

Luxembourg, 28 May 2014

To all undertakings for collective investment
To all investment companies in capital risk
(SICAR)

In case of discrepancies between the French and the English text,
the French text shall prevail

CIRCULAR BCL 2014/237

CIRCULAR CSSF 14/588

Modification of the statistical data collection for money markets funds and non-MMF investment funds

Ladies and Gentlemen,

The Governing Council of the European Central Bank (ECB) has adopted the regulations ECB/2013/38 concerning statistics on the assets and liabilities of investment funds, ECB/2013/33, concerning the balance sheet of the monetary financial institutions sector and ECB/2012/24 concerning statistics on holdings of securities as well as the guidelines ECB/2013/24 on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts and ECB/2011/23, as modified, on the statistical reporting requirements of the European Central Bank in the field of external statistics.

The new regulations and the new guidelines follow the setting up of the regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (ESA 2010).

The current data collection system has been set up with the objective of limiting the overall reporting workload for Luxembourg investment funds. In this framework, the Commission de surveillance du secteur financier (CSSF) and the Banque centrale du Luxembourg (BCL) – fully cooperate and use, whenever possible, the whole data set collected for statistical and prudential purpose in order to ensure the prudential supervision as well as the statistical data compilation. This cooperation gave the common circular BCL 2013/231 – CSSF 13/564 concerning the data collection for undertakings for collective investments.

On the basis of the above-mentioned ECB regulations and guidelines, the BCL in agreement with the CSSF has modified this data collection system for money market funds (MMF) and non MMF investment funds for which the present circular introduces the main changes.

1 Objectives

Considering the aforementioned ECB guidelines and regulations, the BCL has redefined its data collection system in order to comply with the following objectives:

- complete coverage of the foreseeable requirements of the ECB in the field of monetary and financial statistics
- minimisation of the workload for reporting agents
- consistency with data collected for supervisory purpose
- comparability with the standard ESA 2010 (European System of National Accounts 2010)
- Coverage of the needs of financial stability and prudential supervision

2 Modifications

In comparison with the current statistical data collection, the modifications consist in new versions of the current reports as well as an extension of the reporting population.

The main modifications of the reports, which are detailed in the instructions, are the followings:

- the codification of items and initial maturities are modified in order to harmonise these codifications with the ones used for the data collection for other Luxembourg financial entities,
- the list of economic sectors and the list of instrument types are modified according to the ESA 2010,
- in the monthly and quarterly balance sheet, a detailed breakdown by economic sector is requested for financial derivatives as well as a breakdown by country for remaining assets and liabilities other than interest on deposits.

The investment companies in risk capital (SICAR) are added to the current reporting population. So the words 'investment funds' encompass the following entities:

- the undertakings for collective investment (UCI) governed by the law of 17 December 2010
- the specialised investment funds (SIF) governed by the law of 13 February 2007
- the investment companies in capital risk (SICAR) governed by the law of 15 June 2004.

The investment funds are subject to the following reporting:

- all compartments of money market funds are invited to submit reports S 1.3 and SBS for the reference period of December 2014 at the latest on 15 January 2015.
- all compartments of investment funds are invited to submit reports S 1.6, S 2.13 and SBS for the reference period of December 2014 at the latest on 30 January 2015.

In this context, it should be reminded that submitting report S 1.6 is not mandatory if the amounts for items non-financial assets or financial derivatives represent less than 5% of total assets.

3 Money market funds

Regulation ECB/2013/33 concerning the balance sheet of the monetary financial institutions sector defines the word of money market funds. This definition is compliant with the main principles underlying the common definition of money market funds at the European level that have been published on 19 May 2010 by the Committee of European Securities Regulators, the predecessor of the European Securities and Markets Authority (ESMA). This definition is applied by the BCL since 31 January 2012.

The CSSF establishes the list of money market funds or compartments of money market funds that are reported on the list of monetary financial institutions (MFI). After identification of the relevant compartments, the CSSF informs the BCL which then transmits the list of Luxembourg MFIs to the European Central Bank (ECB). The latter publishes the list of Luxembourg MFIs together with the lists established in the other European Union Member States.

4 Non-MMF Investment funds

The population of non-MMF investment funds covers all investment funds that are not reported on the official list of money market funds.

The population of investment funds is composed of the following sub-categories defined by their main investment policy:

- equity funds
- bond funds
- real estate funds
- mixed funds
- other funds
- hedge funds

The BCL receives identifying information from the CSSF for all the investment funds and compartments of investment funds which enables it to transmit the list of non-MMF investment funds to the ECB. The latter publishes the list of Luxembourg non-MMF investment funds together with the lists established in the other European Union Member States.

5 Statistical reporting to the BCL

Regulation ECB/2013/33 concerning the consolidated balance sheet of the monetary financial institutions sector, defines the concept of money market fund as well as the information requests addressed to money market funds.

Regulation ECB/2013/38 concerning statistics on the assets and liabilities of investment funds defines the information requests addressed to non-MMF investment funds.

In order to become compliant with these regulations, the statistical reporting requirements to be submitted to the BCL by compartments of investment funds are composed of the following reports:

- money market funds
 - S 1.3 «Monthly statistical balance sheet for money market funds»
 - Monthly Security by security report of investment funds
- non-MMF investment funds
 - S 1.6 «Information on valuation effects on the balance sheet of non-MMF investment funds»
 - Monthly Security by security report of investment funds
 - S 2.13 «Quarterly statistical balance sheet for non-MMF investment funds »

Finally, it should be kept in mind that the whole set of instructions for the statistical reporting is published and can be downloaded from the BCL's website under the header «Regulatory reporting».

6 Use of the collected data

The statistical data collection in the field of all compartments of UCIs is primarily achieved for a statistical purpose and is based on the data requirements as they are laid down in the aforementioned ECB regulations. However, in order to limit the reporting burden for reporting agents and to avoid multiple data collections, the data may be used for other purposes than those foreseen in the organic law of the BCL.

Therefore, the confidentiality of individual data collected is subject to professional secrecy on the part of Central Bank bodies and staff members, as defined in Article 33 of this law. It is important to mention that this article allows the BCL to exchange data with the *Commission de surveillance du secteur financier*, the *Commissariat aux assurances* and the *Service central de la statistique et des études économiques* (STATEC), if the data are necessary for the accomplishment of their respective missions.

7 Quality of the data transmitted

We would like to stress the importance of the quality of the data transmitted to the BCL and the necessity to submit the data to the verification rules detailed in the technical documentation. Only a rigorous control undertaken during data production will allow meeting the quality requirements as well as the reporting deadlines. This point is all the more important that the data collected will be checked by the ECB before being aggregated with the data of the other Member States. In addition, the detailed statistics published on the BCL's website have to reach a high level of quality in order to properly address the users' needs. Any error or important negligence would have harmful repercussions on the reputation of the whole financial community in Luxembourg.

8 Respect of the reporting deadlines

The BCL establishes and publishes on its website a calendar of remittance dates at which the monthly and quarterly statistical reports must be submitted to the BCL.

Reporting agents are reminded that BCL must transmit monthly statistics for money market funds to the ECB within 15 working days and quarterly statistics for non-MMF investment funds within 28 working days following the end of the period to which the data refer to. Therefore, it is absolutely necessary that reporting agents scrupulously respect the reporting deadlines defined in the present circular in order for the BCL to respect its engagements within the European System of Central Banks (ESCB).

9 Repeal

The present circular replaces and repeals, with effect from 1 January 2015, the circular:

- BCL 2013/231 CSSF 13/564 « Modification of the statistical data collection for money market funds and investment funds».

Yours sincerely,

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