



C L I F F O R D
C H A N C E

LUXEMBOURG LEGAL UPDATE
JULY 2022

Dear Reader,

We are pleased to provide you with the latest edition of our Luxembourg Legal Update.

This newsletter contains a compact summary and guidance on the new legal issues that could affect your business, particularly in relation to insurance, banking, finance, corporate, litigation, employment, funds, investment management and tax law.

You can also refer to the "**Topics Guides**" on our website to keep you up to date with the most recent developments:

[Coronavirus: What are the legal implications?](#)

[Financial Toolkit](#)

[Fintech guide](#)

[Green and Sustainable Finance Topic Guide](#)

[Brexit Hub](#)

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FINANCIAL INSTITUTIONS

CSSF COMMUNIQUÉ ON THE LAUNCH OF A NEW CSSF WEB PLATFORM FOR ENTITIES SUBJECT TO THE TRANSPARENCY LAW AND MAR (ERIIS)

CSSF communiqué of 4 March 2022

On 4 March 2022, the CSSF issued a communiqué on the launch of eRIIS, a new CSSF web application for issuers or other persons subject to the Transparency Law and MAR.

eRIIS replaces the current CSSF filing process via email for the major legal filing requirements applicable to the following two types of persons: issuers of securities and holders of securities (for notifications of major holdings and for notifications of persons discharging managerial responsibilities within an issuer). Said filing obligations are listed in the communiqué's annexes. eRIIS will also serve as a main communication channel between these persons or entities and the CSSF.

eRIIS will notably:

- allow to follow-up on regulatory filings, notably by consulting various dashboards and tracking the status of individual filings,
- offer advanced functionalities for the filing and validation of annual financial reports drawn up under the new ESEF format
- allow to adequately manage the Reporting Entities' data while at the same time offering the possibility of delegating administrative tasks to third parties by defining various levels of access rights for different users.

The concerned persons are able to fulfil their filing obligations through eRIIS since 4 March 2022. Filings per email were only tolerated until 30 May 2022.

CSSF CIRCULARS ON THE UPDATE OF CIRCULARS 08/337 AND 08/349 ON THE TRANSPARENCY LAW AND THE GRAND-DUCAL TRANSPARENCY REGULATION

CSSF Circulars 22/799¹ and 22/800² of 4 March 2022

The CSSF published on 4 March 2022 its Circulars 22/799 and 22/800 updating CSSF Circulars 08/337 and 08/349 on the Transparency Law and the Grand-Ducal Transparency Regulation, as amended.

The Circulars update CSSF Circulars 08/337 and 08/349 by taking into account the changes that have taken place in connection with the introduction of the CSSF web application called eRIIS, which was developed to enable entities subject to the Transparency Law as well as MAR to fulfil their filing obligations with the CSSF.

Circular 22/800 updates Circular 08/349 regarding the information to be notified with respect to major holdings in accordance with the Transparency Law.

Annex 1 of the Circulars contains tracked changes version of the amended CSSF Circular, respectively 08/337 and 08/349, and Annex 2 of the Circulars contains "clean" versions of the amended CSSF Circulars.

The Circulars entered into force on the date of their publication.

¹ [CSSF Communiqué](#)

² [CSSF Circulars 22/337](#)

CSSF FAQs³ FOR THE PRESS ON THE UKRAINE CRISIS

CSSF FAQs of 8 March 2022 (as updated)

On 8 March 2022, the CSSF published FAQs on the Ukraine crisis for the press, which have been updated subsequently.

The document published by the CSSF gives a general overview of the recurrent questions that have been asked to the CSSF since the outbreak of this crisis and the answers provided by the CSSF. It will be updated the matter develops.

The document broadly covers FAQs on the following topics: (i) International Financial Sanctions; (ii) impact on the Luxembourg financial centre; and (iii) Cyber-Risk.

It is worth noting that when asked what actions the CSSF intends to take to ensure that supervised entities apply the sanctions put in place, among others, the CSSF mentions that in the coming weeks they will be carrying out selective on-the-spot checks using a risk-based approach to ensure that the sanctions screening mechanisms set up within the entities are working properly and are being used appropriately.

The amendments made in the new version include the addition of a question in relation to the assessment of the implementation of the sanctions against Russia. In its answer, the CSSF refers to a press release available on the website of the Ministry of Finance on the conclusions drawn in the first assessment published by the Luxembourg Monitoring Committee (an interinstitutional committee in which the CSSF participates) on 21 March 2021.

The CSSF has further updated its answer to the question regarding the level of exposure of the Luxembourg investment fund industry to Russia and Ukraine, by adding more details to its previous answer, including that Luxembourg investment funds that have not suspended redemptions due to their more limited exposure to assets in Russia/Ukraine/Belarus have switched to the fair value valuation method and that the CSSF is evaluating for

investment funds concerned by Russian assets that have become illiquid the possibility of creating side pockets.



³ [FAQs](#)

LUXEMBOURG BILL⁴ IN AML/CTF MATTERS

Bill N° 7972 of 8 March 2022

A bill N°7972 amending: (1) the Code of criminal procedure, (2) the amended law of 7 March 1980 on the judiciary organisation, (3) the amended law of 8 August 2000 on international judicial assistance in criminal matters, (4) the AML/CTF Law and (5) the amended law of 10 July 2020 on the central fiduciary register (Bill N°7972) was lodged with the Luxembourg Parliament on 8 March 2022.

The bill aims to:

- ensure consistency of the legal texts governing international mutual assistance in criminal matters and AML/CTF as well as their compliance with AML/CTF international standards and proliferation of the FATF; and
- rectify a material error in the law of 17 December 2021 transposing Directive (EU) 2018/1673 of 23 October 2018 through targeted amendments of various legal provisions.

The main changes proposed by the bill are the following:

- abolishing the possibility of refusing a request for mutual assistance which relates exclusively to tax, customs or exchange offences under Luxembourg law;
- allowing the FIU to receive alerts from the associative sector and providing persons who carry out paid or voluntary activities in non-profit organisations with an additional communication channel to fulfil the obligation to inform the judicial or administrative authorities of certain crimes of which they become aware;
- clarifying that the obligation to identify the client and the ultimate beneficial owner is applicable regardless of the professionals' risk assessment, which excludes any risk-based discretion for professionals not to identify the client or the ultimate beneficial owner;
- clarifying that professionals are not obliged to duplicate copies of documents, information and data that are necessary to comply with customer

due diligence obligations when they enter into or maintain several business relations, or carry out several occasional transactions, involving the same natural person or legal entity, of which a copy of the necessary documents, information and data has already been collected and kept, provided that the professionals are able to make the documents, data and information in question rapidly available to the authorities;

- allowing supervisory authorities to request their foreign counterpart authorities to carry out an investigation or inspection in the territory of that counterpart authority; and
- clarification of the deadline for trustees and fiduciaries to update the information on beneficial owners that they obtain and maintain, which is set at one month.

The lodging of the bill with the Luxembourg Parliament constitutes the start of the legislative procedure.

⁴ [Bill](#)

CSSF COMMUNIQUÉ⁵ ON THE PUBLICATION OF USER GUIDE ON THE SETTLEMENT FAILS REPORTING UNDER ARTICLE 7 CSDR

CSSF communiqué of 10 March 2022

On 10 March 2022, the CSSF issued a communiqué on the publication of its User Guide allowing CSDs to submit the settlement fails reporting as per Article 7 CSDR.

The above-mentioned communiqué follows the publication of Circular CSSF 22/792 in January informing the market that the CSSF applies the Guidelines on Settlement Fails Reporting published on 8 December 2021 (ESMA70-156-4717) under Article 7 CSDR.

The User Guide details the technical solution implemented by the CSSF to allow CSDs to comply with this obligation.

CSDs are now required to implement the connectivity requirements mentioned in the User Guide to submit the reporting and to ensure that their procedures are updated to ensure timely reporting of the requested

The above-mentioned communiqué follows the publication of Circular CSSF 22/792 in January informing the market that the CSSF applies the Guidelines on Settlement Fails Reporting published on 8 December 2021 (ESMA70-156-4717) under Article 7 CSDR.

The User Guide details the technical solution implemented by the CSSF to allow CSDs to comply with this obligation.

CSDs are now required to implement the connectivity requirements mentioned in the User Guide to submit the reporting and to ensure that their procedures are updated to ensure timely reporting of the requested information.

LUXSE AND MOX SIGN COOPERATION AGREEMENT⁶

10 March 2022

On 10 March 2022, the Luxembourg Stock Exchange (LuxSE) issued a press release on the signing of a cooperation agreement with Chongwa (Macao) Financial Asset Exchange Co., Ltd (MOX) following the signing in January 2020 of a Memorandum of Understanding.

The cooperation agreement focuses on enhancing the visibility of securities listed on MOX towards international investors. Concretely, the cooperation agreement will facilitate access to LuxSE for Chinese corporate issuers in the Greater China region by establishing a channel for securities listed on MOX to be registered on LuxSE's Securities Official List.

LuxSE also points out that, as a result of this cooperation, LuxSE has already welcomed bonds totalling USD 1.9 billion from 5 Chinese corporate issuers using MOX as primary listing venue.

⁵ [CSSF Communiqué](#)

⁶ [LuxSE press release](#)

CSSF FAQs⁷ REGARDING INTERNATIONAL FINANCIAL SANCTIONS

CSSF updated FAQs of 17 and 21 March 2022

On 17 March 2022 (with a subsequent clarification on 21 March 2022), the CSSF issued an updated version of its FAQs regarding International Financial Sanctions. Substantial information was added to the FAQs on topics such as the applicable legal framework; availability of documents relating to the various international financial sanctions; reporting obligations for professionals; roles of the CSSF and the Ministry of Finance regarding international financial sanctions; powers of the CSSF and guidance on what a professional has to do in case of identifying a suspicion of money laundering or terrorism financing or an associated predicate offence, in addition to its client being subject to international financial sanctions.

CSSF CIRCULAR⁸ 22/802 ON THE APPLICATION OF THE EBA GUIDELINES ON THE TREATMENT OF STRUCTURAL FX UNDER ARTICLE 352(2) OF CRR

CSSF Circular 22/802 of 18 March 2022

The CSSF published on 21 March 2022 its Circular 22/802 dated 18 March 2022.

The Circular informs its addressees that the CSSF in its capacity as competent authority, applies the EBA Guidelines on the treatment of structural FX under Article 352(2) of Regulation (EU) No 575/2013 (EBA/GL/2020/09), published on 1 July 2020.

The Circular is addressed to all credit institutions designated as Less Significant Institutions under the SSM, to all CRR investment firms, and to all Luxembourg branches of credit institutions or CRR investment firms incorporated in a third country, which shall duly comply with the Guidelines. Significant supervised entities under the SSM shall refer to the relevant rules of the ECB (if any).

The Guidelines set out the criteria under which competent authorities shall authorise the exclusion of a position in a foreign currency from the calculation of its net open currency positions where such foreign currency position is of a structural nature and taken by institutions to hedge against the adverse effect of exchange rates on their capital ratios.

The Circular shall apply to its addressees on an individual and consolidated basis and with immediate effect.

⁷ [CSSF FAQs](#)

⁸ [CSSF Circular](#)

CSSF CIRCULAR 22/803⁹ ON THE INTRODUCTION OF A SEMI-ANNUAL DATA COLLECTION ON LENDING INDICATORS RELATED TO COMMERCIAL REAL ESTATE

CSSF Circular 22/803 of 21 March 2022

The CSSF published on 21 March 2022 its Circular 22/803 dated 18 March 2022.

The Circular is addressed to all Luxembourg credit institutions and to all Luxembourg branches of EU and non-EU credit institutions, granting commercial real estate loans, which are collectively referred to as the "lenders", and is applicable as of its publication date.

Following up on the Recommendation of the European Systemic Risk Board of 21 March 2019 amending Recommendation ESRB/2016/14 on closing real estate data gaps (ESRB/2019/3), the CSSF as the national designated authority, aims at introducing a semi-annual data collection on lending indicators related to CRE in Luxembourg.

The semi-annual reporting concerns loans that are granted for acquiring a CRE property or that are secured by a CRE property, if the amount reported in FINREP Table 18, row 0140, column 010 (i.e. gross carrying amount for loans and advances to nonfinancial corporations, of which: Loans collateralised by commercial immovable property), exceeded EUR 250 million on 31 December of the previous year.

The collection of data and indicators will help identifying the build-up of systemic risks and assessing the potential need for macroprudential intervention. Granular and consistent data are necessary to capture market developments and to analyse systemic risks adequately.

The Circular introduces the definitions of these indicators, which are collected via a dedicated template available on the CSSF website and shall be submitted in April and in October of each year.

