

ANNUAL REPORT 2015



Association des Banques et Banquiers, Luxembourg

The Luxembourg Bankers' Association

Luxemburger Bankenvereinigung

“The ABBL is a strong defender of the banking place. The ABBL is at the heart of our financial industry and has always been”

Xavier Bettel, Luxembourg Prime Minister

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FOREWORD BY THE CHAIRMAN

Yves Maas

In many respects, 2015 must be regarded as a pivotal year for Luxembourg and its financial centre, and particularly the banking industry. A number of meaningful events, trends as well as decisions taken in Luxembourg and in Brussels lastingly change the way we do business and, by extension, impact the shape of our financial centre and thus the entire country.

One must certainly mention the regulatory upheaval since the financial crises which has continued in 2015. The ABBL has often said that we do not simply need more regulation but better regulation. Above all, we need a regulation that takes into account the day-to-day business realities of our industry and the needs of the economy.

Because the economy's recovery is a priority for the ABBL, we have been supporting the EU Commission's plan for growth and jobs and especially its flagship project "Capital Markets Union" (CMU). Indeed, after many years of recession, stagnation and sluggish growth, it is time to get the European economy restarted and banks believe the CMU to contribute to this overarching goal.

In this context we need banks, which play a central role in the realisation of CMU, to be able to perform their core business, namely providing credit to the economy, without unnecessary obstacles.

And this will not be the case if proposals such as the currently debated "Bank structural reform" (BSR) will see the light in its current form. The ABBL believes it will have unintended negative consequences on the European banking sector and hence the economy as a whole by reducing market liquidity and by increasing the banks' costs of funding resulting in a loss in European investment capacity equal to 5 percent, representing a decline of almost €100 billion in capital expenditure on the long term. We therefore believe this regulation to work against the European Commission's plan for growth and jobs.

In the context of focus on growth it is also surprising that some EU member states, supported by the European Commission, are still pushing ahead with plans for a European financial transaction tax. Unless it is global, such a tax makes absolutely no sense and will eventually harm the set objective of growth and jobs.

Beyond the regulatory upheaval the trend towards tax transparency has accelerated. After having adopted the exchange of information on demand in 2009, the automatic exchange of information is operating as of 2015. Our private banking industry had been preparing for it, adapted its business models and been ready from the start. As a consequence, we have been witnessing considerable restructuring over the past years and, as foreseen, a certain number of job losses. But we have indeed successfully managed to attract a larger share of international, entrepreneurial and high-net-worth clients.

2015 was also a pivotal year for Luxembourg as a EU Member State as it has had the honour and the responsibility to exercise the Presidency of the EU Council. The challenges the European Union currently faces are numerous and Luxembourg has been praised in the international press for its achievements.

A positive image of Luxembourg being crucial for its financial sector, we will continue to support Luxembourg for Finance efforts as well as those of the Luxembourg government currently putting on track a Nation Branding program.

Considering the considerable changes our industry has been facing, the Luxembourg Financial centre today has not only confirmed its position world wide as one of the most important international eco-systems for cross-border financial transactions but has successfully managed to strengthen itself by adapting existing business lines but also by creating the ground for new ones, for instance FinTech.

Many challenges lie ahead of us. Many opportunities as well. FinTech is one of them we firmly believe in. The ABBL will continue in 2016 to support its members in mastering these challenges and in seizing the opportunities ahead.



FOREWORD BY THE CEO

Serge de Cillia

The change of the banking industry in the last years was mainly driven by the regulation agenda. It has shaped the EU-Banking environment significantly. Considerable investments both in the adaptation of organisational processes, IT infrastructures and human resources had to be made in order to comply with European and international standards.

Today's banks face a new transformation process triggered by technological innovation and changing customer behavior. Financial services are becoming modular, making it easier for customers to access to multiple product providers. Digital banking and FinTech has become the new driving force in an environment characterised by new generations of clients as well as new players in the area of banking and payments. FinTech is a game changer impacting long-term strategy, business models, organisations structures and skills.

Very early Luxembourg based banks, the government and service providers as well as the regulator have understood this evolution as opportunity to seize. Together we have stepped up our efforts to create an infrastructure with the current financial eco-system and thus become a recognized FinTech centre of excellence.

To reinforce our commitment the ABBL has created a Digital Banking and FinTech Innovation Cluster. The Cluster brings together our members to discuss, exchange and analyse solutions about how to best meet this paradigm shift.

In this rapidly evolving environment it is of particular importance to invest in people skills. Financial centre employees, need to further develop their expertise in order to provide the best possible services and products in a world where the client is only one click away from competitors, not only on the national level but also on an international scale.

The integration of the IFBL in the House of Training in 2015 was motivated by the need and willingness to provide the needed knowledge to successfully cope with the many changes ahead.

In order to keep its members informed, numerous events with experts have been organised by the ABBL in 2015. The meetings with members at events, technical commissions and working groups are of crucial importance for the development of the whole banking sector.

For instance, through the exchange of knowledge and best practices between the ABBL, its members and experts, the successful transformation of the Luxembourg Private Banking Industry has become reality. Today, the Private Banking house is entirely renovated. We haven't touched its foundation, which is strong, but moved the walls, redecorated the interior and fixed the roof. Through the use of different products it has a more ecological character and its doors are now wide open to welcome new clients.

In order to take this and other messages out to the international community, the ABBL has, such as in previous years, been accompanying financial missions organised by Luxembourg for Finance and has helped with the set-up and the preparation of these missions and the related panels.

Also, the ABBL as the voice of the banking sector, teamed up with its partners to develop the financial centre's strategy "Luxfin 2020" as well as to support the Government's Nation Branding initiative.

Challenges will remain manifold in 2016, nationally and internationally. In Luxembourg one could mention the start of the negotiations of the collective bargaining agreement with the trade unions. On the European level, partners have to work hard to achieve to maintain the cohesion of the European Union's member states.

In general, the ABBL is confident that Europe will prevail and in particular that the Luxembourg international financial centre eco-system destined to provide cross-border services is well positioned to meet the future.



Retail Banking

KEY FIGURES

LOANS (in million EUR)

Source: BCL (End of year figures)



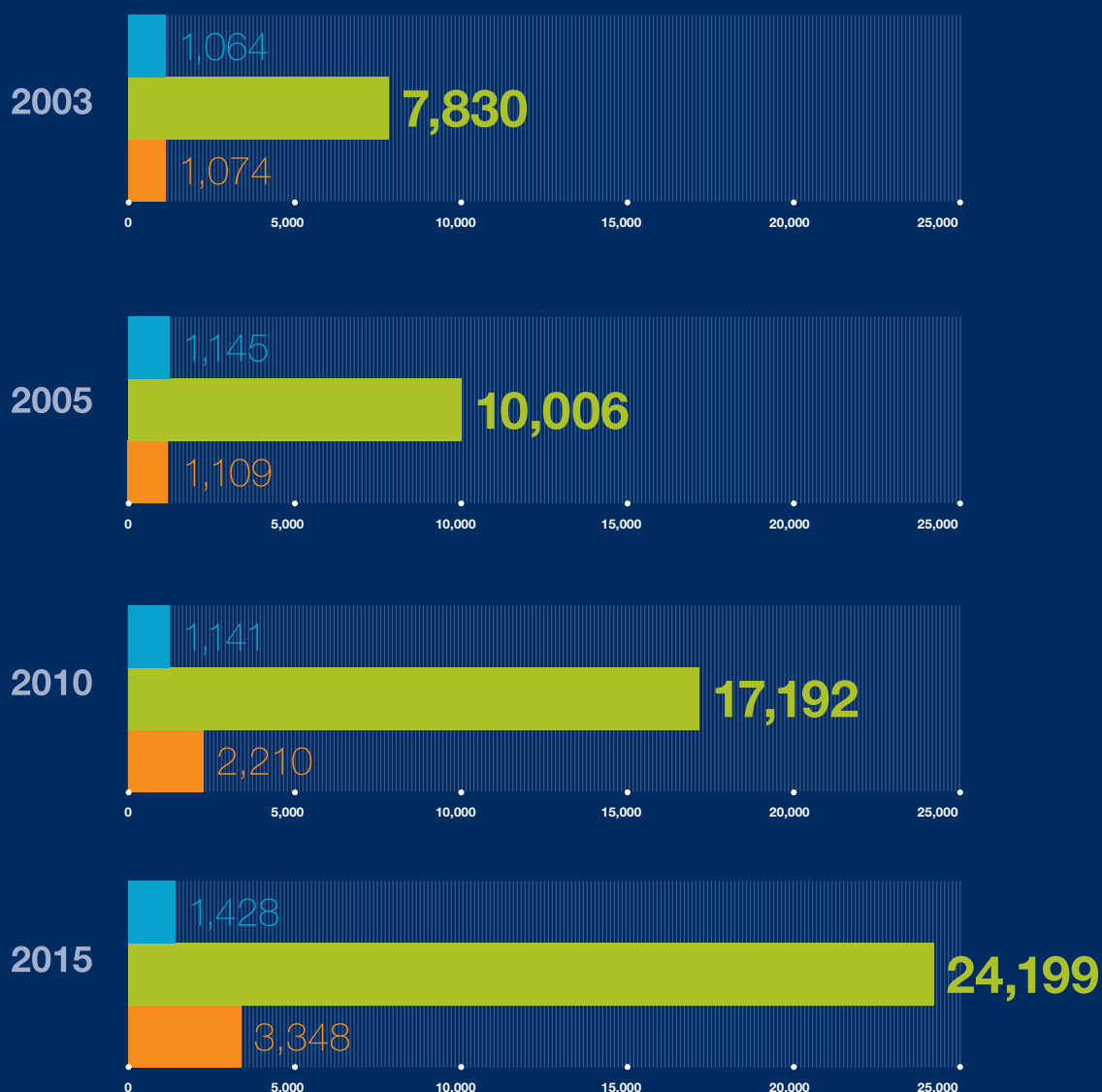
Consumption



Real Estate

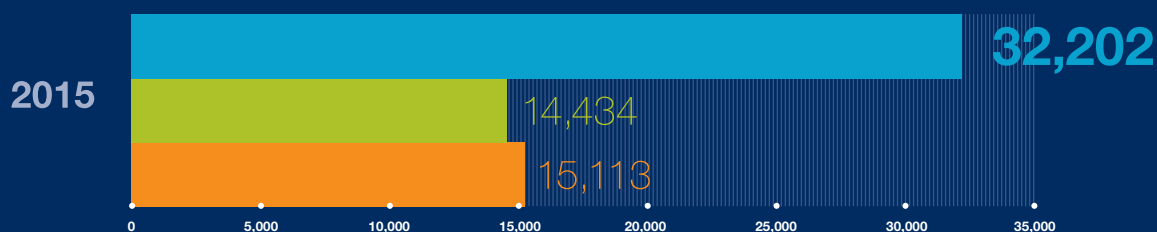
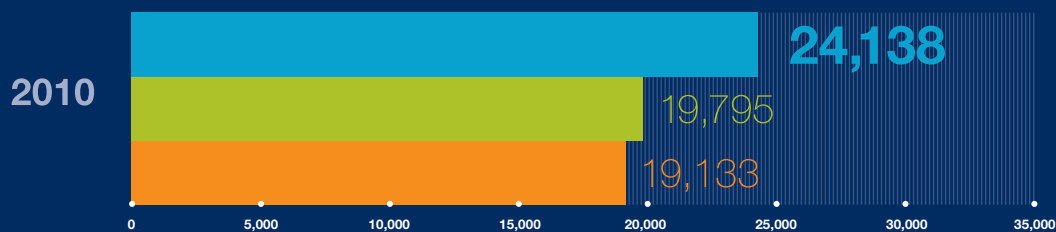
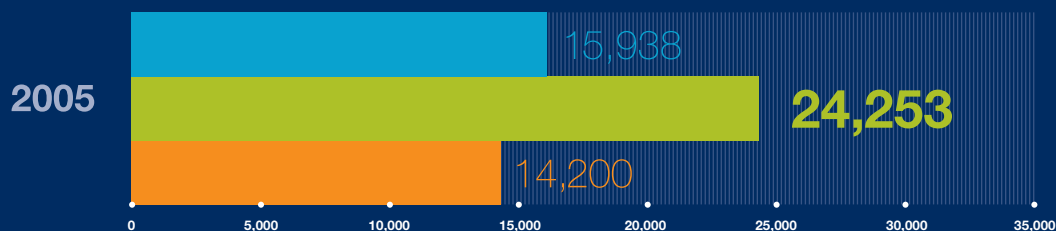
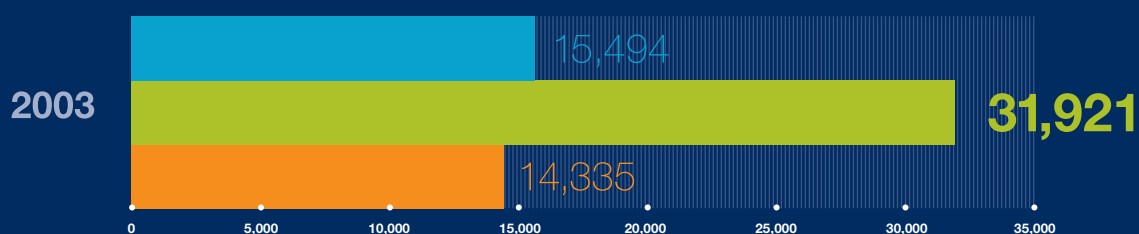


Others



DEPOSITS (in million EUR)

Source: BCL (End of year figures)





