



Commission de Surveillance
du Secteur Financier

Newsletter

No 277

February 2024

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News

PRESS RELEASE CONCERNING EAST-WEST UNITED BANK S.A.



The CSSF informs the public that, in accordance with point (1) of Article 129(1) of the Law of 18 December 2015 on the failure of credit

institutions and certain investment firms, the Luxembourg *Tribunal d'arrondissement* (District Court) dealing with commercial matters, ordered, on 7

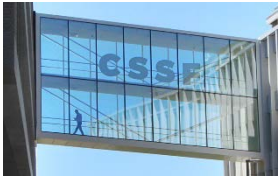
February 2024, the dissolution and winding up of the credit institution East-West United Bank S.A.

This judgement comes in the particular context of the cessation of banking activities of East-West United Bank S.A. as publicly announced in August 2023.

Read the full press release:

<https://www.cssf.lu/en/2024/02/press-release-concerning-east-west-united-bank-s-a/>

PRESS RELEASE CONCERNING THE JUDICIAL LIQUIDATION OF EAST-WEST UNITED BANK S.A.: ACTIVATION OF THE LUXEMBOURG INVESTOR COMPENSATION SCHEME (SIIL)



On 7 February 2024, the Luxembourg *Tribunal d'arrondissement* (District Court) ordered the judicial liquidation of East-West United Bank S.A. (hereinafter

“EWUB”). As a result, the Luxembourgish investor compensation scheme (SIIL) is activated, in accordance with Article 197(1) of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (“law of 2015”). The SIIL reimburses claims resulting from the incapacity of EWUB to

- repay money owed to or belonging to eligible clients and held on their behalf in connection with investment business; or
- return to eligible clients any instruments belonging to them and held, administered or managed on their behalf in connection with investment business,

up to 20,000 euros, in accordance with Article 196 of the law of 2015.

Read the full press release:

<https://www.cssf.lu/en/2024/02/press-release-concerning-the-judicial-liquidation-of-east-west-united-bank-s-a-activation-of-the-luxembourg-investor-compensation-scheme-siil/>



Warnings

Warnings of the CSSF

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

- [Warning concerning fraudulent activities by persons misusing the name of ING Luxembourg S.A.](#)
- [Warning concerning a fraud scheme misusing the former name “Finimmo Luxembourg S.A.” of the company Opportunity Financial Services S.A.](#)
- [Warning concerning the website <https://yorkcapital-eu.com/> and fraudulent activities by persons misusing the name of York Capital Management](#)

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.

Warnings published by IOSCO

Several warnings have been published on the IOSCO website at:

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



National regulation

CSSF Regulation No 24-02 – Auditing standards and standards on professional ethics and on quality management

The CSSF regulation deals with the adoption of auditing standards in the field of statutory audit under the Law of 23 July 2016 concerning the audit profession as well as the adoption of standards on professional ethics and on quality management under that same law.

<https://www.cssf.lu/en/Document/cssf-regulation-no-24-02-of-26-january-2024/>

Circular CSSF 24/849 – Interest rate risk arising from non-trading book activities

The purpose of the circular is to draw the attention of the persons concerned to the amendments to Circular CSSF 08/338 on the implementation of stress tests in order to assess the interest rate risk arising from non-trading book activities, taking into account the changes to the national and European legislation, as well as the European Banking Authority guidelines specifying criteria for the identification, evaluation, management and mitigation of the risks arising from potential changes in interest rates and of the assessment and monitoring of credit spread risk, of institutions' non-trading book activities (EBA/GL/2022/14), as adopted by the CSSF through Circular CSSF 24/848.

<https://www.cssf.lu/en/Document/circular-cssf-24-849/>

Circular CSSF 24/850 – Descriptive report and self-assessment questionnaire to be submitted by support PFS, engagement of the *réviseurs d'entreprises agréés* (approved statutory auditors) of support PFS and management letter and separate report

The purpose of the circular is to define the practical rules concerning the preparation and annual submission of documents by support PFS and their *réviseurs d'entreprises agréés* (approved statutory auditors, "REAs"). More specifically, the circular introduces, on the one hand, a self-assessment questionnaire to be completed on an annual basis by support PFS and to be submitted to the CSSF as a replacement of the risk assessment report required under Circular CSSF 12/544. On the other hand, the circular broadly details the role and engagement of REAs in the context of the statutory audit of support PFS. Moreover, it establishes a specific regulatory framework applicable to the management letter, and also introduces a separate report.

<https://www.cssf.lu/en/Document/circular-cssf-24-850/>

Circular CSSF 24/851 – Overall recovery capacity in recovery planning

The purpose of the circular is to inform all BRRD institutions submitting a recovery plan to the CSSF that the CSSF, in its capacity as competent authority, applies the Guidelines of the European Banking Authority on overall recovery capacity in recovery planning (Ref. EBA/GL/2023/06) published on 19 July 2023.

<https://www.cssf.lu/en/Document/circular-cssf-24-851/>

Circular CSSF 24/852 – Update of Circular CSSF 19/717 (audit profession)

The purpose of the circular is to amend Circular CSSF 19/717 on the update of the general presentation of the Law of 23 July 2016 and of the regulations on audit profession. More specifically it amends paragraph 8 and the annexes of Circular CSSF 19/717 by including the amendments introduced by CSSF Regulation No 24-02.

<https://www.cssf.lu/en/Document/circular-cssf-24-852/>

Circular CSSF 24/853 – Long form reports of investment firms

The purpose of the circular is to introduce the key aspects of the revised long form report (the revised LFR) that will apply for the financial year ending 31 December 2023 for the first time for a sample of investment firms, namely all non-SNI IFR investment firms incorporated under Luxembourg law, including their branches and certain SNI IFR investment firms incorporated under Luxembourg law, including their branches (In-Scope Class 3 IF). Class 3 IF that are out of scope of the revised LFR are required to submit the long form report drawn up in accordance with Circular CSSF 03/113 for the financial year ending 31 December 2023. As from the financial year ending after 31 December 2023, all investment firms will be subject to the revised LFR.

<https://www.cssf.lu/en/Document/circular-cssf-24-853/>

Circular letter – 2023 Questionnaire on financial crime

The annual online questionnaire for the year 2023 collecting standardised key information concerning money laundering and terrorism financing risks to which the supervised professionals are exposed and the implementation of the related risk mitigation and targeted financial sanctions measures was launched on 19 February 2024.

https://www.cssf.lu/wp-content/uploads/circular_letter_070224_AML_CFT.pdf



FAQ

On 15 January 2024, the CSSF published the document *FAQ national reporting B4.5 and B4.6*:

<https://www.cssf.lu/en/Document/faq-national-reporting-b4-5-and-b4-6/>.