CSSF UPDATES THE REPORTING REQUIREMENTS GUIDANCE¹⁰ FOR CREDIT INSTITUTIONS

23 March 2022

On 23 March 2022, the CSSF issued an updated version of its reporting requirements guidance for credit institutions.

The updates relate to reporting formats and technical specifications set out in Chapter 5 of the guidance document and are largely EBA driven. The CSSF updated publication also includes a mark-up against the previous version dated 14 January 2022.

⁹ [CSSF Circular](#)

¹⁰ [CSSF Guidance](#)

LUXEMBOURG LAW ON INACTIVE ACCOUNTS¹¹, INACTIVE SAFE-DEPOSIT BOXES AND UNCLAIMED INSURANCE PAYMENTS

Law of 30 March 2022

The law on inactive accounts, inactive safe-deposit boxes and unclaimed insurance payments was published in the Luxembourg official journal (Mémorial A) on 1 April 2022.

The Inactive Accounts Law defines a specific legal framework in relation to inactive accounts, inactive safe-deposit boxes and unclaimed insurance payments. The Law is inspired by the regimes existing in this area in France and Belgium.

The legal framework has the objectives to:

- improve the customers' and beneficiaries' position by facilitating the research for their accounts, safe-deposit boxes and insurance contracts
- provide clarity and legal certainty to banks and insurance companies by specifying their obligations.

The Law also reinforces the AML/CTF legal framework as inactive accounts bear potentially a higher ML/TF risk.

To prevent the situation of inactive accounts or safe-deposit boxes and of unclaimed insurance payments, the Law imposes on banks and insurance companies an obligation to contact their customers on a regular basis, inform them of the consequences of inactivity, and, if needed, to carry out additional research in order to find the customer or beneficiary.

If the attempts to contact the customer or beneficiary were not successful, following certain timelines and procedures to be respected, the bank or insurance company must transfer the relevant assets to the Consignment Office (Caisse de consignation). The customer or beneficiary has 30 years to contact the Consignment Office thereafter.

In order to simplify the research by customers and beneficiaries (as successors thereof), the Law establishes a centralised electronic register for any asset that is transferred to the Consignment Office. The register can be consulted by the relevant persons who can justify their right on the assets transferred to the Consignment Office

(including, as the case may be, heirs and other successors).

The CSSF, the CAA, and the Consignment Office are in charge to supervise, apply, and enforce the new provisions.

The Law entered into force on 1 June 2022.

¹¹ [Law of Inactive accounts](#)

CSSF CIRCULAR 22/804¹² UPDATING CSSF CIRCULAR 21/769 ON TELEWORK GOVERNANCE AND SECURITY REQUIREMENTS FOR SUPERVISED ENTITIES

CSSF Circular 22/804 of 31 March 2022

The CSSF issued on 31 March 2022 Circular 22/804 to update Circular 21/769 defining the governance and security requirements with respect to the implementation and utilisation by an entity under the CSSF supervision of work processes based on telework solutions.

The only change to the Circular relates to its entry into force, the rest of the Circular remaining unchanged.

Originally, the Circular was foreseen to enter into force on 30 September 2021 (save exceptional circumstances, e.g. Covid-19 pandemic) whilst the updated version of the Circular entered into force on 1 July 2022. As a reminder, the CSSF stresses in the Circular that no approval is required in order to implement, maintain or extend telework solutions for staff in a CSSF supervised entity.

Contractual relationships between the supervised entities and their employees are outside the scope of the Circular.

The Circular provides *inter alia* for the following:

- Definitions of key terms used, such as for example "telework", "privileged users", and "critical activities".
- General principles, covering in particular requirements relating to robust central administration and sufficient substance requirements, telework limits and risk assessments, continuity of the operational functioning of supervised entities, and ultimate responsibility for the telework.
- Compliance with other legal provisions stating in particular that the use of telework must not contravene mandatory public order provisions and that Supervised Entities should consider other legal requirements such as tax, companies, professional confidentiality, data protection or social security laws and regulations which differ

from prudential requirements in terms of substance and central administration rules.

- Baseline requirements (specifying *inter alia* that staff members should be able to return to the premises on short notice in case of need and providing a list of criteria to be respected (e.g. telework time should be limited, at least one authorised manager to be on-site all the time, head-office remains the decision-making centre, etc.).
- Internal organisation and internal control framework, covering in particular the risk management requirements, obligation to determine a telework policy, monitoring of the compliance with such telework policy, and controls by internal control functions over telework.
- Requirements related to ICT and security risks, specifying rules in terms of *inter alia* policies and procedures, risk awareness, access rights, remote access devices, telework infrastructure, security of connections, review of the communication chain security, technology watch (solid monitoring process) and logging.

The Circular will be reviewed at the latest 12 months after its entry into force, i.e. before 30 June 2023, in order to remedy any abuses or other shortcomings or deficiencies.

¹² [CSSF Circular 21/769](#)

LUXEMBOURG LAW¹³ AMENDING THE CRIMINAL CODE TO TRANSPOSE DIRECTIVE (EU) 2019/713

Law of 1 April 2022

The Luxembourg law of 1 April 2022 amending the Criminal Code to transpose Directive (EU) 2019/713 of the European Parliament and of the Council of 17 April 2019 on combating fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/JHA, was published in the Luxembourg official journal (Mémorial A) on 8 April 2022.

The Law amends the Criminal Code and states that the perpetrator of the counterfeiting, alteration or falsification of a payment instrument other than those referred to in Article 160 of the Criminal Code, i.e. any device, object or record protected against imitation and fraudulent use, whether non-material or material or a combination thereof, which, on its own or in conjunction with a procedure or set of procedures, enables its holder or user to effect a transfer of money or monetary value, including by digital means of exchange and not referred to in Article 160, is punished by imprisonment for a period of four months and five years and a fine of EUR 1,250 to EUR 75,000.

The same penalty shall be imposed on anyone who receives, holds, transports, issues, imports, procures or puts into circulation such a payment instrument, knowing at the time he receives it that it originates from one or more of the offences mentioned above.

The counterfeit altered or falsified payment instrument shall be confiscated.

The Law entered into force on 12 April 2022.

LUXEMBOURG LAW¹⁴ ON THE GRANTING OF THE STATE GUARANTEE TO CREDIT LINES CONTRACTED BY THE FGDL

Law of 6 April 2022

A law in the area of deposit protection schemes was published in the Luxembourg official journal (Mémorial A) on 11 April 2022.

The main purpose of the Law is to amend the Luxembourg law of 18 December 2015 on the failure of credit institutions and certain investment firms (as amended) to introduce an additional safety net for the benefit of the FGDL, and thus further strengthen depositor protection, by means of a guarantee granted by the Luxembourg State to credit lines contracted by the FGDL.

The new guarantee will facilitate the implementation of financing mechanisms by the FGDL in the event of short-term needs by making it easier to obtain the funds necessary to honour its commitments.

The Law authorises the Government to grant a State guarantee for credit lines contracted by the FGDL in return for appropriate remuneration. The State guarantee is capped at a maximum total amount of EUR 1 billion.

With this Law, the Government also intends to address the concerns raised by the Luxembourg State Council (Conseil d'Etat) and the International Monetary Fund respectively on the need for a special law and the establishment of adequate financing mechanisms for the FGDL.

The Law entered into force on 15 April 2022.

¹³ [Law](#)

¹⁴ [Law](#)

CSSF COMMUNIQUÉ¹⁵ ON EU RESTRICTIVE MEASURES IN RESPONSE TO THE CURRENT SITUATION IN UKRAINE AND ON MEASURES OF AML/CTF

CSSF communiqué of 8 April 2022

On 8 April 2022, the CSSF issued a communiqué on the EU restrictive measures in response to the current situation in Ukraine and AML/CTF measures.

In this communiqué, the CSSF draws the attention of the professionals of the financial sector falling under its supervision to certain upcoming key dates as well as to certain deadlines linked to the application of exceptions in relation to certain prohibitions, provided for in the context of the EU financial restrictive measures in response to the current situation in Ukraine.

In particular, since 12 April 2022, several financial restrictive measures must be put in place by professionals. The CSSF notes also other key dates after 12 April 2022 for restrictive measures provided for by certain articles of Regulation (EU) 833/2014 of 31 July 2014 concerning

restrictive measures in view of the actions of Russia destabilizing the situation in Ukraine, as amended, as well as by Council Regulation (EU) 263/2022 of 23 February 2022 concerning restrictive measures in reaction to the recognition of the areas of the Ukrainian oblasts of Donetsk and Luhansk not controlled by the government and to the order given to the Russian armed forces to enter these areas.

The CSSF asks finance professionals also to respect restrictive measures of third countries, to the extent applicable to them in light of the international dimension of their activities.

Finally, the CSSF reminds professionals of their suspicious transaction reporting obligations that may arise in this context, where primary offences would be committed or a suspicion therefor would exist, as well as of the cyber-attack aspects and resulting consequences for the person concerned and financial crime committed in this context that may constitute a primary offence.

¹⁵ [CSSF Communiqué](#)

CSSF COMMUNIQUÉ¹⁶ ON THE MONITORING OF THE QUALITY OF TRANSACTION REPORTS RECEIVED UNDER ARTICLE 9 OF EMIR

CSSF communiqué of 19 April 2022

On 19 April 2022, the CSSF issued a communiqué on the monitoring of the quality of transaction reports received under Article 9 EMIR.

The communiqué concerns the obligation for counterparties and central counterparties (CCPs) to report to trade repositories (TRs) the details of any derivative contract they have concluded and of any modification or termination of the contract as set out in Article 9 of EMIR.

It informs on the quality and completeness campaigns that the CSSF conducted during the year 2021, as well as on the topics that are the subject of dedicated campaigns during the year 2022.

Regarding the Data Quality Campaigns 2021:

- ESMA EMIR Data Quality Review (ESMA EMIR DQR) 2021: The ESMA EMIR DQR experience is set out in The ESMA data quality report which covers the progress made to date in improving EMIR data quality for regulatory and supervisory use and concludes that, while good progress has been made, additional efforts are needed by NCAs and ESMA to further improve EMIR data quality.

CSSF Data Quality Action Plan 2021 (CSSF DQAP 2021):

- Late valuation/confirmation of trades
- Rejection Rates.

Regarding the Data Quality Campaigns 2022:

- ESMA EMIR DQR 2022: ESMA will further focus on the enhancement of the data quality and supervisory convergence which will lead to an increase in data quality exercises performed by NCAs, including those by the CSSF. The CSSF will continue to participate in the ESMA EMIR DQR and request justifications from the top entities identified, as well as continue to follow up on the issues identified during the previous ESMA EMIR DQR exercises.

- CSSF DQAP 2022: the CSSF continues to monitor the data quality issues identified in 2021 and will continue to perform data quality controls leveraging tools and practices experienced in the previous years.

Regarding the monitoring, the CSSF warns entities to ensure that they report the details of any derivative contract they have concluded and of any modification or termination of the contract following Article 9 of EMIR. Any entity failing to comply with this obligation is deemed to have committed a serious breach of the reporting obligation.

Moreover, the CSSF emphasizes that the fact that a transaction report was accepted by the TR does not necessarily mean that the submitted report was complete and correct.

¹⁶ [CSSF Communiqué](#)

CSSF CIRCULARS AND FAQ¹⁷ RELATING TO OUTSOURCING ARRANGEMENTS

CSSF Circulars of 22 April 2022

- Circular 22/805¹⁸ regarding the revised EBA Guidelines on outsourcing arrangements (EBA/GL/2019/02), the publication of Circular CSSF 22/806¹⁹ on outsourcing arrangements and the repeal or amendments of certain circulars CSSF;
- Circular 22/806 on outsourcing arrangements;
- Circular 22/807²⁰ updating Circular CSSF 12/552, as amended by circulars CSSF 13/563, CSSF 14/597, CSSF 16/642, CSSF 16/647, CSSF 17/655, CSSF 20/750, CSSF 20/759 and 21/785 on central administration, internal governance and risk management; and
- List of questions and answers in relation to a number of key aspects of Circular CSSF 22/806 on outsourcing arrangements (FAQ).

These texts will modify the framework applicable to supervised entities when resorting to outsourcing arrangements, in accordance with the above-mentioned EBA Guidelines and other ESA Guidelines. Circular 22/805 lists the changes to said framework, e.g., the application of Circular 22/806, the amendment of several Circulars CSSF either (i) as of 30 June 2022 or (ii) at a later date, and the repeal of other Circulars CSSF.

