

# Chapitre 4

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ACTUALITES

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## **4 ACTUALITÉS** **182**

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4.1 Faits divers	184
4.2 Liste des circulaires de la BCL	190
4.3 Publications de la BCL	193
4.4 Publications de la Banque centrale européenne (BCE)	198
4.5 Liste des abréviations	206

## 4.1 FAITS DIVERS

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12 October 2007

### RECENT FINANCIAL MARKET DEVELOPMENTS

#### SPEECH BY MR YVES MERSCH

#### 50TH ANNIVERSARY OF ACI LUXEMBOURG

Since my first invitation to an ACI event as a speaker a few months after assuming my first mandate 9 years ago, the markets have undergone many turbulent sequences, although I could not detect a correlation between market upheavals and my regular appearance at ACI events. Let me therefore thank the Luxembourg chapter for inviting me again today. I feel honoured.

After a first ripple in the first quarter of this year and an increasing number of central banks pointing to the need to reprice certain risks (I gave a warning in that respect at a conference by the European Institute in Washington in April) the market reaction over the last couple of months witnessed what needs to be seen as a basically healthy reaction to mispricing. This reaction however was accompanied by the unpleasant effects of a crisis of confidence among the participants of the global credit markets prompting central bank intervention.

Since I agreed to speak about the turbulence in financial markets, many actions have been taken and a policy agenda for drawing the lessons is emerging.

Allow me therefore briefly to highlight the main events, before commenting on the experience we acquired inside the Eurosystem during these weeks and months with our elaborate toolbox of instruments and operations.

I will conclude with some tentative lessons to be drawn in terms of transparency, valuation, market functioning and supervisory framework adjustment.

At this stage of collecting evidence, I will not dwell on the macroeconomic consequences of this turbulence which took place against the background of a strong performance of the global economy. The momentum of past dynamics still outweighs potential downward risks to the baseline scenario.

#### I. What happened in the markets

If many expected turbulence, the specific features and the transmission mechanisms were less clearly anticipated. Many were barking up the wrong tree: Hedge funds and private equity were not the main culprits but suffered.

Let me sum up the unfolding of events in 6 points:

##### **1. Credit spreads reach record lows in the first half of 2007.**

The combination of relatively low interest rates for a long period of time, the trend to lay off credit risk out of balance sheets and to securitize and an increasing focus on short-term returns have led to a strong demand for credit risk, especially from non-bank investors. As a result credit spreads fell to all-time lows, leading to a mispricing of credit risks. Additionally, many investors relied greatly on credit rating agencies for the valuation of complex financial instruments and their use as collateral.

**2. Strong economies and higher commodity prices were fuelling expectations of tighter monetary policy before the crisis started.**

In the first half of the year the economic situation proved to be very robust. Most major central banks were normalising interest rates. Strong demand for commodities put upward pressure on prices so that interest rates were rising in the first half of the year.

**3. Mortgage rate re-settings at higher interest rate levels caused delinquency rates to rise, most pronounced in the sub-prime mortgage market.**

This led to losses in the hedge fund sector and increasing difficulties in finding a fair value price for structured deals. Moreover, investment funds experienced difficulties in NAV pricing, resulting in the temporary closures of some funds. Asset-backed securities with high credit ratings have proved not to be as sound, nor as liquid as they appeared. Some of those structured investment vehicles or conduits were extensively leveraged and strongly dependent on short-term funding. In the absence of liquidity, sponsoring banks had to fund off-balance-sheet vehicles from their own balance sheet. This led to de-leveraging and forced asset sales.

**4. Higher default rates caused the first bankruptcies in the US and credit spreads started to rise. Risk aversion spread to all asset classes.**

Forced sales to cover margin requirements saw volatility rise sharply (VIX doubled from 15 to 30%). The unwinding of riskier positions caused stock markets to fall (Stoxx50-11%) and carry trades were liquidated (EURJPY fell from 169 to 152, a 10% appreciation). As markets fell, margin requirements rose further. The uncertainty about the pricing of some instruments added additional pressure.

**5. As the credit crisis spread further short-term liquidity evaporated.**

Short-term funding in the interbank market became unavailable, causing casualties amongst banks and funds. In Europe, IKB and Landesbank Sachsen were rescued from insolvency. Northern Rock followed later.