Communiqués

Date	Publications
19.01.2024	Publication of Circular CSSF 24/850 defining the documents to be submitted annually by support PFS and their "réviseurs d'entreprises agréés" (approved statutory auditors)
29.01.2024	Looking back on the 2024 CSSF AML/CFT Conference for Specialised PFS
30.01.2024	The CSSF released its ISQM1 implementation thematic report
31.01.2024	Global situation of undertakings for collective investment at the end of December 2023

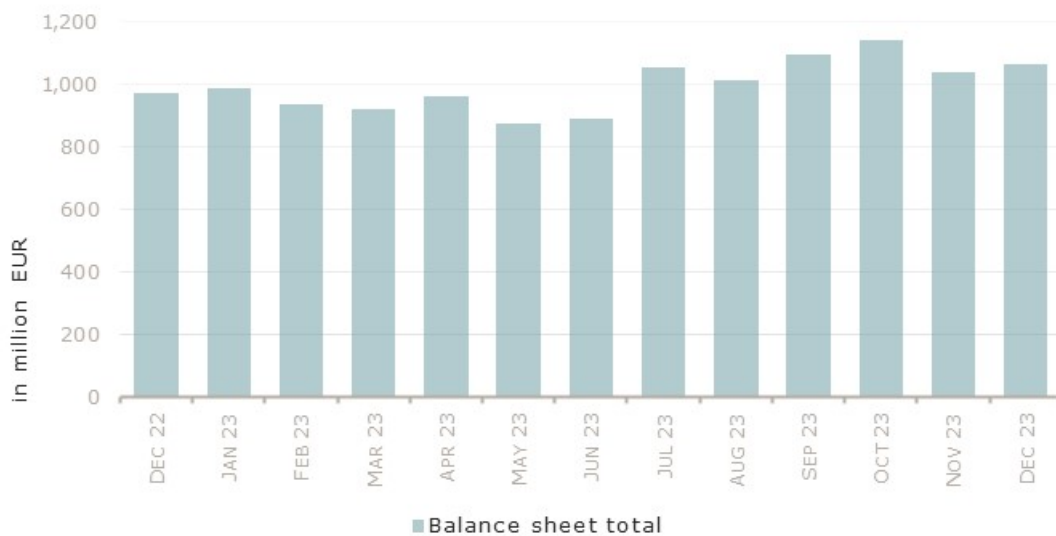
31.01.2024	Interaction between the UCI Departments and the Investment Fund Managers – recipients of specific communications
31.01.2024	New communication means for AIFM reporting as of 31 January 2024
02.02.2024	Ivanti active vulnerabilities exploited in Luxembourg
06.02.2024	Publication of Circular CSSF 24/853 on the revised long form report for investment firms
07.02.2024	Publication of the update of the Private Banking Sub-Sector ML/TF Risk Assessment
09.02.2024	Critical FortiOS vulnerabilities
14.02.2024	Press release concerning the SRM Vision 2028 strategy