One of the benefits of Circular CSSF 22/806 is that this circular contains in one single document the supervisory requirements on outsourcing arrangements related to information and communication technology, that were previously disseminated in individual circulars.

This Circular CSSF 22/806 is divided in three parts: the first part sets out the requirements in relation to outsourcing arrangements and includes definitions, scope of application, general principles and applicable governance requirements; the second part is dedicated to specific requirements for ICT outsourcing arrangements relying or not on a cloud computing infrastructure and the third part provides for the entry into force of this circular.

CSSF and CAA in Luxembourg, but to certain liberal professions and to unregulated entities.

The TCSPs Working Group states that the purpose of the TCSP Guidelines is to clarify certain concepts (e.g. "legal arrangement" and "director") in order to harmonise the understanding of professionals whether and when they are required to register pursuant to article 7-2 (1) of the AML/CTF Law with the supervisory authority or self-regulatory body to which they belong.

Moreover, the TCSPs Working Group indicates that the drafting of the TCSP Guidelines was necessary in light of the number of situations and circumstances in which the TCSP service defined in article 1(8) of the AML/CTF Law may be relevant.

Circular CSSF 22/806 will complement the framework on internal governance arrangements by specifying guiding principles and laying down additional detailed requirements that supervised entities must observe when resorting to outsourcing arrangements. Therefore, Circular CSSF 22/806 shall be read together with those relevant legal provisions and the circulars CSSF on central administration, internal governance and risk management as applicable to supervised entities, including Circular 12/552 as amended by Circular CSSF 22/807. The FAQ are aims at bringing further clarity on the supervisory expectations of the competent authority.

Circulars CSSF 22/805 and 22/806 and the FAQ are addressed to:

- all credit institutions and professionals of the financial sector within the meaning of the Financial Sector Law;
- all payment institutions and electronic money institutions within the meaning of the Payment Services Law;
- all investment fund managers subject to Circular CSSF 18/698;
- all UCITS subject to Part I (UCITS) of the UCI Law which designate a management company within the meaning of the UCI Law;

¹⁷ [CSSF FAQ](#)

¹⁸ [CSSF Circular 22/805](#)

¹⁹ [CSSF Circular 22/806](#)

²⁰ [CSSF Circular 22/807](#)

- all CCPs, including Tier 2 third country CCPs, complying with the relevant requirements of EMIR;
- all approved publication arrangements (APAs) with a derogation and authorised reporting mechanisms (ARMs) with a derogation within the meaning of the Financial Sector Law;
- all market operators operating a trading venue within the meaning of the Financial Sector Law;
- all CSDs; and
- all administrators of critical benchmarks.

Circular CSSF 22/807 updating Circular CSSF 12/552 is addressed to all credit institutions and professionals performing lending operations.

Circulars CSSF 22/806 and 22/807 entered into force on 30 June 2022, except for points 59 and 60 of Circular CSSF 22/806 on prior notification which will apply with immediate effect for ICT outsourcing only.

CSSF CIRCULAR 22/808²¹ ON THE APPLICATION OF THE EBA GUIDELINES ON RECOVERY PLAN INDICATORS UNDER BRRD

CSSF 22/808 Circular of 2 May 2022

On 2 May 2022, the CSSF issued Circular 22/808 on the application of the EBA Guidelines on recovery plan indicators under Article 9 BRRD published on 9 November 2021 (EBA/GL/2021/11²²), replacing the current EBA guidelines of 23 July 2015 (EBA-GL-2015-02).

The Circular is addressed to all BRRD institutions submitting a recovery plan to the CSSF.

The purpose of the Circular is to inform them that the CSSF applies the Guidelines and has integrated them into its administrative practice and regulatory approach in order to promote supervisory convergence in this field at the European level. All BRRD institutions submitting a recovery plan to the CSSF shall duly comply with them. The Circular provides an overview of changes introduced by the revised Guidelines which are attached to the Circular.

The Circular further explains that the Guidelines:

- specify the minimum list of quantitative and qualitative recovery plan indicators to be included in the recovery plans; and
- set expectations regarding, amongst others, the appropriate arrangements for the regular monitoring of such indicators, the points at which actions referred to in the recovery plans may be taken, and the action to be taken in relation to these indicators.
- The CSSF finally specifies that for BRRD institutions subject to simplified obligations pursuant to Article 59-26 of the Financial Sector Law, the minimum list of recovery plan indicators detailed in Annex II of the Guidelines is not applicable.

²¹ [CSSF Circular](#)

²² [EAB/GL/2021/11](#)

CSSF CIRCULAR 22/809²³ ON THE APPLICATION OF THE EBA GUIDELINES²⁴ ON CRITERIA FOR THE USE OF DATA INPUTS IN THE RISK MEASUREMENT MODEL (CRR)

CSSF Circular 22/809 of 2 May 2022

On 2 May 2022, the CSSF issued Circular 22/809 on the application of the EBA Guidelines on criteria for the use of data inputs in the risk measurement model referred to in Article 325bc of CRR published on 13 July 2021 (EBA/GL/2021/07) (Guidelines).

The Circular is addressed (i) to all credit institutions designated as Less Significant Institutions under the SSM, (ii) to all CRR investment firms and (iii) to all Luxembourg branches of credit institutions and of CRR investment firms having their registered office in a third country.

The purpose of the Circular is to inform them that the CSSF applies the Guidelines and has integrated them into its administrative practice and regulatory approach in order to promote supervisory convergence in this field at the European level. The Guidelines are available on the EBA's website.

The Guidelines specify one of the three different components of the newly introduced alternative internal model approach when complying with capital requirements for market risk, i.e. the expected shortfall risk measure.

The CSSF expects that all in-scope entities assess their ability to model the risk factors of positions assigned to the trading desk included in the scope of the alternative internal model approach, to ensure that the risk factors are sufficiently liquid and observable. As a general expectation, the CSSF has also reminded the relevant entities that the data inputs for all risk factors must be accurate, appropriate, frequently updated and complete.

The Circular applies with immediate effect.

GRAND DUCAL REGULATION²⁵ REGARDING THE FEES LEVIED BY THE CSSF

Grand-Ducal Regulation of 12 May 2022

A Grand-Ducal Regulation dated 12 May 2022 amending the Grand-Ducal Regulation of 17 December 2021 relating to the fees to be levied by the CSSF was published in the Luxembourg official journal (Mémorial A) on 18 May 2022.

The Grand Ducal Regulation brings the following changes:

- (i) Regarding credit institutions, new fees have been added:
 - A single lump sum fee of EUR 10,000 for the examination of an application for authorisation for an issuance programme of covered bonds received pursuant to Article 14 of the Law on the Issuance of Covered Bonds.
 - An additional annual lump sum fee of EUR 30,000 to be paid by each credit institution referred to in Article 2 of the Law on the Issuance of Covered Bonds, which issues covered bonds and is subject to a specific supervision pursuant to the above-mentioned law. This annual lump sum is reduced to EUR 20,000 for covered bond banks (*banques d'émission de lettres de gage*) with a specialised licence.
- (ii) As regards crowdfunding service providers, they are now required to pay:
 - a single lump sum fee of EUR 20,000 for the examination of each application for approval or EUR 10,000 if the applicant already has the status of a credit institution, investment firm, payment institution or e-money institution;
 - a lump sum fee of EUR 10,000 for each on-site inspection carried out on a specific matter; and
 - an annual lump sum fee consisting of a fixed amount of EUR 5,000 and a variable amount of a maximum of EUR 20,000 calculated based on the total amount of projects financed through the

²³ [CSSF Circular](#)

²⁴ [EBA Guidelines](#)

²⁵ [Grand Ducal Regulation](#)

crowdfunding service provider during the previous year.

The Regulation entered into force on 22 May 2022.

CSSF COMMUNIQUÉ²⁶ AND NEW CIRCULAR LETTER ON THE NOTIFICATION OBLIGATION OF THE LIMITED NETWORK EXCLUSION OF THE LAW ON PAYMENT SERVICES

CSSF communiqué of 18 May 2022

On 18 May 2022, the CSSF issued a communiqué on the notification obligation of the limited network exclusion of the Payment Services Law.

The communiqué was issued together with CSSF Circular 22/812²⁷ on the adoption of the EBA Guidelines on the limited network exclusion under Directive 2015/2366 (EBA/GL/2022/02). The Circular confirms the adoption and integration of these guidelines in its administrative practice and regulatory approach. The new circular letter entered into force on 1 June 2022, the application date of the EBA Guidelines. The Circular attached the Guidelines for information.

In the communiqué and the Circular the CSSF draws the attention of the issuers of specific payment instruments that may only be used in a limited manner (e.g., gift cards, lunch vouchers, fuel cards, etc.) to their obligation to notify the application of the exemption related to the use of a limited network in accordance with the provision of the Payment Services Law.

The CSSF states that "specific payment instruments that may only be used in a limited manner" should be understood as an instrument that only allows for:

- the acquisition of goods or services at the location(s) of the issuer or within a limited network of merchants; or
- the acquisition of a very limited number of goods and/or services.

The CSSF considers, among others, the following to be examples of such instruments: gift cards, fuel cards, shopping centre cards, lunch vouchers, transport cards, membership cards with payment functionality, or other similar instruments.

The obligation to notify the CSSF applies when such an instrument can be used from Luxembourg and/or in

²⁶ [CSSF Communiqué](#)

²⁷ [CSSF Circular](#)

Luxembourg and the total value of the payment transactions executed over the last 12 months exceeds the amount of one million euros.

It should be noted that this obligation applies to any issuer of such an instrument fulfilling the conditions regardless of whether it is an entity subject to the supervision of the CSSF or not, or whether it is part of the financial sector or not.

The CSSF communiqué and Circular further provide that within one month from the moment when the conditions are met, a notification must be sent to the Innovation, Paiements, Infrastructures des marchés et Gouvernance (IPIG) service of the CSSF via the form available on the CSSF website. As of the entry into force of the Circular, the above-mentioned notification shall take into account all the provisions foreseen in the Guidelines.

Entities benefiting from an exclusion and that have already submitted a notification to the CSSF in the past shall as soon as possible, and no later than 1 September 2022, submit a new notification taking into account the provisions of the Guidelines.

In case of doubt as to the application of this exclusion or questions on this subject, entities are invited to contact the CSSF directly at the following address: ipig@cssf.lu.

CSSF CIRCULAR²⁸ 22/813 ON THE APPLICATION OF THE MAR GUIDELINES OF ESMA²⁹ ON DELAYED DISCLOSURE OF INSIDE INFORMATION

CSSF Circular 22/813 of 19 May 2022

ESMA Guidelines ESMA70-159-4966

On 19 May 2022, the CSSF issued Circular 22/813 on the application of the MAR Guidelines of ESMA on delay in the disclosure of inside information and interactions with prudential supervision published on 13 April 2022 (ESMA70-159-4966) (Guidelines), amending the current ESMA MAR Guidelines on delay in the disclosure of inside information of 20 October 2016 (ESMA/2016/1478) (Old Guidelines).

The Circular is addressed to all issuers who have requested or approved admission of their financial instruments to trading on a regulated market in a Member State or, in the case of instruments only traded on an MTF or OTF, to all issuers who have approved trading of their financial instruments on an MTF or OTF or who have requested admission to trading of their financial instruments on an MTF in a Member State.

The Circular applies to all issuers bound to comply with the inside information disclosure requirements set forth in Article 17 of MAR.

The purpose of the Circular is to inform them that the CSSF applies the Guidelines and has integrated them into its administrative practice and regulatory approach in order to promote supervisory convergence in this field at the European level.

The Circular informs that the Guidelines:

- set out examples to assist issuers with conducting their assessment as to whether they meet the conditions to delay the public disclosure of inside information in accordance with Article 17(4) of MAR; and
- introduce clarifications on an institution's case-by-case assessment as to whether it would be in possession of inside information according to Article 7(1)(a) of MAR in relation to the institution-specific Supervisory Review and Evaluation Process (SREP) decisions received from their

²⁸ [CSSF Circular](#)

²⁹ [ESMA Guidelines](#)

prudential competent authority, with particular reference to the Pillar 2 Capital Requirements (P2R) and Capital Guidance (P2G).

The Circular applies since 13 June 2022, and repealed on that same date Circular CSSF 16/646. The Guidelines are attached to the Circular and indicate the changes made to the Old Guidelines.

CSSF CIRCULAR ON THE APPLICATION OF THE EBA GUIDELINES TO THE MONITORING OF THE THRESHOLD ON THE ESTABLISHMENT OF INTERMEDIATE EU PARENT UNDERTAKINGS

CSSF Circular 22/814³⁰ of 25 May 2022

On 25 May 2022, the CSSF issued Circular 22/814 on the application of the EBA Guidelines to the monitoring of the threshold and other procedural aspects on the establishment of an IPU under Article 21b of CRD IV published on 28 July 2021 (EBA/GL/2021/08³¹).