Private Banking

KEY FIGURES

318 BILLION
EUR



ASSETS UNDER MANAGEMENT

Source: CSSF-ABBL PB Survey 2015

1.62 BILLION
EUR



REVENUES

Source: CSSF-ABBL PB Survey 2015

6,495



DIRECTLY EMPLOYED

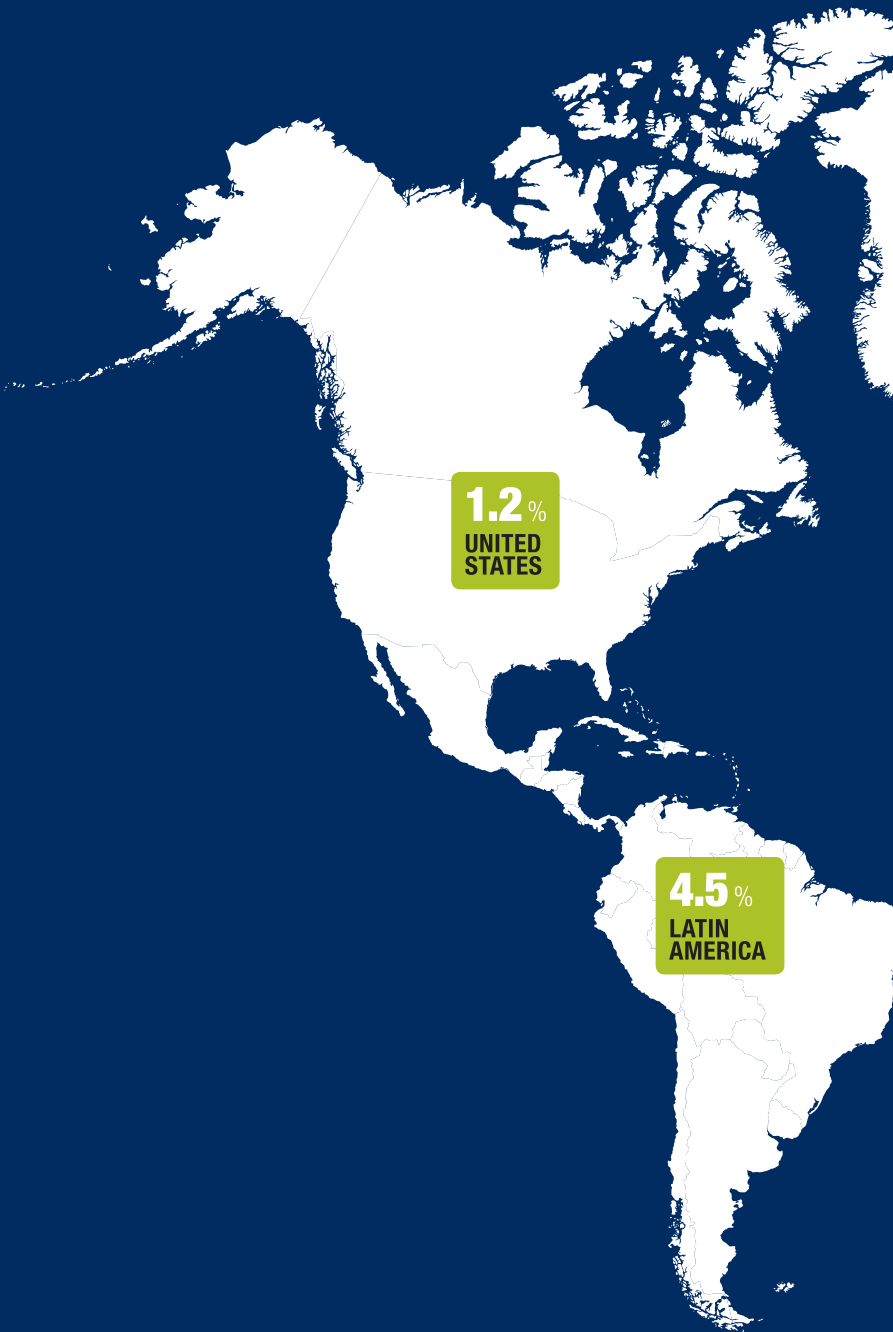
Source: CSSF-ABBL PB Survey 2015

1,596



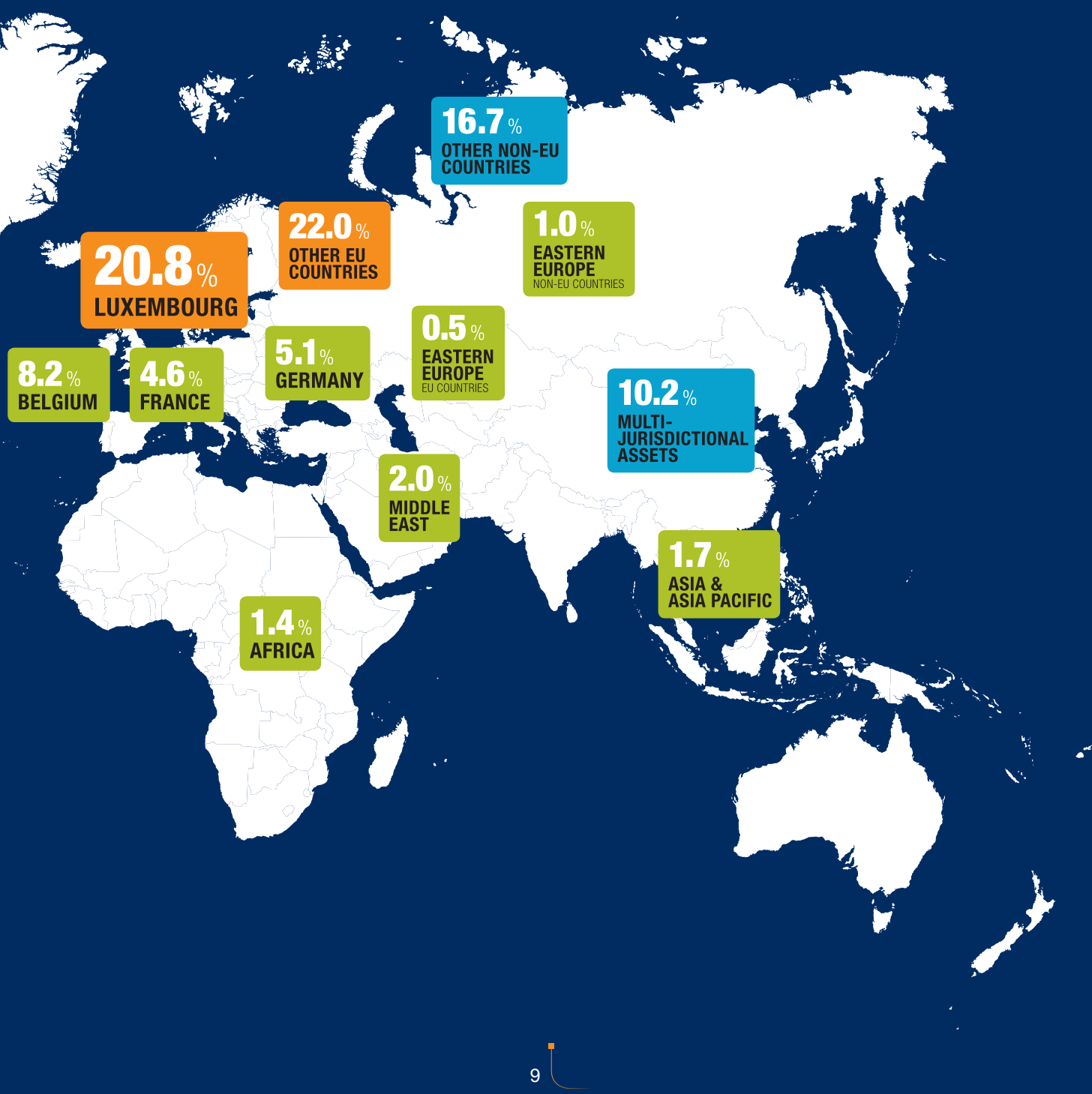
CLIENT FACING STAFF

Source: CSSF-ABBL PB Survey 2015



GEOGRAPHIC ORIGIN OF CLIENT ASSETS

Source: CSSF-ABBL PB Survey 2015
Figures may not add up due to rounding





Banks

KEY FIGURES



NUMBER OF BANKS PER COUNTRY OF ORIGIN

Source: CSSF (End of 2015 figures)

94

FROM EU

49

OUTSIDE EU

143

TOTAL



EVOLUTION OF BANKS' BALANCE SHEET TOTAL

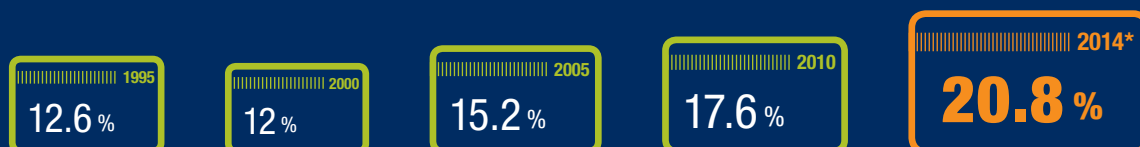
(in billion EUR)

Source: BCL



EVOLUTION OF SOLVENCY RATIO

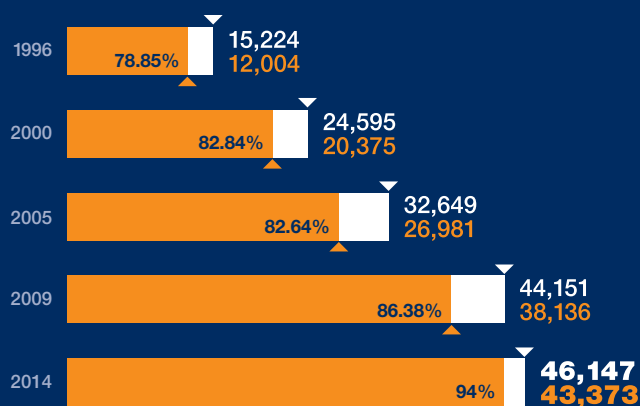
Source: CSSF



*Note: Given the methodological changes to the determination of capital and capital requirements and, to a lesser extent, the changes regarding the eligibility of capital items, the total capital ratio of 20.8% cannot be directly compared to the total capital ratio of 17.6% as at 31 December 2010. Nevertheless, it still bears witness to the high level of capitalisation of the banks in the financial centre.

TOTAL OWN FUNDS OF WHICH TIER 1

(in million EUR) Source: CSSF

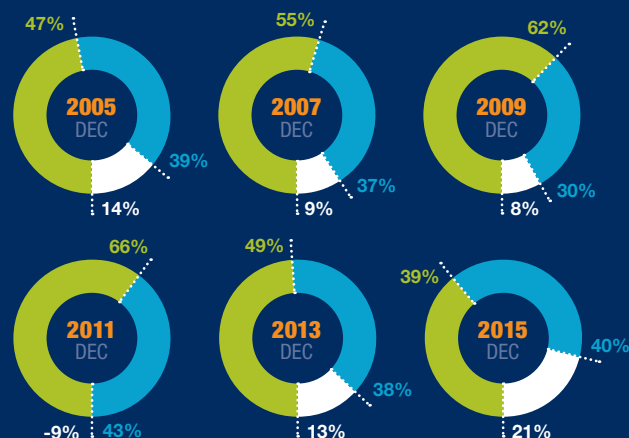


SOURCES OF BANKING INCOME

(in million EUR) Source: CSSF

Figures may not add up due to rounding

INTEREST-RATE MARGIN
COMMISSION INCOME
OTHER NET INCOME

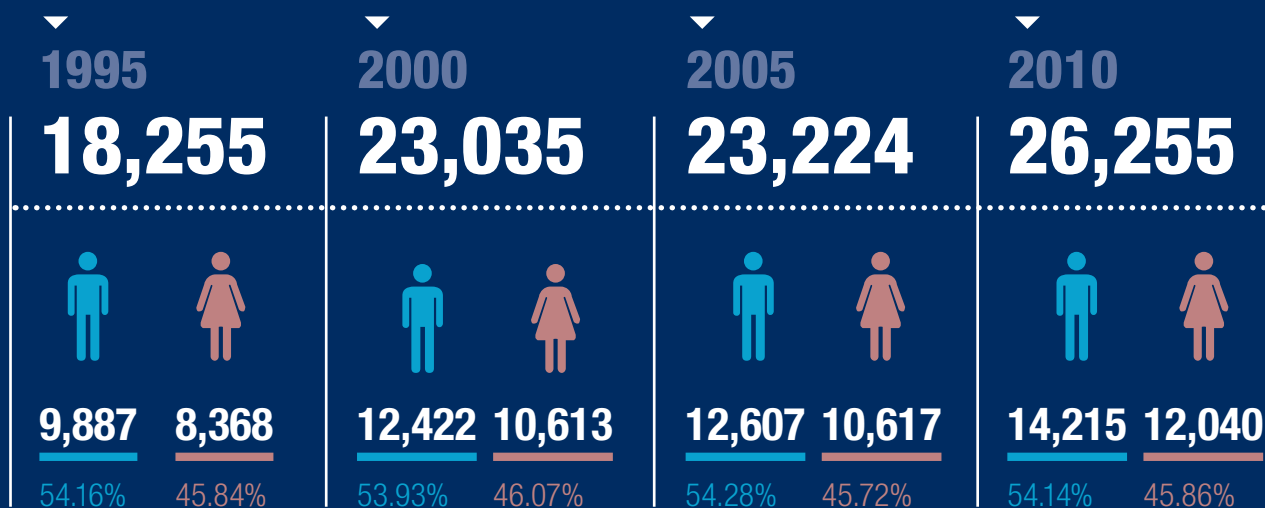
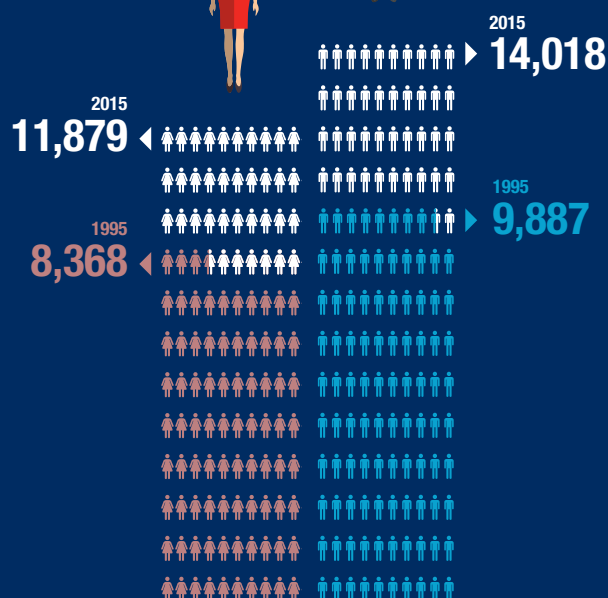
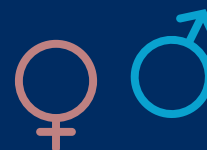
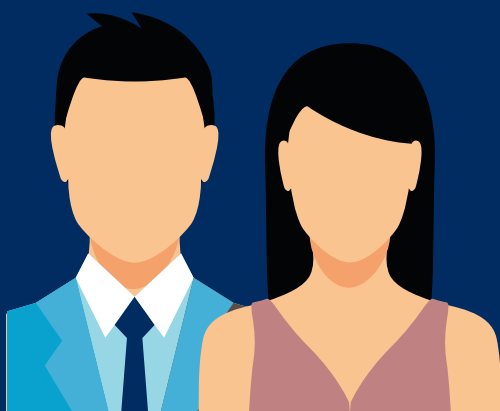


