

# CSSF NEWSLETTER

Commission de Surveillance du Secteur Financier – Monthly Newsletter

## Statistics

### Undertakings for collective investment

#### Increase of 3% in the UCIs' total net assets at the end of January 2001

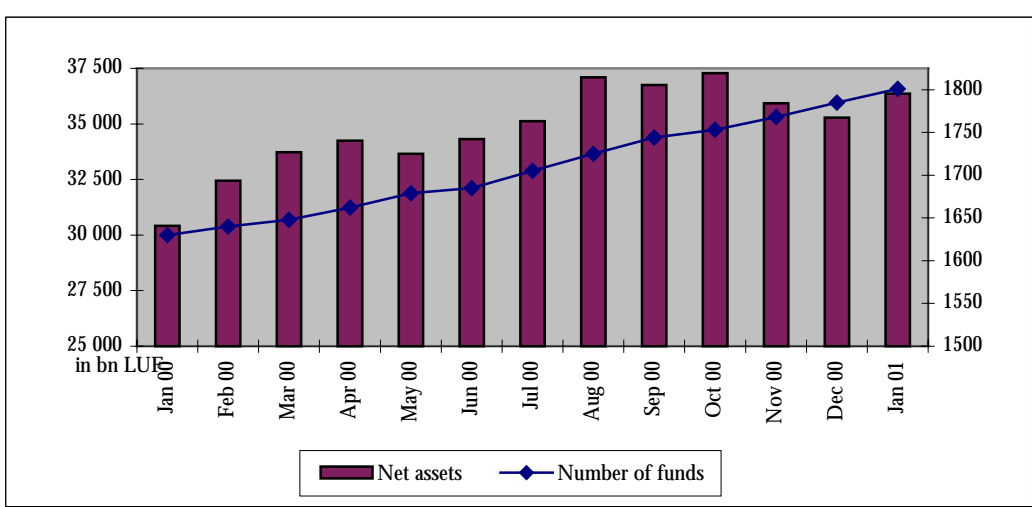
The total net assets for undertakings for collective investment amounted to EUR 901.4 billion (LUF 36,364.7 billion) as at 31 January 2001, compared to EUR 874.6 billion (LUF 35,280.7 billion) as at 31 December 2000. As a result the Luxembourg undertakings for collective investment sector has increased by 3.07% compared to the month of December 2000.

During the month under review, the net capital investment, which is defined as the total of the net issues reduced by the net adjusted repurchases taking into

account the UCIs that entered into liquidation, amounted to EUR 14.4 billion (LUF 580.9 billion).

The number of undertakings for collective investment taken into account totals 1,801 compared to 1,785 for the previous month. 1,043 UCIs have adopted the multiple compartment structure, which represents a total of 6,301 compartments.

When adding 758 UCIs with a traditional structure to the previous figure, a total of 7,059 compartments are active in the financial centre.



## ***Banks***

### **Banks' balance sheet total at EUR 658.138 billion**

The balance sheet total for the banks established in Luxembourg reached EUR 658.138 billion as at 31 January 2001 compared to EUR 646.903 billion as at 31 December 2000, which is an increase of 1.7 %.

As at 31 January 2001, the number of credit institutions registered on the

official list of banks amounted to 201. At 28 February 2001, this number amounted to only 199, following the withdrawals of Bank Labouchere (Luxembourg) S.A. (absorbed by Banque Internationale à Luxembourg S.A.) and Robert Fleming & Co Limited, London, Luxembourg branch.

## ***PFS***

### **Balance sheet total increasing by 4.8% to EUR 2.2 billion**

According to the data provided as at 31 January 2001, the balance sheet total of all the professionals of the financial sector (122 companies) comes to EUR 2.210 billion, compared to EUR 2.109 billion the previous month, which is an

increase of 4.8%. The net result of these entities amounts to EUR 32 million in January.

As at 28 February 2001, 127 entities were registered on the official list of PFS under the supervision of the CSSF.