The Circular is addressed to all credit institutions designated as Less Significant Institutions under the SSM, to investment firms, to all Luxembourg branches of credit institutions or of investment firms incorporated in a third country, as well as financial holding companies, mixed financial holding companies and investment holding companies incorporated in Luxembourg.

The purpose of the Circular is to inform them that the CSSF applies the Guidelines and has integrated them into its administrative practice and regulatory approach in order to promote supervisory convergence in this field at the European level. The Guidelines are attached to the Circular and available on the EBA's website.

An IPU is required if two or more credit institutions and/or investment firms established in the EU are part of a same TCG which has (considering also all third-country branches authorised in the EU) a total value of assets in the EU equal to or greater than EUR 40 billion.

The Guidelines:

- specify a common methodology to calculate the total value of assets in the EU of the TCG; and
- clarify the period reference to consider regarding that threshold;

The CSSF reminds the relevant entities that they are required to:

- assess each quarter whether the IPU threshold has been exceeded; and
- monitor annually on a forward-looking basis whether the TCG has exceeded the IPU threshold against the strategic planning and the forecast of

³⁰ [Circular 22/814](#)

³¹ [EBA/GL/2021/08](#)

assets of that TCG for a time horizon of at least three years;

- exchange information necessary for the calculations to be made;
- notify the CSSF, where the CSSF is the consolidating supervisor or group supervisor, if they expect that their TCG will reach the IPU threshold within the next three years and submit their quarterly assessment.

CSSF CIRCULAR 22/816³² ON THE ADOPTION OF THE ECB GUIDELINE³³ AND RECOMMENDATION ON THE EXERCISE OF NATIONAL OPTIONS AND DISCRETIONS

CSSF Circular 22/816 of 24 June 2022

On 24 June 2022 the CSSF issued Circular 22/816 on the adoption of ECB guideline (EU) 2022/508 of 25 March 2022 (ECB/2022/12) and ECB recommendation³⁴ of 25 March 2022 (ECB//2022/13) regarding the exercise by NCAs of some options and discretions available in Union law.

The circular is addressed to all credit institutions designated as Less Significant Institutions under the SSM, to all CRR investment firms, and to all Luxembourg branches of credit institutions and of CRR investment firms having their registered office in a third country. While the guideline and the recommendation apply to Less Significant Institutions under the SSM, the CSSF has thereby extended the application of the guideline and the recommendation to all CRR investment firms as well as to all Luxembourg branches of credit institutions or CRR investment firms incorporated in a third country.

The purpose of the circular is to inform all of these entities of the publication of the guideline and the recommendation and the application of them to their activities.

The guideline amends guideline (EU) 2017/697 of the ECB, which has been implemented in CSSF regulation no 18-03. CSSF regulation no 18-03 will be amended accordingly to implement the guideline.

With respect to the exemption to the large exposure limitation, the CSSF recalls that it continues to make use, as provided for in article 6(f) of guideline (EU) 2017/697 (as amended by the guideline), of:

- the national discretion of article 493(3)(c) CRR which is embedded in article 56-1 of the Financial Sector Law regarding group exemption relating to large exposures; and

³² [Circular CSSF 22/816](#)

³³ [ECB Guidelines](#)

³⁴ [ECB recommendations](#)

- the other national discretions of article 493(3) of the CRR which are made use of in article 5 of CSSF regulation no 18-03.

The CSSF intends to apply the guideline as of 1 October 2022.

The recommendation amends recommendation ECB/2017/10 and is addressed only to NCA(s). As such it provides transparency on how the CSSF will apply the relevant options and discretions. The CSSF applies the recommendation with immediate effect.

The circular applies as from 24 June 2022 and repealed on that same date CSSF Circular 18/682.

The guideline (EU) 2017/697 (as amended by the new guideline) and the recommendation are attached to the circular for information.

CSSF CIRCULAR³⁵ 22/817 ON THE ADOPTION OF THE ESMA³⁶ GUIDELINES ON CERTAIN ASPECTS OF THE MiFID II APPROPRIATENESS AND EXECUTION-ONLY REQUIREMENTS

CSSF Circular 22/817 of 27 June 2022

On 27 June 2022, the CSSF issued Circular 22/817 on the adoption of the ESMA Guidelines of 12 April 2022 (ESMA35-43-3006) regarding certain aspects of the MiFID II appropriateness and execution-only requirements.

The Circular is addressed to all investment firms, credit institutions when (i) providing investment services other than investment advice and portfolio management or (ii) selling structured deposits, and external alternative investment fund managers when providing the service of reception and transmission of orders in relation to financial instruments.

The purpose of the Circular is to inform them of the publication of the Guidelines and their application to them. The CSSF will integrate the Guidelines, issued with a view to promoting supervisory convergence in this field at the European level, into its administrative practice and regulatory approach.

The objective of the Guidelines of ESMA is to clarify the application of certain aspects of the MiFID II appropriateness and execution-only requirements in order to ensure the common, uniform and consistent application of, respectively, Article 25(3) of MiFID II, and Articles 55 and 56 of the MiFID II Delegated Regulation, as well as of Article 25(4) of MiFID II and Article 57 of the MiFID II Delegated Regulation.

The Guidelines are attached to the Circular for information.

The CSSF intends to apply the Guidelines as of 12 October 2022.

CSSF COMMUNIQUÉ³⁷ ON POSTPONING OF THE APPLICATION OF CERTAIN PRIIPS-RELATED DISCLOSURES

CSSF Communiqué of 28 June 2022

On 28 June 2022, the CSSF issued a communiqué referring to the publication by the European Commission on 24 June 2022 of the Commission Delegated Regulation (EU) 2022/975 of 17 March 2022, amending the application date of rules for the KID for PRIIPs.

The Delegated Regulation 2022/975 states that:

- article 14(2) of Delegated Regulation (EU) 2017/653 continues to apply until 31 December 2022; and
- the new rules included in Delegated Regulation (EU) 2021/2268 amending Delegated Regulation (EU) 2017/653 shall apply as from 1 January 2023.
- The CSSF points out that the Delegated Regulation 2022/975 and the amendments concerned should be read in light of the related statement by the European Commission on the publication of such delegated regulation.
- The CSSF will take into account the elements of timing as put forward in such statement when discharging its supervisory tasks in the framework of PRIIPs.

³⁵ [CSSF Circular](#)

³⁶ [ESMA Guidelines](#)

³⁷ [CSSF Communiqué](#)

CSSF COMMUNIQUÉ³⁸ RELATED TO THE NOTIFICATION TEMPLATE FOR OUTSOURCING A CRITICAL OR IMPORTANT BUSINESS PROCESS (BPO)

CSSF Communiqué of 1 July 2022

On 1 July 2022, the CSSF issued a communiqué that informs of the publication of a notification template to be used by in-scope entities, as defined in CSSF Circular 22/806 on outsourcing arrangements (In-Scope Entities), when outsourcing a critical or important business process (BPO) in accordance with points 59 and 60 of CSSF Circular 22/806.

The template has to be used as of 1 July 2022.

Significant credit institutions shall also use this template to notify the ECB to the extent that no ECB specific notification template is available yet.

The communiqué defines a BPO as an outsourcing the outcome of which is primarily of a business nature, even in the case where the outsourced service is delivered by the service provider on IT systems used or managed by the same service provider, as compared with a “pure” ICT outsourcing where the outcome is exclusively of an ICT nature (e.g., data storage, hosting services, system administration, etc.).

The template shall not be used to notify the following outsourcing arrangements:

- critical or important outsourcing of operational tasks of undertakings for collective investment administration; and
- critical or important ICT outsourcing.

The CSSF points out that for such critical or important outsourcing arrangements, dedicated templates will be made available on the CSSF website or updated soon. In the meantime, In-Scope Entities shall use the existing templates which are available on the CSSF website and linked for information in the communiqué.

The CSSF clarifies that In-Scope Entities shall not introduce prior notifications to the CSSF for existing material BPO arrangements that have already been approved under the previous authorisation regime. Where material BPO arrangements have previously been submitted to, and are currently being assessed by, the

CSSF, In-Scope Entities may not implement these arrangements before receiving prior authorisation from the CSSF.

The CSSF invites In-Scope Entities to liaise with their usual contact person in case of questions.

³⁸ [CSSF Communiqué](#)

INSURANCE

CAA INFORMATION NOTE³⁹ REQUESTING AN IMPACT ASSESSMENT AND ENHANCED DUE DILIGENCE FOLLOWING THE RUSSIAN INVASION OF UKRAINE

CAA Information Note of 10 March 2022

On 10 March 2022, the CAA issued its Information Note 22/5 requesting an impact assessment and enhanced due diligence following the Russian invasion in Ukraine.

The purpose of the Information Note is to require from supervised entities the implementation of enhanced due diligence measures and the assessment of potential impacts of this conflict on a short- and long-term basis.

The CAA also lists the areas that must be covered by such enhanced due diligence and impact assessment (e.g., strengthening of identification measures on clients and beneficial owners in the case of transactions or provision of services; strengthening of cybersecurity measures; analysis of exposures to sanctioned counterparties/sectors; premia, liquidity, solvency ratio and technical provisions impact analysis; insurance-reinsurance asymmetry assessment; stress scenarios analysis; risk assessment on intragroup operations including intragroup reinsurance and cash pooling, risk assessment related to depositary banks, assessment of potential impacts on the business plan and, if need be, revision of the business plan).

The outcome of the above-mentioned analysis must be made available to the CAA. In addition, if it reveals the need to produce a new Own Risk and Solvency Assessment (ORSA), this revised ORSA should be transmitted to the CAA.

Finally, supervised entities are invited to liaise without delay with the CAA in case of the emergence of material risks

CAA CIRCULAR LETTER 22/9⁴⁰ ON THE ANNUAL REPORTING OF BROKERAGE FIRMS AND INSURANCE OR REINSURANCE BROKERS WHO ARE NATURAL PERSONS

CAA Circular letter of 22 March 2022

The CAA issued, on 22 March 2022, Circular Letter 22/9 on the reporting of brokerage firms and insurance or reinsurance brokers who are natural persons. This Circular Letter repeals the previous CAA Circular Letter 17/4 as well as its amending circular letters on this topic.

The objectives pursued by the CAA with the new Circular Letter with respect to the annual reporting file are to:

- align it with the annual reporting file format of other entities supervised by the CAA;
- increase the granularity and precision of the information requested;
- ensure the security of the Excel file; and
- to simplify the submission of the file.

The CAA further specifies that the annual reporting file operates on two levels:

- the global annual reporting, which provides information on the broker's global (re)insurance distribution activity in Luxembourg, operated under the freedom to provide services under its Luxembourg licence or operated under the freedom of establishment, i.e. through a foreign branch, under its Luxembourg authorisation; and
- the branch annual reporting, which provides specific information on the broker's (re)insurance distribution activity per branch established outside the territory of Luxembourg. This file should be completed for each permanent establishment and must provide a targeted view of the specific activity of each branch, which is carried out either in the State of establishment of the branch or through the branch in other States, if applicable. The CAA specifies in this respect that the figures

³⁹ [CAA Information Note](#)

⁴⁰ [CAA CIRCULAR](#)

provided in the branch annual reporting file(s) should also be included in the overall information provided in the global annual reporting file.

The reporting requirements contained in this Circular Letter are applicable as from the reference period 2021.



THE GRAND-DUCAL REGULATION⁴¹ REGARDING THE PROCESSING FEES ASSOCIATED WITH THE PROCESSING OF A CONSIGNMENT REQUEST UNDER THE INACTIVE ACCOUNTS LAW

Grand-Ducal Regulation of 6 April 2022

The Grand-Ducal Regulation dated 6 April 2022, on the fees for the processing of a file related to the submission and examination of a consignment request within the framework of the Inactive Accounts Law, was published in the Luxembourg official journal (*Mémorial A*) on 11 April 2022.

Please refer to the Financial Institutions section of this Luxembourg Legal Update for further details on the Inactive Accounts Law.⁴²

The processing fee relating to the submission and examination of a consignment request is set at EUR 50 per file when such request is submitted to the Consignment Office (*Caisse de Consignation*) by a credit institution or insurance undertaking. This amount is doubled when application for certain exemptions is made. The payment of fees has to be made electronically.

The Regulation entered into force on 15 April 2022.