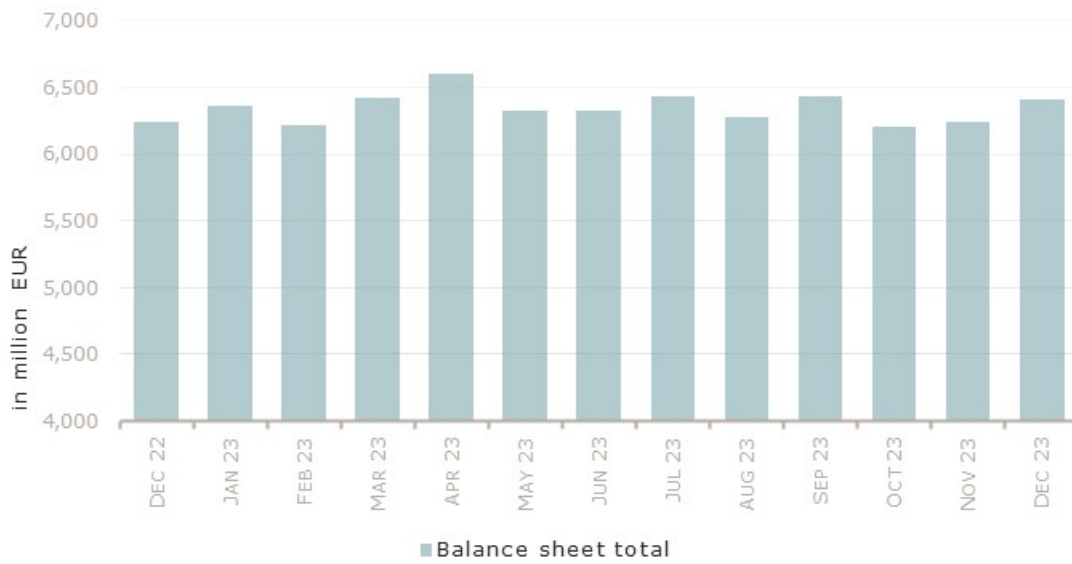
Statistics

MONTHLY STATISTICS

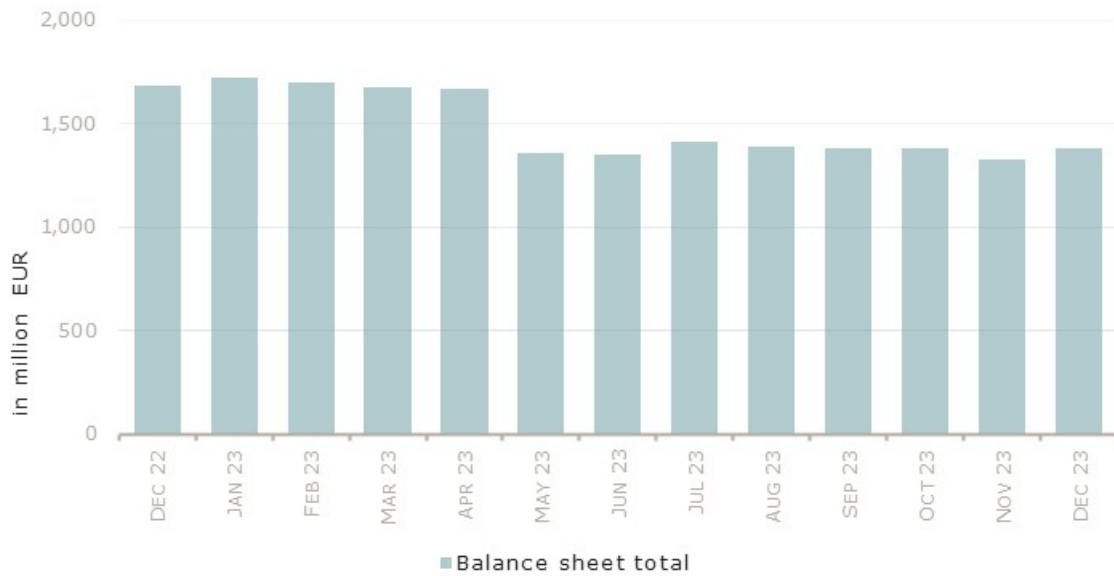
INVESTMENT FIRMS: INCREASE IN THE BALANCE SHEET TOTAL AS AT 31 DECEMBER 2023



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



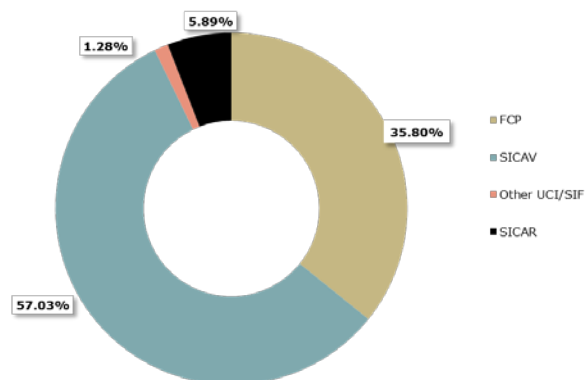
**SUPPORT PFS:
INCREASE IN THE BALANCE SHEET TOTAL AS AT 31 DECEMBER 2023**



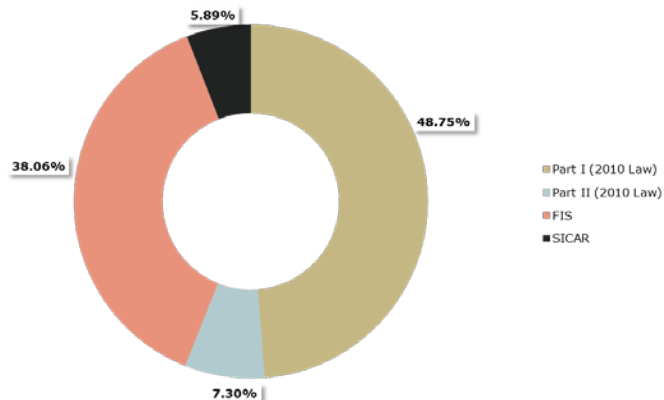
UCIS: SITUATION AS AT 31 DECEMBER 2023

NUMBER OF UCIS

Breakdown of UCIs according to legal form



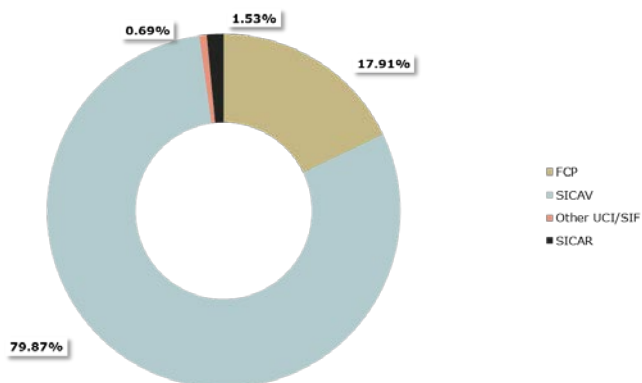
Breakdown of UCIs according to law and part applicable



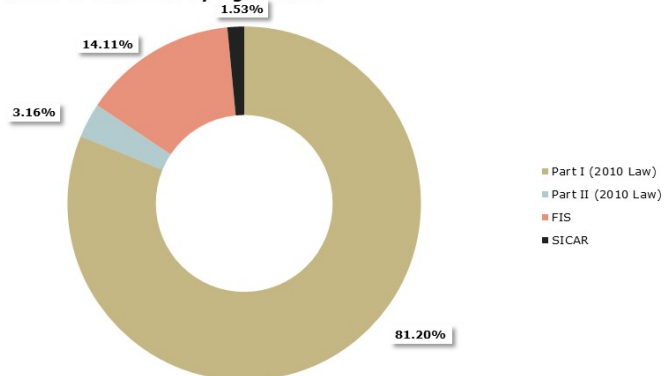
	FCP	SICAV	Other UCIs/SIFs	SICARs	Total
Part I (2010 Law)	810	786	0	0	1,596
Part II (2010 Law)	108	130	1	0	239
SIFs	254	951	41	0	1,246
SICARs	0	0	0	193	193
Total	1,172	1,867	42	193	3,274

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)	674.281	3,617.013	0.000	0.000	4,291.294
Part II (2010 Law)	50.288	116.524	0.148	0.000	166.960
SIFs	222.275	487.614	36.095	0.000	745.984
SICARs	0.000	0.000	0.000	80.772	80.772
Total	946.844	4,221.151	36.243	80.772	5,285.010

NET ASSETS BROKEN DOWN BY INVESTMENT POLICY

Breakdown by investment policy	Net assets (in bn €)	Number of fund units
Fixed-Income Transferable Securities	1,253.314	3,117
Variable-Yield Transferable Securities	1,769.296	4,130
Mixed Transferable Securities	996.865	3,281
Funds of Funds	352.459	2,009
Money Market Instruments and Other Short-Term Securities	516.498	186
Private Equity	88.674	255
Venture Capital	4.181	33
Real Estate	133.732	316
Futures and/or Options	11.608	66
Other Assets	77.611	270
Public-to-Private	0.146	2
Mezzanine	0.480	9
Venture Capital (SICAR)	6.321	51
Private Equity (SICAR)	73.825	256
TOTAL	5,285.010	13,981

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	1,159.544	2,733	45.607	41.133	4.474
Variable-Yield Transferable Securities	1,695.800	3,825	50.780	62.343	-11.563
Mixed Transferable Securities	791.353	2,412	18.619	23.850	-5.231
Funds of Funds	145.513	766	2.368	4.230	-1.862
Money Market Instruments and Other Short-Term Securities	490.273	155	298.617	288.461	10.156
Futures and/or Options	7.004	36	0.196	0.215	-0.019
Other Assets	1.807	7	0.065	0.104	-0.039
SUB-TOTAL PART I	4,291.294	9,934	416.252	420.336	-4.084
PART II					
Fixed-Income Transferable Securities	11.701	70	0.369	0.236	0.133
Variable-Yield Transferable Securities	12.987	64	0.099	0.261	-0.162
Mixed Transferable Securities	62.530	159	0.716	1.104	-0.388
Funds of Funds	33.479	167	3.945	0.507	3.438
Money Market Instruments and Other Short-Term Securities	15.678	20	1.670	1.761	-0.091
Private Equity	19.692	38	0.696	0.288	0.408
Venture Capital	1.397	5	0.084	0.000	0.084
Real Estate	3.923	14	0.014	0.071	-0.057
Futures and/or Options	1.141	12	0.006	0.033	-0.027
Other Assets	4.432	28	0.137	0.066	0.071
SUB-TOTAL PART II	166.960	577	7.736	4.327	3.409