Employment

KEY FIGURES

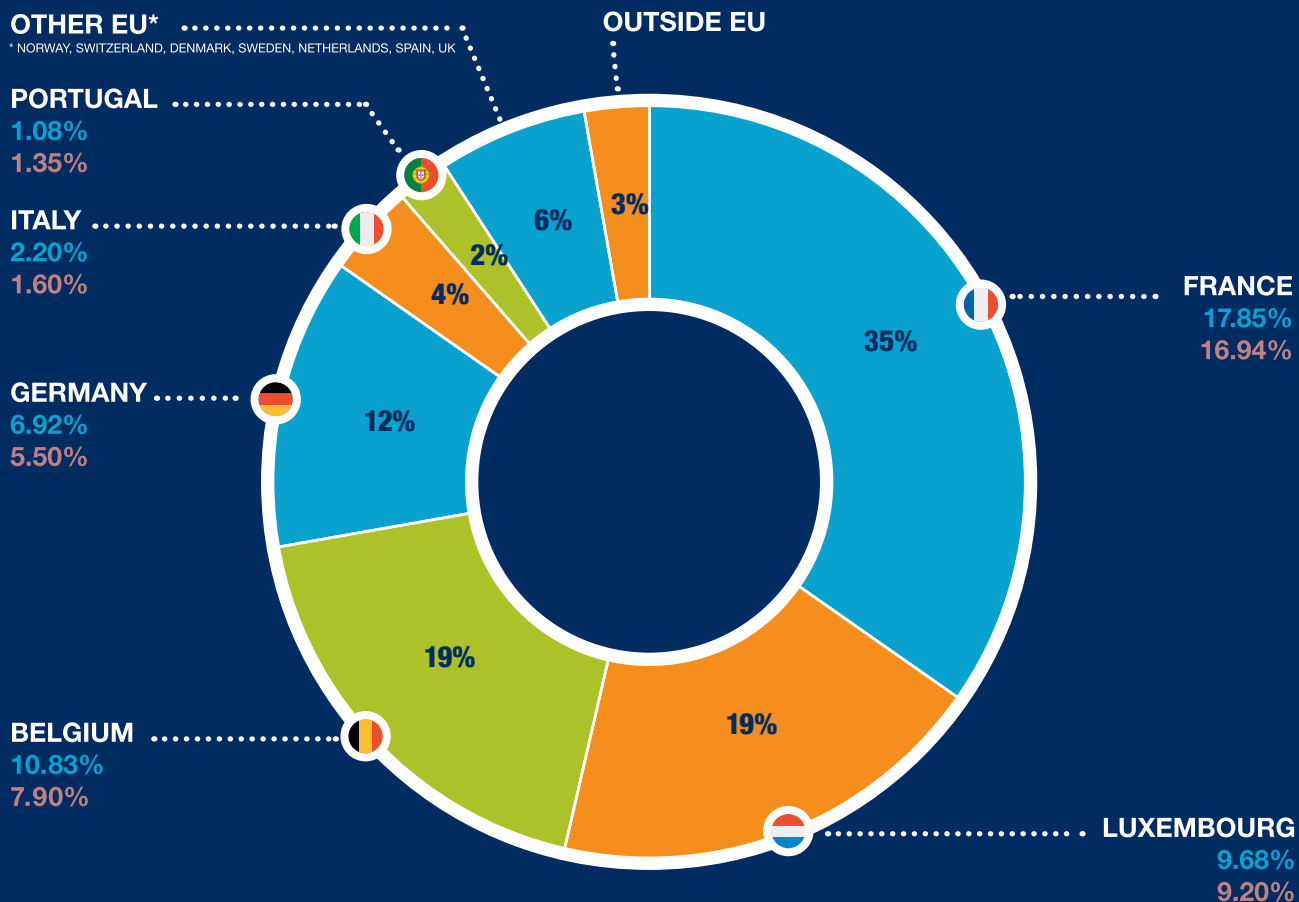
EVOLUTION OF TOTAL EMPLOYMENT

Source: BCL



BREAKDOWN BY NATIONALITY

Source: ABBL Survey



EDUCATION BACKGROUND IN THE BANKING SECTOR

Source: BCL (End of year figures)

2015

25,897



14,018 11,879

54.13% 45.87%

< BAC and/or BAC

8,701



4,115 4,586

15.89% 17.71%

BAC+2 and/or BAC+3

7,968



4,236 3,732

16.36% 14.41%

> BAC+3

9,228



5,667 3,561

21.88% 13.75%

SYNTHESES

ABBL's EU interest representation: From stabilisation to growth stimulation

The first half of 2015 was mostly characterised by files left over from the Barnier years like the bank structure reform or the money market funds regulation. Both date back to the era where the prime focus of the legislator had been the stabilisation of the financial system. The bank structural reform was a major point of focus of the work of the ABBL Brussels office, both in the Council as in the European Parliament. While the Council agreed on a position by the middle of the year, the Parliament had been paralysed by political divisions on the most controversial points like for example the scope or the level of automaticity of separation of banking groups. At the time of writing, no breakthrough seems to be on the horizon. Other important finalised leftovers or in the process of finalisation are the UCITS V directive's level 2 measures as well as the ones on MiFID and PRIIPS. The ABBL has all along actively accompanied them in this process watching out for key interests.

New momentum got injected into the EU legislative process when Commissioner Jonathan Hill in September finally unveiled his key project, the Capital Markets Union.

This vast initiative – together with a number of other priority projects of the Juncker Commission – aims at kick-starting growth in the European Union. The Action plan lists 33 initiatives to create by 2019 more integrated European capital markets. Among the first legislative proposals figure most notably a revision of the prospectus regulation and a new securitisation regulation where for the latter the Luxembourg Presidency managed in a record time to shepherd the Member States to a common Council position.

Other dossiers where the ABBL was actively working on include the covered bonds consultation, the Transatlantic Trade and Investment Partnership (TTIP) and Trade in Services Agreement (TiSA) negotiations, data protection and not to forget the crucial tax files like the FTT or the upcoming EU BEPS initiative.

For 2016, the European Deposit Insurance Scheme (EDIS), the Bank Structure Reform, the Prospectus and Securitisation Regulations as well as the Financial Transaction Tax figure high on the ABBL EU interest representation agenda.

Financial Market Regulation

“Immobilisation of bearer shares”

A major topic the ABBL and its working bodies worked on in 2015 was the “*Loi relative à l’immobilisation des actions et parts au porteur*” taking its effects in 2016. This law although a purely Luxembourgish law created a lot of concerns and work for financial intermediaries. Its application started with the requirement to issuers and investors to select a depositary institution for their shares by mid-February 2016. While banks and funds have prepared themselves, the ABBL made several communications and organised information conferences. In case shares are not immobilised accordingly to the law by 18th February 2016, they will have to be cancelled, operationally and economically, having potentially serious impacts on the capitalisation of the concerned companies.

Capital Markets Union

Another key subject in 2015 was the Capital Markets Union plan from the EU Commission. In a preparation phase, the ABBL together with its members produced comments and responses to the EU consultations and organised a conference in spring. After a maturing period during which it

made its analysis, the EU Commission released in September its roadmap as well as a draft **Regulation on the securitisation markets**, followed two months later by a draft review of the **Prospectus Regulation** that issuers have to apply when issuing financial instruments to the Public.

UCITS V

Another very important dossier for the Luxembourg market and the ABBL was the release of the **UCITS V delegated acts**. An intensive work to supply authorities with input and comments was required which among other led to meetings with the EU Commission (together with the European Banking Federation) to defend a workable set of new obligations close to the AIFMD obligations. That was done mostly during spring and early summer then followed by a long waiting period as the delegated acts were published only around Christmas. Fortunately for Luxembourg, the CSSF in its circular 14/587 had already given hints on how the new rules applicable to depositaries would look like. Even though there are not many surprises an important implementation work has to be done by the depositaries.

Just before summer, ESMA (the EU market authority) initiated a consultation that may become a game changer as it is planned to introduce **a certification for advising clients under MIFID II**. This may force retail and private bankers who advice or manage clients’ assets to be certified by a competent entity in each Member States. This is likely to be a long haul project but one that will improve standards and display a high quality of service given to clients and investors in a transparent format.

MIFID II

Regarding MIFID II, 2015 was outstanding in several ways. Not only did ESMA release several consultations now amounting to more than 4,000 pages of regulatory analysis and requirements but also because diverging views and state of preparation of the private sector and the public authorities emerged. Some large Member States complained in writing to the EU Commission. This state of play led to discussions in November, which ultimately entailed a delay of the going live date of MIFID II from 3rd January 2017 to the beginning of 2018.

T2S (Target 2 Securities)

T2S (Target 2 Securities), the ECB settlement-outsourcing project went live with its first wave mid-2015, only with minor delays for the largest participant in that wave. A setback was announced in autumn when one leading CSD declared that it was unable to comply with the agreed deadline, thus putting the whole project into jeopardy. By the end of 2015, a solution was found upon entailing that ensuing waves have been delayed by about 6 months. Under this new scenario, Luxembourg has to meet two deadlines: one in September 2016 for a part of the market and the other one in February 2017 for the rest.

Emerging topics

Besides all the regulatory challenges, banks had and will have to face the consequences of the digital transformation with all its disruptive potential on incumbent activities. Therefore, the Securities Committee dedicated efforts to prepare for these new game-changing topics for the custody notably by starting to analyse potential use of new disruptive technology such as the blockchain technology. These efforts will be framed by the “Digital Banking and FinTech Innovation Cluster”, created by the Board of Directors in September 2015.

Clusters activity

Both the “Clearing and post-trading Cluster” and the “Listing and trading Cluster” were actively participating in the various consultations throughout the year in their respective fields. The Listing and trading Cluster was also very active in the discussions around MIFID II (or more specifically MIFIR) and at the end of the year on the Draft Prospectus Regulation. Clearing and post trading Cluster responded to ESMA consultation on mandatory buy-ins, a complex topic.

The “Depository Banking Cluster” was itself mostly active on the ground leading talks on UCITS V at EU level.

Banking Supervision

Banking Union

After several years focused on adopting new regulations, a new implementation era enters into force. The constituting regulatory parts of the Banking Union have been adopted. European Banks are now commonly supervised by the Single Supervisory Mechanism, will be commonly resolved by the Single Resolution Board and the Deposit Insurance levels are harmonised, at minima.

Thus, the main regulatory initiatives have been transposed into the Luxembourg law and are now applicable. An example is the long awaited adoption of the law of 18 of December 2015 transposing the Bank Recovery and Resolution Directive and the Deposit Guarantee Scheme Directive. Following this adoption, the guarantee of deposits will be operated by the "*Fonds de Garantie des Dépôts Luxembourg*" and the investors insurance will be operated by the "*Système d'Indemnisation des Investisseurs Luxembourg*".

Regarding banks resolution, after the constitution of the Single Resolution Board, the Single Resolution Fund will be launched beginning of 2016. The latter has a target level of €55 billion, to be reached over eight years. The contributions will be made in national compartments and mutualised over

years. The ABBL will closely follow the discussions around resolution with the SRB. In that vein, the ABBL was represented to the first industry dialogues with the said Board.

The Single Supervisory Mechanism is in place since 2014. The ABBL will continue to represent the Luxembourg Banks in the European Banking Federation SSM Strategy Group. This year, the ABBL has actively participated in the SSM Strategy Group, notably in developing common messages and answers to the European Central Bank consultation on National Options and Discretions.

Regarding the Deposit Guarantee Scheme Directive, the said Directive is now applicable in Luxembourg and the new "*Fonds de Garantie des Dépôts Luxembourg*" will start to collect banks contributions. However, in November 2015, the European Commission has proposed a regulatory proposal for a European Deposit Insurance Scheme. The objective is to get a common deposit insurance scheme. The proposal aims at building such a common insurance through three phases, starting by a reinsurance phase and a co-insurance phase. At term, the objective is to reach a full European insurance. As a priority, the ABBL will focus on ensuring cost neutrality and operational efficiency of such a system.

Banking Structural Reform

Finally, following the publication in 2014 of the EU Commission proposal on the structural reform of the EU banking sector, the ABBL has closely followed and participated in the debates. The EU Commission official proposal is articulated around two main principles:

- the ban of riskiest activities, i.e. proprietary trading, which is used for speculative purpose and has no link with depositors and real economy;
- the potential separation of risky market activities other than proprietary trading, where more responsibility is given to the supervisor. If it is justified, the supervisor will impose a subsidiarisation of these activities.

We consider that the reform should not undermine the financing possibilities of the European economy. More particularly customer-related transactions should not be assimilated to trading activities, and they should remain in the deposit bank.

While the EU Council has adopted its position on the proposal in 2015, the European Parliament experiment lots of difficulties to find a common ground on the topic. Thus, the Banking Structural Reform will remain a core piece of legislation to work on in 2016.

During 2015, the Legal team of the ABBL has followed a wide range of European and national topics. Four of them (two European and two national ones) are of particular interest:

1) On 20 May 2015, the EU adopted the **AML IV Directive (2015/849/EU)** (*JOUE L 141, 5 June 2016, p.73*). The main changes notably comprise the inclusion of “tax crimes” within the definition of predicate offenses, the development and reshaping of the risk-based approach, the extension of enhanced customer due diligence measures to domestic PEPs, enhanced transparency with regards to beneficial owners and enhanced sanctioning powers of the competent authorities.

Prior to the adoption of this Directive, Luxembourg has already adapted its legal and regulatory framework in order to implement the FATF standards of 2012, notably via CSSF regulation n°12-02. However, as the new EU rules go further than the FATF requirements, the grand ducal regulation of 5 August 2015 (*Memorial A n°156, 10 August 2015, p.3791*) has been adopted. It specifies inter alia the conditions under which professionals carrying out online payment services may apply simplified customer due diligence measures. Member states will have until 26 June 2017 to adapt their legislation to the provisions of this directive.

2) On 18 December 2015, a political agreement has been reached on the **General Data Protection Regulation**.

The text should be formally approved during the first semester of 2016 and will come into force two years later (2018).

Data controllers will have to conduct a data protection assessment for more risky processing and, under certain circumstances, will have to designate a data protection officer to ensure compliance with the rules. Thus, the requirement of prior notification to a supervisory authority is abolished and obligations imposed to companies are adjusted on the basis of the potential threat to privacy, which may be caused by the activities of the company in question. The cooperation between the national authorities of the 28 Member States is enhanced and companies active in several European markets should be subject to the supervision of one lead authority. Although the regulation will be directly applicable, Luxembourg will have to adapt its current legislation to the new rules.

3) After more than seven years of discussions, Luxembourg adopted on 25 July 2015 **the law and two grand ducal regulations relating to electronic archiving** (*Memorial A 150, 4 August 2015, p.3058*). The main feature of the electronic archiving law is to acknowledge the legal value of electronic copies, being deemed to have the same value in evidence as the original, if they have been created in compliance with the conditions included in the grand ducal regulation. The electronic archiving law introduces a reversal of the burden of

proof concerning the value in evidence of electronic copies digitalised and archived in accordance with said law. However, only an electronic copy of a document which has been digitalised and archived by a certified Digitalisation and Archiving Service Provider will be deemed to be in conformity with and equivalent to the original document, and will as such benefit from a reversal of the burden of proof.

The ABBL has organised an event on this topic on 21 October 2015 and has also updated its note on the archiving of documents.

4) According to the new **CSSF Circular 15/631 of 28 December 2015 on dormant or inactive accounts**, the professional must set clear rules to determine when a relationship is considered to become inactive. At a minimum, the account is inactive when there has been no communication from the client or his authorised representative during the last six years and if the client or his/her authorised representative has not initiated any transaction (transfer instruction, cash withdrawal or deposit, sale or purchase orders, etc.) on any of the accounts held by the professional during the last three years.

The professional should monitor dormant accounts and seek to establish contact with the client or his/her heirs. They should administer the assets in compliance with the contractual obligations and may charge justifiable and transparent administrative expenses.

Automatic exchange of information

2015 has seen the implementation of an array of initiatives with regard to the automatic exchange of information for tax purposes.

The intergovernmental agreement with the United States regarding FATCA was approved by the Parliament by virtue of a law dated 24 July 2015. Financial institutions in Luxembourg were required to submit a first reporting regarding US account holders and beneficial owners of passive entities to the Luxembourg tax authorities by 31 August 2015.

Regarding the EU Savings Directive, the mandatory exchange of information regarding interest paid to individuals resident in another EU Member State has become effective since 1 January 2015. The relevant information will need to be reported by paying agents to the Luxembourg tax authorities by 20 March 2016.