# Position taken

## **Warning (press release 22 February 2001)**

*The CSSF draws the attention of Luxembourg and foreign companies having their registered office with a domiciliation agent in Luxembourg to the fact that they must sign a domiciliation agreement with the latter. Drawing up such an agreement in due form presupposes that the domiciliation agent has been authorised to carry out domiciliation activities. It is therefore highly recommended that companies verify the existence of such an authorisation. Failure to comply with this provision constitutes a serious infringement by the "domiciled" company, of the Law of 31 May 1999 relating to the domiciliation of companies.*

*Pursuant to the provisions of Articles 203 and 203-1 of the Law of 10 August 1915 on commercial companies as amended, such infringements may lead to the winding-up or the judicial closure of the company.*

*The CSSF also points out that only credit institutions, other professionals of the financial or the insurance sector, lawyers, external auditors, chartered accountants, as well as other domiciliation agents with a special governmental authorisation are allowed to carry out domiciliation activities. Natural or legal persons who carry out a domiciliation activity, be it for only a single company, and which are not in compliance with the law, are liable to a prison sentence of 5 years and a fine of 5 million francs.*

*The CSSF will systematically analyse information on domiciliations and denounce any infringements to the Public Prosecutor's Office of Luxembourg*

# Internet

## Survey of financial services on the Internet

The CSSF carried out a survey on financial institutions established in Luxembourg at 31 December 2000 to collect information on their financial services available on the Internet. The questionnaire was sent to all the financial institutions subject to the supervision of the CSSF, i.e. credit institutions (banks) and other professionals of the financial sector (PFS), including branches of foreign institutions established in Luxembourg and foreign branches of Luxembourg institutions. The survey was not addressed to a random sample of establishments, but covered all the active financial institutions at the end of the year 2000.

The questionnaire distinguished between sites operational on 31 December 2000 and projects due to come on line during 2001 and consisted of 48 questions grouped into three chapters:

- A) INTERNET WEBSITE /  
INTERNET STRATEGY
- B) SECURITY/MAINTENANCE
- C) CLIENT AUTHENTICATION /  
CONFIDENTIAL DATA

The returned questionnaires are being thoroughly analysed. The detailed results will be published on [www.cssf.lu](http://www.cssf.lu) beginning of April 2001 and a synthesis, containing an overview on the consequences of the Internet on prudential supervision of the financial sector, will be published in the Annual report 2000.

The survey reveals that, as at 31 December 2000, out of 202 credit institutions, 77 are present on the Internet and 8 institutions have more than one website. As regards the Professionals of the financial sector, 34 out of 113 PFS are present.

# Staff

## Newly recruited agents

The CSSF launched a recruitment campaign beginning of February in order to adapt its workforce of currently 155 agents to new legislative and regulatory responsibilities as well as to the continuous expansion of the financial sector's activities. The CSSF will take on candidates holding a University degree in economics, finance, management, law, information

technology or mathematics, graduates specialised in the financial or auditing field, as well as diverse employees. The CSSF registered 251 applications, including 45 from university degree holders. As the law regarding the status of CSSF personnel is yet to pass through Parliament, the accepted candidates will be recruited as State employees.

## Legislative and regulatory developments in the financial sector in January and February 2001

### *Legislative development*

#### **Law of 12 January 2001 transposing Directive 98/26/EC on the settlement finality in payment and securities settlement systems into the Law of 5 April 1993 in the financial sector and completing the Law of 23 December 1998 creating the Commission de Surveillance du Secteur Financier.**

The Law of 12 January 2001 regarding settlement finality in payment and securities settlement systems (Memorial A- n. 16 of 6 February 2001) aims at clarifying any legal uncertainties and at reducing the risks incurred by payment and securities settlement systems (designated “systems” hereafter) and their participants in case of an insolvency proceeding being opened against one of the participants. Systems in which the Luxembourg Central Bank or any other entity of the ESCB participates, is protected by Law as from their notification to the European Commission. These systems are not subject to the supervision of the Commission de Surveillance du Secteur Financier.