Funding in the primary market was impossible for banks. Trading in the secondary market stopped, with the exception of government issues.

**6. The effective shut-down of the refinancing pipeline left banks to rely on short-term funding from central banks.**

Neither primary issues nor short-term papers, such as ABS or ABCP, could be placed in the market. Banks hoarded liquidity in order to be safe from unexpected outflows or the unknown extent of write-downs. Because the usual market refinancing possibilities were blocked banks relied on highly rated collateral for their funding and the liquidity provided by the central bank.

The spread between EONIA and three-month Euribor rose to the highest level ever at 70 bps and has remained high. Unsecured trading in the money market beyond one week effectively ceased to exist.

## II. Central bank reaction function

As liquidity retracted first from the credit markets, then money markets, intermediation vanishing, central banks had to move in: to restore orderly market conditions; ensure the integrity of monetary transmission channels, and to ensure financial stability or prevent a systemic crisis.

In view of the confidence crisis among market participants, due to uncertainty about financial individual exposures, the issues at stake were:

- 1) to have money market rates evolve close to the policy rates;
- 2) to address the term structure problem to the extent that it was threatening the first issue;
- 3) and thirdly to address the distributional problem of liquidity among market participants for reasons of financial stability.

The somewhat more complex and elaborate toolbox of the Eurosystem proved very valuable in this respect.

- this applies to the instruments used to provide liquidity: the MRO and LTRO
- this applies to minimum reserve features
- this applies to the number of counterparties with direct access to central bank money
- this applies finally to the range of eligible collateral

Let me say a word about each of these features of the Eurosystem operational framework:

1. At moments of term structure difficulties and shortening of the liquidity constraints, it is of advantage to have both: one-week and three-month liquidity providing tenders conducted weekly and monthly. Fine tuning operations and extraordinary additional tenders, according to standard procedures, allowed a commensurate response within a familiar context, rather than adding to prevailing uncertainty by introducing, in an emergency context, untested new facilities, instruments or procedures.
2. In monetary policy operations, the Eurosystem grants direct access to liquidity to a large number of credit institutions. All euro-area institutions subject to minimum reserve requirements and which fulfil the relevant contractual or regulatory arrangements applied by their respective NCB, may access the standing facilities and/or participate in open market operations based on standard tenders. At the end of August 07, 1 676 counterparties had access to the open market operations, 2 809 to the facility, and 2 141 to the marginal lending facility.
3. The combination of relatively high reserve requirements at 2% and the monthly averaging principle allowed banks to dip into their reserves to meet their liquidity needs.

This averaging principle, which grants the banks more flexibility in meeting their reserve requirements, is conducive to more orderly market conditions.

Since the start of EMU in January 1999 the ECB has been providing its (weekly) refinancing to the euro area banking system based on the concept of a benchmark allotment. This benchmark allotment is defined by the ECB as the allotment amount which allows counterparties to smoothly fulfil their reserve requirements until the end of the day before the settlement of the next MRO, when taking into account the aggregate liquidity need of the banking system.

4. The Eurosystem accepts a wide range of collateral to underlie its operations, including marketable and non-marketable assets.

The Eurosystem has put in place a single framework for eligible collateral, which covers marketable and non-marketable assets that fulfil euro area-wide eligibility criteria.

As far as marketable assets are concerned, there are four liquidity categories: The first and best category is made up by central government debt instruments, the second by jumbo covered bonds, agency, and local or regional government debt instruments, the third by covered and uncovered bank bonds and the fourth by asset backed securities.

There are two types of non-marketable assets that are accepted as collateral: credit claims and non-marketable retail mortgage-backed debt instruments. Although different levels of haircuts are applied to the different categories, one might say that the Eurosystem also allows banks to use collateral easily where either the interbank Repo markets are less liquid (such as in category 3+4) or where there is even no interbank Repo market at all (such as for non-marketable assets).

Banks have the choice to use more or less liquid assets as collateral, a facility which constitutes a big advantage in critical liquidity conditions such as those currently experienced by market participants.

#### **Some recent figures:**

The available eligible marketable collateral amounts to EUR 9 trillion.

