

Regulatory News Alert

New CSSF Circulars: introduction and revision of new prudential reporting for IFMs and UCIs

23 December 2021

Context and objectives

On 22 December 2021, the Commission de Surveillance du Secteur Financier (CSSF) published three new Circulars that introduce new regulatory reporting obligations for Investment Fund Managers (IFMs) and Undertakings for Collective Investments (UCIs).

These Circulars aim to:

- Enlarge the scope of regulated entities that are under CSSF supervision;
- Implement a new electronic reporting tool to enhance the prudential supervision of IFMs and UCIs;
- Address up-to-date key controls at the regulated entity level; and
- Harmonize the controls of the report dedicated to Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) for IFMs.

New reporting requirements applicable to IFMs

Scope of application

- Management companies incorporated under Luxembourg law and subject to Chapter 15 of the Law of 17 December 2010 relating to UCIs.
- Alternative investment fund managers authorized under Chapter 2 of the Law of 12 July 2013 on alternative investment fund managers (hereinafter the “2013 Law”);
- Investment companies that have not designated a management company within the meaning of Article 27 of the 2010 Law (hereinafter “SIAGs”); and
- Internally-managed alternative investment funds within the meaning of point (b) of Article 4(1) of the 2013 Law (hereinafter “FIAAGs”).

Self-assessment questionnaire

The Circular introduces a new self-assessment questionnaire to be completed by IFMs annually on their conformity and compliance with legal and regulatory requirements. It will be available via the eDesk platform (edesk.apps.cssf.lu) as of 10 January 2022.

Separate report

The CSSF introduces a new reporting requirement, known as the separate report, to be completed by the IFM's Réviseur d'Entreprises Agréé on the eDesk platform. It aims to corroborate the answers given in the IFM's self-assessment questionnaire. The eDesk platform defines the procedures that the Réviseur d'Entreprises Agréé should complete on some specific sections of the self-assessment questionnaire.

AML/CTF external report

Scope

The CSSF AML/CFT external report, set out in article 49 of RCSSF 1202, applies to all Luxembourg IFMs as defined in CSSF Circular 18/698. This includes registered AIFMs and all Luxembourg investment funds supervised by the CSSF for AML/CFT purposes.

Content of the report

The AML/CFT external report shall be prepared and completed by a Réviseur d'Entreprises Agréé on the eDesk platform. The report is divided into two sections to cover key AML/CFT controls that are tailored to the specificities of the supervised entity in scope:

- The first section requires the external AML/CFT expert to review and corroborate the latest AML/CFT online survey submitted on the eDesk platform by the supervised entity in scope.
- The second section involves sample testing or specific work to be performed by the external AML/CFT expert. The CSSF determines the sample sizes using a risk-based approach and must be detailed in the CSSF AML/CFT external report.

New reporting requirements applicable to UCIs

Scope of application

- Undertakings for Collective Investment in Transferable Securities subject to Part I of the amended Law of 17 December 2010;
- Undertakings for Collective Investment subject to Part II of the amended Law of 17 December 2010;

- Specialized Investment Funds subject to the amended Law of 13 February 2007; and
- Investment Companies in Risk Capital subject to the Law of 15 June 2004.

Self-assessment questionnaire

The Circular introduces a new self-assessment questionnaire to be completed by UCIs annually on their conformity and compliance with certain pre-defined elements. It will be available by 31 March 2022 at the latest on the eDesk platform (<https://edesk.apps.cssf.lu>).

Separate report

The CSSF introduces a new reporting requirement, known as the separate report, to be completed by the UCI's Réviseur d'Entreprises Agréé on the eDesk platform. It aims to corroborate the answers given in the UCI's self-assessment questionnaire. The eDesk platform defines the procedures the Réviseur d'Entreprises Agréé should complete on some specific sections of the self-assessment questionnaire.

Management letter (applicable for IFMs and UCIs)

The CSSF has also introduced a regulatory framework for the management letter that Réviseur d'Entreprises Agréés should prepare and issue annually as part of the annual accounts for UCIs and IFMs. Réviseur d'Entreprises Agréés should issue and complete this management letter using the eDesk platform portal (<https://edesk.apps.cssf.lu>).

Follow up on modified opinions issued by Réviseur d'Entreprises Agréés (applicable for IFMs and UCIs)

If a Réviseur d'Entreprises Agréé issues a modified opinion, the IFM or UCI should send a letter to the CSSF explaining the underlying root causes of the modified opinion, the impact on the IFM/UCI, and the corrective actions taken by the management of the IFM/UCI.

Application dates and submission deadlines

	Application date For financial years ending on	Deadline for submission
Self-assessment questionnaire for IFMs	31 December 2021	Four months after financial year-end (Exceptional delay for the first year)

		of 6 months after financial year-end)
Separate report for IFMs	31 December 2021	Seven months after financial year-end (Exceptional delay for the first year of 9 months after financial year-end)
External AML/CTF report for IFMs	31 December 2021	Six months after financial year (Exceptional delay for the first year of 9 months after financial year-end)
Management letter for IFMs	31 December 2021	Seven months after financial year-end
Self-assessment questionnaire for UCIs	30 June 2022	Part I of 2010 Law: 3 months after financial year-end Part II of 2010, SIFs, SICARs: 4 months after financial year-end
Separate report for UCIs	30 June 2022 for Part I, Part II 30 June 2023 for SIFs and SICARs	Part I of 2010 Law: 5 months after financial year-end Part II of 2010, SIFs, SICARs: 6 months after financial year-end
Management letter for UCIs	30 June 2022	Part I of 2010 Law: 4 months after financial year-end Part II of 2010, SIFs, SICARs: 6 months after financial year-end

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- Review of client files (KYC) and provision of remediation plan
- AML/CFT training
- DKYC: externalizing KYC processes

Deloitte's Regulatory Watch service helps you stay ahead of the regulatory curve to better manage and plan upcoming regulations.

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