⁴¹ [Grand Ducal Regulation](#)

⁴² [Inactive Accounts Law](#)

CAA INFORMATION NOTE⁴³ RELATING TO THE IMPLEMENTATION OF FINANCIAL RESTRICTIVE MEASURES AND REQUIRED DATA AS PART OF THE "QUARTERLY REPORT OF FROZEN FUNDS"

CAA Information Note of 26 April 2022

On 26 April 2022, the CAA issued its Information Note 22/7 relating to the implementation of financial restrictive measures and required data as part of the "Quarterly report of frozen funds".

The purpose of the Information Note is to remind all natural and legal persons supervised by the CAA that without delay they are required to inform the Ministry of Finance of the execution of any restrictive measure according to the specified form "Quarterly report of frozen funds" by email to sanctions@fi.etat.lu with lbcft@caa.lu in copy. The CAA also includes in an annex to the Information Note descriptions of the fields in the form from an insurance perspective, to guide professionals when completing the form.

The CAA further reminds that the restrictive measures in financial matters concern the States, natural and legal persons, entities or groups appearing on a list annexed to an act of the European Union, the United Nations or a Grand-Ducal regulation.

The Information Note finally provides guidance for reporting the application of restrictive measures by virtue of other lists, e.g., where the professional operates through a branch in another jurisdiction

⁴³ [CAA information note](#)

⁴⁴ [CAA information note](#)

CAA INFORMATION NOTE⁴⁴ ON THE PUBLICATION OF LUXEMBOURG'S FIRST VERTICAL RISK ASSESSMENT ON TERRORIST FINANCING

CAA Information Note 22/8 of 28 June 2022

Luxembourg Terrorist Financing Vertical Risk Assessment

On 28 June 2022, the CAA issued its Information Note 22/8 on the publication of Luxembourg's first vertical risk assessment on terrorist financing.

The purpose of the Information Note is to state that Luxembourg has finalised the vertical risk assessment on terrorist financing⁴⁵, which was carried out under the direction of the Ministry of Justice, and that the results were adopted on 17 May 2022 by the Committee for the Prevention of Money Laundering and Terrorist Financing. It complements the national risk assessment updated in December 2020. The national risk assessment 2020 concluded that the threats of terrorism and TF are, overall, moderate. While the national risk assessment 2020 has addressed both ML and TF risks, this vertical risk assessment focuses specifically on TF risks.

The Information Note further explains the methodology of the vertical TF risk assessment, as well as its main findings.

The main findings of the vertical risk assessment are as follows:

- Non-profit organisations conducting development and humanitarian projects abroad present the highest level of risk, followed by retail and corporate banking, and money or value transfer services. Private banking and the investment sector are less vulnerable to TF.
- Non-profit organisations carrying out development and humanitarian projects abroad are exposed to TF through (i) donations they receive, and (ii) the destination of their funds.

⁴⁵ [Terrorist financing](#)

- The traditional products and services offered by retail and merchant banks (e.g., debit/credit cards, electronic transfers, ATM withdrawals) make them vulnerable to lone actors, small terrorist cells or foreign terrorist fighters who could misuse them to channel funds to terrorist acts, individuals or groups. Similarly, money or value transfer services provide easy, quick and convenient access to cross-border transactions, making the sector vulnerable to abuse.
- The nature of the products and services offered by the private banking and investment sectors does not lend itself to TF by lone actors, small terrorist cells operating in the EU or foreign terrorist fighters. They could, however, be abused by wealthy financiers of terrorism.

As described in the national risk assessment 2020, the framework for combating ML and TF is based on five pillars, which are underpinned by a comprehensive legal framework: (i) national strategy and co-ordination, (ii) prevention and supervision, (iii) detection, (iv) prosecution, investigation and asset recovery, and (v) international co-operation.

The CAA further states that the TF-specific mitigating factors are explained in more detail in the vertical risk assessment.

The Information Note finally points out that English and French versions of the vertical TF risk assessment are available on the [website of the Luxembourg Ministry of Justice](#).

ASSET MANAGEMENT

CSSF REACTIVATED⁴⁶ IFM NOTIFICATIONS ON FUND ISSUES AND LARGE REDEMPTIONS

10 March 2022

The CSSF issued a communication to inform investment fund managers (IFMs) that it has reactivated notifications on significant fund issues and large redemptions, as well as on related decisions and measures taken, via the CSSF eDesk platform. This decision was made in view of the specific circumstances and risks which the largest IFMs are exposed to as the result of market conditions relating to the conflict in Ukraine.

The aim of these notifications is to enable the CSSF to perform its daily supervision and to support discussions with both other authorities and market players to identify the issues and assist with their resolution.

A notification to the CSSF must be transmitted if one of the following events occurs:

- significant events/issues affecting the functioning of the IFM or the investment funds managed by the IFM, including the impact of restrictive measures applicable following the Ukraine crisis; or
- larger redemptions at the level of Luxembourg-regulated investment funds (UCITS, Part II UCI, SIF) managed by the IFM.

If the IFM manages individual (sub-)fund(s) with a combined direct or indirect exposure (including exposure gained through derivatives) exceeding 10% of their Total Net Assets (TNA) to Russian and/or Ukrainian issuers, some specific additional information has been requested by the CSSF of the IFM.

Concerned IFMs have already been contacted by the CSSF to inform them of the reactivation of the IFM notifications. Further details on the IFM notifications are outlined in the CSSF communication and on the CSSF eDesk Portal.

⁴⁶ [CSSF communiqué](#)

CSSF FAQs⁴⁷ ON THE APPLICATION OF LIQUIDITY MANAGEMENT TOOLS BY INVESTMENT FUNDS IN THE CONTEXT OF THE UKRAINE CRISIS

31 March 2022

The CSSF issued a set of frequently asked questions (FAQs) in relation to the application of liquidity management tools (LMTs) in the context of the Ukraine crisis. It notes that investment fund managers (IFMs) are facing the challenge of how to deal with Russian and Belarussian assets in their managed investment funds that have become illiquid or non-tradable following the restrictive measures taken by the EU and other countries in this context. Liquidity management tools will mainly be applied by UCITS but might also be applied by AIFs.

The CSSF distinguishes between investment funds that have limited exposure to illiquid assets, and investment funds that have higher exposure to illiquid assets, and details the LMTs to be considered in each case, including the segregation assets (also called 'side pockets').

When implementing the segregation of assets for higher as well as limited exposures in assets that have become illiquid, the CSSF gives three segregation options which could be considered.

According to the CSSF, before determining the adequate option to deal with assets that became illiquid, the following steps must be undertaken:

- thorough analysis by the governing body of the fund covering several aspects listed in the FAQs;
- prior notification to the CSSF with a view to authorisation, providing the necessary information listed in the FAQs; and
- information to affected investors about the implemented option in accordance with the provisions set forth in the prospectus.

Further details on the application of LMTs by investment funds are outlined in the CSSF's FAQs.

⁴⁷ [CSSF FAQ](#)

It is worth noting that the CSSF is allowing side pockets in relation to UCITS funds in the specific context of the Ukraine crisis and only in that context. In other words, the current authorisation of side pockets cannot be interpreted as a precedent for using side pockets in other circumstances in the future.

CSSF CIRCULAR⁴⁸ ON AUTHORISATION AND ORGANISATION OF ENTITIES ACTING AS UCI ADMINISTRATOR

16 May 2022

The CSSF issued a new circular (22/811) that specifies the requirements concerning the governance and internal organisation of UCI administrators.

The main purpose of Circular 22/811 is to replace Chapter D of Circular IML 91/75 on the rules concerning the central administration of Luxembourg UCIs, which dates back to 1991, in order to take into account the legislative developments, changes in technology and market evolution with respect to the activity of UCI administration.

The objective is to respond to the market's demand for a modernised, homogeneous and harmonised national framework by providing the common organisational requirements required of UCI administrators (UCIAs), including, but not limited to, the CSSF expectations relating to internal organisation, human resources, delegation models, ICT resources and business continuity and disaster recovery planning.

In particular, Circular 22/811 implements new reporting for UCI administrators, detailed in annex B of the new circular, which must be filed, for the first time, at the latest five months after the UCIA financial year-end, starting from 30 June 2023. Another important change is that prior authorisation is replaced by a prior notification in case of delegation of a critical or important operational task.

The new circular will apply with immediate effect to all entities carrying out the activity, or part of the activity (i.e. at least one of the following functions: the registrar function; the NAV calculation and accounting function; or the client communication function), of UCI administration for regulated and non-regulated UCIs established, or otherwise, in Luxembourg. A grandfathering period, in order to comply with the provisions of the Circular 22/811, is granted to such entities already acting as UCI administrator at the date of entry in force of this new circular until 30 June 2023.

⁴⁸ [CSSF Circular](#)

AED GUIDE⁴⁹ ON AML/CFT FOR RAIFs

13 June 2022

The Luxembourg Registration Duties, Estates and VAT Authority, the Administration de l'enregistrement, des domaines et de la TVA (AED), published a guide on professional obligations regarding anti-money laundering and counterterrorist financing (AML/CFT) with a view to better supporting reserved alternative investment funds (RAIFs), which are supervised by the AED for AML/CFT purposes, with their implementation of AML/CTF legal requirements.

The guide is given on an indicative basis; however, it nonetheless describes the minimum requirements to be complied with by RAIFs. The AED specifies that RAIFs must adapt their internal procedures in terms of AML/CTF depending on their size, activities and type of investors. A simple reproduction of the guide as internal procedure will not be considered as compliant by the AED.

In the context of its AML/CTF supervision, the AED expects to receive the following documents from every RAIF, using templates or following instructions available in the guide:

- a RAIF RR RC Identification Form, to be provided when the RR and RC are appointed and following any change of information included in the form, along with the corresponding board minutes or written resolutions taken by the management body of the RAIF;
- a risk AML/CTF questionnaire, to be filled in without modifying the Excel file framework or removing its embedded protection and to be provided annually with information available on 31 December of each year; and
- the RC report, which must contain at least the information listed on page 37 of the guide, and had to be submitted by 31 May 2022.

Three major AML/CTF obligations are also developed in the guide:

⁴⁹ [AED Guide](#)

- the obligation of vigilance, which comprises the identification of the fund's clients, the persons acting on their behalf and their beneficial owners, and the corresponding storing of information and documents;
- the obligation of internal organisation, which comprises the training of the RAIF's staff, the appointment of an RR and an RC, and the implementation of a risk procedure tailored to risk criteria based on the client and the RAIF; and
- the obligation to co-operate, which comprises the transmission of any suspicious operations to the Cellule de Renseignement Financier (CRF) through its platform goAML and the obligation to provide upon request any information to the CRF or the AED.

In addition, the guide provides information on the sanctions incurred in the event of non-compliance with AML/CFT professional obligations and the means of appeal against such administrative sanctions. It also includes a useful minimum checklist to follow when establishing a new business relationship, a list of risk factors and templates of identification forms (as examples).

NEW PROCEDURES FOR MARKETING NOTIFICATIONS AND DE-NOTIFICATIONS

20 June 2022

On 12 May 2022, the CSSF published a circular (22/810)⁵⁰ to inform Luxembourg-based funds and fund managers that the marketing notification and de-notification procedures will be gradually made available through the eDesk Portal⁵¹.

On 20 June 2022, the CSSF issued a communication to inform that the marketing notification and de-notification procedures must be performed through the eDesk Portal as of 1 July 2022 for the following entities in relation to the marketing of units, shares or interests in Luxembourg or in another Member State:

- Luxembourg alternative investment fund managers (AIFMs) of European alternative investment funds (EU AIFs);
- Luxembourg AIFMs of European long-term investment funds (ELTIFs); and
- managers of Luxembourg European venture capital funds (EuVECAs) or European social entrepreneurship funds (EuSEFs).

A user guide has been published along with the communication to detail the procedures, expected documentation and information regarding the submission via eDesk.

⁵⁰ [CSSF Circular](#)

⁵¹ [eDesk Portal](#)

CSSF ASSESSMENT OF INVESTMENT FUNDS' LIQUIDITY MANAGEMENT TOOLS⁵²

20 June 2022

The CSSF issued a communication on its recent working paper presenting an assessment of the effectiveness of liquidity management tools (LMTs).

The CSSF assessed fund-related liquidity management tools based on several supervisory datasets of Luxembourg-based open-ended funds (UCITS). The main conclusions are the following:

- funds increase cash positions in periods of high volatility, and thereby contribute to pro-cyclical selling of assets. For most funds, the fund's cash reserves generally exceed the maximum daily redemptions, which suggests that the funds can rely on the ability to sell assets at short notice to honour redemptions. However, fund managers' estimates of the impact of a stress scenario on liquidity vary across funds and tend to be overly optimistic;
- swing pricing reduces the dilution of the fund value caused by investor redemptions and lowers fund outflows during episodes of elevated market volatility, which helps to reduce investor first-mover advantages. However, during episodes of systemic stress, first-mover advantages are dominated by other investor considerations, such as imminent liquidity needs, which makes the outflows from swing pricing funds similar to those of other funds; and
- the temporary suspension of redemptions preserves the fund's value in exceptional circumstances, but often funds wait too long before suspending and the suspension precedes the permanent closure and liquidation of the fund.

