



Commission de Surveillance
du Secteur Financier

Newsletter No 272

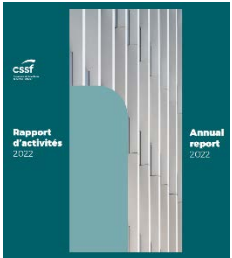
September 2023

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CSSF ANNUAL REPORT 2022



On 25 August 2023, the CSSF published its 2022 Annual Report providing an overview of the CSSF's activities and initiatives in 2022. It also includes statistical data concerning the entities under its supervision and addresses various other topics

such as, for example, AML/CFT, financial innovation and financial education.

Read the full report:

<https://www.cssf.lu/en/Document/annual-report-2022/>.

MARCO ZWICK: RENEWAL OF THE MANDATE AS DIRECTOR

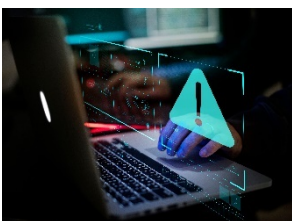


On 1 September 2023, the mandate of Marco Zwick, in charge of the fields of UCIs and specialised PFS, was renewed for 5 years. He holds a Master's degree in Business Administration from Sheffield Business School (Hallam University) and has held various functions in the

financial sector since 1989. Among others, he has chaired the AML Working Group of ALFI for 13 years and co-chaired with the US Stock Exchange Commission the FATF working group on the Risk Based Approach Guidance for Securities.

For more details on the role of the CSSF's Executive Board: <https://www.cssf.lu/en/governance-cssf/#the-executive-board>.

SPEAR PHISHING SPOOFING THE CSSF IDENTITY



The CSSF has been made aware of a recent spear phishing and voice call scams campaign, where the CSSF identity is spoofed, targeting corporate executives and their accounting department.

[CIRCL, the Computer Incident Center Luxembourg](https://circl.lu/pub/tr-77/), published a technical report on this subject, including recommendations, available at this URL: <https://circl.lu/pub/tr-77/>. The CSSF strongly recommends all supervised entities concerned to take duly note of this report and to take actions as appropriate.



Warnings

Warnings of the CSSF

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

- [Warning concerning fraudulent activities performed under the name of the Luxembourg company FARAD Investment Management S.A.](#)
- [Warning concerning the website <https://capitalconsulting-bvba.com>](#)
- [Warning concerning fraudulent activities performed under the name of the Luxembourg company LBR Investments S.à r.l.](#)
- [Warning concerning fraudulent activities by persons misusing the name of the bank BGL BNP Paribas](#)
- [Warning concerning fraudulent activities by persons misusing the name of the bank Banking Circle S.A.](#)
- [Warning concerning fraudulent activities performed under the name of the Luxembourg company Elite Wealth Management SIF-SICAV S.A.](#)
- [Warning concerning the usurpation of the name and logo of the CSSF](#)
- [Warning concerning fraudulent activities by persons misusing the name of Aubusson Holding S.A.](#)

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 the CSSF [website](#) and contact the CSSF.

Warning published by another authority

[Warning issued by the German authority \(BaFin\) regarding a fake website \(investorportal-goldingcapital.com\) impersonating Golding Capital Partners GmbH \(only in German\).](#)

Warnings published by IOSCO

Several warnings have been published on the IOSCO website at:

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



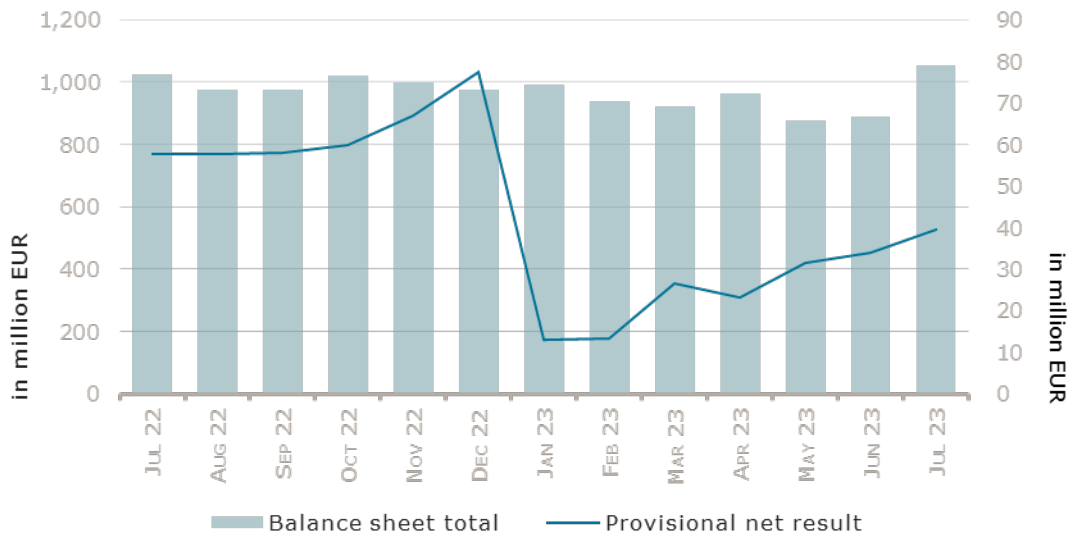
Communiqués

Date	Publications
18.08.2023	OECD: Financial consumers and sustainable finance – Policy implications and approaches
24.08.2023	Unauthenticated remote code execution vulnerability in NetScaler ADC (formerly Citrix ADC) and NetScaler Gateway (formerly Citrix Gateway)
01.09.2023	Global situation of undertakings for collective investment at the end of July 2023
04.09.2023	Spear phishing spoofing the CSSF identity
06.09.2023	Launch of the ESMA Common Supervisory Action (CSA) on sustainability risks and disclosures in the investment fund sector