While the amount submitted to the Eurosystem nearly reached 11% of all eligible collateral by 31 August 2007 (nearly EUR 1 trillion), around 6% is effectively used to collateralize outstanding credit operations with the Eurosystem.

By the end of 2006, uncovered bank bonds had become the largest single asset class put forward in Eurosystem operations (31%), surpassing government bonds for the first time (21%). ABS have also shown a steady growth, reaching 11.4% of all collateral submitted by the end of 2006, and 19% by the end of August 2007 (+4% in August 2007).

The year 2007 has also shown a steady increase in the use of credit claims, which by end of July 2007 represented roughly 10% of all assets submitted as collateral to the Eurosystem. Even though handling procedures for credit claims are sometime more cumbersome, counterparties show an increasing interest for this asset class with very low opportunity cost.

The bottom line of these figures is that the increasing use of lower opportunity cost collateral shows that a growing number of counterparties are becoming more active and efficient in managing their collateral, and thus their liquidity.

Finally, the recent market turmoil provided tangible evidence that the collateral framework of the Eurosystem is broad enough to ensure that counterparties do not face collateral shortages, even in difficult situations.

### **Where do we stand today?**

The degree of uncertainty concerning risk – where is it?, how much?, at what price? – is declining with every forthcoming disclosure. Some asset classes have already fully recovered their risk appetite.

Bank profits will be impacted, but their capacity to absorb adverse developments has also been strengthened by buoyant results over the last years.

However, we are not back to normal yet, especially in the unsecured interbank term money market. We are not fully safe from a low probability but potentially high impact negative event.

Before drawing some tentative lessons, let me add that there is no trade-off between liquidity provision and monetary policy, with its primary objective of maintaining price stability to which we are resolutely attached.

### **III. Key issues**

At the international and at EU level a tentative agenda is emerging around 4 axes for further examination.

#### **First: Transparency**

Enhance transparency for investors, markets and regulators (including improvements at the level of data reporting). Credit risk transfer has facilitated the dispersion and sharing of risks across the financial markets, thus potentially enhancing their efficiency and stability. However, the recent market turbulence confirmed concerns about the risks stemming from the lack of transparency as to where the risks ultimately reside in the financial system, and in particular if those risks have been acquired by market participants that can properly manage them. The existing reporting requirements of the banking sector did not allow for a full assessment of banks' exposures to the structured products, leading to the absence of accurate and timely information.

Are Basel II requirements sufficient concerning the sponsoring by banks of SPV?

Is bank disclosure of securitization operations, and exposures to SIV adequate?

Questions also arise in relation to the functioning of markets for complex financial instruments.

How to inform the individual investor when there are difficulties in measuring risk in structured finance products and value them?

In this category of improved transparency, I shall also mention the need to implement ESCB-CESR standards for payment and settlement including ICSDs and large custodians in order to obtain more information on intraday market liquidity.

#### **Second: Valuation**

More work is needed on standards to ensure reliable valuation of assets particularly of those assets where markets are potentially illiquid in time of stress. At the same time compatibility with international financial reporting standards must be assured.

### **Third: Market functioning**

I have to mention first the assessment of the role of credit rating agencies, their small number, the transparency of their rating methodology, possible conflicts of interest in particular as regards structured finance instruments. Excessive exclusive reliance on credit ratings by investors without carrying out due diligence or conducting further own risk assessment is a problem as well.

The road map also includes a reflection on the consequences of the originate and distribute model of banks for credit markets. Does it induce wrong incentives?

A last item in this list relates to non-regulated debt markets and mortgage markets, which might deserve a hard look in the light of recent experience.

### **Finally: The regulatory framework.**

Above all, liquidity risk management relating to complex structured products needs to be investigated. We need a wider concept of concentration risk including wholesale and interbank markets as well as intragroup exposures. We have to look at warehousing and pipeline risk, deal with possible regulatory incentives to move risk off balance sheet into SPVs.

We have to assess the links between the regulated and the non-regulated part of the system, including the optimal perimeter of supervision. Special purpose investment vehicles and conduits were used as off-balance sheet investment vehicles. These were prone to liquidity mismatches between their assets and liabilities, causing contingent credit and liquidity lines to be drawn on banks, and resulting in an increased demand for money market liquidity.

