

Circular CSSF 24/853 on the revised long form report for investment firms

BACKGROUND INFORMATION

On 6 February 2024 the CSSF published *Circular CSSF 24/853* revising the framework of the long form report applicable to investment firms (the “**IF**”) and amending the scope of application of Circular CSSF 03/113 regarding the practical rules for IFs’ Réviseurs d’Entreprises Agréés (REA) in investment firms.

The revision of the long form report is the result of a reconsideration of its objective, scope and content in order to align it with supervisory and prudential points of focus of the CSSF. The updated LFR aims to provide the CSSF with pertinent information regarding IFs’ adherence to key regulatory requirements.

WHAT IS NEW

The Circular introduces key aspects of the revised long form report (the “**LFR**”). The LFR shall apply on individual basis only and comprises four parts to be produced by IFs on a yearly basis:

- **Self-Assessment Questionnaire (SAQ)** to be filled out by the IFs with respect to governance and MiFID topics. This will be composed of a “general information” section and 6 thematic sections that will be active or not depending on the answers provided to the general section.
- **Agreed-Upon Procedures report (AUP report) to be prepared by the REA of the IF**

Each year, the annual AUP report shall cover specific MiFID aspects, while a three-year cycle shall ensure comprehensive coverage of all relevant MiFID areas over a period of 3 years.

- **Separate report on protection of financial instruments and funds belonging to clients (MiFID report) to be prepared by the REA.**

The purpose of this report is to assess the reliability of the answers provided by the IFs in the SAQ.

- **Separate report on the procedures set up by IFs concerning anti-money laundering and countering the financing of terrorism (AML/CFT report) to be prepared by the REA.**

The objective of this report is to ensure compliance with Chapter 5 Part II of the law of 5 April 1993, as amended, AML/CFT law of 12 November 2004, as amended, Grand-Ducal Regulation 2010, Regulation (EU) 2015/847, CSSF regulations and circulars.

SUBMISSION PROCEDURE

The completion and submission of the reports must be performed using **online forms** to be uploaded through a dedicated channel via the eDesk online portal of the CSSF.

The long form report can be submitted to the CSSF via the following channels:

- An online solution via eDesk procedure for manual input by the investment firms;
- An API solution based on the submission of a structured file (json format) through S3 (“simple storage service”) protocol, allowing to pre-populate the questionnaire in order to ease the process. This file will then pre-fill the questionnaire available on the CSSF eDesk platform. The entity will also be able to update directly in eDesk the data prefilled through S3.

In order to allow for a gradual implementation of the revised framework, Circular CSSF 24/853 will become applicable in a staggered manner:

- for the financial year ending 31 December 2023, all Class 2 IF incorporated under Luxembourg law, including their branches and certain Class 3 IF will be required to submit the revised LFR, whereas all other investment firms will remain subject to Circular CSSF 03/113.
- for financial years ending after 31 December 2023, all investment firms will have to submit the revised LFR in accordance with Circular CSSF 24/853.

APPLICABLE DEADLINES

Self-Assessment Questionnaire:

- **must be approved and electronically signed by the authorised management** before submitting it to the CSSF;
- to be transmitted on an annual basis in an electronic form:
 - within four months after the end of the financial year for the financial years ended on 31 December 2023;
 - within three months after the end of the financial year for the financial year ended after 31 December 2023;

Reports prepared by REA:

The AUP report(s), the MiFID report and the AML/CFT report:

- must include the digital signature of the partner in charge of the mandate with the audit firm she/he represents;
- the AUP report(s):
 - are submitted by the REA to the IF;
 - IF can provide comments on the finding identified, that do not form a part of the AUP report;
 - must be submitted subsequently by the IF to the CSSF;
- the MiFID report and the AML/CFT report:
 - are submitted by the REA to the IF;
 - IF submits them consequently to the CSSF;
- All three reports to be transmitted electronically to the CSSF:
 - within seven months after the end of the financial year, for the financial year ending 31 December 2023,
 - within six months after the end of the financial years after 31 December 2023

A user guide “Authentication and user account management” will be available to investment firms via the eDesk portal of the CSSF.