



Deadline Alert: Stay on Top of IFMs' Reporting to CSSF

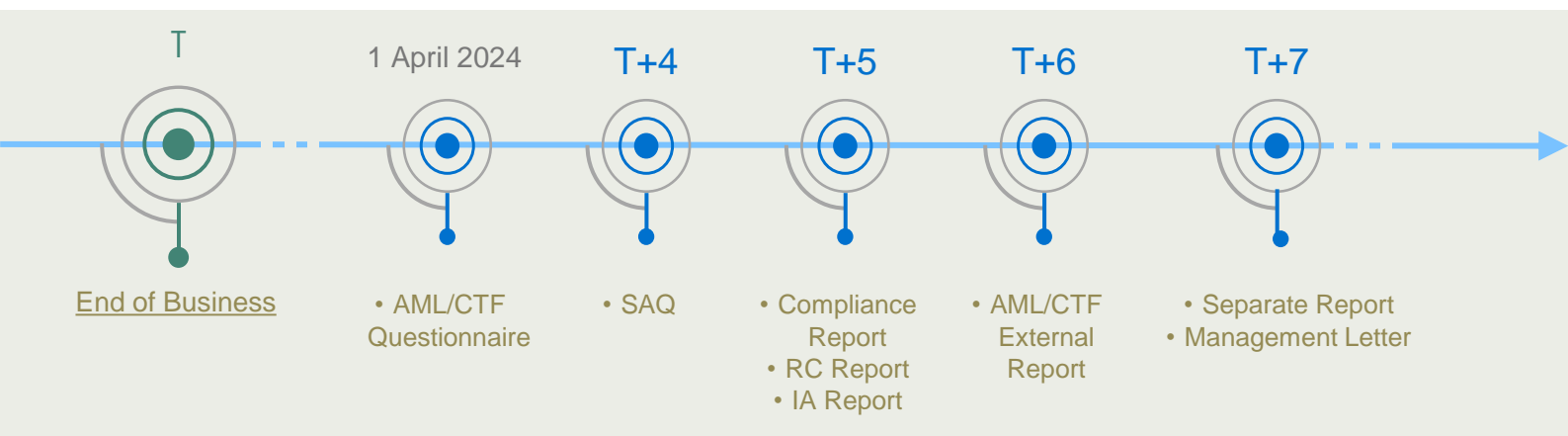
Reporting made easy: a guide for IFMs in meeting CSSF requirements for reporting

Mazars in Luxembourg

Reporting to CSSF

The Commission de Surveillance du Secteur Financier (CSSF) requires all authorised Investment Fund Managers (IFMs) incorporated under Luxembourg law to submit reports throughout the year to ensure compliance with applicable laws and regulations.

This Tender provides a comprehensive overview of the key reporting requirements for IFMs, including detailed descriptions of each report, deadlines for submission, ownership of the reporting process, and submission requirements.



| | When? | Owner: | How? |
|--|--|--|--|
| I. AML/CTF Questionnaire | 1 April 2024 | RC* / RR** | eDesk by responsible persons of the IFM |
| II. RC Report | T + 5 months | RC* | (i) e-file communication platform or (ii) Sofie communication platform (iii) eDesk by responsible persons of the IFM |
| III. Compliance Report | T + 5 months | RC* | (i) e-file communication platform or (ii) Sofie communication platform |
| IV. Internal Audit Report | T + 5 months | Person responsible for the internal audit function | (i) e-file communication platform or (ii) Sofie communication platform |
| V. Audited Annual Accounts | Approved audited annual accounts + 1 month (max T+ 7 months) | Responsible persons of the IFM | (i) e-file communication platform or (ii) Sofie communication platform |
| VI.(i) SAQ | T + 4 months | Responsible persons of the IFM | eDesk by responsible persons of the IFM |
| VI.(ii) AML/CTF External Report | T + 6 months | RC* / RR** | eDesk by responsible persons of the IFM |
| VI.(iii) Separate Report | T + 7 months | REA*** | eDesk by responsible persons of the IFM |
| VI.(iv) Management Letter | T + 7 months | REA*** | eDesk by responsible persons of the IFM |

*RC: "responsable du contrôle du respect des obligations professionnelles", **RR: "responsable du respect des obligations professionnelles", ***REA: "réviseur d'entreprises agréé"

I. AML/CTF Questionnaire

> What?

- The goal is to gather consistent essential data regarding the risks of money laundering and terrorism financing (ML/TF) that professionals under CSSF supervision may face, as well as the measures being taken to reduce these risks.
- The survey, which is available via eDesk, that spans multiple sectors helps CSSF to continuously evaluate the ML/TF risks present in the financial sectors it oversees and is a component of the risk-based supervision approach for AML/CFT that CSSF has established.

> By when and how?

- Responses to the survey inquiries must be submitted by the RC, RR or a delegated employee via the CSSF eDesk platform no later than **1 April 2024**.

II. RC Report

> What?

- The RC shall prepare a summary report detailing how well the IFM has fulfilled its professional obligations in this regard. The report must provide a summary of the institution's AML/CFT policies, procedures, and controls, as well as an assessment of their effectiveness.
- The report should also include information on the institution's risk assessment, customer due diligence measures, ongoing monitoring procedures, and reporting of suspicious transactions.
- The report should highlight any significant weaknesses or deficiencies in the institution's AML/CFT framework and provide recommendations for improvement.

> How?

- For entities subject to CSSF Circular 19/708 as amended by CSSF Circular 21/790, the AML/CFT RC report should be transmitted via: (i) e-file communication platform; or (ii) Sofie communication platform.
- For registered AIFMs, such reports must be transmitted via the eDesk module "Submission of information related to AML supervisory measures" with the specific mention "AML/CFT RC report".