Closer examination of procyclical effects of credit market developments and the treatment of risk embedded in structured products held for trading is also warranted.

The Deposit Guarantee Schemes, in the light of recent events, also need to be revisited. This is a piece of advice I would most urgently give to the authorities of this country with its unfunded DGS.

### **Last but not least**

If there is one major lesson recent market developments have clearly shown, it is the shortcoming of a prudential framework which sidelines the central bank.

Cooperation at international level is only as good as cooperation at domestic level. Liquidity issues cannot be segmented between an FSA and a central bank with no contacts of an institutional nature.

With this personal remark for domestic consumption I thank you for your attention.



## 4.2 LISTE DES CIRCULAIRES DE LA BCL

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- Circulaire BCL 98/151 du 24 septembre 1998 – Aspects comptables du basculement vers l’euro
- Circulaire BCL 98/152 du 6 novembre 1998 – Introduction d’un système de réserves obligatoires
- Circulaire BCL 98/155 du 9 décembre 1998 – Rappel des obligations en matière de réserves obligatoires
- Circulaire BCL 98/156 du 21 décembre 1998 – Décomposition des corrections de valeur constituées par les établissements de crédit au 31.12.1998
- Circulaire BCL 99/157 du 17 décembre 1999 – Révision du pourcentage de déduction uniforme de la base de réserve
- Circulaire BCL 2000/158 du 25 février 2000 – Modification des tableaux statistiques S 1.1 «Bilan statistique mensuel» et S 1.2 «Bilan statistique mensuel simplifié»
- Circulaire BCL 2000/159 du 11 août 2000 – Application de quotités de valorisation de titres applicables aux titres éligibles «Eligibilité des créances privées néerlandaises»
- Circulaire BCL 2000/160 du 13 novembre 2000 à tous les OPC monétaires concernant l’adhésion de la Grèce à l’UEM
- Circulaire BCL 2000/161 du 13 novembre 2000 – Date de remise des rapports statistiques mensuels à la BCL
- Circulaire BCL 2000/162 du 13 novembre 2000 à tous les établissements de crédit concernant l’adhésion de la Grèce à l’UEM
- Circulaire BCL 2001/163 du 23 février 2001 – La surveillance par la Banque centrale des systèmes de paiement et de règlement des opérations sur titres au Luxembourg
- Circulaire BCL 2001/164 du 28 mars 2001 – Recensement du marché global des changes et des produits dérivés
- Circulaire BCL 2001/165 du 5 mai 2001 – Reprise des activités de l’Institut belgo-luxembourgeois du change par la Banque centrale du Luxembourg et le Service Central de la Statistique et des Etudes Economiques
- Circulaire BCL 2001/166 du 5 juillet 2001 – Instructions concernant les modifications de la collecte de données relative à la balance des paiements
- Circulaire BCL 2001/167 du 19 novembre 2001 – Dates de remise des rapports statistiques mensuels à la BCL
- Circulaire BCL 2001/168 du 5 décembre 2001 – Politique et procédures en matière de surveillance des systèmes de paiement et de règlement des opérations sur titres au Luxembourg
- Circulaire BCL 2002/169 du 30 mai 2002 – Enquêtes sur l’investissement direct étranger
- Circulaire BCL 2002/170 du 5 juin 2002 – à tous les établissements de crédit -Modification des tableaux statistiques S 1.1 «Bilan statistique mensuel» et S 2.5 «Bilan statistique trimestriel» et abolition des tableaux statistiques S 1.2 «Bilan statistique mensuel simplifié» et S 2.6 «Détail des créances sur la clientèle»
- Circulaire BCL 2002/171 du 5 juin 2002 – à tous les organismes de placement collectif luxembourgeois – Modification des tableaux statistiques S 1.3 «Bilan statistique mensuel des OPC», S 2.10 «Ventilation par pays», S 2.11 «Ventilation par devises» et S 2.12 «Détail sur les titres détenus par les OPC»
- Circulaire BCL 2002/172 du 28 juin 2002 -Protection des systèmes de paiement et de règlement des opérations sur titres contre le crime et le terrorisme – aux opérateurs et agents techniques de systèmes de paiement et de règlement des opérations sur titres
- Circulaire BCL 2002/173 du 3 juillet 2002 – Modification des Conditions générales de la BCL – à tous les établissements de crédit
- Circulaire BCL 2002/174 du 17 juillet 2002 – Modification de la collecte statistique relative aux taux d’intérêt – à tous les établissements de crédit
- Circulaire BCL 2002/175 du 17 juillet 2002 – Nouvelle collecte de données statistiques en vue de l’Union économique et monétaire – à tous les établissements de crédit – Modification du tableau statistique S 1. 4 «Ajustements liés aux effets de valorisation»
- Circulaire BCL 2002/176 du 20 décembre 2002 – Dates de remise des rapports statistiques à la Banque centrale du Luxembourg – à tous les établissements de crédit
- Circulaire BCL 2002/177 du 20 décembre 2002 – Liste de codes-pays pour les déclarations statistiques du répertoire de la balance des paiements et