SIF

Fixed-Income Transferable Securities	82.069	314	2.172	1.494	0.678
Variable-Yield Transferable Securities	60.509	242	1.788	2.962	-1.174
Mixed Transferable Securities	142.982	710	3.189	2.207	0.982
Funds of Funds	173.467	1,076	4.157	2.399	1.758
Money Market Instruments and Other Short-Term Securities	10.547	11	3.768	1.754	2.014
Private Equity	68.982	217	1.576	0.350	1.226
Venture Capital	2.784	28	0.010	0.064	-0.054
Real Estate	129.809	301	0.504	0.698	-0.194
Futures and/or Options	3.463	18	0.117	0.112	0.005
Other Assets	71.372	235	0.483	0.798	-0.315
SUB-TOTAL SIFs	745.984	3,152	17.764	12.838	4.926

SICAR

Public-to-Private	0.146	2	0.000	0.000	0.000
Mezzanine	0.480	9	0.000	0.000	0.000
Venture Capital	6.321	51	0.000	0.016	-0.016
Private Equity	73.825	256	0.000	0.039	-0.039
TOTAL SICAR	80.772	318	0.000	0.055	-0.055
TOTAL LUXEMBOURG UCIs	5,285.010	13,981	441.752	437.556	4.196

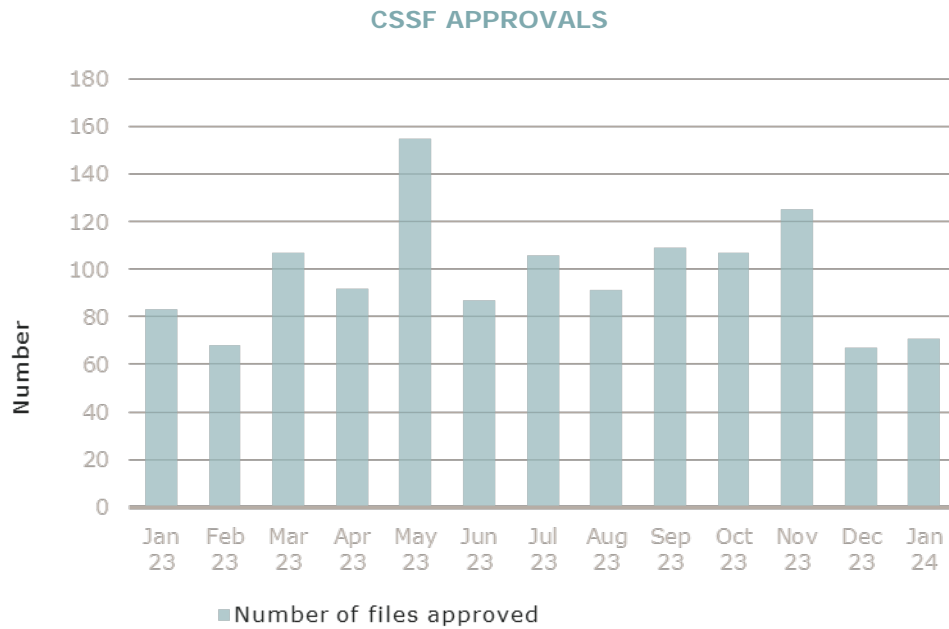
ORIGIN OF THE INITIATORS OF LUXEMBOURG UCIs

Country	Net assets (in bn EUR)	in %	Number of UCIs	in %	Number of fund units	in %
US	1,035.135	19.6%	155	4.7%	1,170	8.4%
GB	874.793	16.6%	241	7.4%	1,594	11.4%
DE	783.941	14.8%	1,048	32.0%	2,210	15.8%
CH	683.965	13.0%	503	15.4%	2,575	18.4%
FR	600.152	11.4%	236	7.2%	1,491	10.7%
IT	340.114	6.4%	109	3.3%	1,227	8.8%
BE	255.456	4.8%	125	3.8%	698	5.0%
LU	222.136	4.2%	291	8.9%	877	6.3%
NL	117.154	2.2%	36	1.1%	246	1.7%
DK	106.393	2.0%	18	0.6%	200	1.4%
OTHERS	265.771	5.0%	512	15.6%	1,693	12.1%
TOTAL	5,285.010	100.0%	3,274	100.0%	13,981	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	3.040	0.057%	14	0.100%
CAD	3.127	0.059%	13	0.093%
CHF	52.440	0.992%	234	1.674%
CNH	5.737	0.109%	25	0.179%
CNY	3.524	0.067%	5	0.036%
CZK	1.511	0.029%	43	0.308%
DKK	1.788	0.034%	12	0.086%
EUR	2,857.249	54.063%	8,602	61.526%
GBP	159.324	3.015%	278	1.988%
HKD	2.320	0.044%	7	0.050%
HUF	0.223	0.004%	17	0.122%
JPY	59.022	1.117%	150	1.073%
NOK	4.535	0.086%	24	0.172%
NZD	0.191	0.004%	1	0.007%
PLN	0.061	0.001%	2	0.014%
RON	0.593	0.011%	2	0.014%
SEK	38.754	0.733%	114	0.815%
SGD	1.863	0.035%	8	0.057%
USD	2,089.691	39.540%	4,429	31.679%
ZAR	0.017	0.000%	1	0.007%
TOTAL	5,285.010	100.000%	13,981	100.000%

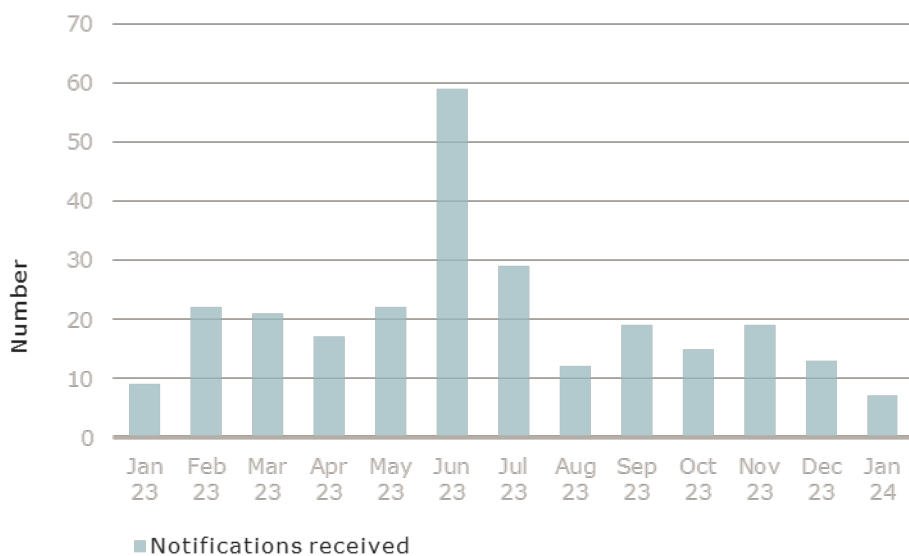
PROSPECTUSES TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET



In January 2024, the CSSF approved a total of 71 documents pursuant to the Prospectus Regulation, which break down as follows:

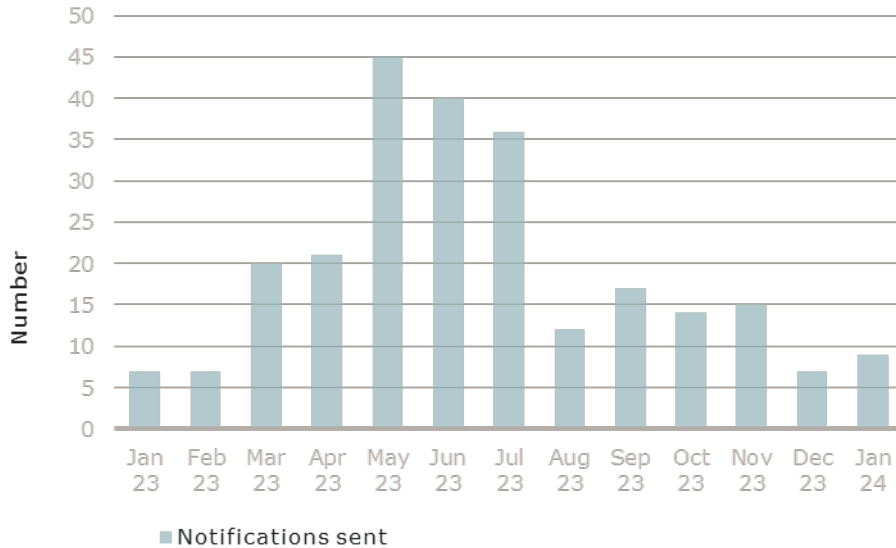
base prospectuses:	13 (18.31%)
other prospectuses:	7 (9.86%)
supplements:	51 (71.83%)

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



In January 2024, the CSSF received 7 notifications relating to prospectuses and base prospectuses and 22 notifications relating to supplements from competent authorities of other EEA Member States.

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



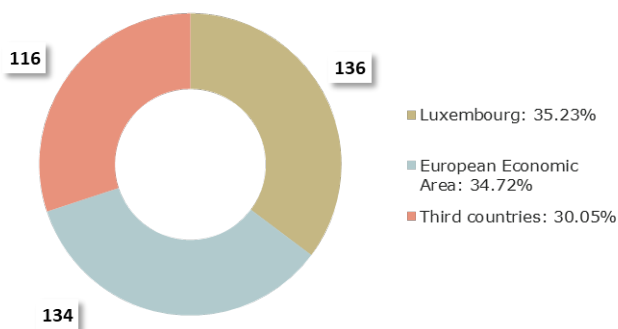
In January 2024, the CSSF sent 9 notifications relating to prospectuses and base prospectuses and 31 notifications relating to supplements to the competent authorities of other EEA Member States¹.

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

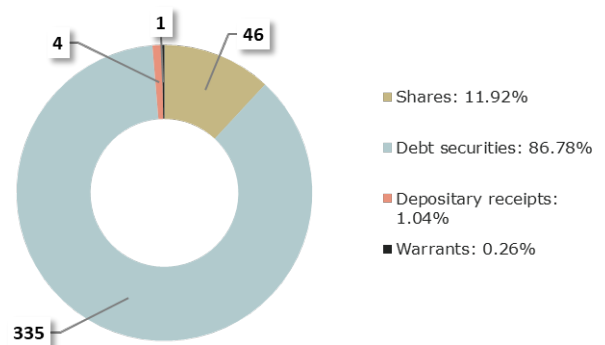
Since 31 December 2023, **no** issuers have chosen Luxembourg as home Member State for the purposes of the Transparency Law. Moreover, **seven** issuers were deregistered from the list due to the fact that they no longer fall within the scope of the Transparency Law.

As at 31 January 2024, **386 issuers** subject to the supervision of the CSSF were included in the list of issuers whose home Member State is Luxembourg pursuant to the Transparency Law.

Breakdown of issuers according to countries



Breakdown of issuers according to type of securities admitted to trading



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

PENSION FUNDS

As at 31 January 2024, **11 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**.

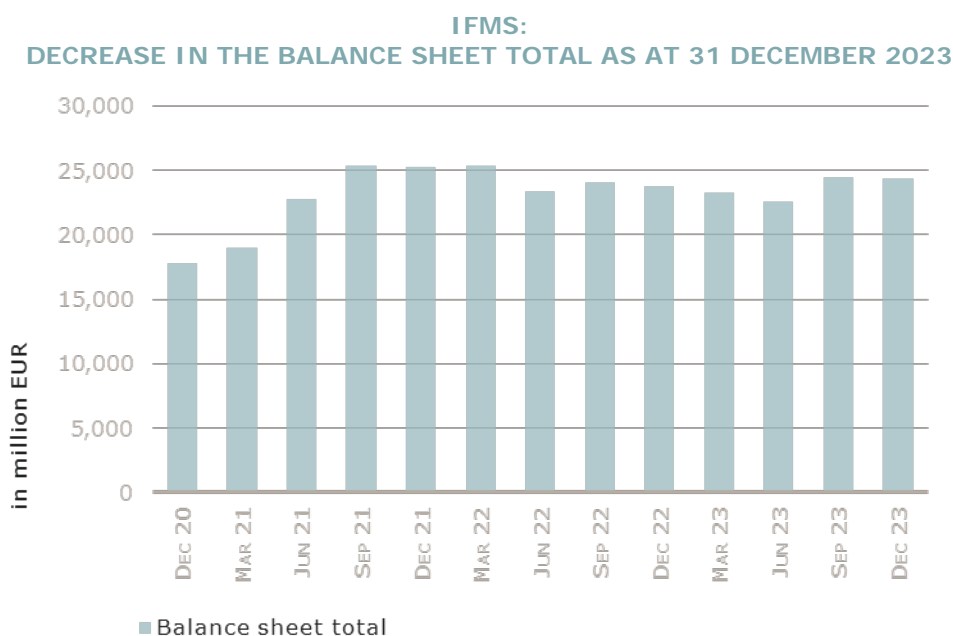
SECURITISATION UNDERTAKINGS

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 January 2024.