The results of the paper highlight the effectiveness of LMTs and their positive correlation with overall liquidity risk management of open-ended funds. They also showcase the need for further guidance in key aspects, namely the

assessment by fund managers of the liquidity of their portfolio, the calibration of swing pricing and the timing of suspensions.

⁵² [CSSF communiqué](#)

UPDATE OF CSSF FAQs ON SICAR⁵³

22 June 2022

The CSSF updated its FAQs on the investment company in risk capital, the société d'investissement en capital à risque (SICAR). The changes do not introduce any new requirement or clarification and mainly relate to the alignment with CSSF Circular 21/790 of 22 December 2021, which reformed post financial year requirements.

The FAQs now covers (in question 7) the following additional mandatory submissions by SICARs to the CSSF, applicable with respect to financial years closing on or after 30 June 2022:

- a self-assessment questionnaire (SAQ) to be submitted via eDesk within four months after the end of the financial year;
- the separate report, pertaining to the reliability of the answers provided by the SICAR in the SAQ and validated by the statutory auditor, to be submitted within six months after the end of the financial year; and
- in case the audited report contains a modified audit opinion with respect to any sub-fund or the SICAR as a whole, a letter to be sent within one month of the publication of the audit report explaining the underlying reasons for the modified audit opinion, its impact on investors and the SICAR, the corrective measures taken by the management, and the timeline for their implementation.

The update also reflects the fact that the management letter relating to the statutory audit of the SICAR's accounts to be submitted within six months after the end of the financial year will now be made available to the approved statutory auditor on eDesk and submitted to the CSSF by the SICAR's management body through eDesk as well.

⁵³ [CSSF FAQs](#)

ESG

CSSF COMMUNIQUÉ⁵⁴ ON THE APPLICATION OF SFDR AND ARTICLES 5 AND 6 OF TAXONOMY REGULATION

CSSF communiqué of 1 April 2022

The CSSF issued on 1 April 2022 a communiqué concerning the application dates of SFDR and on the taxonomy-alignment related product disclosures of the Taxonomy Regulation.

In its communiqué, the CSSF brings to the attention of financial market participants and financial advisers the Updated Supervisory Statement of the Joint Committee of the ESA⁵⁵ dated 25 March 2022 on the application of SFDR⁵⁶ and Articles 5 and 6 of the Taxonomy Regulation regarding the interim period until the application date of the RTS on the content, methodologies and presentation of sustainability-related disclosures.

The CSSF mainly emphasizes the following elements:

- SFDR and Taxonomy Regulation product disclosures entry into application without RTS: The ESAs remind that the addressees are required to apply most of the provisions on sustainability-related disclosures laid down in the SFDR since 10 March 2021, while the application of the RTS is delayed to 1 January 2023. This delay in the application of the RTS has no impact on the application of the amendments introduced by the Taxonomy Regulation to the SFDR. Therefore, the taxonomy-alignment related product disclosures apply in respect of the first two environmental objectives since 1 January 2022 according to Article 27(2)(a) of the Taxonomy Regulation.
- Guidance during interim period: The CSSF, in accordance with the Updated Supervisory Statement, encourages the Addressees to use the draft RTS as a reference for the purposes of applying the provisions of Articles 2a, 4, 8, 9, 10 and 11 SFDR and Articles 5 and 6 of the Taxonomy Regulation in the interim period until RTS are adopted by the European Commission.
- The supervisory expectation during the interim period before the application of the RTS is that in order to comply with the provision under point (b) of the first subparagraph of Article 5 of the Taxonomy Regulation, an explicit quantification should be provided through the numerical disclosure as a percentage of the extent to which investments underlying the financial product are taxonomy-aligned, which could be accompanied by a qualitative clarification explaining how the financial product addresses the determination of the proportion of taxonomy-aligned investments of the financial product.
- Application timeline for entity-level principal adverse impact statement: the ESAs detail in the annex of its Updated Supervisory Statement the application timeline of specific provisions of SFDR, the Taxonomy Regulation and the related RTS. The transitional arrangements foreseen by the ESAs for entity-level principal adverse impact (PAI) disclosures would no longer be relevant due to the delay of application of RTS. The first information relating to a reference period to be disclosed in accordance with the RTS should be made in a statement to be published by 30 June 2023 in respect of a reference period corresponding to the calendar year of 2022.

⁵⁴ [CSSF Communiqué](#)

⁵⁵ [ESAs](#)

⁵⁶ [SFDR](#)

CSSF ISSUED COMMUNICATION ON PUBLICATIONS RELATED TO SFDR AND TAXONOMY REGULATION⁵⁷

15 June 2022

The CSSF communication aimed at drawing the attention of the entities subject to the SFDR and Taxonomy Regulation to the following three recent publications by the European Supervisory Authorities (ESAs):

- the European Commission's responses to a series of questions submitted by the ESAs relating to the implementation of the SFDR and the Taxonomy Regulation, adopted on 13 May 2022;
- the supervisory briefing on sustainability risks and disclosures in the area of investment management published by ESMA on 31 May 2022; and
- the ESAs' clarifications on the draft regulatory technical standards (RTS) under SFDR published on 2 June 2022.

For more information, read our briefing [SFDR and Taxonomy Regulation: Does more guidance mean more clarity?](#).

⁵⁷ [SFDR & Taxonomy Regulation](#)

EMPLOYMENT

INCREASE OF THE SALARY INDEX

Press release of STATEC of 30 March 2022

On 1 April 2022, the consumer price index rose from 855.62 to 877.01, resulting in a mandatory increase in all salaries⁵⁸ (and pensions) of 2.5%.

As a result, since 1st April 2022, the amount of the statutory monthly minimum wage, for a full-time employee, is EUR 2,313.38 gross for non-qualified employees over 18 years of age and EUR 2,776.05 gross for qualified employees.

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ENTRY INTO FORCE OF THE CIRCULAR CSSF 21/769 REGARDING "THE GOVERNANCE AND SECURITY REQUIREMENTS FOR SUPERVISED ENTITIES TO PERFORM TASKS OR ACTIVITIES THROUGH TELEWORK" ON 1 JULY 2022⁵⁹

Publication of 31 March 2022

On 31 March 2022, the Luxembourg supervising authority for the financial sector, the CSSF, announced that its Circular 21/769 regarding "the governance and security requirements for Supervised Entities to perform tasks or activities through telework", issued on 9 April 2021 and whose entry into force was suspended due to the COVID-19 pandemic, will be applicable as from 1 July 2022.

This circular defines the governance and security requirements to be complied with by supervised entities when implementing and using work processes based on telework solutions.

The CSSF issued on 31 March 2022 a new circular, Circular 22/804, which amends Circular 21/769 to enact this new date of effect.

⁵⁸ [STATEC press release](#)

⁵⁹ [CSSF circular](#)

BILL OF LAW TRANSPOSING THE EU DIRECTIVE 2019/1158 REGARDING THE WORK-LIFE BALANCE OF PARENTS AND CARERS⁶⁰

Bill of Law n° 8016 of 2 June 2022

This Bill (which is being discussed and remains subject to amendments) introduces two new extraordinary leaves of absence for the employee for personal reasons:

- (i) one day over a 12-month employment period for reasons of force majeure related to urgent family reasons in case of illness or accident of a family member (child, mother, father, spouse or partner) which requires the immediate presence of the employee, and which is certified by a doctor; and
- (ii) five days over a 12-month employment period to provide personal care or assistance to such family member, or to another person living in the same household as the employee and requiring considerable care or assistance for serious medical reasons certified by a doctor.

The Bill also aims at introducing the employee's protection, during any extraordinary leave of absence (including but not limited to those indicated above) against any dismissal on the grounds that the employee has requested or taken such leave. Neither may the employee be subject to reprisals or less favourable treatment on the grounds that he or she has taken or benefited from an extraordinary leave of absence provided for by the Labour Code.

In case the employer refuses to grant the extraordinary leave of absence, it may be fined from EUR 251 up to EUR 2,500, which may be doubled in the event of a repeated offence within two years.

In addition, the Bill provides for a modification of the application for parental leave: the employer who refuses parental leave will be obliged to give the reasons for its refusal to the employee in writing. Furthermore, before any postponement of the leave of absence, the employer will have to offer, as far as possible, flexible solutions to the employee to take the parental leave of absence.

Finally, the Bill introduces for an employee, who has at least six months of continuous service with the same employer and is the parent of a child who has not yet reached the age of nine, or who has to provide personal care or assistance to a family member or a person living in the same household, a right to a meeting with the employer to request flexible working arrangements for a fixed period up to one year (i.e. telework, flexible working hours).

⁶⁰ [Bill of Law](#)

BILL OF LAW EXTENDING THE RIGHT TO EXTRAORDINARY LEAVE⁶¹

Bill of Law n°8017 of 2 June 2022

The Bill aims at extending the statutory right to the extraordinary 10 days leave of absence in the event of the birth of a child (which is currently available for the father of the child) to "any person who would be recognised as an equivalent second parent", by introducing this formula in Article L.233-16 of the Labour Code.

This extension concerns, in particular, same-sex couples.

The Bill also extends the right to benefit from the 10 days of "paternity" leave to self-employed persons (this right is currently reserved to employees).

EXTENSION OF THE DEROGATIVE PERIOD FOR SOCIAL SECURITY THRESHOLD FOR CROSS-BORDER EMPLOYEES⁶²

Government press release of 24 June 2022

On 24th of June, the Luxembourg Government announced that all tax agreements on remote working concluded between Luxembourg and its bordering countries (Germany, France and Belgium) have been extended until 30 June 2022. These agreements provide that working days undertaken from the main residence of the employee, due to the COVID-19 pandemic, can be considered, from an income tax perspective, as working days in the State where the activity is usually carried out.

It was also decided not to take into account the days of telework performed until 30 June 2020 because of the COVID-19 crisis for the determination of the social security legislation applicable to cross-border workers.

The Administrative Commission for the Co-ordination of Social Security Systems in the European Union decided, in June 2022, to grant a transitional period of six months running from 1 July 2022 until 31 December 2022, during which an administrative tolerance will be applied, allowing cross-border workers to continue to carry out telework from their country of residence, without risking a change of the social security legislation applicable to them.

This extension only concerns social security purposes, and is not applicable to the tax agreements, which have expired on 30 June 2022.

⁶¹ [Bill of Law](#)

⁶² [Government press release](#)

CORPORATE

BILL OF LAW RECTIFYING CERTAIN PROVISIONS OF COMPANIES LAWS PURSUANT TO 2016 REFORM

Bill of Law N°8007 of 17 May 2022

On 17 May 2022, the Ministry of Justice lodged the bill n°8007. This bill does not aim to make any substantial changes but to rectify a series of clerical errors, discrepancies and omissions left by the legislator, as part of the 2016 reform⁶³, in:

- the Companies Law;
- the amended law of 19 December 2002 on the Luxembourg Trade and Companies register and the annual accounts;
- the amended law of 24 May 2011 regarding the rights of shareholders of listed companies; and
- the Civil Code.

Amongst the amendments to be outlined:

- Article 450-1, paragraph 9 of the Companies Law will expressly state that shares for which voting rights have been suspended or, shares for which waivers of voting rights have been notified to the company, shall not be taken into account for the quorum and majority of shareholders' meetings.
- Article 710-5, paragraph 6 of the Companies Law will expressly state that redeemed shares in SARLs shall not be taken into account for the quorum and majority of shareholders' meetings, as in the case of redeemed shares in S.A.
- The approval by the company regarding the transfer of shares to non-shareholders in SARLs, provided in article 710-12 of the Companies Law, will be removed, preventing an interpretation according to which there would be a veto right by

the company for the transfer of shares to non-shareholders.

- Articles of the Companies Law referred in article 710-28 will be adjusted so as to clarify that (i) the approval procedure of article 710-12 is not applicable to an SARL with a sole shareholder and (ii) the transfer of an SARL's registered office to another municipality by resolutions of the management and the use of authorised share capital are authorised in an SARL with a sole shareholder.
- Finally, article 1100-2 of the Companies Law removes the double-majority requirement for the dissolution of SARL.

Parliamentary works of the bill n°8007 are ongoing⁶⁴.