By a law dated 18 December 2015, Luxembourg formally approved the implementation of the OECD Standard for automatic exchange of financial account information in tax matters, which will supersede at EU level the EU Savings Directive as from 1 January 2016. A first exchange of information between Member States is due in 2017. This new standard brings

interests, dividends, as well as account balances and sales proceeds from financial assets within the scope of the automatic exchange of financial account information. The territorial scope of the OECD standard will extend well beyond the EU, as nearly 100 jurisdictions worldwide expressed their intention to implement it.

These timely moves were certainly a decisive factor for the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes to award Luxembourg, on 30 October 2015, a “largely compliant” rating regarding the implementation of internationally agreed transparency standards.

Regarding the automatic exchange on salaries, pensions and directors’ fees paid to beneficiaries resident in another EU Member State, employers and companies in Luxembourg were required to submit a first reporting to the Luxembourg tax authorities by 28 February 2015. The scope of the reportable information regarding non-resident commuters should constitute a point of attention going forward for all employers in Luxembourg, considering open points of interpretation under applicable tax treaties, especially with Belgium.

Base erosion and profit shifting (BEPS)

In the field of corporate taxation, the OECD released on 5 October 2015 its final reports on Base Erosion and Profit Shifting (BEPS). The fifteen reports contain extensive recommendations for significant changes in international tax laws and treaties globally. The next phase of the BEPS project will focus on the actions that are taken by countries in response to these recommendations, as the OECD does not have the authority to enact enforcing legislation.

At EU level, the implementation of the OECD’s recommendations will be embedded in a wider Action Plan for Fair and Efficient Corporate Taxation in the EU unveiled by the European Commission on 17 June 2015. Key actions include a strategy to re-launch the Common Consolidated Corporate Tax Base (CCCTB) as a holistic solution to corporate tax reform, a framework to ensure effective taxation where profits are generated as well as a series of measures focusing on greater tax transparency within the EU and vis-à-vis third countries. The latter notably builds on a previous proposal to exchange between Member States tax rulings and advance pricing agreements on an automatic basis starting from 1 January 2017. A EU Directive was eventually adopted regarding this proposal on 8 December 2015 under the auspices of the Luxembourg presidency of the Council of the European Union.

Tax reform

On the domestic front, the aforementioned developments in the field of corporate taxation will certainly constitute decisive elements for the elaboration of the forthcoming reform of the Luxembourg tax system that is anticipated for 2017. The focus and content of the reform have not been confirmed yet by the Government. A factual report on the Luxembourg tax system was published by the Economic and Social Council in November 2015 in preparation of the reform.

A series of new tax measures adopted by the Parliament in December 2015 already reflect the changing tax environment coupled with the need for Luxembourg to retain a competitive edge. These measures include an extension of the scope of the tax consolidation regime, the inclusion of an anti-abuse clause in the parent subsidiary regime, the abolition of the minimum corporate income tax and its replacement by a minimum net wealth tax, the introduction of a reduced net wealth tax rate of 0.05% for taxable net wealth exceeding EUR 500 million, the repeal of the intellectual property box regime and the adoption of the long-awaited “step-up” regime for individuals transferring their tax residence to Luxembourg.

Financial transaction tax (FTT)

Based on ECOFIN papers tabled in December 2015, it seems that major issues remain outstanding regarding the extent and detailed implementation of a EU FTT under the enhanced cooperation procedure. Further to the defection of Estonia, the number of EU Member States participating to the enhanced cooperation has been reduced to 10 (Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain), bearing in mind that a minimum of 9 is necessary under EU treaties for an enhanced cooperation.

Additional time will be required for the participating member states to conclude discussion on several open issues. Recent ECOFIN papers appear to contemplate resolution of the remaining outstanding open issues at some point before 30 June 2016.

In its current form, the proposed FTT would apply to transactions in respect of financial instruments (including shares and derivatives) where at least one party is a financial institution, and at least one party is established in a participating member state, or the financial instrument in which the parties are dealing is issued in a participating member state. The potential breadth of the proposed FTT, notwithstanding

only ten member states are currently cooperating to introduce the FTT, means that the implementation of the tax would have a potentially significant impact on the European financial sector and a wide group of financial institutions established outside the EU 10.

Private Banking

While major regulatory and business strategic changes still strongly impacted private banks in Luxembourg, assets under management (AuM) nonetheless continued to grow by 4% to 318 billion euros at yearend 2014.

The data collected by ABBL's Private Banking Group Luxembourg (PBGL) for its yearly survey clearly confirmed the banks' ability to adapt to change in the aftermath of the financial crisis by moving decidedly towards a business model aimed at serving sophisticated and mobile international clients to meet their complex multi-jurisdictional private and business needs. The trend is a steady growth in the HNW and UHNW segments over the last few years, now representing some 67% of AuM.

The shift towards a more internationally diversified customer base both within the EU and beyond, less focused on neighboring countries (now representing 18% of AuM, compared to 25% in 2011), was also further confirmed.

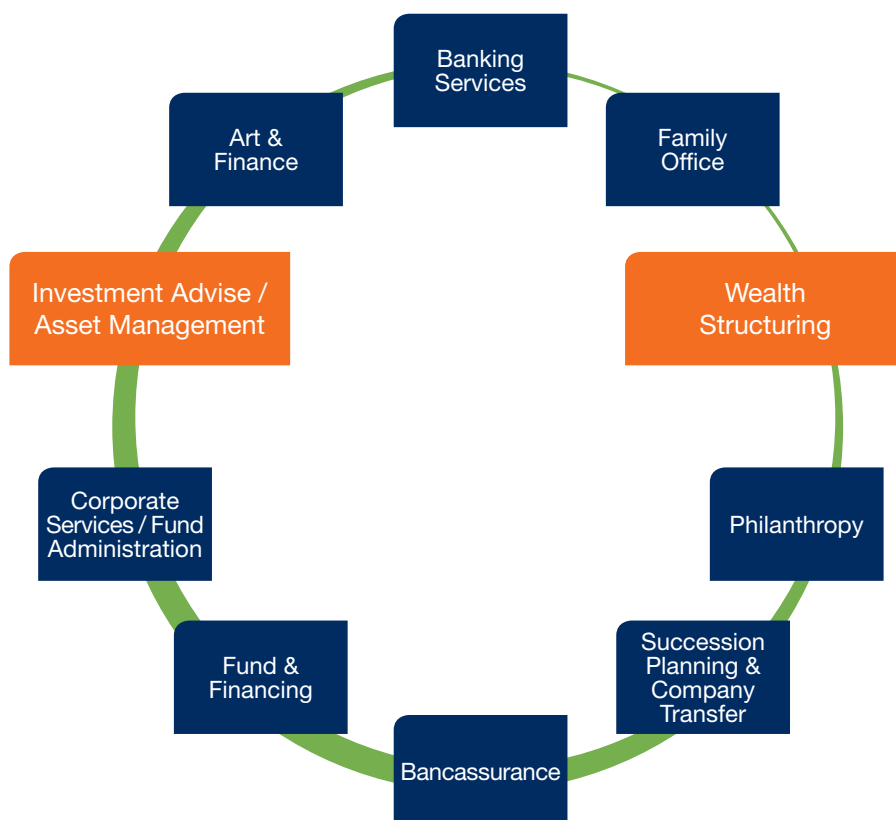
Recognising the strengths of the Luxembourg financial centre as a premier wealth management center in the Eurozone, the PBGL took a number of communication initiatives to highlight the repositioning of the sector, the broad cross-border and asset structuring expertise, as well as the multifaceted local ecosystem (supported by local auditors, consultants and lawyers). These features, along with an

available pool of experienced, multilingual staff, represent a clear added value to any financial group with an international private banking franchise, thereby strengthening Luxembourg's role as an EU onshore hub of choice for private banks, wealth managers and their clients.

The PBGL will further assist its members in overcoming the regulatory and compliance requirements of complex cross-border businesses and the digitalisation of private banking. This is likely to impact both a much-needed

operational cost efficiency all along the value chain, due diligence and advisory processes alike, as much as some of the fundamentals of client interaction, merging digital and face-to-face, thereby generally departing from a product-based model towards a client-centric one. The PBGL will continue affirming its presence on Luxembourg for Finance's financial missions abroad as well as creating the right degree of awareness on forthcoming, including digital, challenges and supporting educational efforts for private bankers.

Luxembourg Wealth Management Service Offering



Retail Banking

Mortgage credit directive

During 2015, the ABBL's Retail Banking Cluster (RBCL) closely followed the transposition process into national law of the Directive 2014/17/EU adopted in 2014 on credit agreements for consumers relating to residential property.

The Directive covers loans granted to private individuals to purchase property for residential use and lays down certain provisions the borrower must comply with, prior to entering into the contract, relating amongst others to advertising, information provided to the consumer and the consumer's creditworthiness assessment.

Payment accounts directive

The Payment accounts directive 2014/92/EU provides that Member States shall ensure that payment accounts with basic features are offered to every consumer. Consumers will have the possibility to switch bank accounts from one bank to another in the same Member State. Moreover the directive foresees that payment service providers make available to customers a list of services and related fees available to customers.

The RBCL largely contributed to the setting up of this list of services at the national level. The different national lists will be used to develop at the European Union level a standardised list, which must be integrated later on at national level.

The RBCL will in the coming months further analyse and comment other points of concerns and interest of the directive for its members.

Business Finance

The Business Finance Forum created by the ABBL in 2014 and composed of members of the RBCL continued its lobbying tasks and followed closely the various initiatives and evolutions around Business Finance and especially the access to finance for SMEs activities at national and European level. A meeting with government representatives allowed ABBL members to better position themselves.

AnaCredit

The European Central Bank published a draft regulation on the collection of granular data on credit exposures and credit risk to be used, in particular, for monetary policy analysis, risk management and financial stability surveillance. The huge and detailed amount of data to be disclosed will require banks to connect their internal and external sources and to reorganise their IT and reporting structures.

Credit register

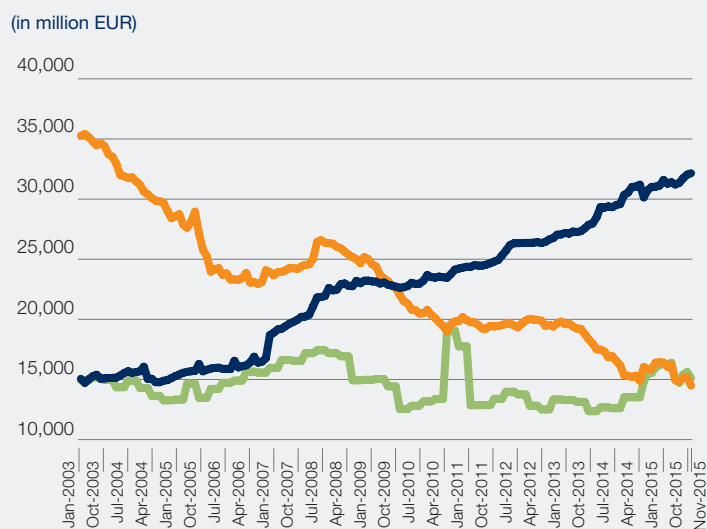
The RBCL continued to analyse the practicalities of setting up a credit register in Luxembourg more precisely, in cooperation with the competent authorities, the feasibility of implementing a commonly used infrastructure (BCL and banks) on the background of an appropriate legal framework.

The credit register thus enables the banks to improve their management of the risk incurred by granting credits at national level and, above all, on a cross-border basis. The introduction of a credit register of this kind in Luxembourg will in fact enable the banks to gain access to the credit registers of the other EU Member States EU on the basis of the principle of reciprocity which is laid down in the European directives on consumer credits and mortgage credits

The purpose of a credit register of this kind is to prevent over-indebtedness and to provide better information for lenders about the solvency of the borrowers in order to enable them to take soundly based decisions on the granting of loans.

Evolution of deposits

Deposits from Luxembourg in credit institutions enjoys a stable growth for the last 10 years. Concerning deposits from the rest of the world, after a period of stabilisation, credit institutions in Luxembourg are now recording a slight increase in deposits volume.

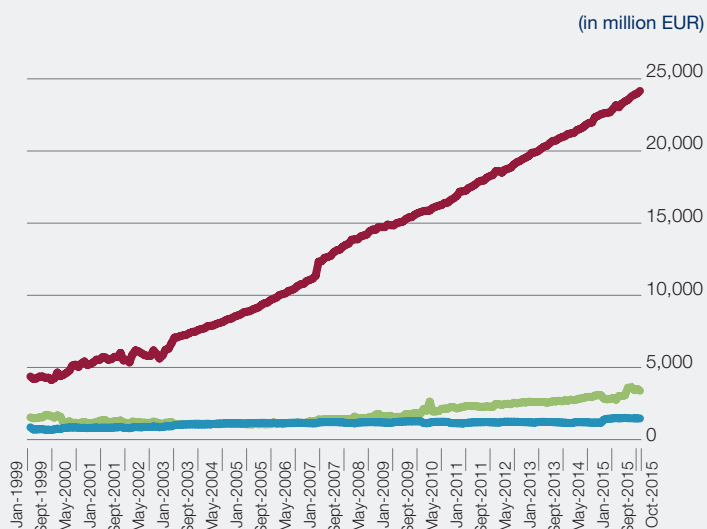


Source: BCL

- Luxembourg
- Other Eurozone countries
- Rest of the world

Evolution of loans

The evolution of loans granted by credit institutions are still clearly on an homogeneous and stable rising trend, especially in regards to real estate loans.



Source: BCL

- Real estate
- Consumption
- Others

Innovation and Payments - FinTech

After dot.com, E-commerce, Cloud Computing, Big data, Internet of things, FinTech – beside Digital banking – is the new buzzword. Its rise is due to a combination of disruptive technologies, radical consumer behaviour changes as well as cultural and social evolutions.

If the Luxembourg financial centre wants to remain competitive, the digital agenda has to be the priority. Therefore the ABBL welcomed the Luxembourg Government's initiatives to promote and support the development of a sustainable FinTech ecosystem in Luxembourg. The "Digital Lëtzebuerg" strategy aims to consolidate the positioning of the Grand-Duchy in the ICT world and to create an high-tech excellence centre for FinTech, thus developing the financial place and allowing its actors to expand in this almost borderless global market for innovative financial services.

The ABBL, as the major financial sector's association, has the Digital Banking and FinTech innovation issues

on its radar since 2014. Together with its members, the ABBL contributed to the report drafted by the FinTech WG of Digital Lëtzebuerg. During 2015, the ABBL has been working on Digital Banking and FinTech issues at the European level (e.g. European Banking Federation and European Payments Council) and started to discuss these topics in a newly created Innovation Forum.

Considering the complexity of those challenges, which are not limited to technology issues, but encompass domains such as financial services, business models, business organisation, regulations and skills, the ABBL Board of Directors decided to give a high priority to this issues and agreed to create a dedicated ABBL business cluster the "Digital Banking and FinTech Innovation Cluster" (DBFI) and to hire a FinTech advisor to better support its members in their digital transformation process. This ABBL "Digital Banking and FinTech Innovation" cluster is starting its FinTech activities in beginning of 2016.

This digital transformation, as well as the embracing of FinTech innovation, are of greatest importance to the future of banks and traditional financial services providers. Through this structured approach, the ABBL will also be able to better monitor and follow the efforts and initiatives taken by the Luxembourg government that put FinTech issues on its radar in order to strengthen the financial sector and the Luxembourg ICT sector at the same time. The combined efforts of the Luxembourg Government, LFF and the concerned private sector aim at creating a credible, competitive and reliable FinTech ecosystem in Luxembourg with unique selling points.