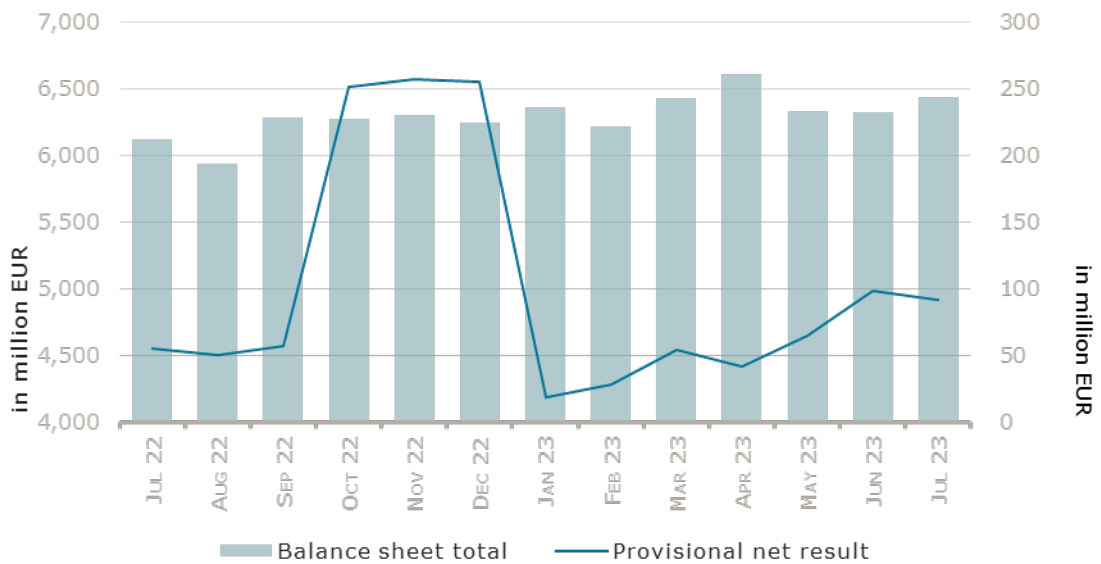


MONTHLY STATISTICS

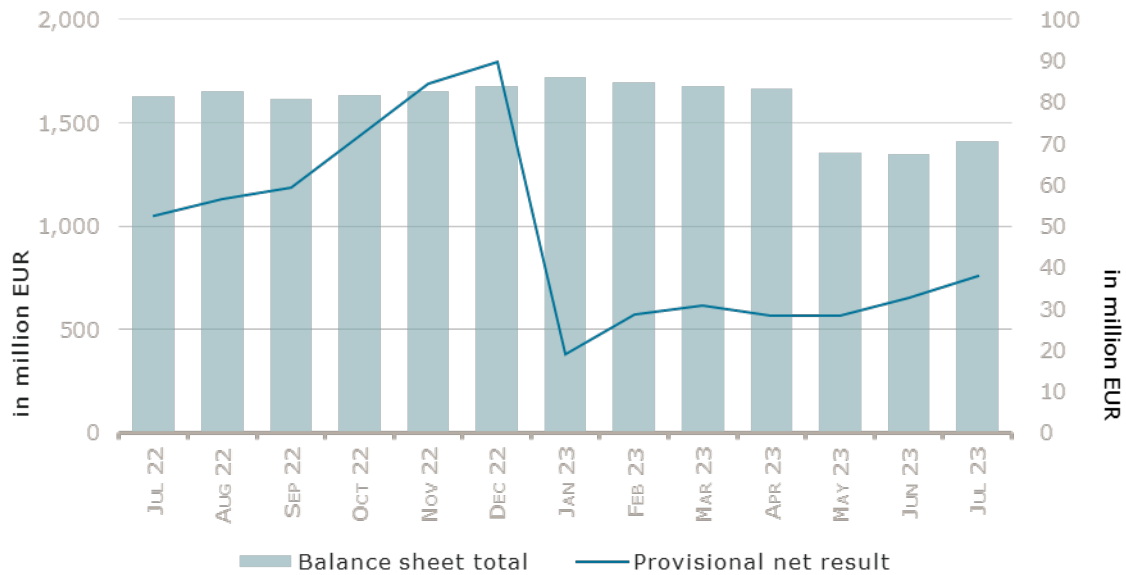
INVESTMENT FIRMS:
INCREASE IN THE BALANCE SHEET TOTAL AS AT 31 JULY 2023



SPECIALISED PFS:
INCREASE IN THE BALANCE SHEET TOTAL AS AT 31 JULY 2023



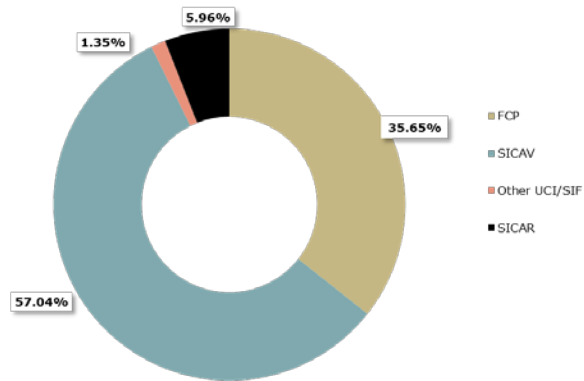
**SUPPORT PFS:
INCREASE IN THE BALANCE SHEET TOTAL AS AT 31 JULY 2023**



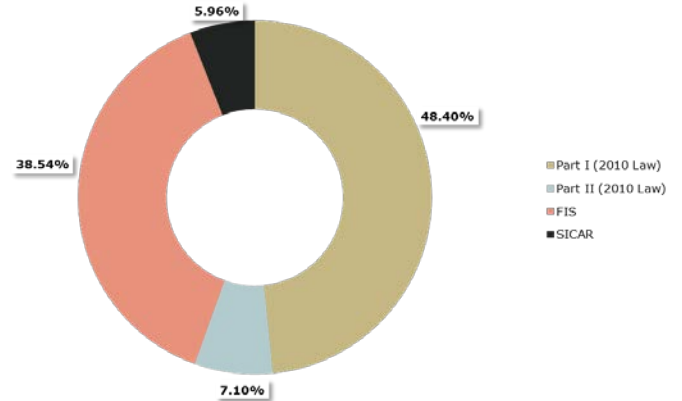
**UCIS:
SITUATION AS AT 31 JULY 2023**

NUMBER OF UCIS

Breakdown of UCIs according to legal form



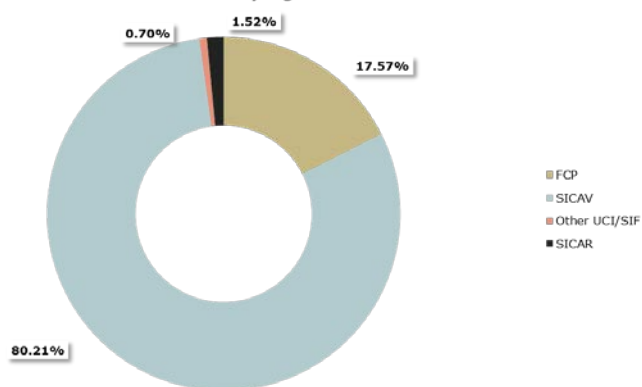
Breakdown of UCIs according to law and part applicable



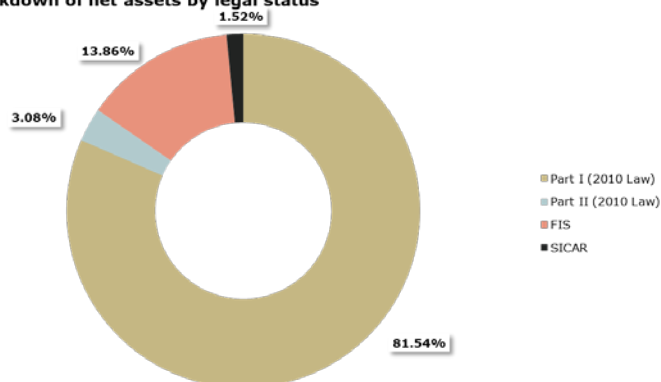
	FCP	SICAV	Other UCIs / SIFs	SICARs	Total
Part I (2010 Law)	817	792	0	0	1,609
Part II (2010 Law)	107	127	2	0	236
SIFs	261	977	43	0	1,281
SICARs	0	0	0	198	198
Total	1,185	1,896	45	198	3,324

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)	664.959	3,610.578	0.000	0.000	4,275.537
Part II (2010 Law)	46.069	114.908	0.275	0.000	161.252
SIFs	210.433	480.234	36.218	0.000	726.885
SICARs	0.000	0.000	0.000	79.905	79.905
Total	921.461	4,205.720	36.493	79.905	5,243.579

NET ASSETS BROKEN DOWN BY INVESTMENT POLICY

Breakdown by investment policy	Net assets (in bn €)	Number of fund units
Fixed-Income Transferable Securities	1,217.465	3,128
Variable-Yield Transferable Securities	1,811.577	4,166
Mixed Transferable Securities	1,012.849	3,393
Funds of Funds	344.474	2,041
Money Market Instruments and Other Short-Term Securities	465.944	194
Private Equity	81.114	256
Venture Capital	3.873	32
Real Estate	137.043	325
Futures and/or Options	11.583	66
Other Assets	77.752	273
Public-to-Private	0.147	2
Mezzanine	0.956	11
Venture Capital (SICAR)	7.692	70
Private Equity (SICAR)	71.110	249
TOTAL	5,243.579	14,206

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	1,126.477	2,730	34.783	35.565	-0.782