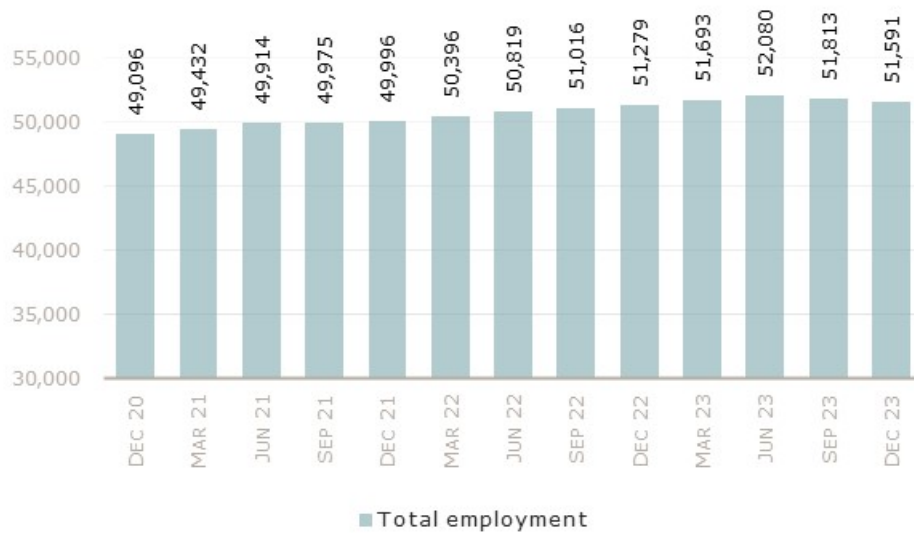
PUBLIC OVERSIGHT OF THE AUDIT PROFESSION

The public oversight of the audit profession covered **53 cabinets de révision agréés** (approved audit firms) and **399 réviseurs d'entreprises agréés** (approved statutory auditors) as at 31 January 2024. 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.

QUARTERLY STATISTICS



TOTAL EMPLOYMENT IN BANKS, PFS, IFMS, PAYMENT INSTITUTIONS AND ELECTRONIC MONEY INSTITUTIONS



Human resources

Since the publication of the last Newsletter, the CSSF has hired three employees who have been assigned to the following departments:

- Banking Departments
- Innovation, Payments, Market Infrastructures and Governance
- Information Systems of the CSSF (IT)

The total number of CSSF staff counts, after the departure of six agents, 964 agents (534 men and 430 women).



European/International News in January 2023

European Parliament, European Commission and European Council

Date	Regulatory developments	Description
22/01/2024	Commission Delegated Regulation (EU) 2024/358 of 29 September 2023	Publication of Commission Delegated Regulation (EU) 2024/358 of 29 September 2023 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to regulatory technical standards specifying requirements on credit scoring of crowdfunding projects, pricing of crowdfunding offers, and risk management policies and procedures.
29/01/2024	Commission Delegated Regulation (EU) 2024/397 of 20 October 2023	Publication of Commission Delegated Regulation (EU) 2024/397 of 20 October 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 stress scenario risk measure.

European Supervisory Authorities (ESAs)

Date	Publication	Description
17/01/2024	ESAs publish first set of rules under DORA for ICT and third-party risk management and incident classification	The ESAs published the first set of final draft technical standards under the Digital Operational Resilience Act (DORA) aimed at enhancing the digital operational resilience of the EU financial sector by strengthening financial entities' Information and Communication Technology (ICT) and third-party risk management and incident reporting frameworks.

Date	Consultation	Description
08/01/2024	ESAs consult on draft implementing technical standards specifying certain tasks of collection bodies and certain functionalities of the European Single Access Point	The ESAs published a Consultation Paper on the draft implementing technical standards (ITS) regarding the tasks of the collection bodies and the functionalities of the European Single Access Point (ESAP). These ITS and the requirements they set out are designed to enable future users to be able to effectively harness the comprehensive financial and sustainability information centralised on the ESAP. Stakeholders are encouraged to provide their feedback to this consultation by 8 March 2024.

European Banking Authority (EBA)

Date	Publications	Description
09/01/2024	The EBA finds Italian waiver for covered bonds justified	The EBA published an opinion addressed to the Bank of Italy following the Competent Authority's notification of its decision to introduce a partial waiver of Article 129 (1)(c) of the Capital Requirements Regulation (CRR), which specifies the conditions for the eligibility of covered bonds in relation to risk weight preferential treatments. Given the significant potential concentration problem in Italy, the EBA is of the opinion that the application of a partial waiver is adequately justified.
09/01/2024	The EBA updates technical standards on supervisory colleges	The EBA published final draft Regulatory Technical Standards (RTS) and final draft Implementing Technical Standards (ITS) on the functioning of supervisory colleges under the Capital Requirements Directive (CRD). The technical standards, adopted in 2015, have been updated to reflect the new requirements laid down in the CRD V and CRR 2, as well as to take into account the EBA's ongoing college monitoring activity and the lessons learned from the implementation of the standards. The updated standards aim at ensuring a common EU framework for colleges of supervisors and promoting a more efficient and effective supervision of cross-border banking groups.
11/01/2024	The EBA responds to law firm on the prudential treatment of a BNP Paribas legacy instrument	The EBA published a response to the letter received from a law firm on 11 September 2023, regarding the case of the prudential classification as Tier 2 instrument of a legacy perpetual bond (so-called 'Discos') of an institution established in France (BNP Paribas).
11/01/2024	The EBA revises reporting requirements for market risk	The EBA published amendments to the reporting requirements for market risk. As the implementation of the Fundamental Review of the Trading Book (FRTB) in the EU approaches, the EBA revised the information to be reported on the own funds requirements under the alternative approaches, and adds reporting on reclassifications of instrument between the regulatory books.

