

CSSF reactivates IFM notifications on fund issues and large redemptions

Insights - 08/03/2022

In view of the specific circumstances and risks related to the situation in Ukraine, on 8 March 2022 the Commission de Surveillance du Secteur Financier (the **CSSF**) has issued a communiqué (the **CSSF Communication**) on the reimplementation [1] of the specific monitoring of the largest investment managers as of 25 February 2022 and reactivation of the investment fund managers' (the **IFMs**) notifications on fund issues and large redemptions.

All concerned IFMs have been and are individually contacted by the CSSF.

All IFMs in scope must notify the CSSF, via the eDesk platform, if the following occurs:

- significant events affecting the functioning of the IFM or the funds it manages, such as valuation and liquidity, as well as the impact of restrictive measures in response to the situation in Ukraine, if any
- larger redemptions at the level of Luxembourg regulated investment funds (UCITS, [2]Part II UCIs, [3]SIFs [4]) managed by the IFM, such as daily or weekly redemptions exceeding 5% or 15% of the NAV respectively, application of gates, or deferred redemptions

The notification has to contain significant developments and/or issues as well related decisions and measures taken.

Furthermore, additional information is required if the combined direct or indirect exposure of individual (sub)funds managed by the IFM towards Russian and/or Ukrainian issuers exceeds 10% of their total net assets.

The CSSF has highlighted that the process will remain in place until further notice. On the other hand, the "Early Warning" notifications, previously in place for a limited number of UCITS, have now been suspended.

In addition, CSSF has drawn attention to its previously issued guidance, more precisely the

frequently asked questions (FAQs) on the (i) COVID-19, (ii) swing pricing mechanism and (iii) the clarifications given on breaches of exposure limits, provided in section 11 of the 2010 Law.

Further details on the IFM notification, can be found in the dedicated section of the CSSF eDesk portal.

Should you have any further questions, please contact a member of our Luxembourg team.

[1] These measures were initially put in place by the CSSF on 10 March 2020, when it was requested to IFMs to notify similar information related to the COVID-19 situation, and has been terminated end of July 2021

[2] Undertakings for collective investment in transferable securities

[3] Undertakings for collective investment governed by Part II of the 2010 law

[4] Specialised investment funds

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