du rapport statistique trimestriel S 2.5 – à tous les établissements de crédit

- Circulaire BCL 2002/178 du 20 décembre 2002 – Dates de remise des rapports statistiques à la Banque centrale du Luxembourg – à tous les organismes de placement collectif luxembourgeois
- Circulaire BCL 2003/179 du 8 mai 2003 – Obligations de retrait et de transmission de signes monétaires en euros faux ou présumés tels – à tous les établissements de crédit, aux services financiers de l'entreprise des Postes et Télécommunications et aux établissements participants à la manipulation et à la délivrance au public de signes monétaires
- Circulaire 2003 /180 du 11 juin 2003 – Enquêtes sur l'investissement direct étranger – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes chèques postaux)
- Circulaire 2003/181 du 17 novembre 2003 – Modification du système de réserves obligatoires – à tous les établissements de crédit
- Circulaire BCL 2003/182 du 19 décembre 2003 – Dates de remise des rapports statistiques à la Banque centrale du Luxembourg – à tous les établissements de crédit
- Circulaire BCL 2003/183 du 19 décembre 2003 – Dates de remise des rapports statistiques à la Banque centrale du Luxembourg – à tous les organismes de placement collectif luxembourgeois
- Circulaire BCL 2004/184 du 5 mars 2004 – Modification des conditions générales de la BCL – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes chèques postaux)
- Circulaire BCL 2004/185 du 10 mai 2004 – Enquêtes sur l'investissement direct étranger – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes chèques postaux)
- Circulaire BCL 2004/186 du 5 novembre 2004 – Dates de remise des rapports statistiques à la Banque centrale du Luxembourg
- Circulaire BCL 2004/187 du 5 novembre 2004 – Dates de remise des rapports statistiques à la Banque centrale du Luxembourg et dates de début et de fin des périodes de constitution des réserves obligatoires en 2005
- Circulaire BCL 2005/188 du 13 mai 2005 – Modification des conditions générales de la BCL – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes et chèques postaux)
- Circulaire BCL 2005/189 du 13 mai 2005 – Enquêtes sur l'investissement direct étranger – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes et chèques postaux)
- Circulaire 2005/190 du 11 juillet 2005 – Collecte des données balance des paiements: Fiscalité des revenus de l'épargne sous forme de paiements d'intérêts. Traitement particulier en matière de balance des paiements – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes et chèques postaux)
- Circulaire 2005/191 du 19 octobre 2005 – Dates de remise des rapports statistiques à la Banque centrale du Luxembourg – à tous les organismes de placement collectif luxembourgeois
- Circulaire 2005/192 du 19 octobre 2005 – Dates de remise des rapports statistiques à la Banque centrale du Luxembourg et dates de début et de fin des périodes de constitution des réserves obligatoires en 2006 – à tous les établissements de crédit
- Circulaire 2006/193 du 21 mars 2006 – Modification des Conditions générales de la BCL – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes chèques postaux)
- Circulaire 2006/194 du 18 avril 2006 – Modification des Conditions générales de la BCL – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes chèques postaux)
- Circulaire 2006/195 du 2 mai 2006 – Enquêtes sur l'investissement direct étranger – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes chèques postaux)
- Circulaire 2006/196 du 14 juillet 2006 – Collecte Balance des paiements – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications
- Circulaire 2006/197 du 7 août 2006 – Adoption par la Slovénie de la monnaie unique, l'euro, à partir du