Variable-Yield Transferable Securities	1,735.394	3,850	41.856	47.923	-6.067
Mixed Transferable Securities	809.555	2,493	14.760	18.550	-3.790
Funds of Funds	151.074	790	1.550	2.761	-1.211
Money Market Instruments and Other Short-Term Securities	444.077	163	234.846	228.155	6.691
Futures and/or Options	6.904	37	0.223	0.193	0.030
Other Assets	2.056	7	0.043	0.629	-0.586
SUB-TOTAL PART I	4,275.537	10,070	328.061	333.776	-5.715
PART II					
Fixed-Income Transferable Securities	11.497	80	0.293	0.283	0.010
Variable-Yield Transferable Securities	14.030	66	0.100	0.096	0.004
Mixed Transferable Securities	62.991	162	0.618	0.811	-0.193
Funds of Funds	29.792	168	0.270	0.704	-0.434
Money Market Instruments and Other Short-Term Securities	14.429	20	2.474	1.556	0.918
Private Equity	17.211	32	0.243	0.056	0.187
Venture Capital	1.245	5	0.058	0.001	0.057
Real Estate	4.511	17	0.053	0.002	0.051
Futures and/or Options	1.263	12	0.012	0.014	-0.002
Other Assets	4.283	26	0.152	0.166	-0.014
SUB-TOTAL PART II	161.252	588	4.273	3.689	0.584

SIF

Fixed-Income Transferable Securities	79.491	318	1.464	1.519	-0.055
Variable-Yield Transferable Securities	62.153	250	2.496	0.448	2.048
Mixed Transferable Securities	140.303	738	2.050	3.616	-1.566
Funds of Funds	163.608	1,083	2.286	1.392	0.894
Money Market Instruments and Other Short-Term Securities	7.438	11	1.965	2.418	-0.453
Private Equity	63.903	224	1.006	0.161	0.845
Venture Capital	2.628	27	0.138	0.724	-0.586
Real Estate	132.532	308	2.006	0.746	1.260
Futures and/or Options	3.416	17	0.041	0.049	-0.008
Other Assets	71.413	240	0.860	0.808	0.052
SUB-TOTAL SIFs	726.885	3,216	14.312	11.881	2.431
SICAR					
Public-to-Private	0.147	2	0.000	0.000	0.000
Mezzanine	0.956	11	0.000	0.000	0.000
Venture Capital	7.692	70	0.000	0.000	0.000
Private Equity	71.110	249	0.017	0.128	-0.111
TOTAL SICAR	79.905	332	0.017	0.128	-0.111
TOTAL LUXEMBOURG UCIs	5,243.579	14,206	346.663	349.474	-2.811