⁶³ The 1915 Law has been subject to a major reform, initiated by the bill n°5730 introduced in June 2007 and finalised by the adoption of the law of 10 August 2016 modernising the 1915 Law.

⁶⁴ [Bill of Law](#)

TAX

PARTICIPATION EXEMPTION REGIME: CONTRIBUTIONS TO ACCOUNT 115 ARE NOT TAKEN INTO ACCOUNT TO DETERMINE THE ACQUISITION COST (OR PRICE) OF A PARTICIPATION FOR THE PURPOSES OF THE LUXEMBOURG PARTICIPATION EXEMPTION REGIME⁶⁵

31 March 2022

Participation exemption regime: contributions to account 115 are not taken into account to determine the acquisition cost (or price) of a participation for the purposes of the Luxembourg participation exemption regime

On 31 March 2022, the Luxembourg Administrative Court (*Cour administrative*) rendered a decision (n°46067C) according to which contributions to account 115 (capital contribution without issue of shares) are not taken into account for the determination of the minimum acquisition price required under the Luxembourg participation exemption regime.

In the case under review, a Luxembourg company acquired a participation of 4.37% in another Luxembourg company. On the same day, the company made a contribution into account 115 for the newly acquired company. By means of the account 115 contribution, the parent company's total investment exceeded the EUR 1.2 million threshold required for the application of the Luxembourg participation exemption.

Following a dividend distribution by the subsidiary, the parent company claimed a refund of the 15% withholding tax withheld at source, on the basis that the condition requiring a minimum acquisition price of EUR 1.2 million was fulfilled as a result of the account 115 contribution.

The Luxembourg tax authorities, followed by the Luxembourg Administrative Tribunal (*Tribunal administratif*), denied the withholding tax refund application, based on the argument that the account 115 contributions did not amount to a participation in the share

capital of the subsidiary and did not form part of the acquisition price of the subsidiary.

The Luxembourg Administrative Court recently confirmed the conclusion reached by the Administrative Tribunal by ruling that only the holding of shares in the share capital of the distributing subsidiary should be construed as "a participation in the capital" for the purposes of the withholding tax exemption. In fact, the Administrative Court reasoned that only the holding of shares in the share capital of the subsidiary grants the parent company with the shareholder rights.

Conversely, the legal ties resulting from an account 115 contribution are insufficient to be considered as a "participation in the capital".

Furthermore, the Administrative Court ruled that account 115 contributions do not form part of the acquisition price to the extent that the contributions do not increase the amount or the value of the shareholdings held in the subsidiary.

All structures using contributions to account 115 should be carefully reviewed to ensure that the parent company holds at least 10% of the share capital of its subsidiary or that the minimum acquisition cost (i.e. EUR 1.2 million for dividend/EUR 6 million for capital gains) is reached by instruments representing share capital (e.g., statutory capital or share premium).

⁶⁵ <https://juricaf.org/arret/LUXEMBOURG-COURADMINISTRATIVE-20220331-46067C>

UPDATED FAQs RELATED TO CRS⁶⁶

4 April 2022

On 4 April 2022, the Luxembourg tax authorities (the LTA) published an updated version of the frequently asked questions (FAQs) related to common reporting standards (CRS).

Developed by the OECD, the CRS and due diligence for the automatic exchange of financial account information was incorporated (i) in the 9 December 2014 European Council Directive 2014/107/EU (the Directive) amending the directive 2011/16/EU on automatic and compulsory exchange of information in the field of taxation, as well as (ii) in the Luxembourg law of 18 December 2015.

- **Question 2.3 of the FAQs**

In this new version of the FAQs, the section related to financial institutions has been amended. Under new question 2.3, the LTA provided a list of Luxembourg entities qualifying, in principle, as investment entities in the sense of section VIII, A) 6) of the Directive. The following entities are generally considered to be investment entities: collective investment undertakings subject to Part I or II of the law of 17 December 2010, as amended, concerning undertakings for collective investments (UCI Part I and II funds); specialised investment funds (SIFs) under the law of 13 February 2007 as amended; risk capital investment companies (SICAR) under the law of 15 June 2004 as amended; securitisation undertakings subject to CSSF approval and supervision in accordance with the law of 22 March 2004, as amended; reserved alternative investment funds (RAIFs) under the law of 23 July 2016, as amended; alternative investments funds (AIFs) whose management falls within the scope of the law of 12 July 2013, as amended; pension funds under the law of 13 July 2005, as amended (ASSEPs/SEPICAVs); and pension funds governed by the Grand-Ducal Regulation of 31 August 2000 implementing article 26(3) of the law of 6 December 1991, as amended, on the insurance sector; management companies subject to part IV of the law of 17 December 2010, as amended; alternative investment fund managers (AIFM) governed by the law of 12 July 2013, as amended; and investment firms governed by the law of 5 April 1993, as amended.

- **Question 2.4 of the FAQs**

Under new question 2.4, the LTA clarified the exemption provided under the status of collective investment vehicles in section VIII, B) 9) of the Directive. From the LTA's point of view, the vehicles themselves shall be subject to the supervision of the CSSF to benefit from the exemption. Whilst it could have been argued that the AIFM's supervision by the CSSF, and the resulting regulatory framework (i.e., the AIFM Directive) should have been sufficient to consider e.g., a RAIF as a regulated collective investment vehicle for the purposes of this provision, the collective investment entity exemption should not apply to RAIFs from now on. Consequently, a non-regulated entity (e.g., a RAIF or AIF) cannot opt for this status of exempt collective investment undertaking. As a result, such entities are now required to ensure compliance with the annual reporting obligations under the CRS.

It is unclear whether the LTA will apply this interpretation *mutatis mutandis* to the collective investment vehicle exemption provided for FATCA purposes.

⁶⁶ [FAQs](#)

EU DIRECTIVE PROPOSAL TO IMPLEMENT NEW INTEREST LIMITATION RULE (DEBRA)⁶⁷

11 May 2022

EU Directive Proposal to implement new interest limitation rule (DEBRA)

On 11 May 2022, the European Commission published an EU Directive proposal laying down (i) a debt-equity bias reduction allowance, and (ii) a new limitation of the tax deductibility of exceeding borrowing costs (the DEBRA Proposal).

The purpose of this proposal is to address the disparity in treatment between debt and equity financing by neutralising the bias against equity financing.

The proposed rules would apply to taxpayers that are subject to corporate income tax in one or more EU Member States. However, a large range of financial undertakings will be excluded (e.g., credit institutions, investment firms, AIFs, AIFMs, UCITS, UCITS management companies, insurance and reinsurance undertakings, pension institutions, European securitisation vehicles and crypto asset service providers).

Interaction with the current Luxembourg interest deduction limitation rule

The interest deduction limitation rule provided by article 6 of the DEBRA Proposal (the DEBRA IDL Rule) would interact with the existing rule provided by article 4 of the Anti-Tax Avoidance Directive as implemented under Luxembourg law by article 168bis of the Luxembourg income tax law (the ATAD IDL Rule).

While the ATAD IDL Rule currently provides that exceeding borrowing costs shall be deductible only up to 30% of the taxpayer's EBITDA with a *de minimis* threshold of EUR 3 million, the DEBRA IDL Rule caps the deductibility of excessive borrowing costs to 85% without such safety net.

Moreover, only the lower amount will be deductible and the difference between the two shall be carried forward or back according to the ATAD IDL Rule.

A new way of computation

Example A (in EUR million)

Company A has exceeding borrowing costs of 3 and an EBITDA of 5.

- Under the ATAD IDL Rule, all the excessive borrowing costs are deductible thanks to the *de minimis* threshold.
- Under the DEBRA IDL Rule, 2.55 is deductible (i.e. 85% of 3). The difference of 0.45 of excess borrowing costs would be carried forward or back.

Example B (in EUR million)

Company B has exceeding borrowing costs of 10 and an EBITDA of 12.

- Under the ATAD IDL Rule, 3.6 is deductible (i.e., 30% of 12).
- Under the DEBRA IDL Rule, 8.5 is deductible (i.e., 85% of 10). Only 3.6 would be deductible and the difference of 4.9 would be carried forward or back.

Considering the aforementioned examples, the DEBRA IDL Rule seems much more restrictive than the ATAD IDL Rule since the corporate taxpayer could only deduct the lower amount computed of these two rules.

Should the DEBRA Proposal be adopted, Member States would have to implement it into their national law by 31 December 2023, with it coming into effect as of 1 January 2024. Even it is not yet determined from which year's interest the DEBRA IDL rule would apply, in the meantime debt financing structures should remain carefully monitored.

⁶⁷ [EU Directive](#)

REAL ESTATE LEVY FOR CERTAIN LUXEMBOURG INVESTMENT VEHICLES – MANDATORY REPORTING REGIME⁶⁸

1 June 2022

On 19 December 2020, the Budget Law for 2021 introduced a new real estate levy. As from 1 January 2021, a real estate levy of 20% applies on income and gains derived⁶⁹ from real estate assets located in Luxembourg (the Real Estate Levy) by all Luxembourg undertakings for collective investments (UCIs) Part II funds, specialised investment funds (SIFs) and reserved alternative investment funds (RAIFs) that are viewed as "opaque" from a Luxembourg tax perspective (e.g., S.A., S.à r.l. or S.C.A.).

Reporting obligation for 2020 and 2021

Even though they do not own immovable property located in Luxembourg, investment funds listed above are subject to a mandatory reporting obligation⁷⁰. Those investment funds had to provide information about their holding/non-holding of Luxembourg real estate assets during the 2020 and 2021 calendar years by filing a one-off electronic report by 31 May 2022.

The same applied for such investment funds that changed their legal form from an "opaque" entity to a "transparent" entity (e.g., SCS, SCSp, FCP) during the 2020 and 2021 calendar years and that held at least one real estate asset in Luxembourg at the time of the change of the legal form (directly or through a transparent entity).

Yearly real estate levy return

From now on and to the extent the investment funds listed above receive or realise income derived from Luxembourg real estate assets, the real estate return must be submitted on an annual basis by 31 May of the following year.

Such return must include information about (i) amount of income derived from Luxembourg real estate, (ii) breakdown of income per asset, (iii) amount of Real Estate Levy withheld, and (iv) auditor's report certifying the computation.

The next reporting for the year 2022 will take place on/before 31 May 2023 and any Real Estate Levy must be

paid before 10 June 2023 (upon the relevant real estate income of 2022).

⁶⁸ [Real Estate Levy](#)

⁶⁹ Directly or indirectly through one or more entities considered as tax transparent under Luxembourg tax law

⁷⁰ As clarified by the Circular PRE_IMM n° 1 dated 20 January 2022

EU LEGISLATION INITIATIVE TO REGULATE TAX ADVISORY PROFESSIONALS⁷¹

14 June 2022

On 14 June 2022, the Director for Direct taxation, Tax coordination, Economic Analysis and Evaluation at the European Commission, announced that the current legislative initiative to regulate tax advisory professions will focus on aggressive tax planning involving structures in non-European countries (the Proposal).

Announced as a reaction to the Pandora Papers of November 2021, this initiative follows the FISC Subcommittee held on 25 April 2022 on "How to reinforce the regulation of intermediaries to create an intermediary sector that ensures a fair and user-friendly tax system?".

The stated objective is to tackle aggressive tax planning which, even if not qualifying as tax evasion, circumvents the tax law. By regulating all professionals providing tax advice, the EU Commission intends to address the root of tax avoidance.

Whilst the European legislator admits that tax intermediaries positively contribute to tax systems by facilitating tax compliance and tax collection, he also regrets that some of them are designing, promoting, and implementing abusive tax schemes.

To improve the regulatory framework, the Proposal aims at shifting the responsibility of compliance from the taxpayer towards the adviser and envisages the introduction of certain criteria to determine what constitutes "acceptable" tax planning.

The public consultation on this legislative proposal is scheduled for the beginning of July 2022, and the Proposal would also likely be adopted during the year 2022.

⁷¹ <https://www.europarl.europa.eu/committees/en/regulating-intermediaries-to-ensure-a-fa/product-details/20220331CHE10043>

PILLAR II PROPOSAL DELAYED⁷²

17 June 2022

On 17 June 2022, the EU Council again failed to find the required unanimous agreement on the proposed Council Directive to ensure a global minimum level of taxation for multinational groups within the European Union (the Pillar II Proposal) during the ECOFIN meeting.

Issued on 22 December 2022, the Pillar II Proposal introduced a global minimum level of effective taxation (at a rate of 15%) for companies having a turnover higher than EUR 750 million (or its equivalent in another currency).