Date	Publications	Description
12/01/2024	Banks remain robust but higher interest rates could impact their asset quality, the EBA finds	The EBA published its Q3 2023 quarterly Risk Dashboard (RDB) together with the Risk Assessment Questionnaire (RAQ). The publication also includes information on minimum requirement for own funds and eligible liabilities (MREL). EU/EEA's banks remained highly profitable, well capitalised and maintained robust liquidity. Banks expect the asset quality to deteriorate as higher interest rates affect borrowers.
12/01/2024	The EBA issues Opinion to Latvijas Banka on a measure adjusting the risk weight for commercial immovable property	The EBA published an opinion following notification by Latvijas Banka, the central bank of Latvia, of its intention to adjust the risk weight for exposures secured by mortgages on commercial immovable property. The measure aims to limit risks associated with commercial immovable property. Based on the information provided, the EBA does not object to the risk weight adjustment.
16/01/2024	The EBA publishes an analysis of specific aspects of the net stable funding ratio framework	The EBA published its report about some specific aspects of the net stable funding ratio (NSFR) framework. The report provides an evaluation of the materiality of the specific items analysed as well as an assessment of the impact of possible changes to the current prudential treatment.
16/01/2024	EBA issues guidance to crypto-asset service providers to effectively manage their exposure to ML/TF risks	The EBA extended its Guidelines on money laundering (ML) and terrorist financing (TF) risk factors to crypto-asset service providers (CASPs). The new guidelines highlight ML/TF risk factors and mitigating measures that CASPs need to consider, representing an important step forward in the EU's fight against financial crime.
24/01/2024	The EBA publishes its heatmap following scrutiny of the interest rate risk in the banking book	The EBA published its heatmap following scrutiny of the interest rate risk in the banking book (IRRBB) standards implementation in the EU. The heatmap discloses policy aspects that will be subject to further scrutiny, and corresponding actions in the short to medium and long term.
29/01/2024	The EBA seeks inputs from credit institutions on the classification methodologies for exposures to ESG risks	The EBA launched an industry survey to receive input from credit institutions on their methodologies to classify exposures to environmental, social and governance (ESG) risks, as well as on the accessibility and availability of ESG data for this purpose. The objective of the survey is to collect qualitative information on credit institutions' current practices to inform the EBA's work on the feasibility of introducing a standardised methodology to identify and qualify exposures to ESG risks. The deadline to respond to the industry survey is 29 March 2024.

Date	Consultations	Description
16/01/2024	EBA consults on targeted amendments to the prudent valuation framework	The EBA published a consultation paper on targeted amendments to the RTS on prudent valuation, aiming to promote a more harmonised application of the RTS and to reduce the observed variability of additional value adjustments (AVAs) under the core approach, as well as to set the rules for the application of the prudent valuation framework in extraordinary circumstances. The consultation runs until 16 April 2024.
18/01/2024	EBA consults on amending the data collection for the benchmarking exercise in 2025	The EBA published a consultation paper amending the Implementing Regulation on the benchmarking of credit risk, market risk and IFRS9 models for the 2025 exercise. The most significant change is in the market risk framework, where the EBA is proposing brand new templates for the collection of the internal model approach (IMA) risk measures under the fundamental review of the trading book (FRTB). For credit risk only minor changes are being proposed. This consultation runs until 27 March 2024.

Date	Consultations	Description
18/01/2024	The EBA consults on Guidelines on the management of ESG risks	<p>The EBA launched a public consultation on draft Guidelines on the management of Environmental, Social and Governance (ESG) risks. The draft guidelines set out requirements for institutions for the identification, measurement, management and monitoring of ESG risks, including through plans aimed at addressing the risks arising from the transition towards an EU climate-neutral economy.</p> <p>The consultation runs until 18 April 2024.</p>

European Securities and Markets Authority (ESMA)

Date	Publications	Description
10/01/2024	ESMA explores risk exposures to real estate in EU securities markets and investment funds	ESMA published its first analysis of the exposures the EU securities and markets and asset management sector have to real estate.
11/01/2024	ESMA and NCAs to coordinate supervisory activities on MiFID II pre-trade controls	<p>ESMA launched a Common Supervisory Action with national competent authorities, with the objective of assessing the implementation of pre-trade controls (PTCs) by EU investment firms using algorithmic trading techniques.</p> <p>PTCs were used by investment firms to carry out checks at order entry to limit and prevent sending erroneous orders for execution to trading venues. Following the May 2022 flash crash, ESMA and NCAs have focused their attention on the implementation of PTCs in the EU, gathering evidence through questionnaires submitted to a sample of EU investment firms. As a follow up, ESMA and NCAs have decided to launch a CSA with the goal of gathering further and more detailed insights on how firms are using PTCs across the EU.</p> <p>The CSA will cover the following aspects:</p> <ul style="list-style-type: none"> • Implementation of PTCs, including their calibration methodology and the use of hard and soft blocks in the design of PTCs; • Establishment of credit and risk limits and their interaction with PTCs; • Monitoring and governance framework related to PTCs; • Implementation and monitoring of PTCs in case of outsourcing of trading activity to third countries. <p>This initiative and the related sharing of practices across NCAs aimed at ensuring consistent application of EU rules, helping to promote stable and orderly markets in line with ESMA's objectives. The rules governing the use of PTCs are set out in MiFID II and more specifically in CDR 2017/589 (RTS 6) which specifies the organisational requirements of investment firms engaged in algorithmic trading.</p>
11/01/2024	ESMA publishes latest edition of its newsletter	ESMA published its latest edition of the Spotlight on Markets Newsletter .
30/01/2024	ESMA steps up its monitoring of EU alternative investment funds and saw potential risks in funds exposed to leverage and liquidity mismatches	ESMA published a report on the EU alternative investment funds (AIFs)' market and an article on the risks posed by leveraged AIFs in the EU .
31/01/2024	Remarkable resilience of financial markets in a higher-for-longer interest-rate environment	ESMA published its first risk monitoring report of 2024 , where it sets out the key risk drivers currently facing financial markets.

Date	Consultation	Description
29/01/2024	ESMA consults on reverse solicitation and classification of crypto assets as financial instruments under MiCA	ESMA published two Consultations Papers on guidelines under Markets in Crypto Assets Regulation (MiCA), one on reverse solicitation and one on the classification of crypto-assets as financial instruments. ESMA invites comments from stakeholders by 29 April 2024.

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

Date	Publications	Description
03/01/2024	ECB to stress test banks' ability to recover from cyberattack	The ECB announced a cyber resilience stress test that will be conducted on directly supervised banks in 2024.
04/01/2024	Supervisory Manual	The ECB published a revised version of the Supervisory Manual.
10/01/2024	Guide on Financial Conglomerate Reporting of Significant Risk Concentrations and Intragroup Transactions	The ECB published a guide on Financial Conglomerate Reporting of Significant Risk Concentrations and Intragroup Transactions.
12/01/2024	Supervisory Banking Statistics for significant institutions	The ECB published the Supervisory Banking Statistics for significant institutions – Third quarter 2023.
23/01/2024	Risks from misalignment of banks' financing with the EU climate objectives	The ECB published an assessment regarding the risks from misalignment of banks' financing with the EU climate objectives.

