

Regulatory News Alert

CSSF revised notification form to be used for the transmission of NAV calculation errors or non-compliances with investment rules

22 February 2021

Context and objectives

On 18 February 2021, the Commission de Surveillance du Secteur Financier (CSSF) published a [revised notification form](#) in accordance with Circular CSSF 02/77. This form is accompanied by an [explanatory document](#) that provides further clarification regarding the form and notification process.

The form applies to Undertakings for the Collective Investment in Transferable Securities (UCITS), UCIs subject to the Law of 17 December 2010, and Specialized Investment Funds (SIFs) subject to the Law of 13 February 2007.

The purpose of the notification form is to provide the CSSF with concise information on NAV calculation errors or active non-compliance with the investment rules, allowing the CSSF to get a thorough understanding of the incident.

Revised notification form

The 18 February 2021 changes to the revised notification form according to the [most recent FAQ](#) for the application of the Circular for SIFs include:

- The introduction of additional drop-down menus (e.g., categorization of investment breaches);
- The removal of some data fields (e.g., share-class-specific information); and
- The addition of some data fields (notably on corrective measures implemented at the fund level to avoid similar incidents from reoccurring in the future).

If the **character limit** does not allow users to provide all necessary information, they should provide **further explanations/clarifications** by attaching a **separate document** to the email used to submit the notification form.

Concise information is a key point in the new publication and this includes the submission of a remedial action plan together with the Email for the notification.

Application date and notification timeline

The revised notification form should be used **with immediate effect**. Notifications using the “old form” **will be accepted until 22 March 2021**.

The CSSF expects that:

- The UCI organization should **promptly** submit a **completed** notification form to the CSSF (i.e., with all applicable data fields filled out);
- **A complete notification** should be submitted **within four to eight weeks** of the incident being detected, by filling out all the requested information in the applicable data fields (including information on the payment date of compensations);
- For active non-compliances with investment rules that do **not involve time-consuming calculations**, the submission should occur **within 4 to 6 weeks** following their detection; and
- For non-compliances with investment rules involving more time-consuming calculations, the CSSF expects related notifications to be received, in principle, within 6 up to 8 weeks following their detection

The CSSF highlights the fact that **incomplete notifications are no longer acceptable. An exception to this rule is solely possible when a complete notification form cannot be provided** to the CSSF within the timeframe of 4 to 8 weeks, but can only be used on an **exceptional basis in duly justified cases**. In such cases, the notifying entity will:

1. Step 1: Submit within four to eight weeks a pre-notification containing all information available at that time; and
2. Step 2: Submit a complete notification form with all required information.

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- Training and workshops
- Eligibility of financial instruments and markets
- NAV error compensation assistance
- NAV Doctor support service

With our Regulatory Watch Kaleidoscope service, Deloitte can also help you stay ahead of the regulatory curve to better manage and plan upcoming regulations.

Your contacts

Subject matter specialists

Lou Kiesch

Partner – Regulatory Consulting Leader
Tel: +352 45145 2456
lkiesch@deloitte.lu

Nicolas Hennebert

Partner – Investment Management Audit Industry Leader
Tel: +352 45145 4911
nhennebert@deloitte.lu

Virginie Ng Wing Lit - Boulot

Partner – Audit & Assurance
Tel: +352 45145 2990
vboulot@deloitte.lu

Alice Lehnert

Director – Consulting Investment Management & PERE
Tel: +352 45145 2605
alehnert@deloitte.lu

Regulatory Watch Kaleidoscope service

Simon Ramos

Partner – IM Advisory & Consulting Leader
Tel: +352 45145 2702
siramos@deloitte.lu

Jean-Philippe Peters

Partner – Risk Advisory
Tel: +352 45145 2276
jppeters@deloitte.lu

Benoit Sauvage

Director – Risk Advisory
Tel: +352 45145 4220
bsauvage@deloitte.lu

Marijana Vuksic

Senior Manager – Risk Advisory
Tel: +352 45145 2311
mvuksic@deloitte.lu

Deloitte Luxembourg
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Tel: +352 451 451
Fax: +352 451 452 401
www.deloitte.lu

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