Certain entities are excluded from the scope of the Pillar II Proposal, including:

- pension funds, investment entities and real estate investment vehicles that are the ultimate parent entities;
- governmental entities, international organisations, non-profit organisations; and
- certain entities owned by these excluded entities that hold assets or invest funds and only carry out ancillary services, or that mostly derive excluded income.

Previously delayed by Poland's position, the Pillar II proposal is now facing opposition from Hungary. The latter revoked its support during the last ECOFIN meeting in the wake of the war in Ukraine. However, 26 EU Member States remain committed to Pillar II and the position of Hungary should be monitored in the near future.

Once adopted as a Directive, the Pillar II Proposal was initially expected to be implemented into Member States' national law by 31 December 2022 and to come into effect as from 1 January 2023. This timeline has now been adjusted by the compromise text and a transposition in domestic law would be expected by 31 December 2023 (and then apply to the fiscal year starting 1 January 2024,

⁷² <https://www.consilium.europa.eu/en/meetings/ecofin/2022/06/17>

other than the under-taxed profit provision which would apply as of 1 January 2025).

Proposals on the basis of article 115 of the Treaty on the Functioning of the EU require, however, the Council's unanimity. On 1 July 2022, the Czech Republic took over the EU Council Presidency from France and it is expected that the Czech Presidency will aim for an adoption during its term (and potentially explore alternatives in case one Member State still blocks it).

LITIGATION

ONLY SHAREHOLDERS CAN REQUEST FOR THE DISSOLUTION OF A COMPANY FOR JUST CAUSE⁷³

Court of Appeal 2 March 2022, n°44/22-VII-COM

The Court of Appeal was called upon to rule on the admissibility of the voluntary and accessory intervention filed by a creditor of a company that was sued by one of its shareholders and by one of its directors for liquidation based primarily on article 480-1 of the law dated 10 August 1915 on commercial companies (LSC), and in the alternative on article 1871 of the Civil Code.

In this context, the Court of Appeal analysed whether, and to what extent, the said articles restrict the persons entitled to request for the dissolution of a company.

The Court of Appeal first considered that both articles deal with the same issue and the same action (i.e. the dissolution of a company for just cause) and that the same terms must be given the same qualification, to conclude that the illustrative enumeration under article 1871 of the Civil Code can be a guidance to identify the admissible causes for dissolution, irrespective of the basis of action.

The Court of Appeal then pointed out that Luxembourg corporate law is mainly a matter of contractual conception, i.e. the existence, the sustainability and the functioning of the company lean on the shareholders and that there are no grounds for accepting that third parties can intervene in this contractual framework.

The Court of Appeal concluded that the just cause for dissolution of a company as referred to in article 1871 of the Civil Code and in article 480-1 of the LSC can only be grounds relating to the functioning of the company in the relationship between the shareholders, and that absent any involvement of third parties in such functioning, the latter are not admissible to request for the dissolution of the company on such grounds.

Given the admissible grounds for dissolution, the request for the dissolution of a company for just cause is hence an action reserved to the shareholders only.

⁷³

https://anon.public.lu/D%C3%A9cisions%20anonymis%C3%A9es/CS/J/07_Chambre%20civil/2022/20220302-CAL-2019-00517-accessible.pdf

GLOSSARY

"**AIF**": Alternative Investment Fund

"**AIFM**": Alternative Investment Fund Managers

"**AIFMD**": Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers

"**AML Law**": Luxembourg law of 12 November 2004 (as amended) on the fight against money laundering and terrorism financing

"**AML/CTF**": Anti-Money Laundering and Counter Terrorism Financing

"**AMLD 5**": Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU

"**AML/CTF Law**": Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended

"**AML/CTF**": Anti-Money Laundering and Counter Terrorism Financing

"**BCL**": Banque Centrale du Luxembourg, the Luxembourg Central Bank

"**BdL**": Bourse de Luxembourg

"**Benchmarks Regulation**": Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014

"**Brexit**": The withdrawal of the United Kingdom from the European Union

"**BRRD**": Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council

"**BRRD II**": Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC

"**CAA**": Commissariat aux assurances, the Luxembourg insurance sector regulator

"**CCPs**": central counterparties

"**CJEU**": The Court of Justice of the European Union

"**CNPD**": The Luxembourg data protection authority (*Commission Nationale de la Protection des Données*)

"**Companies Law**": Luxembourg law of 10 August 1915 (as amended) on commercial companies

"**CRD**": Capital Requirements Directives 2006/48/EC and 2006/49/EC

"**CRD IV**": Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms amending and repealing Directives 2006/48/EC and 2006/49/EC

"CRD V": Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures

"CRE": commercial real estate

"CRF": Cellule de renseignement financier, the Luxembourg Financial Intelligence Unit

"CRR": Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements

"CRR II": Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements and Regulation (EU) No 648/2012

"CSD": central securities depository

"CSDR": Regulation (EU) 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories, and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) 236/2012

"CSSF": *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority of the financial sector

"CSSF Regulation 12-02": CSSF regulation 12-02 of 14 December 2002 (as amended) on AML/CTF

"DLT": Distributed Ledger Technologies

"DQR": data quality report

"DQAP": data quality action plan

"EBA": European Banking Authority

"ECB": European Central Bank

"EEA": European Economic Area

"EIOPA": European Insurance and Occupational Pensions Authority

"EMIR": Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories

"eRIIS": electronic reporting of information concerning issuers of securities

"ESAs": European Supervisory Authorities (EBA, ESMA and EIOPA)

"ESEF": European single electronic format

"ESMA": European Securities and Markets Authority

"ESRB": European Systemic Risk Board

"ETFs": Exchange-Traded Funds

"EU Short-selling Regulation": Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps

"FAQ": frequently asked question

"FATF": Financial Action Task Force/*Groupe d'Action Financière* (FATF/GAFI)

"**FGDL**": *Fonds de garantie des dépôts Luxembourg* / Luxembourg Deposit Guarantee Fund

"**Financial Sector Law**": Luxembourg law of 5 April 1993 (as amended) on the financial sector

"**FIU**": *Cellule de renseignement financier*, the Luxembourg Financial Intelligence Unit

"**Grand-Ducal Transparency Regulation**": Luxembourg Grand-ducal Regulation of 11 January 2008 on transparency requirements for issuers of securities, as amended

"**ICT**": information and communication technology

"**IFD**": Directive (EU) 2019/2934 on the prudential supervision of investment firms

"**IFR**": Regulation (EU) 2019/2033 on the prudential requirements of investment firms

"**Inactive Accounts Law**": Luxembourg law of 30 March 2022 on inactive accounts, inactive safe-deposit boxes and unclaimed insurance payments

"**Insurance Sector Law**": Luxembourg law of 6 December 1991 (as amended) on the insurance sector

"**IPU**": intermediate EU parent undertaking

"**KID**": Key Information Document

"**Law on the Issuance of Covered Bonds**": Luxembourg law of 8 December 2021 on the issuance of covered bonds, as amended

"**LEI**": legal entity identifier

"**LuxSE**": Luxembourg Stock Exchange

"**MAR**": Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse

"**MiFID**": Directive 2004/39/EC of the European Parliament and of the Council dated 21 April 2004 on markets in financial instruments, amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council, and repealing Council Directive 93/22/EEC

"**MiFID2**": Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments

"**MiFIR**": Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012

"**ML/TF**": Money Laundering and Terrorism Financing

"**MTF**": multilateral trading facility

"**NCA**": National Competent Authority

"**NFRD**": Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups

"**OTF**": organised trading facility

"**Payment Services Law**": Luxembourg law of 10 November 2009 on payment services (as amended)

"**PFS**": Professional of the Financial Sector, other than a credit institution and subject to CSSF's supervision in accordance with the Financial Sector Law

"**PRIIPs**": Packaged retail and insurance-based investment products

"PSD2": Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC

"RBE": register of beneficial owner

"RBE Law": the Luxembourg Law of 13 January 2019 establishing the beneficial owner register

"RTS": regulatory technical standards

"SFDR": Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

"Solvency II": Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking up and pursuit of the business of Insurance and Reinsurance

"SRB": the Single Resolution Board

"SRF": the Single Resolution Fund

"SSM": Single Supervisory Mechanism

"Taxonomy Regulation": Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

"TCG": third-country group

"TR": Trade repository

"Transparency Law": Law of 11 January 2008 on transparency requirements for issuers

"UCI Law": Luxembourg law of 17 December 2010 (as amended) on undertakings for collective investment

"UCITS": Undertakings for collective investment in transferrable securities

"UCITS Directive": Directive 2009/65/EC of 13 July 2009 of the EU Parliament and of the Council on the co-ordination of laws, regulations and administrative provisions relating to UCITS, as amended

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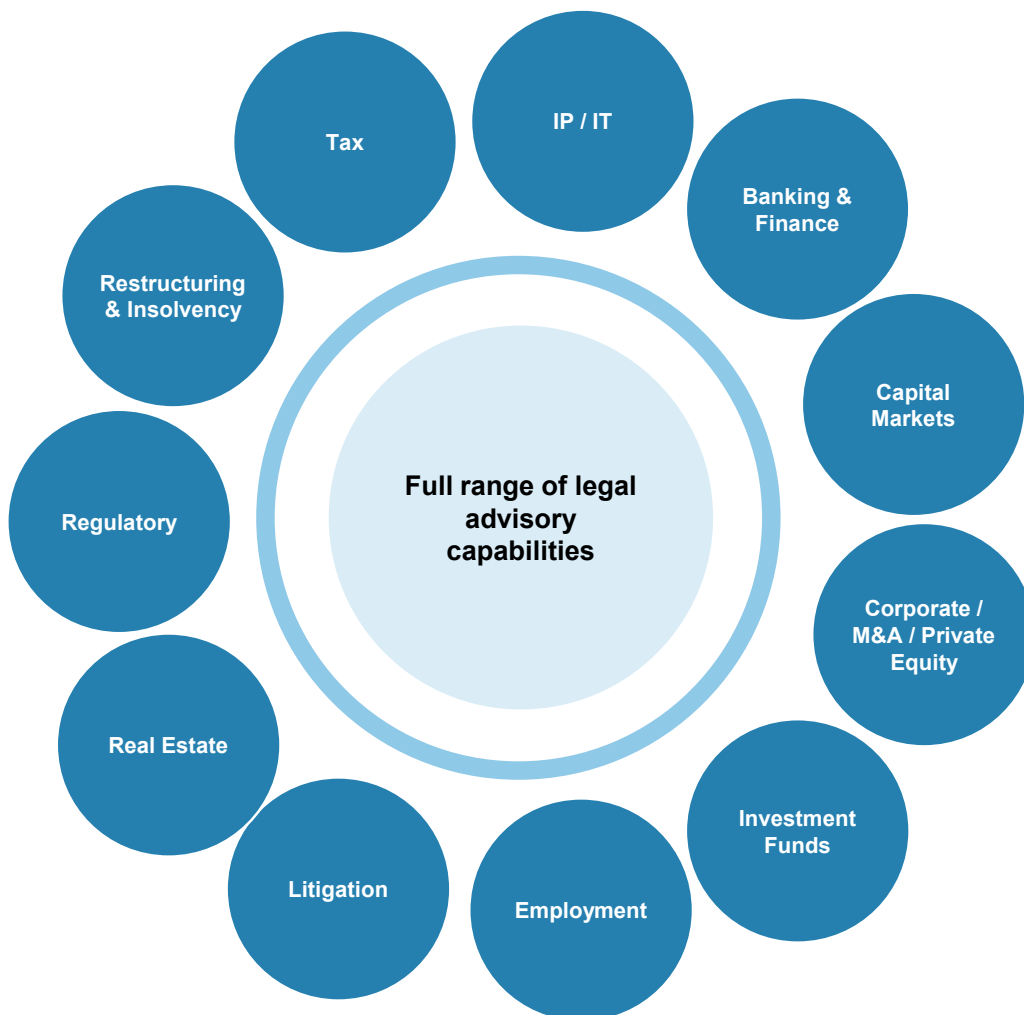
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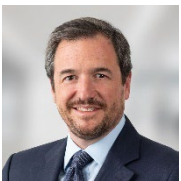
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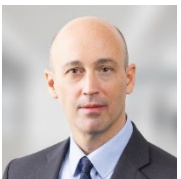


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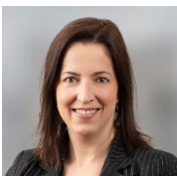


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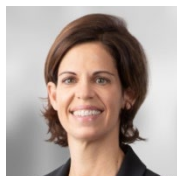


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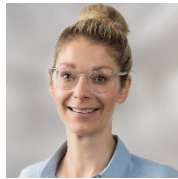
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