- 1<sup>er</sup> janvier 2007: Incidences sur les déclarations statistiques concernant la balance des paiements – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes chèques postaux)
- Circulaire 2006/198 du 7 août 2006 – Adoption de l'euro par la Slovénie – à tous les établissements de crédit
  - Circulaire 2006/199 du 7 août 2006 – Adoption de l'euro par la Slovénie – à tous les OPC monétaires
  - Circulaire 2006/200 – Dates de remise des rapports statistiques à la Banque centrale du Luxembourg et dates de début et de fin des périodes de constitution des réserves obligatoires en 2007 – à tous les établissements de crédit
  - Circulaire 2006/201 – Dates de remise des rapports statistiques à la Banque centrale du Luxembourg en 2007 – à tous les organismes de placement collectif monétaires luxembourgeois
  - Circulaire 2006/202 – Collecte Balance des paiements – Date de mise en place du module de collecte pour les investissements de portefeuille – Modification de la circulaire BCL 2006/196 – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications
  - Circulaire 2007/203 – Enquêtes sur l'investissement direct étranger – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes chèques postaux)
  - Circulaire 2007/204 – Adoption de l'euro par Chypre et Malte – à tous les OPC monétaires
  - Circulaire 2007/205 – Adoption de l'euro par Chypre et Malte – à tous les établissements de crédit
  - Circulaire 2007/206 – Adoption par Chypre et Malte de la monnaie unique, l'euro, à partir du 1<sup>er</sup> janvier 2008: Incidences sur les déclarations statistiques concernant la balance des paiements – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes chèques postaux)
  - Circulaire 2007/207 – Modification des conditions générales de la BCL – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes chèques postaux)
  - Circulaire 2007/208 – Dates de remise des rapports statistiques à la Banque centrale du Luxembourg et dates de début et de fin des périodes de constitution des réserves obligatoires en 2008 – à tous les établissements de crédit
  - Circulaire 2007/209 – Dates de remise des rapports statistiques à la Banque centrale du Luxembourg en 2008 – à tous les organismes de placement collectif monétaires luxembourgeois
  - Circulaire 2007/210 – Collecte Balance des paiements – Modification des instructions – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications
  - Circulaire 2007/211 – Nouvelle collecte statistique auprès des OPC non monétaires – Modification de la collecte statistique auprès des OPC monétaires – à tous les organismes de placement collectif luxembourgeois
  - Circulaire 2007/212 – Mise à jour des instructions pour la collecte statistique de la BCL – à tous les établissements de crédit
  - Circulaire 2007/213 – Collecte balance des paiements – Nouveau module de collecte titre par titre pour les investissements de portefeuille – à tous les établissements de crédit
  - Circulaire 2007/214 – Modification des conditions générales de la BCL – à tous les établissements de crédit et aux services financiers de l'entreprise des Postes et Télécommunications (service des comptes chèques postaux)

## 4.3 PUBLICATIONS DE LA BCL

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### BULLETIN DE LA BCL

- Bulletin BCL 1999/1, novembre 1999
- Bulletin BCL 1999/2, janvier 2000
- Bulletin BCL 2000/1, juin 2000
- Bulletin BCL 2000/2, septembre 2000
- Bulletin BCL 2000/3, décembre 2000
- Bulletin BCL 2001/1, juin 2001
- Bulletin BCL 2001/2, septembre 2001
- Bulletin BCL 2001/3, décembre 2001
- Bulletin BCL 2002/1, juin 2002
- Bulletin BCL 2002/2 Spécial: stabilité financière, septembre 2002
- Bulletin BCL 2002/3, septembre 2002
- Bulletin BCL 2002/4, décembre 2002
- Bulletin BCL 2003/1, juin 2003
- Bulletin BCL 2003/2, septembre 2003
- Bulletin BCL 2003/3, décembre 2003
- Bulletin BCL 2004/1 Spécial: stabilité financière, avril 2004
- Bulletin BCL 2004/2, juin 2004
- Bulletin BCL 2004/3, septembre 2004
- Bulletin BCL 2004/4, décembre 2004
- Bulletin BCL 2005/1, Spécial: stabilité financière, avril 2005
- Bulletin BCL 2005/2, septembre 2005
- Revue de stabilité financière, avril 2006
- Bulletin BCL 2006/1, septembre 2006
- Bulletin BCL 2006/2, décembre 2006
- Revue de stabilité financière, avril 2007
- Bulletin BCL 2007/1, septembre 2007