Basel Committee on Banking Supervision (BCBS)

Date	Consultations	Description
16/01/2024	CBS-CPMI-IOSCO publish consultative report on transparency and responsiveness of initial margin in centrally cleared markets	The BCBS, the Bank for International Settlements' Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) jointly published a consultative report Transparency and responsiveness of initial margin in centrally cleared markets – review and policy proposals. The ten policy proposals in the report aim to increase the resilience of the centrally cleared ecosystem by improving participants' understanding of CCPs' initial margin calculations and potential future margin requirements. The BCBS, CPMI and IOSCO invite input on the consultative report by 16 April 2024.
17/01/2024	BCBS-IOSCO report sets out recommendations for good margin practices in non-centrally cleared markets	The BCBS and IOSCO published a report on streamlining variation margin (VM) processes and initial margin (IM) responsiveness of margin models in non-centrally cleared markets, which sets out recommendations for good market practices to enhance market functioning. The BCBS and IOSCO invite submissions on the proposals by 17 April 2024.

Macroprudential topics and fora

National Authorities

Date	Publications	Description
29/01/2024	STATEC: Conjoncture Flash January 2024: Industry runs out of Steam.	Industrial production remains on a downward trend in Europe. It suffered a relatively marked decline in Luxembourg in 2023, but without too much damage for the sector's workforce. House prices stabilise in the eurozone but fall in Luxembourg.

European Central Bank (ECB)

Date	Publications	Description
11/01/2024	ECONOMIC BULLETIN	The Governing Council decided to keep the three key ECB interest rates unchanged. It is determined to ensure that inflation returns to its 2% medium-term target in a timely manner, and it considers that rates are at levels that will make a substantial contribution to the timely return of inflation to the target. In any case, the Governing Council stands ready to adjust all of its instruments within its mandate to ensure that inflation returns to its medium-term target and to preserve the smooth functioning of monetary policy transmission.

European Systemic Risk Board (ESRB)

Date	Publication	Description
15/01/2024	Improvements to the ESRB macroprudential stance framework	The ESRB developed the macroprudential stance framework to compare systemic risks, macroprudential policies and resilience at country level. The purpose was to assess the macroprudential stance of member countries as either tight, neutral or loose, thus providing an overview of how countries' macroprudential policies compared with the policies of others.

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
Belgium	01.04.2020	0%
	01.04.2024	0.5%*
	01.10.2024	1%*
Bulgaria	01.10.2023	2%
Croatia	31.12.2023	1%
	30.06.2024	1.5%*
Cyprus	30.11.2023	0.5%
	02.06.2024	1%*
Czech Republic	01.10.2023	2%
Denmark	31.03.2023	2.5%
Estonia	01.12.2023	1.5%*
France	02.01.2024	1%
Germany	01.02.2023	0.75%
Hungary	01.07.2023	0%
	01.07.2024	0.5%*
Iceland	29.09.2022	2%
	15.03.2024	2.5%*
Ireland	24.11.2023	1%
	07.06.2024	1.5%*

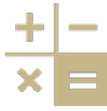
Country	Application since	CCyB rate
Latvia	01.02.2016	0%
	18.12.2024	1%*
Lithuania	01.10.2023	1%
Luxembourg	01.01.2021	0.5%
Netherlands	25.05.2023	1%
	31.05.2024	2%*
Norway	31.03.2023	2.5%
Romania	23.10.2023	1%
Slovakia	01.08.2023	1.5%
Slovenia	31.12.2023	0.5%
	01.01.2025	1%*
Sweden	22.06.2023	2%

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
24/01/2024	FSB Work Programme for 2024	The report summarises FSB initiatives in 2024, including an indicative timeline of the FSB's planned publications for the year. The FSB's work programme for 2024 addresses challenges including digitalisation, climate change, and the consequences of shifts in the macroeconomic and interest rate environment.



Financial centre

Main updated figures regarding the financial centre

			Annual comparison
Banks	Number (31/01/2024)	118	↘ 2 entities
	Balance sheet total (30/09/2023)	EUR 931.385 bn	↘ EUR 67.335 bn
	Profit before provisions and taxes (30/09/2023)	EUR 6.616 bn	↗ EUR 1.911 bn
Payment institutions	Number (31/01/2024)	17	no variation
Electronic money institutions	Number (31/01/2024)	12	↗ 1 entity
UCIs	Number (31/01/2024)	Part I 2010 Law: 1,598	↘ 24 entities
		Part II 2010 Law: 244	↗ 15 entities
		SIFs: 1,236	↘ 61 entities
		TOTAL: 3,078	↘ 70 entities
	Number (31/01/2024)	SICARs: 191	↘ 14 entities
	Total net assets (31/12/2023)	EUR 5,285.010 bn	↗ EUR 256.554 bn
Authorised Investment Fund Managers²	Number (31/01/2024)	298	↘ 3 entities
	Balance sheet total (31/12/2023)	EUR 24.364 bn	↗ EUR 568 m
Pension funds	Number (31/01/2024)	11	↘ 2 entities
Authorised securitisation undertakings	Number (31/01/2024)	28	↘ 1 entity
Investment firms	Number (31/01/2024)	92 (7 branches)	↘ 3 entities
	Balance sheet total (31/12/2023)	EUR 1.063 bn	↗ EUR 87.879 m
	Provisional net result (31/12/2023)	EUR 58.13 m	↘ EUR 19.22 m
Specialised PFS	Number (31/01/2024)	99	↘ 1 entity
	Balance sheet total (31/12/2023)	EUR 6.408 bn	↗ EUR 170 m
	Provisional net result (31/12/2023)	EUR 163.243 m	↘ EUR 91.99 m
Support PFS	Number (31/01/2024)	60	↘ 5 entities
	Balance sheet total (31/12/2023)	EUR 1.382 bn	↘ EUR 298 m
	Provisional net result (31/12/2023)	EUR 65.92 m	↘ EUR 23.98 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (31/01/2024)	386	↘ 35 entities
Public oversight of the audit profession	Number (31/01/2024)	53 <i>cabinets de révision agréés</i>	↘ 1 entity
		399 <i>réviseurs d'entreprises agréés</i>	↗ 38 people
		24 third-country auditors and audit firms	↗ 3 entities
Employment (31/12/2023)	Banks	26,254 people	↗ 242 people
		branches abroad	3,983 people
	Authorised Investment Fund Managers ²	7,710 people	↗ 770 people
		branches abroad	2,773 people
	Investment firms	1,830 people	↘ 128 people
		branches abroad	430 people
	Specialised PFS	7,258 people	↗ 402 people
	Support PFS	7,710 people	↘ 994 people
	Payment institutions/electronic money institutions	829 people	↗ 20 people
		branches abroad	575 people
		Total (without branches abroad)	51,591 people
	TOTAL	59,352 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.