs consultation on STS securitisations-related sustainability disclosures	The ESAs published a Consultation Paper seeking input on draft Regulatory Technical Standards (RTS) on the content, methodologies and presentation of information in respect of the sustainability indicators for Simple, Transparent and Standardised (STS) securitisations. The consultation runs until 2 July 2022.

Basel Committee on Banking Supervision (BCBS)

Date	Consultations	Description
23/05/2022	Central banks highlight ways to tackle private debt build-up in the wake of the pandemic	The report by the Committee on the Global Financial System (CGFS), a central bank forum for examining risks to financial stability, hosted by the Bank for International Settlements, highlights that the rise in private sector debt during the COVID-19 crisis was associated with borrowing by weaker businesses and rapid house price growth. However, it finds that the importance of such debt vulnerabilities differs substantially across countries, depending on factors such as the strength of the economic recovery and the health of the financial system.
31/05/2022	Basel Committee finalises principles on climate-related financial risks, progresses work on specifying crypto-assets' prudential treatment and agrees on way forward for the G-SIB assessment methodology review	The Basel Committee met on 27 May 2022 and approved a finalised set of principles for the effective management and supervision of climate-related financial risks. It also progressed its work on specifying a prudential treatment of crypto-assets and issuing a second consultation paper, and agreed on a way forward to reflect developments in the European banking union (EBU) on the assessment methodology for global systemically important banks (G-SIBs). In addition, the Committee is continuing to assess risks to and vulnerabilities of the global banking system, including those ensuing from the conflict in Ukraine.

Macroprudential topics

European Central Bank (ECB)

Date	Publication	Description
25/05/2022	Financial Stability Review, May 2022	<p>The May Financial Stability Review (FSR) has been prepared against the backdrop of the devastating invasion of Ukraine and assesses its effects and risks on the economy, in Europe and beyond. Furthermore, the review assesses financial stability vulnerabilities and their implications for financial markets, debt sustainability, bank resilience, the non-bank financial sector and macroprudential policies.</p> <p>The FSR also includes two special features on financial stability risks stemming from climate change and on risks arising from crypto-assets.</p>

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
France	0.5%	07.04.2023
Germany	0.75%*	01.02.2023
Iceland	2%*	29.09.2022
Luxembourg	0.5%	01.01.2021
Netherlands	1%*	25.05.2023
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
09/05/2022	Thematic Review on Out-of-Court Corporate Debt Workouts	The review examines FSB member jurisdictions' practices, experiences and lessons from out-of-court corporate debt workouts. Jurisdictions have adopted a variety of approaches to complement in-court insolvency proceedings and facilitate restructurings through out-of-court debt workout frameworks, including most recently in response to COVID-19.

European Securities and Markets Authority (ESMA)

Date	Publications	Description
02/05/2022	ESMA objects to European Commission's proposed amendments on its draft ITS on insider lists	ESMA published two Opinions regarding the amendments proposed by the European Commission to the Regulatory Technical Standards (RTS) on liquidity contracts for SME Growth Market (GM) issuers and the Implementing Technical Standards (ITS) on insider lists initially adopted by ESMA in October 2020.
03/05/2022	ESMA publishes the annual LIS and SSTI calculations for bonds and the quarterly bond liquidity assessment	ESMA published the annual LIS and SSTI calculations for bonds and the quarterly bond liquidity assessment as communicated on 21 April 2022.
12/05/2022	ESMA appoints new member to its management board	ESMA has elected a new member to its Management Board to replace an outgoing member who has stepped down from her position.
13/05/2022	ESMA reminds issuers of the main IFRS requirements amid the war in Ukraine	ESMA released a Public Statement on the implications of Russia's invasion of Ukraine on half-yearly financial reports.
13/05/2022	ESMA makes recommendations for disclosures of expected impacts of IFRS 17 application	ESMA issued a Public Statement on the Transparency on implementation of IFRS 17 Insurance Contracts.
16/05/2022	ESMA reminds fund managers of their obligations to investors amid the war in Ukraine	ESMA released a Public Statement on the implications of Russia's invasion of Ukraine on investment fund portfolios.
16/05/2022	ESMA publishes final reports on CCP resolution regime	ESMA published six Final Reports on the central counterparties (CCPs) resolution regime under the CCP Recovery and Resolution Regulation (CCPRRR).
18/05/2022	ESMA publishes ex-post analysis of derivatives risks in Archegos	ESMA published a study showing how regulatory reporting data can be used to identify risks in derivatives markets, such as occurred in the case of Archegos.
19/05/2022	ESMA encourages crowdfunding service providers to accelerate their transition to the new regime	ESMA published its final report on the relevance of extending the transitional period set out in Article 48 of the Crowdfunding Regulation (CR).
19/05/2022	ESMA publishes report on highly liquid instruments	ESMA published its Final Report on highly liquid financial instruments for CCP investment policies under EMIR.
20/05/2022	New Q&AS available	ESMA updated the following Questions and Answers: <ul style="list-style-type: none"> on the application of the AIFMD on the application of the UCITS Directive on the Central Securities Depositories Regulation on the European crowdfunding service providers for business Regulation on MiFID II and MiFIR transparency topics
23/05/2022	ESMA study looks at reasons for lower costs in ESG funds	ESMA published a study looking at the potential reasons behind the relatively lower ongoing costs, and better performance, of environmental, social and governance (ESG) funds compared to other funds, between April 2019 and September 2021.
31/05/2022	ESMA provides supervisors with guidance on the integration of sustainability risks and disclosures in the area of asset management	ESMA published a Supervisory Briefing to ensure convergence across the European Union in the supervision of investment funds with sustainability features, and in combating greenwashing by investment funds.