SEPA & Security of Payment Instruments

Single Euro Payments Area (SEPA)

After its successful launch on 28 January 2008, the SEPA project came to a conclusion in August 2014 after finalising the migration of the legacy direct debits scheme to the new SEPA Direct Debit schemes. The remaining creditors have had time left until 1 August 2015 to migrate their yearly direct debits.

During this long period of time, banks helped their customers to use the most appropriate migration scenario, which has been developed and coordinated in Luxembourg by ABBL in order to simplify the migration process as much as possible for corporates.

European Payments Council (EPC)

ABBL represented the Luxembourg SEPA community on the level of the Members Assembly as well as on the Board of Directors of the European Payments Council that started in 2015 to work accordingly to new bylaws allowing the organization to better face the numerous challenges arising in the payments area characterized by changing regulation and customer behaviour as well as by increased competition through new entrants. ABBL is also representing at the Board level the interests of Liechtenstein, Switzerland and Slovenia.

National Adherence Support Organisation (NASO) activities

The role of the ABBL as NASO as foreseen by the SEPA rulebooks, is to give advice and coordinate the adherence to the various EPC schemes, SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD) of the remaining institutions, i.e. to provide support to banks and financial service providers in order to correctly complete the SDD and SCT adherence forms.

At the end of 2015, 68 financial institutions had adhered to the SCT, 27 to the SDD Core and 16 to the SDD B2B schemas; in terms of SEPA reachability via their parent companies, the figures are as follows: 94 for SCT, 33 for SDD Core and 18 for SDD B2B.

In its role as NASO, the ABBL had also set up and operates a process to generate and manage SEPA Creditor Identifiers, which are mandatory for creditors in order to allow them to collect payments via SEPA Direct Debits.

In 2015, more than 207 Creditor IDs were generated, out of a total of 1844 since 2011.

EU regulatory framework

The year 2015 was marked by the adoption of the revised and long-debated Directive for Payment Services (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 (Text with EEA relevance).

The PSD2 is reinforcing competition in the payment market by opening the avenue to new entrants, i.e. to the Third Party Providers (TPPs). These Third Party Providers can act as a Payment Initiation Servicer (PIS), and/or an Account Information Servicer (AIS).

However, having more competition should not be detrimental to security and consumer protection.

That is why, after the adoption of the directive at the end of 2015, the ABBL in close cooperation with the EBF, started to provide valuable inputs and remarks to the coming Discussion Papers issued by the European Banking Authority (EBA) which is mandated to develop 6 Technical Standards and 5 sets of Guidelines.

In the same time, the Payments Committee of the ABBL will set up a working group composed of payments, security and legal experts in order to support the transposition process of the directive into a Luxembourg law.

In parallel, the ABBL is closely following the work initiated by the Euro Retail Payments Board (ERPB) chaired by the ECB on different topics impacting

the banking sector in the forthcoming comments such as:

- Instant payments in euro: The objective is to foster the implementation of an electronic retail payment solution available 24/7/365 and resulting in the immediate or close-to-immediate interbank clearing of the transaction and crediting of the payee's account with confirmation to the payer (within seconds of payment initiation).
- Person-to-person (P2P) mobile payments: The ERPB endorses the vision of simple and interoperable pan-European P2P mobile payments solutions.

Security of payment systems and instruments

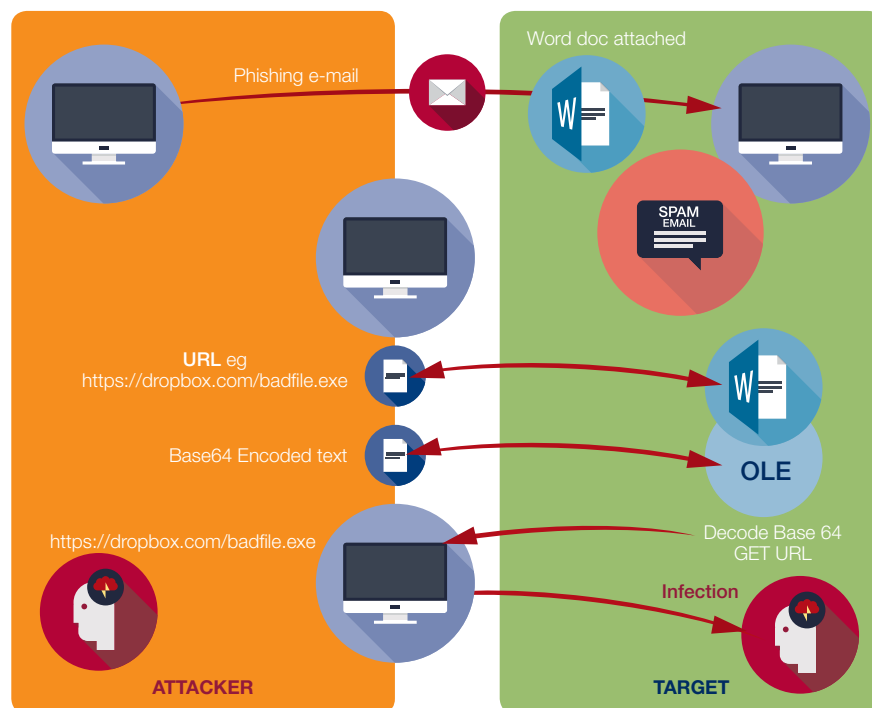
The ABBL working group dealing with the security of payment systems and instruments together with EBF and EPC peers continued to monitor the various threats and attacks detected aiming at the banking sector.

As in 2014, in the first half of 2015 and until the holiday season, numer-

ous traditional phishing attempts were observed in Luxembourg as well as in other European countries.

Starting in May 2015 a wave of attacks targeting specifically enterprise banking solutions has been observed in Luxembourg and Europe. The DRIDEX malware was observed in many countries, performing illegal money transfers from the enterprise banking solutions.

DRIDEX - Observed delivery



Another important threat, which was observed in Luxembourg as well as in all other European countries, was the so-called CEO fraud (or BEC scam - Business Email Compromise). Different types of companies were victims of this type of fraud; most of the time corporates were under attack, but recently a financial institution was also victim.

In these attack, the fraudsters usually either manage to compromise the CEO's or another high-up manager's email account, or manage to impersonate them by creating a convincingly similar email account, and send an email to someone in the financial department, ordering a payment to be made to a bank account owned by the fraudsters.

Such an order usually comes with a reason why it should be executed immediately and kept quiet from other employees in the department and the organization. The scammers are betting on the fact that the employee will not question the order and execute it without hesitation.

Overview and comparison of cyber-threat landscapes 2015 and 2014

Top Threats 2014	Assessed Trends 2013	Top Threats 2015	Assessed Trends 2014	Change in ranking
1. Malicious code: Worms/Trojans	▲	1. Malware	▲	→
2. Web-based attacks	▲	2. Web-based attacks	▲	→
3. Web application / Injection attacks	▲	3. Web application attacks	▲	→
4. Botnets	▼	4. Botnets	▼	→
5. Denial of service	▲	5. Denial of service	▲	→
6. Spam	▼	6. Physical damage / theft / loss	▶	↗
7. Phishing	▲	7. Insider threat (malicious, accidental)	▲	↗
8. Exploit kits	▼	8. Phishing	▶	↘
9. Data breaches	▲	9. Spam	▼	↘
10. Physical damage / theft / loss	▲	10. Exploit kits	▲	↘
11. Insider threat	▶	11. Data breaches	▶	↘
12. Information leakage	▲	12. Identity theft	▶	↗
13. Identity theft / fraud	▲	13. Information leakage	▲	↘
14. Cyber espionage	▲	14. Ransomware	▲	↗
15. Ransomware / Rogueware / Scareware	▼	15. Cyber espionage	▲	↘

Source: European Union Agency for Network and Information Security (ENISA)

TRENDS		RANKING	
▲	Increasing	↗	Going up
▶	Stable	→	Same
▼	Dedining	↘	Going down

Employers' affairs

The ABBL, as an employers' organisation, is defending the interests of employers in the field of social affairs, i.e. collective bargaining agreement, labour law, social security, health and security at the workplace, occupational training, equal opportunities, social dialogue, etc.

Collective bargaining agreement for bank employees 2014 - 2016: Training agreement

In July 2015, ABBL, ALEBA, OGB-L and LCGB signed a new agreement on training, replacing the former annex I of the collective bargaining agreement for bank employees 2014 - 2016.

Law of 23 July 2015 on reform of the social dialogue within undertakings

The law on reform of the social dialogue within undertakings has been voted on 23 July 2015 and entered partially into force on 1 January 2016.

The areas affected as from 1 January 2016 by the new provisions are the following:

- external advisers and experts to which the staff delegation can have recourse to a greater extent;
- increased powers for members of the staff delegation, the health and safety delegate, the equality

delegate in matters of initial occupational training, harassment and violence at the workplace, organisation of working time, internal redeployment, environment, health, etc.;

- a larger amount of time credits;
- leave for training purposes to a greater number of staff delegates;
- more resources available to the staff delegation.

A detailed newsletter has been sent to the directors of human resources by the ABBL in December 2015.

Law of 23 July 2015 amending the Labour Code and the Social Security Code with regard to the mechanism for internal and external redeployment

The law on redeployment has been voted on 23 July 2015 and entered into force on 1 January 2016.

The main changes, in terms of procedure, are as follows:

- restriction of access to the redeployment procedure;
- in case of safety-sensitive positions, introduction of a new channel of access to the redeployment procedure, through occupational health care;

■ speeding-up of the redeployment procedure, by the concomitant referral of the matter to the works committee and to the occupational physician by the Contrôle médical de la sécurité sociale;

■ enlargement of the circle of undertakings eligible for internal redeployment, through the abolition of the rule requiring the number of handicapped employees, and employees falling into a similar category, to be taken into account;

■ increased penalties for employers who refuse to carry out an internal redeployment;

■ periodic reappraisal of the condition of persons redeployed by the occupational physician;

■ creation of a status of "person in external occupational redeployment".

A detailed newsletter has been sent to the directors of human resources by the ABBL in December 2015.

Tripartite discussions at the permanent Committee for Labour and Employment

On 14 January 2015, the UEL and the government concluded an important agreement. The government committed to find a solution for the employers' mutuality. In return, the UEL committed to increase their partnership with the

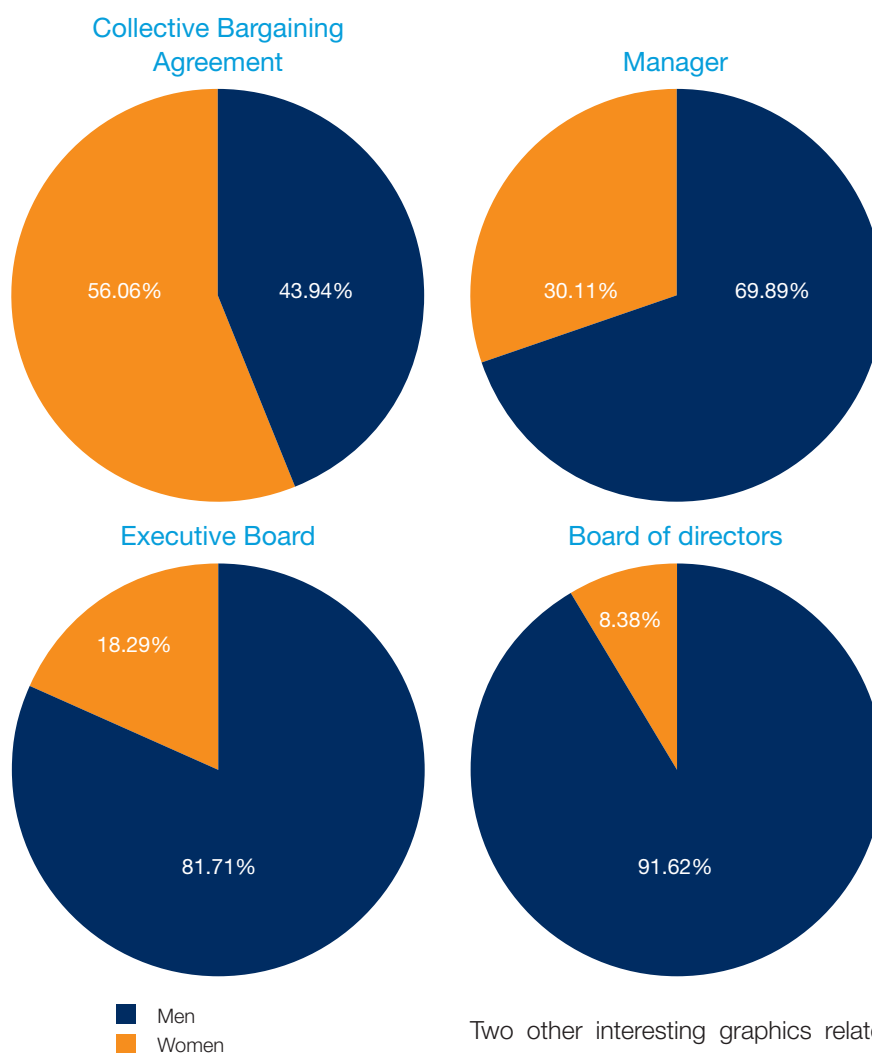
Adem and to help diminish the number of unemployed by 5'000 over 3 years. Further points of the agreement concerned a promise by the government to increase the flexibilization of working time and for the UEL to accept new legislation to reconcile work-family life. The permanent committee for labour and employment (CPTE) was charged to negotiate the different points. Meetings with the Ministry of labour and employment and the trade unions at the CPTE took place in April, September, October and November 2015. The employers' organisations require more flexibility in working time, whereas the trade unions require changes in the minimum wages for qualified workers, in the legislation on social plans, the parental leave and the right to strike. Until the end of the year no workable compromise could yet be found and a tripartite meeting scheduled in November had to be canceled.

Social study of the banking sector for the year 2014

In the yearly social study of the banking sector 64.5% of the banks have participated, representing 89.4% of the staff of the sector. The study is therefore highly representative and enables the ABBL to have a detailed insight into the evolution of social questions of the banking sector.

The following graphic is interesting with respect to gender representation in the banking sector and more precisely to the question of women in decision-taking positions.

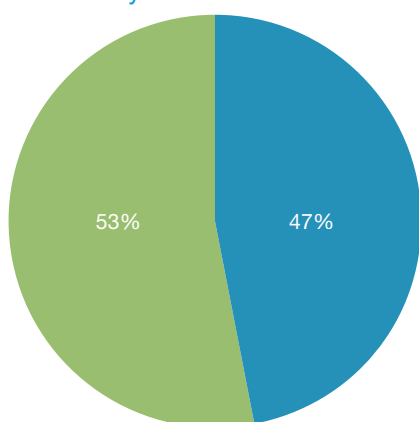
Distribution by hierarchical position - 2014



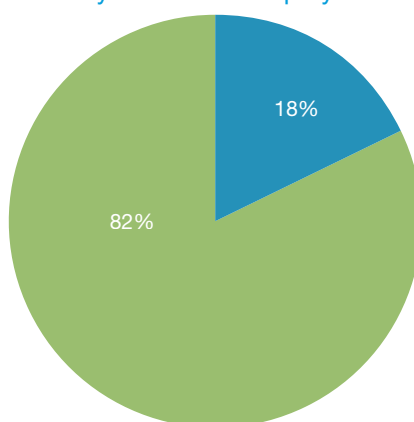
Two other interesting graphics relate to the organisation of working time in the banking sector. A large majority of banks use a flexible working time system within a reference period.