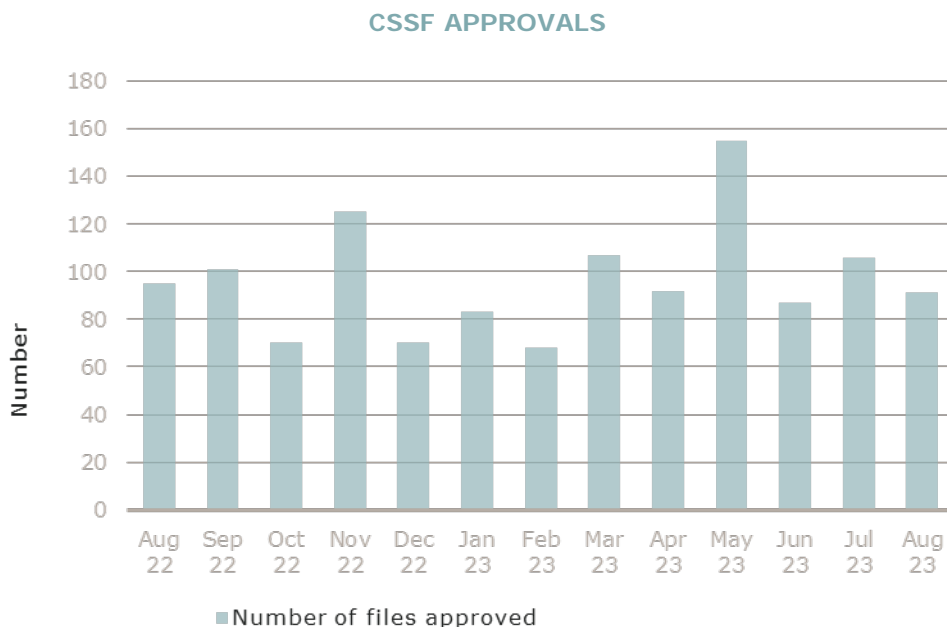
ORIGIN OF THE INITIATORS OF LUXEMBOURG UCIs

Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
US	1,023.737	19.5%	154	4.6%	1,165	8.2%
GB	874.254	16.7%	239	7.2%	1,613	11.4%
DE	775.586	14.8%	1,067	32.1%	2,252	15.8%
CH	694.844	13.2%	514	15.5%	2,623	18.5%
FR	600.843	11.5%	243	7.3%	1,524	10.7%
IT	336.056	6.4%	111	3.3%	1,276	9.0%
BE	240.854	4.6%	128	3.9%	723	5.1%
LU	211.700	4.0%	289	8.7%	861	6.1%
NL	116.395	2.2%	37	1.1%	249	1.7%
DK	108.200	2.1%	18	0.5%	201	1.4%
OTHERS	261.110	5.0%	524	15.8%	1,719	12.1%
TOTAL	5,243.579	100.0%	3,324	100.0%	14,206	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	2.791	0.053%	14	0.099%
CAD	2.363	0.045%	14	0.099%
CHF	52.245	0.996%	240	1.689%
CNH	8.354	0.159%	26	0.183%
CNY	4.380	0.084%	6	0.042%
CZK	1.396	0.027%	51	0.359%
DKK	1.490	0.028%	12	0.084%
EUR	2,804.328	53.481%	8,753	61.615%
GBP	162.923	3.107%	276	1.943%
HKD	2.856	0.054%	8	0.056%
HUF	0.239	0.005%	19	0.134%
JPY	58.845	1.122%	152	1.070%
NOK	4.330	0.083%	29	0.204%
NZD	0.194	0.004%	1	0.007%
PLN	0.147	0.003%	3	0.021%
RON	0.567	0.011%	2	0.014%
SEK	36.315	0.693%	117	0.824%
SGD	1.505	0.029%	7	0.049%
USD	2,098.293	40.016%	4,475	31.501%
ZAR	0.018	0.000%	1	0.007%
TOTAL	5,243.579	100.000%	14,206	100.000%

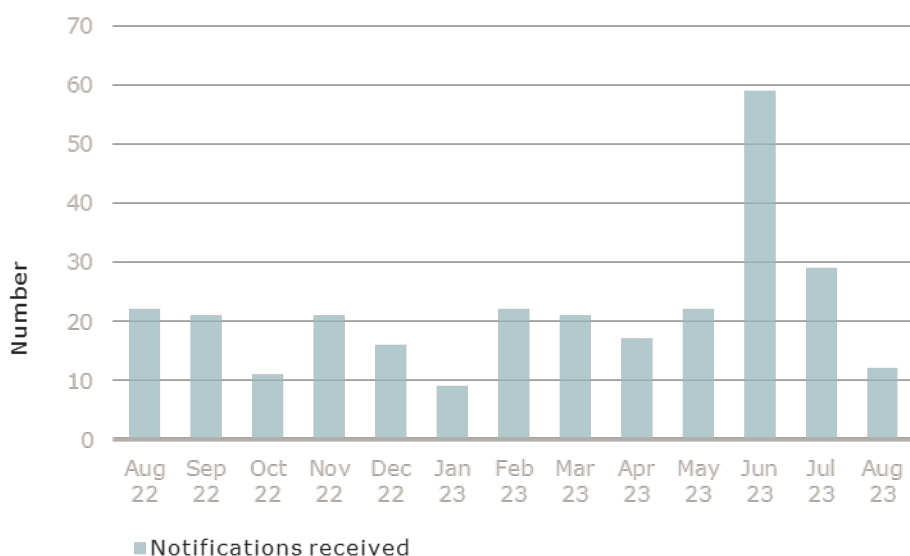
PROSPECTUSES TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET



In August 2023, the CSSF approved a total of 91 documents pursuant to the Prospectus Regulation, which break down as follows:

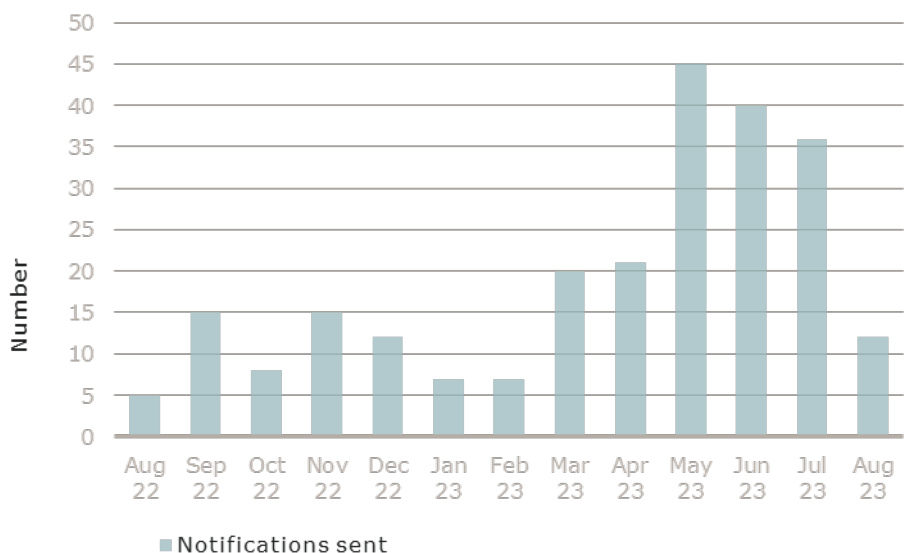
base prospectuses:	15 (16.49%)
other prospectuses:	7 (7.69%)
supplements:	69 (75.82%)

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



In August 2023, the CSSF received 11 notifications relating to prospectuses and base prospectuses, 1 notification relating to registration documents and 83 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



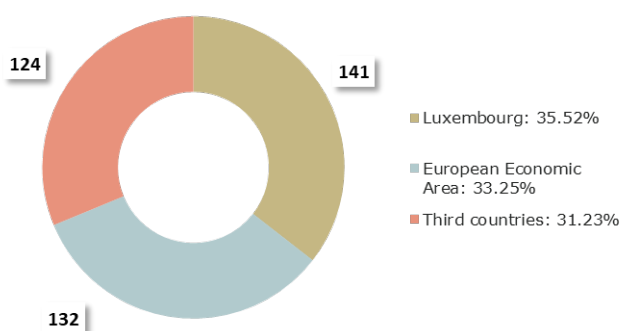
In August 2023, the CSSF sent 12 notifications relating to prospectuses and base prospectuses and 48 notifications relating to supplements to the competent authorities of other EEA Member States¹.

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

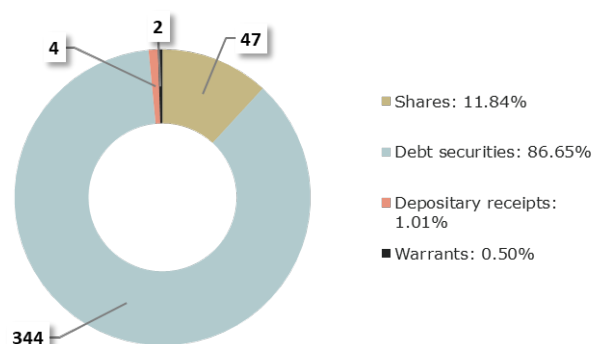
Since 31 July 2023, **one** issuer has chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, **six** issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 31 August 2023, **397 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 August 2023, **13 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 **14**.

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 August 2023.

PUBLIC OVERSIGHT OF THE AUDIT PROFESSION

The public oversight of the audit profession covered **56 *cabinets de révision agréés*** (approved audit firms) and **380 *réviseurs d'entreprises agréés*** (approved statutory auditors) as at 31 August 2023. The oversight also included **24 third-country auditors and audit firms** duly registered in accordance with the Law of 23 July 2016 concerning the audit profession.



Human resources

The CSSF has hired four employees since the publication of the last Newsletter. The total number of CSSF staff counts, after the departure of 2 agents, 963 agents (535 men and 428 women). They have been assigned to the following departments:

- **Banking Departments**
- **Supervision of Investment Firms**



European/International News in August 2023

European Parliament, European Commission and European Council

Date	Regulatory developments	Description
01/08/2023	Commission Delegated Regulation (EU) 2023/1577 of 20 April 2023	Publication of Commission Delegated Regulation (EU) 2023/1577 of 20 April 2023 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards on the calculation of the own funds requirements for market risk for non-trading book positions subject to foreign exchange risk or commodity risk and the treatment of those positions for the purposes of the regulatory back-testing requirements and the profit and loss attribution requirement under the alternative internal model approach.
01/08/2023	Commission Delegated Regulation (EU) 2023/1578 of 20 April 2023	Publication of Commission Delegated Regulation (EU) 2023/1578 of 20 April 2023 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards specifying the requirements for the internal methodology or external sources used under the internal default risk model for estimating default probabilities and losses given default.
09/08/2023	Commission Delegated Regulation (EU) 2023/1616 of 3 May 2023	Publication of Commission Delegated Regulation (EU) 2023/1616 of 3 May 2023 supplementing Regulation (EU) 2021/23 of the European Parliament and of the Council with regard to regulatory technical standards specifying the circumstances in which a person is deemed to be independent from the resolution authority and from the central counterparty, the methodology for assessing the value of assets and liabilities of a central counterparty, the separation of the valuations, the methodology for calculating the buffer for additional losses to be included in provisional valuations, and the methodology for carrying out the valuation for the application of the 'no creditor worse off' principle.
23/08/2023	Commission Delegated Regulation (EU) 2023/1650 of 15 May 2023	Publication of Commission Delegated Regulation (EU) 2023/1650 of 15 May 2023 correcting the Swedish language version of Delegated Regulation (EU) 2018/389 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for strong customer authentication and common and secure open standards of communication.
23/08/2023	Commission Delegated Regulation (EU) 2023/1651 of 17 May 2023	Publication of Commission Delegated Regulation (EU) 2023/1651 of 17 May 2023 supplementing Directive (EU) 2019/2034 of the European Parliament and of the Council with regard to regulatory technical standards for the specific liquidity measurement of investment firms under Article 42(6) of that Directive.
31/08/2023	Commission Delegated Regulation (EU) 2023/1668 of 25 May 2023	Publication of Commission Delegated Regulation (EU) 2023/1668 of 25 May 2023 supplementing Directive (EU) 2019/2034 of the European Parliament and of the Council with regard to regulatory technical standards specifying the measurement of risks or elements of risks not covered or not sufficiently covered by the own funds requirements set out in Parts Three and Four of Regulation (EU) 2019/2033 of the European Parliament and of the Council and the indicative qualitative metrics for the amounts of additional own funds.