However, the law protects formal agreements, other than the above-mentioned systems, provided that they have been approved as payment and securities settlement system by the

Minister to whom the CSSF reports. These systems are subject to the prudential supervision of the Commission de Surveillance du Secteur financier. The Minister may approve bilateral formal agreements based on “correspondent banking” relations if the agreement falls under Luxembourg law and if at least one of the parties is a Luxembourg-registered legal entity. The law requires the Luxembourg operators of Luxembourg systems to be approved as other professional of the financial sector (PFS) unless they are members of the ESCB or already approved as credit institution or PFS. The CSSF will soon publish a circular specifying the modes of prudential supervision of these systems. It will also carry out a survey of Luxembourg participants in European Community payment and securities settlement systems by means of a circular letter.

### *Other Development*

#### **Creation of a “Company Domiciliation” Committee**

The Law of 31 May 1999 on the domiciliation of companies limits this activity to the professionals of the

financial sector approved by the Minister in charge of the CSSF, unless the persons domiciling companies

already carry out another activity governed by specific legal provisions. Those who are not approved as such were requested by law to update their situation in compliance with the law by 31 December 2000. The applications for approval submitted by the Minister to the CSSF, in charge of their examination, raised questions concerning the interpretation of the legal provisions.

The CSSF therefore created a committee that should assist it in interpreting the provisions of the law of 31 May 1999 on the domiciliation of companies and advise it as regards their implementation. The Committee will bring together representatives of the concerned professions.

## Official lists

### Changes on the official lists of supervised establishments

#### LIST OF BANKS

#### Changes to the official lists of credit institutions during February 2001:

##### New establishment:

None

##### Change of address :

##### Withdrawals:

Bank Labouchere (Luxembourg) S.A.  
(since 16 February 2001)

25, route d'Esch

B.P. 234

L-2012 LUXEMBOURG

Robert Fleming & Co Limited, London  
(United-Kingdom) (since 28 February  
2001) Luxembourg branch

6H, route de Trèves

L-2633 SENNINGERBERG

BFI Bank AG, Luxembourg branch  
(since 28 December 2000 )

78, rue du Golf

L-1638 SENNINGERBERG

Garanti Bank (Luxembourg branch)  
(since 19 February 2001)

8, place Winston Churchill

L-1340 LUXEMBOURG

##### Change of name :

None

## LIST OF PROFESSIONALS OF THE FINANCIAL SECTOR (PFS)

### New establishments:

- Domiciliation agent of companies

#### At 2 February 2001

Figestor S.A.  
427-429, route de Thionville  
L-5887 Alzingen  
Status as domiciliation agent of  
companies

Notz, Stucki & Cie, Luxembourg S.A.  
74, Grand-Rue,  
L-1660 Luxembourg  
Status as  
- private portfolio manager  
- financial advisor  
- commission agent  
- broker

#### At 8 February 2001:

Citco ( Luxembourg ) S.A.  
9, rue Schiller  
L-2519 Luxembourg  
Status as  
- Distributor of units of investment  
funds authorised to accept and  
effect payments

#### At 13 February 2001

Fund-Market Research & Development  
S.A.  
103, Grand-Rue  
L-1661 Luxembourg  
Status as  
- private portfolio manager  
- financial advisor  
- commission agent  
- broker

#### At 16 February 2001

Intertrust Dom S.A.  
3, bd. Prince Henri  
L-1724 Luxembourg  
Status as domiciliation agent of  
companies

### **Withdrawals:**

None

## LIST OF UNDERTAKINGS FOR COLLECTIVE INVESTMENT (UCI)

Registrations on and withdrawals from the official list of the Luxembourg undertakings for collective investment which fall under the law of 30 March 1988 and the official list of undertakings for collective investment which fall under the law of 19 July 1991, during the month of **January 2001**.

### **Registrations**

ADIG WELTPLUS STRATEGIE  
4/2005, 1a-1b, rue Thomas Edison, L-  
1445 Luxembourg-Strassen