Working time system - 2014

... by number of banks



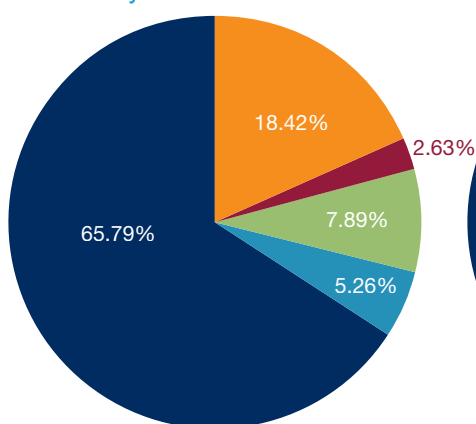
... by number of employees



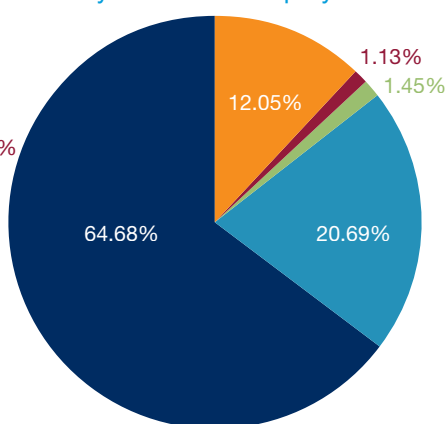
■ Fixed working time system
■ Flexible working time system

Distribution of the reference period - 2014

... by number of banks



... by number of employees



■ 1 month ■ 3 months ■ 5 months
■ 2 months ■ 4 months ■ 6 months

Social security

In the field of social security, political discussions continue to turn around rates of absenteeism and the financial impact for companies through the Employers' Mutual Scheme financed by Employers' contributions.

One of the commitments the government made in the bipartite agreement between the UEL and the Government of January 2015 concerned the avoidance of a general increase in contributions. Furthermore, concerning the employers' mutual scheme, the agree-

ment stipulated that efforts have to be done by all stakeholders to reduce absenteeism.

The Law of 7 August 2015 on the reform of the Contrôle médical de la sécurité sociale

The outcome of the Law of 7 August 2015, which strengthens the powers of appraisal and inspection of the Contrôle médical de la Sécurité Sociale, is a long-term political promise from the Government to employers' organisations dating back to the introduction of the single statute.

Since 1 September 2015, the Contrôle médical de la sécurité sociale is henceforth empowered to carry out checks on employees who are incapable of working on grounds of sickness during the period in which their employer continues to pay their salary.

Contributions to the Employers' Mutual Scheme

In the context of the discussions around the growing deficit of the Employers' Mutual Scheme, an agreement has been found between Employers' Representatives (UEL) and the government that the average contribution by companies should not exceed 2% for this legislative period.

Absenteeism incentives

The Observatoire de l'Absentéisme au Travail, regrouping CEPS / Insead, the General Inspectorate of Social Security and the High Level Group of Absenteeism, periodically delivers statistics and develops series of indicators available to companies in order to state and compare their individual absenteeism rates.

In 2015, the High Level Group of Absenteeism mandated the General Inspectorate of Social Security to conduct a study on the pooling of risks related to absenteeism, analysing incentive and disincentive effects of mutualising risks for companies.

Further studies regarding absenteeism should be made concerning the behaviour of the working population.



HOUSE OF TRAINING
YOUR GATEWAY TO SUCCESS

The House of Training

After 25 years of commitment to training in the financial sector: the IFBL combining forces within the House of Training

During the year of its 25th anniversary, the IFBL has again recorded a substantial increase in the number of registrations: expressed in “training man-days”, the figure increased from 10,000 in 2010 to 13,200 in 2014, and reached 15,000 in 2015. As in the past, courses connected with the investment fund industry have been very well attended, as have all the training courses directly or indirectly linked to the regulatory and supervisory environment of the financial marketplace. Even more than in the past, the IFBL has also received many requests to organise in-house training courses tailored to the clients’ specific requirements.

However, 2015 was not only the year of the IFBL’s 25th anniversary: it was also a milestone in its history, as it was the year in which the Institute joined the House of Training.

This new player in the market for continuous professional training, created on the initiative of the ABBL and the Luxembourg Chamber of Commerce, is keen to become the Luxembourg economy’s privileged partner for continuous professional training. To achieve this objective, the House of Training brings together under one roof a very wide range of training courses for different sectors of activity and training fields. The financial community will have the benefit of a substantially extended training offer, more expertise, and improved management processes, while dealing with a single partner. In fact, all the partnerships previously concluded by the IFBL with the most important professional associations in the financial sector will be renewed under the House of Training banner, thereby ensuring that the training offer remains up-to-date, relevant, and targeted to meet the needs of the financial sector.



Financial Education

In light of the fundamental role that money plays in our daily lives, it is vital to provide citizens with the knowledge and skills they need in order to be able to take responsible financial decisions at every stage of their lives.

This is why the ABBL has created a Financial Education Forum in 2014 and has participated in the CSSF “National Strategy” ad-hoc working group. After the finalisation of the working group’s document “National strategy for financial education in Luxembourg” in July 2015 it has been submitted to the Ministry of Finance in September 2015.

The document defines the main objectives including:

- developing financial knowledge of citizens;
- promoting responsible financial consumer behavior;
- preparing young people as early as possible to the complex economic environment;
- elaborating a list of other concrete measures to achieve in the context of financial education.

The ABBL believes that financial education should play a key role in education and that all children should benefit from it. Therefore it should in the long run be integrated in the national school program.

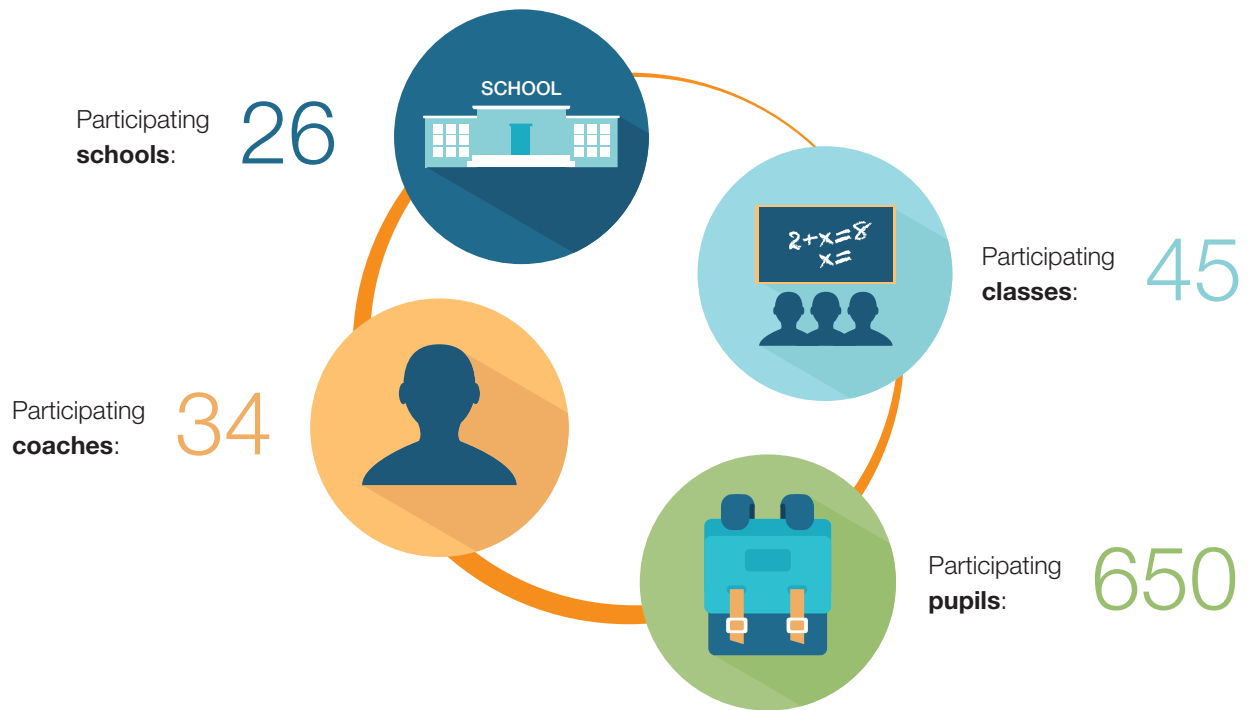
The Luxembourg Money Week: “D’Woch vun de Suen”

To raise awareness, the ABBL and its members organised in 2015 the first Luxembourgish Money Week. The aim of the Money week’s program is to teach children the basic concepts of finance by associating the idea of money with a specific objective and values. During the “Woch vun de Suen” financial education courses were given by volunteering financial sector employees in collaboration with teachers to school children aged between 10 and 12 made possible.

The “Woch vun de Suen” has been organised under the high patronage of Her Royal Highness the Grand-Duchess and the support of the Ministry of Education, Children and Youth.



D'Woch vun de Suen 2015 in figures



ABBL Ethics Charter

As part of the ABBL on-going commitment on social responsibility, and following the renewal of the ESR label in April 2015, the Board of Directors of the ABBL adopted an Ethics Charter, which formalises its commitments.

The aim is to communicate on its corporate values as well as to encourage its members to work in the same direction.

The Charter highlights the ABBL values, its commitments and some of its main actions with respect to the following fields of action:

- Commitment for a responsible banking sector;
- Commitment to Society;
- Respect for the individual;
- Environmental friendliness.

Commitment to a responsible banking sector

Values

- Respect of the law
- Deontology and ethics in business
- Expertise and competencies

Commitments

- The ABBL commits to a responsible banking and financial sector, acting in compliance with the law and the highest international standards
- The ABBL commits to being a pool of expertise and competencies to serve its members and Society

Actions

- Setting-up of a new governance and new operating rules for its technical committees and working groups in order to best meet its members' expectations
- Setting-up of Forums to ensure optimal circulation of information to and between its members
- Setting-up of a new website
- Setting-up of guidelines for its members as well as a Code of conduct

A commitment to Society

Values

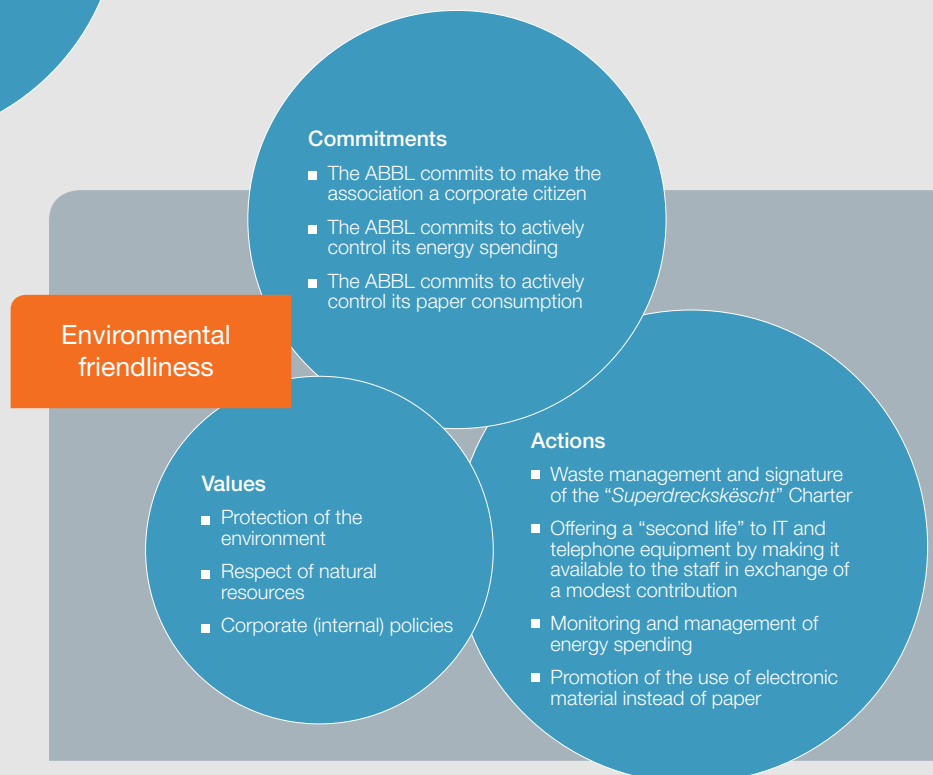
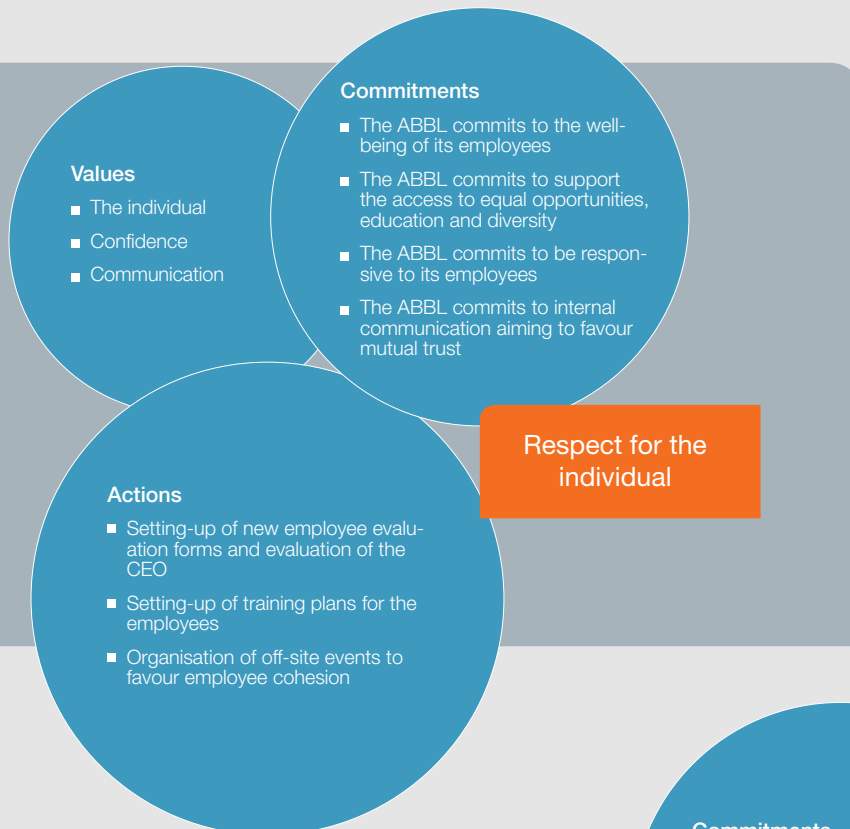
- Financial literacy for all
- Promotion of continuous education
- Promotion of diversity

Commitments

- The ABBL commits to act towards financial education making young generations to become responsible citizens
- The ABBL commits to circulate job offers in the financial sector
- The ABBL commits to promote continuous education

Actions

- Organisation of the "Woch vun de Suen" aiming to raise awareness of children about sound money management
- Setting-up of a new platform showing job offers in the financial sector
- Signature and promotion of the Diversity Charter and the Agreement on moral harassment



ABBL's Key Corporate Social Responsibility Commitments

In recent years, an increasing emphasis has been placed on companies and institutions' responsibility for the environment and society. As important economic actors, financial institutions have a significant role to play in terms of Corporate Social Responsibility (CSR).