European Banking Authority (EBA)

Date	Publications	Description
02/08/2023	The EBA updates guidance on reporting of Financial Soundness Indicators to the International Monetary Fund	The EBA published an updated guidance on how to compile and report to the International Monetary Fund (IMF) the Financial Soundness Indicators (FSI) based on the EBA's data. The FSIs aim to provide insight into the financial health and soundness of the countries' financial institutions as well as corporate and household sectors, thus supporting the economic and financial stability analysis.
03/08/2023	The EBA publishes its first Report on the implementation of the European Resolution Examination Programme	The EBA published for the first time a report which monitors the progress made by resolution authorities in embedding the key topics identified in the EBA's 2022 European Resolution Examination Programme (EREP) into their respective priorities and resolution colleges in 2022. The report, with a view to fostering convergence in resolution practices, observes that, overall, resolution authorities incorporated the work priorities set by the EBA, with the MREL monitoring being a key focus. The EREP priorities set for 2024 mainly confirmed the areas of focus set for 2023 although with updated specific elements and extension of the operationalisation of the bail-in tool to cover the operationalisation of the resolution strategy more generally.
04/08/2023	EBA settles disagreement between the Spanish and Belgian deposit guarantee schemes	The EBA publishes a binding mediation decision between two deposit guarantee schemes (DGSs), the Spanish Deposit Guarantee Fund for Credit Institutions and the Belgian Deposit Guarantee Fund for Financial Services. The decision stipulates that the Belgian DGS should transfer to the Spanish DGS the last contribution it has received from a credit institution that had changed its DGS affiliation.
04/08/2023	The EBA publishes follow-up Report on the use of machine learning for internal ratings-based models	The EBA published a follow-up report presenting the feedback received during the consultation on machine learning (ML) used in the context of internal ratings-based (IRB) models. This follow-up report summarises the main conclusions from the consultation and provides an overview of the current use cases of the ML techniques for the IRB models.
07/08/2023	The EBA is collecting bank data on interest rate risk in the banking book	The EBA published its decision to run an ad-hoc data collection of the institutions' IRRBB data. This data collection aims to provide competent authorities and the EBA with timely and necessary data and tools to monitor risks arising from interest rate changes and the implementation of the IRRBB scrutiny plan. The ad-hoc collection follows a proportionate approach, as it will apply only to those institutions that are already providing IRRBB data in the context of the QIS exercise and include the same templates that these institutions will have to report once the final ITS on IRRBB reporting starts applying.
07/08/2023	EBA updates timeline for the implementation of the IRB roadmap and publishes its final supervisory handbook for the validation of IRB rating systems	The EBA updated its roadmap for the implementation of the IRB model requirements to limit compliance costs for institutions. The EBA also published its final supervisory handbook for the validation of the IRB rating systems to clarify the role of the validation function as part of corporate governance.
08/08/2023	The EBA's recent mystery shopping exercise shows the value this tool adds to the supervisory tasks of national authorities	The EBA published a report on its mystery shopping exercise into personal loans and payment accounts. The exercise confirmed that mystery shopping is a tool that adds immense value to the supervision of national competent authorities and is complementary to other more conventional tools or approaches. It aims to deliver first-hand information about, and insight into, the conduct of financial institutions towards consumers visiting a branch or using a digital channel.

Date	Publications	Description
10/08/2023	Supervisory cooperation in the fight against financial crime is improving, the EBA finds	The EBA published its third Report on the functioning of anti-money laundering and countering the financing of terrorism (AML/CFT) colleges. The report finds that competent authorities had taken important steps to improve the functioning of AML/CFT colleges. Nevertheless, many colleges had not reached full maturity. The report highlights good practices that will be useful for competent authorities to further improve the effectiveness of AML/CFT colleges and of supervisory outcomes.
21/08/2023	The EBA updates data used for the identification of global systemically important institutions (G-SIIs)	The EBA updated the 13 systemic importance indicators and underlying data for the 32 largest institutions in the EU whose leverage ratio exposure measure exceeds EUR 200 bn. This disclosure includes updated data items specific to the recognition of the Banking Union and of institutions that are part of the Single Resolution Mechanism. Acting as a central data hub in the disclosure process, the EBA updates this data on a yearly basis and provides user-friendly tools to aggregate it across the EU.

Date	Consultations	Description
01/08/2023	EBA consults on amendments to the Guidelines on the specification and disclosure of systemic importance indicators	The EBA launched a public consultation on amendments to its Guidelines on the specification and disclosure of systemic importance indicators. The proposed changes aim primarily at updating the annex which replicates the data template issued by the Basel Committee on Banking Supervision (BCBS) on a yearly basis. The consultation runs until 1 September 2023.
03/08/2023	The EBA consults on technical standards to identify extraordinary circumstances to derogate from certain requirements in the area of market risk	The EBA launched a public consultation on draft Regulatory Technical Standards (RTS) to identify extraordinary circumstances of market disruption, permitting to waive certain requirements for the calculation of own funds requirements for market risk on the basis of internal models. The consultation runs until 3 November 2023.