AIG CONVEST 21, 69, route d'Esch,  
L-1470 Luxembourg

BFG DELUXE, 6B, route de Trèves, L-

2633 Senningerberg

CBG ALTERNATIVE SICAV, 39,  
allée Scheffer, L-2520 Luxembourg

CBG SICAV, 39, allée Scheffer, L-2520  
Luxembourg

FIDEURAM MULTIMANAGER

FUND, 17A, rue des Bains, L-1212 Luxembourg

FPM FUNDS, 2, boulevard Konrad Adenauer, L-1115 Luxembourg

FRANKLIN TEMPLETON NIB INVESTMENTS FUNDS, 26, boulevard Royal, L-2449 Luxembourg

GB INTERNATIONAL FONDS SPÉCIAL, 14, boulevard Royal, L-2449 Luxembourg

H & A LUX VALERA, 21, avenue de la Liberté, L-1931 Luxembourg

HYPOSWISS (LUX) FUND, 291, route d'Arlon, L-1150 Luxembourg

JULIUS BAER MULTIFUND SICAV, 69, route d'Esch, L-1470 Luxembourg

LASALLE EUROPEAN PROPERTY SECURITIES SICAV, 69, route d'Esch, L-1470 Luxembourg

LE FOYER, OTTAVIANI & ASSOCIÉS PATRIMONIUM SICAV, 20, boulevard Emmanuel Servais, L-2535 Luxembourg

LUPUS ALPHA FONDS, 69, route d'Esch, L-1470 Luxembourg

LUXGLOBAL, 2, place Dargent, L-1413 Luxembourg

MOTUS SICAV, 20, boulevard Emmanuel Servais, L-2535 Luxembourg

MUNICH INVEST, 4, rue Jean Monnet, L-2180 Luxembourg-Kirchberg

NESTLÉ DIVERSIFIED FUND OF HEDGE FUNDS, 1, boulevard Royal, L-2449 Luxembourg

NEW VILLAGE FUND, 1A, rue Höhenhof, L-1736 Senningerberg

NORVEST, 1, place de Metz, L-1930 Luxembourg

OPPENHEIM STRUKTUR, 4, rue Jean Monnet, L-2180 Luxembourg-Kirchberg

Kirchberg

SELECT FONDSSEN, 6D, route de Trèves, L-2633 Senningerberg

TD WATERHOUSE INVESTMENT SERIES, 39, allée Scheffer, L-2520 Luxembourg

THIRD MIXED FUND, 18, boulevard Royal, L-2449 Luxembourg

UNIBALANCE, 308, route d'Esch, L-1471 Luxembourg

VAM UMBRELLA FUND, 10-12, boulevard F-D Roosevelt, L-2450 Luxembourg

#### **Withdrawals:**

A.L.S.A.-CHF-LAUFZEITFONDS 31.1.2001, 1a-1b, rue Thomas Edison, L-1445 Luxembourg-Strassen

CHICAGO FUTURES GESTION, 39, allée Scheffer, L-2520 Luxembourg

CREDIT SUISSE CAPITAL TRUST (LUX), 5, rue Jean Monnet, L-2180 Luxembourg-Kirchberg

DEKALUX-WACHSTUM 1/2001, 6C, route de Trèves, L-2633 Senningerberg

NICAM ASIA-PACIFIC UMBRELLA FUND, 112, route d'Arlon, L-1150 Luxembourg

POSTBANK (NL)-SICAV, 224, route d'Arlon, L-8010 Strassen

PRITON FUND (JAPAN), 39, allée Scheffer, L-2520 Luxembourg

TMP GLOBAL FUND, 47, boulevard Royal, L-2449 Luxembourg

U.S. CORE BOND OPEN, 6, avenue Emile Reuter, L-2420 Luxembourg

UNICO UMBRELLA FUND, 308, route d'Esch, L-1471 Luxembourg

ZENSHINREN FUND, 6, rue Jean Monnet, L-2180 Luxembourg-Kirchberg

# Financial Centre

The main updated figures regarding the financial centre as at **31 January 2001:**

Number of banks: **201**

Balance sheet total: **EUR 658.138 billion**

Net profit: **EUR 2.640 billion** (31 December 2000)

Employment: **23,040 people** (31 December 2000)

Number of UCIs: **1,801**

Total net assets: **EUR 901.4 billion**

Number of PFS: **122**

Balance sheet total: **EUR 2.210 billion**

Net profit: **EUR 32 million**

Employment: **3,499 people** (31 December 2000)

Total employment in the supervised establishments: **26,539 people** (31 December 2000)

## **CSSF Newsletter**

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