In 2015, the ABBL was awarded the "Entreprise Socialement Responsable" (socially responsible company) label for the second time by the INDR ("Institut National pour le Développement Durable et la Responsabilité des Entreprises"). This label is doubly important for the ABBL, not only for itself as an association with around 40 employees, but also for the entire banking and financial sector represented by the ABBL. Indeed, the ABBL is committed to a responsible conduct of the financial sector as a whole in Luxembourg.

1. Governance framework

In 2014, the ABBL adopted a new governance framework (new statutes and internal rules of procedure) to ensure a better representation of its members on its Board. It adopted new rules of procedure for its technical committees and working groups and created fora improving the dissemination of information to and between its members.

The ABBL encourages compliance with high professional standards and the values of integrity and professionalism. It develops recommenda-

tions for its members aiming of setting ethical and responsible standards and behaviour.

In that sense, the ABBL has adopted:

- a Code of Conduct - currently being updated;
- a Diversity and Equal Opportunities Charter;
- an Agreement on Psychological Harassment and Violence at Work;
- documents to help its members apply the regulations (FATCA Guidance notes, guide to workplace surveillance, etc).

In October 2015, the ABBL signed the Mediation Charter, which intends to encourage amicable dispute resolution in civil and commercial matters, through a method that enables companies to find solutions by mutual consent on a voluntary basis.

All these initiatives and their field of application are listed and detailed in the ethical charter recently adopted by the ABBL.

2. Social policy

The ABBL is raising awareness of DayCare among its members so they can provide students with work experience placements and show them what they do in their jobs.

Thanks to this initiative, ABBL members are getting involved in both a local project with Luxembourg students and a global campaign to allow disadvantaged young people in Africa to take control of their future.

The ABBL organised a Money Week ("D'Woch vun de Suen") from 9 to 13 March 2015 to give children an awareness of the sound management of money.

3. Internal initiatives

The ABBL has developed an internal strategy aimed at establishing a socially responsible policy that is based on a social and environment pillar.

a) Social pillar

- Adoption of a new form for annual assessments to allow the capture of employee expectations with regard to their managers.
- Evaluation undertaken by the CEO to understand what employees expect from him.
- flexitime policy, part-time work "à la carte", working time accounts and the use of distance technologies.

- Promotion of the employment of both older and younger people as well as diversity (nine nationalities are represented among ABBL employees).
- Training courses tailored to its employees, as well as individual coaching sessions as required.
- Partnership with high schools to receive student trainees as part of work experience placements.
- Organisation of off-site events, several times per year to ensure social cohesion among its employees
- Annual influenza vaccination, medical examinations and regular check-ups.
- Information sessions on workplace ergonomics and health for those aged over 45.

- First-aid training and training on the use of a defibrillator.
- Annually information sessions on building and car park safety as well as evacuation exercises.

b) Environment pillar

- Signature of a SuperDrecksKëcht® agreement in order to better manage its waste and providing training to its employees in this respect.
- Use of bio cleaning products, local brands (drinks), fair-trade products, returnable/reusable packaging, rechargeable batteries for electronic equipment, environmentally friendly paper (paper from farmed trees and FSC labelled).
- Reduction of paper consumption.

The CSR measures adopted must be regularly reviewed and adapted accordingly to new requirements. Therefore, the ABBL has set up internal working groups to reflect on the different ways to improve the services provided to its members and the day-to-day work of its staff.



The ABBL was again awarded the label "Entreprise Socialement Responsable" (socially responsible company) by the INDR Luxembourg (Institut National pour le Développement Durable et la Responsabilité Sociale des Entreprises) in April 2015.

Luxembourg Agenda of Financial Sector Dossier

■ **Draft Law No 6929** on reserved alternative investment funds and amending :

- the amended law of 16 October 1934 on net wealth tax ;
- the amended law of 1 December 1936 on municipal business tax ;
- the amended law of 4 December 1967 on income tax ;
- the amended law of 17 December on collective investment undertakings

Submitted on 14 December 2015

The objective of the draft law is to establish, under the denomination “reserved alternative investment funds” (“fonds d’investissements alternatifs réservés” “FIAR”) a new status for alternative investment funds, which would not be subject to the approval and supervision of the CSSF, contrary to collective investment undertakings, specialised investment funds and SICAR. These new reserved alternative investment funds would however benefit from the flexibility of structuring of the other companies and investment funds.

■ **Draft Law No 6860**

1. transposing Directive 2013/50/UE of the European Parliament and the Council of 22 October 2013 amending Directive 2004/109/EC of the European Parliament and of the Council on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or

admitted to trading and Commission Directive 2007/14/EC laying down detailed rules for the implementation of certain provisions of Directive 2004/109/EC ;

2. transposing article 1 of Directive 2014/51/UE of the European Parliament and of the Council of 16 April 2014 amending Directives 2003/71/EC and 2009/138/EC and Regulations (EC) No 1060/2009, (EU) No 1094/2010 and (EU) No 1095/2010 in respect of the powers of the European Supervisory Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority) ;
3. amending the amended law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market ;
4. amending the amended law of 10 July 2005 on prospectuses for securities

Submitted on 17 August 2015

Opinion of the Chamber of Commerce, 19 November 2015

The draft law aims at transposing in Luxembourg law Directive 2013/50/UE. The two main objectives of the revised transparency directive are to close the existing gap in the notification requirements and to reduce administrative burden and to encourage long-term investment, especially for small and medium issuers. Additional changes would be a new definition of home Member State, the creation of a centralised storage system and new minimum standards on sanctions.

- **Draft Law No 6846** on OTC derivatives, on central counterparties and on trade repositories and transposing:

Directive 2013/14/UE of the European Parliament and of the Council of 21 May 2013 amending Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision, Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and Directive 2011/61/EU on Alternative Investment Funds Managers in respect of over-reliance on credit ratings ; and implementing :

1. Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009;
2. 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 ; et
3. Regulation (EU) No 462/2013 of the European Parliament and of the Council of 21 May 2013 amending Regulation (EC) No 1060/2009 on credit rating agencies;

and amending :

1. the amended law of 23 December 1998 establishing a financial sector supervisory commission;
2. the amended law of 13 July 2005 on institutions for occupational retirement provision in the form of pension savings companies with variable capital (SEPCAVs) and pension savings associations (ASSEPs) ;

3. the amended law of 10 November 2009 on payment services ;
4. the amended Law of 17 December 2010 relating to undertakings for collective investment ;
5. the law of 28 October 2011 implementing the Regulation (EC) No 1060/2009 of 16 September 2009 ; and
6. the amended Law of 12 July 2013 on alternative investment funds managers

Submitted on 5 August 2015

Opinion of the Chamber of Commerce, 26 November 2015

Opinion of the Council of State, 18 December 2015

Amendments adopted by the Finance and Budget Committee, 13 January 2014

The objective of the draft law is to transpose Directive 2013/14/UE into Luxembourg law. The text proposes that the CSSF will be the competent authority for the various tasks set out by EMIR. The CSSF will thus receive the necessary powers to accomplish such task and to determine the sanctions in case of infringement of the law. Furthermore, the draft law also aims at introducing new requirements with respect to the process and the system of risk management for institutions for occupational retirement and for UCITS and AIF management companies.



■ **Draft Law No 6845**

- transposing Directive 2014/91/UE of the European Parliament and of the Council of 23 July 2014 amending directive 2009/65/CE on the coordination of laws regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions
- amending :
 - the amended Law of 17 December 2010 on collective investment undertakings
 - the amended Law of 12 July 2013 on alternative investment funds managers

Submitted on 5 August 2015

Opinion of the Chamber of Commerce, 6 November 2015

Opinion of the Council of State, 19 January 2016

The draft law foresees several amendments, especially to the law of 17 December 2010 relating to undertakings of collective investments and to the law of 12 July 2013 on alternative investment funds managers. The draft law transposes faithfully and accurately the provisions of the directive. It clarifies the notion of the safekeeping of assets, regulates the regime of delegation and sub-delegation and introduces the obligation for the segregation of assets held in custody. Furthermore, in case of loss, the text provides an obligation to return financial instrument of an identical type or corresponding amount.

Concerning the harmonisation of rules on remuneration policies, the draft law foresees an obligation to apply remuneration policies in compliance with sound and effective risk management.

- **Draft Law No 6831** establishing companies with societal impact and amending article 6 of amended Law of 19 December 2002 concerning the register of Commerce and companies and the accounting and annual accounts of companies and amending some legal provisions, articles 112 and 161 of amended Law of 4 December 1967 on income tax, paragraph 3 of amended Law of 1 December 1936 on municipal business tax and paragraph 3 of amended Law of 16 October 1934 on net wealth tax

Submitted on 1 July 2015

Opinion of the Chamber of Commerce, 30 October 2015

Opinion of the Chamber of Employees, 3 November 2015

Opinion of the Luxembourg Union for social and solidarity economy, 9 November 2015

Governmental amendments, 13 November 2015

Additional opinion of the Luxembourg Union for social and solidarity economy, 26 November 2015

Additional opinion of the Chamber of Commerce, 10 December 2015

Additional opinion of the Chamber of Employees, 11 December 2015

The purpose of the draft law is to give Luxembourg companies aiming to follow social and societal goal a possibility to evolve in an adapted legal framework and to encourage their economic activities.

The provisions include the creation of a new type of companies transcending the classic division between private sector for commercial profit and voluntary sector for non-commercial profit.

■ **Draft Law No 6675**

- organising the State Information Service;
- amending the amended Law of 22 June 1963 establishing the regime for the remuneration of State functionaries; the Law of 31 May 2005 on the specific provisions for the protection of individuals with regard to the processing of personal data in the field of electronic communications; the Code of Criminal Procedure; the amended Law of 2 August 2002 on the protection of individuals with regard to the processing of personal data, and the Law of 15 June 2004 on the classification of documents and security clearance;
- repealing the Law of 15 June 2004 organising the State Information Service.

Submitted on 2 April 2014

Opinion of the Chamber of Commerce, 6 October 2014

Governmental amendments, 24 October 2014

Opinion of the Council of State, 19 December 2014

Opinion of the Chamber of Civil Servants and Public Employees, 11 February 2015

Governmental amendments, 18 March 2015

Additional opinion of the Chamber of Commerce, 21 April 2015

Opinion of the League for Human Rights, 22 May 2015

Additional opinion of the Chamber of Civil Servants and Public Employees, 18 June 2015

Additional opinion of the Council of State, 22 June 2015

Amendments adopted by the Committee on Institutions and Constitutional Amendment, 12 November 2015

- **Draft Law No 6675** is intended to define a new legal framework for the operation of the State Intelligence Service ("SIS"). With this goal in mind, new provisions were introduced with a view to establishing procedures for information gathering operations initiated by the SIS.

The measures provided for include research measures subject to internal authorisation (i.e. simple authorisation from the Director of the SIS) and research measures subject to external authorisation (i.e. by decision of a ministerial committee). Concerning banks, the measures provided for in the draft law enables the SIS to ask banking organisations for information relating to banking transactions conducted over a determined period, in respect of one or more bank accounts, by a person who is the subject of an information gathering measure.

- **Draft Law No 6595** on patrimonial foundations and amending the:

- the amended Law of 4 December 1967 on income tax;
- the amended Law of 16 October 1934 on wealth tax;
- the amended Law of 1 December 1936 on commercial tax;
- the amended Law of 31 May 1999 governing the domiciliation of companies.

Submitted on 22 July 2013

Opinion of the Council of State, 29 April 2014

Amendments adopted by the Finance and Budget Committee, 5 June 2014

Additional opinion of the Council of State, 7 October 2014

Finance and Budget Committee report, 3 November 2014

The draft law introduces into Luxembourg law an orphan structure called the “patrimonial foundation”, which will supplement the corporate or contractual schemes (e.g. fiduciary contracts, insurance contracts, etc.) commonly used for structuring and planning patrimonial and succession issues. In order to take into account the requirements of FAFT and the Global Forum on Transparency and Exchange of Information for Tax Purposes, the draft Law includes precise obligations concerning identification of the beneficial owners of patrimonial foundations, the availability and storage of information relating to this identification and to the accounting documents and cooperation with the relevant authorities.

- **Draft Law No 6539** on business preservation and modernisation of bankruptcy law

Submitted on 1 February 2013

Opinion of the Luxembourg District Court, 14 March 2013

Opinion of the Luxembourg State Prosecutor, 18 March 2013

Opinion of the Diekirch State Prosecutor - Dispatch from the Diekirch State Prosecutor to the General State Prosecutor, 18 March 2013

Opinion of the Chamber of Employees, 23 April 2013

Opinion of the Diekirch District Court, 30 May 2013

Opinion of the Public Prosecutor, 28 June 2013

Dispatch of the State Prosecutor to the Minister of Justice, 8 July 2013

Opinion of the Council of the Order of the Bar of Luxembourg, 8 August 2013

Opinion of the Association of Chartered Accountants, 3 October 2013

Opinion of the Chamber of Trades, 10 October 2013

Opinion of the Chamber of Commerce, 2 December 2013

Opinion of the Chamber of Civil Servants and Public Employees, 13 October 2014

Opinion of the National Commission for Data Protection, 20 November 2015

Opinion of the Council of State, 1 December 2015

The purpose of draft Law No 6539 is to create a number of measures intended to preserve businesses and modernise bankruptcy law. The draft law, which mainly draws on Belgian law, comprises a number of components: preventive and remedial, as well as repressive and social. The preventive component aims to avoid the inevitability of bankruptcy for businesses in difficulty. The remedial component must enable traders of good faith to have a second chance and contribute to the creation of a more propitious environment for a new start. The repressive component, on the other hand, must ensure that players of bad faith are not permitted to shirk their responsibilities and subsequently relapse.

- **Draft Law No 5730** modernising the amended Law of 10 August 1915 on Commercial Companies

Submitted on 8 June 2007

Opinion of the Institute of Company Auditors, 3 March 2008

Opinion of the Chamber of Commerce, 12 February 2009

Amendments adopted by the Legal Committee of the Chamber of Deputies, 7 May 2009

Opinion of the Council of State, 23 February 2010

Amendments adopted by the Legal Committee of the Chamber of Deputies, 2 April 2015

Opinion of the Council of the Order of the Bar of Luxembourg, 4 September 2015

The fundamental objective of the draft law is to complete the modernisation of Luxembourg company law initiated by the Law of 25 August 2006 on the European Company, the S.A. company with management board and supervisory board and the S.A. company with a single shareholder, as well as by the Law of 23 March 2007 amending:

- 1. the amended Law of 10 August 1915 on commercial companies;*
- 2. the Law of 19 December 2002 on the trade and companies register and the accounting and annual accounts of undertakings, and amending certain other legal provisions;*
- 3. the Law of 25 August 2006 on the European Company, the S.A. company with management board and supervisory board and the S.A. company with a single shareholder, and the Law of 23 March 2007 amending Articles*

271, 273bis and 276 of the amended Law of 10 August 1915 on commercial companies, both of which reform the matter of company mergers and divisions. The aim thereof is, essentially, to extend recourse to these restructuring techniques to all companies with legal personality and introduce techniques for the partial transfer of assets, universal transfers and diversification, as well as the transfer of professional assets and to enable a company governed by Luxembourg law to merge with a company governed by foreign law, provided the national law of the latter does not oppose this move.