31/05/2022	ESMA reports on supervision of costs and fees in investment funds	ESMA published a report on the Common Supervisory Action (CSA) on costs and fees for investment funds, that was carried out with National Competent Authorities (NCAs) during 2021. ESMA highlights, in the Report, the importance of supervision in ensuring investors are not charged with undue costs, considering its high impact on investors' returns.
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Date	Consultation	Description
17/05/2022	ESMA consults on notifications for cross-border marketing and management of funds	ESMA is consulting stakeholders on the information and templates to be provided and used by firms, when they inform regulators of their cross-border marketing and management activities under the UCITS Directive and the AIFMD. The consultation runs until 9 September 2022.
19/05/2022	ESMA launches four consultations on CCP resolution regime	ESMA published four Consultation Papers on its proposed Guidelines for the EU central counterparty (CCP) resolution regime The consultation run until 1 August 2022.



Financial centre

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (31/05/2022)	122	↘ 4 entities
	Balance sheet total (31/03/2022)	EUR 971.817 bn	↗ EUR 154.206 bn
	Income before taxes and value adjustments (31/03/2022)	EUR 1.291 bn	↘ EUR 0.080 bn
Payment institutions	Number (31/05/2022)	16	↗ 2 entities
Electronic money institutions	Number (31/05/2022)	10	↘ 1 entity
UCIs	Number (31/05/2022)	Part I 2010 Law: 1,640	↘ 43 entities
		Part II 2010 Law: 235	↘ 3 entities
		SIFs: 1,352	↘ 51 entities
		TOTAL: 3,227	↘ 97 entities
	Number (31/05/2022)	SICARs: 216	↘ 7 entities
	Total net assets (30/04/2022)	EUR 5,477.104 bn	↗ EUR 183.288 bn
Authorised Investment Fund Managers²	Number (31/05/2022)	305	↘ 8 entities
	Balance sheet total (31/03/2022) ³	EUR 25.340 bn	↗ EUR 6.354 bn
Pension funds	Number (31/05/2022)	12	no variation
Authorised securitisation undertakings	Number (31/05/2022)	28	↘ 2 entities
Investment firms	Number (31/05/2022)	98 (6 branches)	↘ 3 entities
	Balance sheet total (30/04/2022)	EUR 986 m	↘ EUR 388 m
	Provisional net profit (30/04/2022)	EUR 36.49 m	↘ EUR 6.88 m
Specialised PFS	Number (31/05/2022)	97	↘ 2 entities
	Balance sheet total (30/04/2022)	EUR 6.376 bn	↘ EUR 491 m
	Provisional net profit (30/04/2022)	EUR 7.4 m	↘ EUR 24.28 m
Support PFS	Number (31/05/2022)	69	↘ 2 entities
	Balance sheet total (30/04/2022)	EUR 1.621 bn	↗ EUR 67 m
	Provisional net profit (30/04/2022)	EUR 40.77 m	↗ EUR 15.69 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (31/05/2022)	449	↘ 23 entities
Public oversight of the audit profession	Number (31/05/2022)	53 <i>cabinets de révision agréés</i>	↘ 2 entities
		344 <i>réviseurs d'entreprises agréés</i>	↗ 19 people
		22 third-country auditors and audit firms	↘ 4 entities
Employment (31/03/2022)	Banks	26,092 people	↘ 53 people
	Authorised Investment Fund Managers ²	6,738 people	↗ 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 people⁴

² 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

³ Preliminary figures.

⁴ 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.