European Securities and Markets Authority (ESMA)

Date	Publications	Description
01/08/2023	ESMA publishes data for quarterly bond liquidity assessment, the systematic internaliser calculations and the CTP calculations	ESMA published the new quarterly liquidity assessment of bonds , the data for the quarterly systematic internaliser calculations for equity, equity-like instruments, bonds and for other non-equity instruments and the consolidated tape provider (CTP) under MiFID II and MiFIR.
03/08/2023	ESA's Joint Board of Appeal dismisses appeal by Euroins Insurance Group AD against the European Insurance and Occupational Pensions Authority	The Joint Board of Appeal of the European Supervisory Authorities (ESAs) unanimously decided that the appeal brought by Euroins Insurance Group AD ("Euroins") against the European Insurance and Occupational Pensions Authority (EIOPA) is inadmissible. The appeal was brought in relation to an EIOPA Report assessing the valuation of Euroins' technical provisions. <ul style="list-style-type: none"> • Board of Appeal of the ESAs - Order on Euroins Insurance Group AD vs EIOPA • Board of Appeal of the ESAs - Decision on Euroins Insurance Group AD vs EIOPA • Board of Appeal of the ESAs - Decision on Euroins Insurance Group AD vs EIOPA on a plea of inadmissibility

Date	Publications	Description
08/08/2023	ESMA publishes latest edition of its newsletter	ESMA published its latest edition of the <i>Spotlight on Markets</i> Newsletter. Your one-stop-shop in the world of EU financial markets focused in July on the launch of the first consultation package under the Markets in Crypto-Assets Regulation. ESMA is seeking input – by 20 September 2023 – on proposed rules for crypto-asset service providers (CASPs), related to their authorisation, identification and management of conflicts of interests and also how CASPs should address complaints. See also our dedicated page , including the timeline.
31/08/2023	ESMA sees prevailing market uncertainty as downside risks rise	ESMA published the second Trends, Risks and Vulnerabilities (TRV) Report of 2023.

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

Date	Publications	Description
22/08/2023	List of supervised entities	The ECB published the list of supervised entities.

Macroprudential topics and fora

European Central Bank (ECB)

Date	Publications	Description
04/08/2023	Memorandum of Understanding on the exchange of certain confidential statistical information between the European Central Bank and the Single Resolution Board	The purpose of this MoU is to establish the general conditions for the exchange of confidential data and statistics between the ECB and the SRB, to assist in the efficient, effective, and timely performance of the SRB Statutory tasks.
10/08/2023	Economic Bulletin, Issue 5, 2023	Inflation continues to decline but is still expected to remain too high for too long. The Governing Council has decided at its meeting on 27 July 2023 to raise the three key ECB interest rates by 25 basis points, to ensure that inflation returns to its 2% medium-term target in a timely manner. The past rate increases continue to be transmitted forcefully: financing conditions have tightened again and are increasingly dampening demand, which is an important factor in bringing inflation back to target. The Governing Council also decided to set the remuneration of minimum reserves at 0%. This decision will preserve the effectiveness of monetary policy by maintaining the current degree of control over the monetary policy stance and ensuring the full pass-through of the interest rate decisions to money markets.
10/08/2023	The role of housing wealth in the transmission of monetary policy, Economic Bulletin Box	Findings show that housing is an important element in the transmission of monetary policy to the economy. Seminal academic papers have found a close link between housing and monetary policy transmission. They have pointed towards a positive correlation between the share of adjustable-rate mortgages and household debt, and the strength of monetary policy transmission. Thus, structural changes in the mortgage market and levels of household debt in the euro area are possible factors making the current tightening cycle different from previous ones. Given the limited time dimension available to study these questions empirically, this box presents evidence from a cross-country analysis.

Date	Publications	Description
16/08/2023	Know your (holding) limits: CBDC, financial stability and central bank reliance, ECB occasional paper series - No 326	How do central bank digital currencies (CBDC) impact the balance sheets of banks and central banks? The paper simulates the impact of a fictitious digital euro introduction in the third quarter of 2021, using data from over 2,000 euro area banks. That impact depends on i) the number of deposits withdrawn and the speed at which this occurs, ii) the liquidity available within the banking system at the time of the digital euro introduction, iii) the liquidity risk preferences of the markets and supervisors, iv) the bank's business model, and v) the functioning of the interbank market. We find that a €3,000 digital euro holding limit per person, as suggested by Bindseil (2020) and Bindseil and Panetta (2020), would have been successful in containing the impact on bank liquidity risks and funding structures and on the Eurosystem balance sheet, even in extremely pessimistic scenarios.
17/08/2023	Understanding the profitability gap between euro area and US global systemically important banks, ECB occasional paper series - No 327	This analysis highlights two main drivers of US G-SIBs' higher profitability. First, the higher income from fees and commissions and trading of US G-SIBs explains the bulk of the difference in ROE. Second, EA G-SIBs are still dealing with legacy non-performing exposures built up during the Global Financial Crisis (GFC) which have driven up the associated impairments and provisions expenses beyond that of US peers. While the paper does not aim to provide normative recommendations, the main conclusion is that the higher profitability of US G-SIBs compared with their EA peers can largely be explained by their different business strategies, which are closely linked to the differing macroeconomic environments and financial systems in which these banks operate. Furthermore, regulatory differences across banking systems are not addressed in this investigation.
18/08/2023	Same same but different: credit risk provisioning under IFRS 9, ECB working paper series – No 2841	This ECB working paper the impact of the adoption of expected credit loss accounting (IFRS 9) on the timeliness and potential procyclicality of the banks' loan loss provisioning. They use granular loan level data from the euro area's credit register and investigate both firm-level credit events and macroeconomic shocks (2020 COVID-19 pandemic, 2022 energy price shock). They find that provisions under the new standard are higher before default and more responsive to shocks. However, the majority of provisioning still occurs at the time of default and the dynamics around default events are similar to pre-existing national standards. Additionally, banks with a larger capital headroom provision significantly more, particularly for loans using IFRS 9. This suggests a higher risk of underprovisioning for less capitalised banks.