> By whom?

- The Report must be prepared by the person responsible for ensuring AML/CFT compliance at the management level. The CSSF therefore also expects that the AML/CFT report is dated and signed by the Compliance Officer.

> By when?

- The report shall be sent to the CSSF **within five months** following the end of the IFM's financial year-end, covering the previous year.



The report must be submitted for approval to the institution's management / governing bodies before it is sent to the CSSF.

III. Compliance Report

> What?

- The Compliance Officer shall prepare a summary report on his/her activities and his/her operation. As far as the operation of the compliance function is concerned, the report must mention the nature and level of reliance on external experts, as well as any problems which may have occurred in this context.
- The Report shall include among others: (i) the description and assessment of the organisation of the permanent compliance function, (ii) the description of the main objectives and work carried out by the compliance function during the financial year (iii) the description of the compliance monitoring plan adopted using a risk-based approach (iv) the list of the main recommendations made to the senior management of the IFM.

> By when and how?

- The Report must be submitted by a responsible person of the IFM via the (i) e-file communication platform; or (ii) Sofie communication platform **within five months** following the end of the financial year of the IFM.

IV. Internal audit report

> What?

- The Report shall include a summary report of the activities performed annually by the person responsible for the internal audit function. The report must include a statement to the senior management of the main recommendations on significant problems (existing or emerging), shortcomings and irregularities identified since the last report, the measures taken in this respect as well as the statement on the significant problems, shortcomings and irregularities identified in the last report but which have not yet been subject to appropriate corrective measures.
- The report shall cover compliance with the AML/CFT professional obligations.

> By whom?

- The IFM must communicate beforehand to the CSSF the name of the person responsible for the internal audit function supplemented by the following pieces of information and any other document which might be subsequently indicated by the CSSF.

> By when and how?

- The Report must be submitted by a responsible person of the IFM via the (i) e-file communication platform; or (ii) Sofie communication platform **within five months** following the end of the financial year of the IFM.



The reports must be submitted for approval to the institution's management / governing bodies before it is sent to the CSSF.

V. Audited Annual Accounts

> What?

- The IFM must spontaneously transmit the audited annual accounts and written comments issued by the REA in the context of its audit of the annual accounting documents.

> By when and how?

- Upon a review and validation from the responsible persons, the Audited Annual Accounts shall be submitted by the responsible person of the IFM via e-file communication platform or Sofie communication platform on an annual basis **within one month following the ordinary general meeting that approved the annual accounts** of the IFM and **at the latest seven months** following the closing date of the IFM's financial year.

VI. CSSF Circular 21/788 and CSSF Circular 21/789, as amended

CSSF Circular 21/788¹ and CSSF Circular 21/789², as amended clarify the annual requirements for in-scope entities to provide:

- (i) **Self-Assessment Questionnaire (SAQ)** - completed by the management body / senior management (“responsible persons”), submitted by the IFM via eDesk
- (ii) **AML/CTF External Report** - completed by the REA, submitted by the IFM via eDesk
- (iii) **Separate Report** - completed by the REA, submitted by the IFM via eDesk
- (iv) **REA Management Letters** - completed by the REA, submitted by the IFM via eDesk

> (i) SAQ

What?

- The self-assessment questionnaire is available in the eDesk portal and includes questions on predefined topics. Its main purpose is to request IFMs to perform a self-assessment of their compliance with the legal and regulatory requirements.
- The responsible persons is accountable for the content of the self-assessment questionnaire.

By when and how?

- Upon a review and validation from the responsible persons, the SAQ shall be submitted by the responsible person of the IFM via eDesk on an annual basis **within four months** after the closing of the annual accounts³.

> (iii) Separate Report

What?

- The REA is required to review on an annual basis certain questions of the SAQ and to complete on that basis a separate report (the SAQ Report) which is available via eDesk.

By when and how?

- Shall be submitted by the responsible person of the IFM via eDesk on an annual basis **within seven months** after the closing of the annual accounts³.

> (ii) AML/CTF External Report

What?

- The report covers key AML/CFT controls adapted to the specificities of the entity in scope: (i) A section concerning the corroboration of answers given by the supervised entity in scope in the context of the CSSF annual AML/CFT online survey. (ii) A section dedicated to sample testing or specific work to be performed by the external AML/CFT expert.

By when and how?

- Upon a review and validation from the responsible persons, the report shall be submitted by the RR, RC or by a member of the Board of Directors/Managers via eDesk on an annual basis **within six months** after the closing of the annual accounts³.

> (iv) Management Letter

What?

- The letter is available via eDesk and shall include significant items (main weaknesses identified or points needing improvement). These findings shall be comprehensive and accompanied by a detailed remediation plan and related timetable.

By when and how?

- Shall be submitted by the responsible person of the IFM via eDesk on an annual basis **within seven months** after the closing of the annual accounts³.

¹ **CSSF 21/788:** Guidelines for the Collective Investment Sector on the CSSF AML/CFT external report.

² **CSSF 21/789, as amended:** Practical rules concerning the SAQ to be submitted annually IFMs. Engagement of the REA of IFMs and practical rules concerning the management letter and the separate report to be drawn up annually.

³ The requirements relating to the procedures and requests to the CSSF via the eDesk Portal are detailed in CSSF Circular 19/721.

How can Mazars help you in practice?

Mazars team is available for any question and will assist clients in the swift and efficient way to ease the implementation of those requirements.

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*Where permitted under applicable country laws

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