European Agenda of Financial Sector Dossier

Dossier	Next Steps
Financial Market Regulation	
UCITS V	<p>State-of-Play: Published in the Official Journal</p> <ul style="list-style-type: none"> Published in the Official Journal L 257 of 28 August 2014. Level 2: ESMA sent its final advice on 28 November 2014. On 18 September 2015, ESMA sent its implementing technical standards on penalties and measures under UCITS V to the European Commission for endorsement. <i>The ESMA consultation on remuneration guidelines ran until 23 October 2015.</i> Commission: Delegated acts on depositaries adopted on 17 December 2015. Transmitted to the EP and the Council which have a first period of 3 months to approve or reject them. The delay to object has elapsed on 17 March. The Delegated acts will therefore be published in the coming weeks.
European Long-Term Investment Funds Regulation (ELTIF)	<p>State-of-Play: Published in the Official Journal</p> <ul style="list-style-type: none"> Published in the Official Journal L 123 on 19 May 2015. Level 2: The ESMA consultation on draft Regulatory Technical Standards ran until 14 October 2015. ESMA is to finalise and submit to the Commission the draft RTS which is currently expected by the end of January or early February.
MiFID and MiFIR	<p>State-of-Play: Published in the Official Journal</p> <ul style="list-style-type: none"> Published in the Official Journal L 173 of 12 June 2014. Level 2: ESMA submitted its final technical standards to the European Commission on 28 September 2015. The Commission has 3 months for endorsement. The content of the drafts and the process to adopt them are heavily criticised by Member States and Parliament resulting in delays. ESMA published draft ITS under MiFID II on 11 December 2015. Commission: Suggested to delay by one year the application date for the MiFID II package. The new deadline suggested 3 January 2018. Parliament and Council are now reflecting on these delays as well as a possible transposition delay and certain changes in MiFIR. The Commission has written to ESMA on 14 March in order to ask amendments to the RTS.
Central Securities Depositories Regulation	<p>State-of-Play: Published in the Official Journal</p> <ul style="list-style-type: none"> Published in the Official Journal L 257 of 28 August 2014. Level 2: The EBA consultation on draft Regulatory Technical Standards (RTS) on prudential requirements for CSDs ended on 27 April 2015. ESMA submitted its RTS to the European Commission on 28 September 2015. The Commission has 3 months for endorsement.
Transparency of Securities Financing Transactions	<p>State-of-Play: Trilogue agreement confirmed</p> <ul style="list-style-type: none"> Commission: Proposal published on 29 January 2014. Trilogue phase: The trilogue agreement reached on 17 June was confirmed by the Coreper on 29 June and the ECON Committee on 17 July. Next steps foreseen: Legal and linguistic review, formal adoption by the Parliament on 29 October 2015 and publication in the Official Journal of the EU took place on 23 December 2015.

Dossier	Next Steps
Financial Market Regulation	
Alternative Investment Fund Managers Directive (AIFMD)	<p>State-of-Play: Entered into force</p> <ul style="list-style-type: none"> Published in the Official Journal L 174 of 8 June 2011. Level 2: Application of the directive and the delegated acts: 22 July 2013. ESMA's opinion and advice on AIFMD passport and third country AIFMs were published on 30 July 2015 and scrutinised by the European Parliament on 13 October 2015. A new ESMA opinion is expected in March 2016. <p><i>The Commission is to start its review process of the AIFMD by 22 July 2017.</i></p>
Money Market Funds Regulation	<p>State-of-Play: Legislative phase</p> <ul style="list-style-type: none"> Commission: Proposal adopted on 4 September 2013. European Parliament: The European Parliament adopted its report in plenary session on 29 April 2015. Council: The work started in July 2014. Last Working Group: 1 December 2014. Latest draft Presidency Compromise text: 17 December 2014. In February and March 2016, under the NL Presidency, the 5 key Member States have been moving towards an agreement that is still to be presented in April to the whole Council working party.
Indices used as Benchmarks	<p>State-of-Play: Legislative phase</p> <ul style="list-style-type: none"> Commission: The Commission's proposal was published on 18 September 2013. European Parliament: The European Parliament adopted its report in plenary session on 19 May 2015. Council: A negotiating position was agreed upon on 13 February 2015. Trilogue phase: Trilogue agreement reached on 24 November 2015. <p>On 11 February 2016 the Commission sent a mandate to ESMA for technical advice on possible delegated acts concerning the future Regulation of the Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts.</p>
Packaged Retail Insurance-based Investment Products (PRIIPs)	<p>State-of-Play: Published in the Official Journal</p> <ul style="list-style-type: none"> Published in the Official Journal L 352 of 9 December 2014. Level 2: A second ESAs' Technical Discussion Paper (on risk, performance scenarios and cost disclosure for KIDs) was open to comments until 17 August 2015. A third discussion paper published on 12 November 2015 with deadline for comments on 29 January 2016. <p>EIOPA's technical advice on product intervention powers was published on 3 July 2015. The ESAs held a Public Hearing on KID for PRIIPs in Frankfurt on 9 December 2015 in support of this consultation. The closing date for stakeholder input was 29 January 2016. EIOPA will send its technical standards to the Commission on 31 March.</p> <ul style="list-style-type: none"> European Parliament: The European Parliament has held a debate on 23rd February to discuss the text and the timeline of these measures. The ESAs have reassured MEPs that they will deliver their RTS on 31st May. The Commission will then adopt them before June, leaving the European Parliament and the Council sufficient time to study them. In short although certain stakeholders have asked for a delay, it is now unlikely to be granted. <p>Important to note that certain stakeholders have asked for a delay to certain Member States are now favourable. We might see further discussions on this in the next few weeks.</p>



Dossier	Next Steps
Financial Market Regulation	
Capital Markets Union (CMU) Action Plan	<p>State-of-Play: Action Plan/Legislative phase</p> <ul style="list-style-type: none">• Commission: The Green Paper consultation ended on 13 May 2015 and a conclusive Conference was held on 8 June 2015. An Action Plan was published on 30 September 2015.• European Parliament: An exchange of views with Commissioner Hill was held on 24 February 2015 and 13 October 2015. Plenary debates took place on the 6 July and 7 October 2015.• Council: The ECOFIN Council adopted conclusions on the CMU on 19 June 2015. Action Plan has been discussed at ECOFIN on 6 October 2015. ECOFIN adopted its conclusions on 10 November 2015.
Review of the Prospectus Directive (CMU)	<p>State-of-Play: Waiting for legislative proposal</p> <ul style="list-style-type: none">• Commission: The Consultation ended on 13 May 2015. Proposal published on 30 November 2015.• European Parliament: Discussions in the Parliament were held on 15 February 2016. The Consideration of draft report will take place on 7 April 2016. The deadline for amendments will take place on 19 April 2016. The vote in ECON is scheduled for 13 June 2016.• Council: Presidency has made a priority of this file, already 4 meetings have been held.
Regulation on simple, transparent and standardised securitisation (CMU)	<p>State-of-Play: Legislative phase</p> <ul style="list-style-type: none">• Commission: The Consultation ended on 13 May 2015. Proposal was published on 30 September 2015.• Council: Agreement reached on 3 December 2015.• European Parliament: On 23/24 May 2016 an Exchange of views in ECON is scheduled. On 13/14 June 2016 and ECON Hearing is scheduled with EC, ESMA, EBA and stakeholders. The draft report should be presented on 13 July and the vote in ECON is scheduled for 28/29 November 2016.
Resolution and recovery for non-banks (CMU)	<p>State-of-Play: Waiting for legislative proposal</p> <ul style="list-style-type: none">• Commission: A proposal on resolution and recovery of CCPs is expected by S1 2016. A proposal on insurance undertakings and asset managers could be adopted in 2016.• European Parliament: The European Parliament adopted an Own Initiative Report on Recovery and Resolution for Non-Banks on 10 December 2013.
Creating an EU covered bond framework (CMU)	<p>State-of-Play: Consultation</p> <ul style="list-style-type: none">• Commission: The publication of a dedicated Green Paper has been announced. A consultation was launched on 30 September 2015. The consultation ran until 6 January 2016. A Commission hearing is scheduled for 1 February 2016. The Commission organised a Conference on Covered Bonds on 1 February 2016.

Dossier	Next Steps
Banking Supervision	
Reform of banking structure	<p>State-of-Play: Legislative phase</p> <ul style="list-style-type: none"> • Commission: Proposal published on 29 January 2014. • European Parliament: A first amended draft report, put to a vote on 26 May 2015, was rejected. Negotiations are ongoing but difficult. • Council: The ECOFIN Council adopted its General Approach on 19 June 2015.
Tax	
Common consolidated corporate tax base	<p>State-of-Play: Waiting for renewed proposal</p> <ul style="list-style-type: none"> • Commission: Legislative proposal published on 16 March 2011. As part of the Action Plan for Fair and Efficient Corporate Taxation announced on 17 June 2015, preparatory work has started on a renewed proposal, adopting a two-step approach (first common base, then consolidation) and made mandatory at least for multinationals. Public Consultation was launched on 8 October 2015 towards a new proposal for CCCTB and ended on 8 January 2016. Legislative proposal is expected by the summer. • European Parliament: Legislative resolution (non-binding opinion) adopted in Plenary on 19 April 2012. • Council: Work ongoing.
Savings Tax Directive	State-of-Play: Repealed
Amendment to the Directive on administrative cooperation in tax matters – Mandatory exchange of information on tax rulings	State-of-Play: Adopted
Financial Transaction Tax (enhanced cooperation)	<p>State-of-Play: Negotiations in enhanced cooperation procedure in the Council</p> <ul style="list-style-type: none"> • Commission: The new legislative proposal was published on 14 February 2013. In early December 2013 the Commission published a non-paper to answer the Council's legal opinion (see below). • European Parliament: Gave its consent to enhanced cooperation on 12 December 2012. The opinion on the legislative proposal was voted in the Plenary on 2 July 2013. • Council: Examination of the proposal is still going-on at the working group level and among the 11 participating Member States. At the Ecofin Council in December 2015, Estonia left the group of 11 and the rest agreed to set a deadline for June 2016 to finalise their work. • ECJ: On 18 April 2013 the UK Government lodged a formal legal claim at the European Court of Justice against the introduction of the EU FTT under the Enhanced Cooperation Procedure. This claim is based on the grounds that the existing proposal will impact countries not taking part to the initiative. The Court rejected the claim on 30 April 2014.



Dossier	Next Steps
Tax	
EU anti-BEPS: Council directive on rules against corpo- rate tax avoidance	<ul style="list-style-type: none">• Commission: Proposal published on 27 January 2016.• Council: Negotiations ongoing.• European Parliament: Draft report published.
EU anti-BEPS: Council directive to change the AEOI directive	<ul style="list-style-type: none">• Commission: Proposal published on 27 January 2016.

Payment Systems & ICT

Green Paper on Retail Financial Services	<p>State-of-Play: Consultation phase</p> <ul style="list-style-type: none">• Commission: On 2 September 2015, a Roadmap for the Green Paper was published. The publication of the Green Paper and the consultation took place on 10 December 2015. The deadline to submit comments is 18 March 2016. A public hearing organised by the European Commission was held on 2nd March. The Commission is expected to publish recommendations in Q2/Q3 2016.• European Parliament: The European Parliament will prepare an own initiative report. First exchange of views on 22 March. Presentation of draft report on 13/14 June ECON vote scheduled for 28 September 2016.
Green Paper on Payment (cards, mobile, internet)	<p>State-of-Play: Waiting for legislative proposal</p> <ul style="list-style-type: none">• Commission: Published on 11 January 2012 a Green Paper and a consultation (deadline April 2012). A public hearing took place on 4 May 2012. Proposals published on 24 July 2012 together with a proposal on MIFs. The Commission is currently reflecting on mobile payments and considering including this issue on the Green Paper on Retail Financial Services (see above).• European Parliament: Initiative report adopted on 20 November 2012.
Payment Service Directive	<p>State-of-Play: Trilogue agreement confirmed</p> <ul style="list-style-type: none">• Commission: The Commission published the proposal on 24 July 2013.• Trilogue: The trilogue agreement reached on 5 May 2015 was confirmed by the Coreper on 8 June 2015 and by the ECON Committee on 16 June 2015.• European Parliament: Formally adopted by the European Parliament on 8 October 2015.• Next steps foreseen: Formal adoption by the Council. The Directive will then be published in the Official Journal (OJ), and transposed into national law within 2 years from date of publication in the OJ.
Multilateral Interchange Fees	<p>State-of-Play: Published in the Official Journal.</p> <ul style="list-style-type: none">• Published in the Official Journal of the EU L 123 on 19 May 2015.

Dossier	Next Steps
Legal	
Anti-money laundering directive	<p>State-of-Play: Published in the Official Journal</p> <ul style="list-style-type: none"> Published in the Official Journal of the EU L 141 on 5 June 2015. Level 2: Public consultations on risk-based supervision guidelines and risk-factors guidelines were launched by the ESAs on 21 October 2015. The consultations ran until 22 January 2016.
General Data Protection Regulation	<p>State-of-Play: Legislative phase</p> <ul style="list-style-type: none"> Commission: Publication of the proposal for a regulation on 25 January 2012. European Parliament: A first reading position was adopted in Plenary on 13 March 2014. Council: The Justice and Home Affairs Council adopted its General Approach on 15 June 2015. Trilogue: Trilogue agreement took place on 15 December. Final approval and votes in EP and Council to take place by the end of April or May 2016. Publication in the Official Journal in May 2016.
Client Protection & Consumer Rights	
Investor Compensation Scheme Directive	<p>State-of-Play: Proposal withdrawn</p> <ul style="list-style-type: none"> Commission: Due to a political stalemate since 2011 and in a spirit of "Better Regulation", the Commission withdrew its proposal on 7 March 2015.
Deposit Guarantee Schemes Directive	<p>State-of-Play: Published in the Official Journal</p> <ul style="list-style-type: none"> Published in the Official Journal L 173 of 12 June 2014.
European Deposit Insurance Scheme (EDIS)	<p>State-of-Play: Legislative phase</p> <ul style="list-style-type: none"> Commission: Proposal for a regulation published on 24 December 2015. Council: The Dutch Presidency started work in January 2016. European Parliament: Named its rapporteur and work started in early 2016. European Parliament timeline: <ul style="list-style-type: none"> Early May: working document 23/24 May 2016: ECON hearing End of summer: draft report (after ECOFIN discussion on 17 June) 26 September 2016: presentation of draft report 6 October 2016: DL for amendments 9/10 November 2016: consideration of amendments 28/29 November 2016: ECON vote January 2017: possible plenary vote (unless trialogue process ongoing)
Payment accounts Directive: Directive on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features	<p>State-of-Play: Published in the Official Journal</p> <ul style="list-style-type: none"> Published in the Official Journal L 257 of 28 August 2014. Level 2: The consultation on the most representative services ended on 9 February 2015.

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