European Systemic Risk Board (ESRB)

Date	Publications	Description
01/08/2023	Quantitative easing, accounting and prudential frameworks, and bank lending, ESRB Working Paper Series No 144	The paper investigates whether regulation that relies on historical cost accounting (HCA) rather than mark-to-market accounting (MMA) to insulate banks' net worth from financial market volatility affects the transmission of quantitative easing (QE) through the bank lending channel. Using detailed supervisory data from Italian banks and taking advantage of a change in accounting rules, they find that HCA makes banks significantly less responsive to QE than MMA. Hence, while HCA can insulate the banks' balance sheets during periods of distress, it also weakens the effectiveness of unconventional monetary policy in reducing the firms' credit constraints through the bank lending channel.

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	Application since	CCyB rate
Bulgaria	01.01.2023	1.5%
	01.10.2023	2%*
Croatia	31.03.2023	0.5%
	31.12.2023	1%*
	30.06.2024	1.5%*
Cyprus	01.01.2016	0%
	30.11.2023	0.5%*
Czech Republic	01.07.2023	2.25%
Denmark	31.03.2023	2.5%
Estonia	07.12.2022	1%
	01.12.2023	1.5%*
France	07.04.2023	0.5%
	02.01.2024	1%*
Germany	01.02.2023	0.75%
Hungary	01.07.2024	0.5%*
Iceland	29.09.2022	2%
	15.03.2024	2.5%*
Ireland	15.06.2023	0.5%
	24.11.2023	1%*
	07.06.2024	1.5%*
Lithuania	01.10.2023	1%*
Luxembourg	01.01.2021	0.5%
Netherlands	25.05.2023	1%
	31.05.2024	2%*
Norway	31.03.2023	2.5%
Romania	17.10.2022	0.5%
	23.10.2023	1%*
Slovakia	01.08.2020	1%
	01.08.2023	1.5%
Slovenia	31.12.2023	0.5%
Sweden	22.06.2023	2%

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	Publications	Description
16/08/2023	Addressing vulnerabilities in money market funds is a key element of the FSB's work program to enhance the non-bank financial intermediation sector.	The FSB is seeking feedback from stakeholders as part of its thematic peer review on money market fund (MMF) reforms. The objective of the review is to take stock of the progress made by the FSB member jurisdictions in assessing and addressing MMF vulnerabilities in their domestic markets. The FSB has distributed a questionnaire to the member jurisdictions to collect information. In addition, as part of this peer review, the FSB invites feedback from stakeholders on the following issues: 1) How MMF vulnerabilities differ across jurisdictions depending on MMF structure, investor composition, asset profile, or other factors. 2) Progress made by the FSB member jurisdictions in addressing MMF vulnerabilities. 3) Operational and other challenges faced by the industry in implementing MMF reforms. Feedback should be submitted by 8 September 2023.



Financial centre

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (31/08/2023)	119	↘ 3 entities
	Balance sheet total (31/03/2023)	EUR 929.342 bn	↘ EUR 42.475 bn
	Profit before provisions and taxes (31/03/2023)	EUR 2.024 bn	↗ EUR 733 m
Payment institutions	Number (31/08/2023)	18	↗ 2 entities
Electronic money institutions	Number (31/08/2023)	12	↗ 1 entity
UCIs	Number (31/08/2023)	Part I 2010 Law: 1,611	↘ 24 entities
		Part II 2010 Law: 236	↗ 8 entities
		SIFs: 1,278	↘ 60 entities
		TOTAL: 3,125	↘ 76 entities
	Number (31/08/2023)	SICARs: 198	↘ 14 entities
	Total net assets (31/07/2023)	EUR 5,243.579 bn	↘ EUR 135.47 bn
Authorised Investment Fund Managers²	Number (31/08/2023)	299	↘ 3 entities
	Balance sheet total (30/06/2023)	EUR 22.606 bn	↘ EUR 753 m
Pension funds	Number (31/08/2023)	13	↗ 1 entity
Authorised securitisation undertakings	Number (31/08/2023)	28	↘ 1 entity
Investment firms	Number (31/08/2023)	94 (7 branches)	↘ 2 entities
	Balance sheet total (31/07/2023)	EUR 1.053 bn	↗ EUR 27 m
	Provisional net profit (31/07/2023)	EUR 39.43 m	↘ EUR 18.22 m
Specialised PFS	Number (31/08/2023)	99	no variation
	Balance sheet total (30/07/2023)	EUR 6.438 bn	↗ EUR 325 m
	Provisional net profit (30/07/2023)	EUR 91.21 m	↗ EUR 36.05 m
Support PFS	Number (31/08/2023)	62	↘ 6 entities
	Balance sheet total (31/07/2023)	EUR 1.408 bn	↘ EUR 217 m
	Provisional net profit (31/07/2023)	EUR 38.06 m	↘ EUR 14.4 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (31/08/2023)	397	↘ 39 entities
Public oversight of the audit profession	Number (31/08/2023)	56 <i>cabinets de révision agréés</i>	↗ 3 entities
		380 <i>réviseurs d'entreprises agréés</i>	↗ 30 people
		24 third-country auditors and audit firms	↗ 1 entity
Employment (30/06/2023)	Banks	26,350 people	↗ 288 people
		branches abroad	3,462 people
	Authorised Investment Fund Managers ²	7,679 people	↗ 867 people
		branches abroad	2,802 people
	Investment firms	1,947 people	↗ 42 people
		branches abroad	445 people
	Specialised PFS	7,240 people	↗ 910 people
	Support PFS	8,030 people	↘ 863 people
	Payment institutions/electronic money institutions	834 people	↗ 25 people
		branches abroad	464 people
Total (without branches abroad)		52,080 people	↗ 1,269 people³
TOTAL		59,253 people	n/a

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 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.