## RAPPORT ANNUEL DE LA BCL

- Rapport Annuel 1998, avril 1999
- Rapport Annuel 1999, avril 2000
- Rapport Annuel 2000, avril 2001
- Annual Report 2000 – Summary, July 2001
- Rapport Annuel 2001, avril 2002
- Annual Report 2001 – Summary, June 2002
- Rapport Annuel 2002, avril 2003
- Annual Report 2002, June 2003
- Rapport Annuel 2003, avril 2004
- Annual Report 2003, May 2004
- Rapport Annuel 2004, juin 2005
- Annual Report 2004, July 2005
- Rapport Annuel 2005, juin 2006
- Annual Report 2005, August 2006
- Rapport Annuel 2006, juin 2007
- Annual Report 2006, August 2007

## CAHIER D'ÉTUDES DE LA BANQUE CENTRALE DU LUXEMBOURG

- Working Paper N°1, April 2001  
An assessment of the national labour market – On employment, unemployment and their link to the price level in Luxembourg, by Erik Walch
- Working Paper N°2, November 2001  
Stock market valuation of old and new economy firms, by Patrick Lünemann
- Cahier d'études N°3, Mars 2002  
Economies d'échelle, économies de diversification et efficacité productive des banques luxembourgeoises: une analyse comparative des frontières stochastiques sur données en panel, par Abdelaziz Rouabah
- Working Paper N°4, June 2002  
Potential output and the output gap in Luxembourg some alternative methods, by Paolo Guarda
- Working Paper N°5, October 2002  
Monetary Transmission: Empirical Evidence from Luxembourg Firm-Level Data, by Patrick Lünemann and Thomas Mathä
- Working Paper N°6, January 2003  
The sustainability of the private sector pension system from a long-term perspective: the case of Luxembourg, by Muriel Bouchet
- Working Paper N°7, February 2003  
The analysis of risk and risk mitigation techniques in payment and securities settlement systems and the impact on central bank's oversight, by Simona Amati
- Working Paper N°8, April 2003  
What to expect of the euro? Analysing price differences of individual products in Luxembourg and its surrounding regions, by Thomas Y. Mathä

- Cahier d'études N°9, Octobre 2003  
Règle de Taylor: estimation et interprétation pour la zone euro et pour le Luxembourg, par Patrick Lünnemann et Abdelaziz Rouabah
- Cahier d'études N°10, Novembre 2003  
Nouveaux instruments de paiement: une analyse du point de vue de la Banque centrale, par Li-Chun Yuan
- Cahier d'études N°11, June 2004  
The New Keynesian Phillips curve: empirical results for Luxembourg, by Leva Rubene and Paolo Guarda
- Working Paper N°12, November 2004  
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## 4.5 LISTE DES ABRÉVIATIONS / LIST OF ABBREVIATIONS

<b>ABBL</b>	Association des Banques et Banquiers, Luxembourg	<b>EMI</b>	European Monetary Institute (1994-1998)
<b>AFN</b>	Avoirs financiers nets	<b>EMS</b>	European Monetary System
<b>AGDL</b>	Association pour la garantie des dépôts, Luxembourg	<b>EMU</b>	Economic and Monetary Union
<b>BCE</b>	Banque centrale européenne	<b>ESCB</b>	European System of Central Banks
<b>BCL</b>	Banque centrale du Luxembourg	<b>EU</b>	European Union
<b>BCN</b>	banque(s) centrale(s) nationale(s)	<b>EUR</b>	euro
<b>BEI</b>	Banque européenne d'investissement	<b>EUROSTAT</b>	Office statistique des Communautés européennes
<b>BERD</b>	Banque européenne pour la reconstruction et le développement	<b>FBCF</b>	Formation brute de capital fixe
<b>BIS</b>	Bank for International Settlements	<b>FCP</b>	Fonds commun de placement
<b>BNB</b>	Banque Nationale de Belgique	<b>FDC</b>	Fleur de coin
<b>BRI</b>	Banque des règlements internationaux	<b>FMI</b>	Fonds monétaire international
<b>CAIL</b>	Commission chargée d'étudier l'amélioration de l'infrastructure législative de la place financière de Luxembourg	<b>GAFI</b>	Groupe d'action financière pour la lutte contre le blanchiment de capitaux
<b>CCBM</b>	Correspondent central banking model	<b>GDP</b>	Gross domestic product
<b>CEC</b>	Centre d'échange d'opérations à compenser du système financier belge	<b>HICP</b>	Harmonised Index of Consumer Prices
<b>CETREL</b>	Centre de transferts électroniques Luxembourg	<b>IADB</b>	Inter American Development Bank
<b>CPI</b>	Consumer Price Index	<b>IBLC</b>	Institut belgo-luxembourgeois du change
<b>CSSF</b>	Commission de surveillance du secteur financier	<b>IFM</b>	Institution financière monétaire
<b>DTS</b>	Droits de tirage spéciaux	<b>IGF</b>	Inspection générale des finances
<b>ECB</b>	European Central Bank	<b>IME</b>	Institut monétaire européen (1994-1998)
<b>ECG</b>	Enlarged Contact Group on the Supervision of Investment Funds	<b>IMF</b>	International Monetary Fund
<b>EIB</b>	European Investment Bank	<b>IML</b>	Institut Monétaire Luxembourgeois (1983-1998)
		<b>IOSCO</b>	International Organisation of Securities Commissions
		<b>IPC</b>	Indice des prix à la consommation
		<b>IPCH</b>	Indice des prix à la consommation harmonisé

<b>LIPS-Gross</b>	Luxembourg Interbank Payment System – Gross Settlement System	<b>SICAF</b>	Société d'investissement à capital fixe
<b>LIPS-Net</b>	Luxembourg Interbank Payment System – Net Settlement System	<b>SICAV</b>	Société d'investissement à capital variable
<b>MBCC</b>	Modèle de banque centrale correspondante	<b>SME</b>	Système monétaire européen
<b>MFI</b>	Monetary Financial Institution	<b>SWIFT</b>	Society for Worldwide Interbank Financial Telecommunication s.c.
<b>NCB</b>	National central bank	<b>SYPAL GIE</b>	Groupement d'intérêt économique pour la promotion et la gestion des systèmes de paiement au Luxembourg
<b>OCDE</b>	Organisation de coopération et de développement économiques	<b>TARGET system</b>	Trans-European Automated Real-time Gross settlement Express Transfer system
<b>OECD</b>	Organisation for Economic Cooperation and Development	<b>Système Target</b>	Transfert express automatisé transeuropéen à règlement brut en temps réel
<b>OICV</b>	Organisation internationale des commissions de valeurs	<b>TCE</b>	Traité instituant la Communauté européenne
<b>OLS</b>	Ordinary least squares	<b>UCI</b>	Undertaking for Collective Investments
<b>OPC</b>	Organisme de placement collectif	<b>UCITS</b>	Undertaking for Collective Investments in Transferable Securities
<b>OPCVM</b>	Organisme de placement collectif en valeurs mobilières	<b>UCM</b>	Union des caisses de maladie
<b>OPEP</b>	Organisation des pays exportateurs et producteurs de pétrole	<b>UE</b>	Union européenne
<b>PIB</b>	Produit intérieur brut	<b>UE15</b>	Etats membres de l'Union européenne avant le 1 <sup>er</sup> mai 2004
<b>PSC</b>	Pacte de stabilité et de croissance	<b>UEBL</b>	Union économique belgo-luxembourgeoise
<b>PSF</b>	Autres professionnels du secteur financier	<b>UEM</b>	Union économique et monétaire
<b>RTGS system</b>	Real-Time Gross Settlement system	<b>USD</b>	Dollar des Etats-Unis d'Amérique
<b>Système RBTR</b>	Système de règlement brut en temps réel	<b>VNI</b>	Valeur nette d'inventaire
<b>RTGS-L GIE</b>	Groupement d'intérêt économique pour le règlement brut en temps réel d'ordres de paiement au Luxembourg		
<b>SDR</b>	Special Drawing Rights		
<b>SEBC</b>	Système européen de banques centrales		
<b>SEC</b>	Système européen de comptes		

