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Luxembourg, 7 April 2020

Circular letter 20/8 of the Commissariat aux Assurances (Insurance Commission) introducing new control statements for PSAs exercising a domiciliation activity and amending circular letter 15/6 of the Commissariat aux Assurances relating to the reporting of professionals of the insurance sector (PSA)

Article 4(a) of the amended Law of 7 December 2015 on the insurance sector (hereinafter the 'Law') provides that the Commissariat aux Assurances (hereinafter the 'CAA') issues instructions with regard to the accounting and other documentation to be forwarded to the CAA by those natural and legal persons of the insurance sector which are approved in the Grand Duchy of Luxembourg. Point b) of the same article provides that the CAA may request that authorised persons provide all information and documentation deemed useful or necessary for the exercise of its supervision.

Article 2(1) of the amended Law of 12 November 2004 on the fight against money laundering and terrorist financing (hereinafter the "AML/CFT Law") states that PSAs fall within its scope.

Article 8 (2) of the AML/CFT Law provides that the CAA is vested with all the supervisory and investigative powers necessary for the exercise of its functions as defined in Article 2 (1) of the AML/CFT Law, including the right of access to any document in any form whatsoever and to receive or take copies thereof and the right to request information from any person subject to its supervisory powers.

All PSAs are therefore now required to provide an organisation chart that is up to date on the date the report is submitted, dated and signed by the authorised manager and showing the direct and indirect shareholders of the PSA up to the beneficial owner(s) as well as their holdings and branches if applicable.

In accordance with Articles 264 paragraph 6 and 265 paragraph 3 of the Law, any management company of captive insurance undertakings and any management company of reinsurance undertakings may operate as a corporate domiciliation agent within the meaning of the legislation governing the domiciliation of companies, i.e. agree to the establishment of an office at its address by one or more companies, in which it is not itself a partner exercising significant influence on the running

of the business, in order to carry out business within their corporate scope and to provide services of any kind connected with that activity.

Article 1 of the amended law of 31 May 1999 governing the domiciliation of companies indicates that when a company establishes a registered office with a third party in order to carry on an activity within the framework of its corporate purpose and that this third party provides any services related to this activity, the company and this third party, called domiciliation agent, are required to conclude a written domiciliation agreement.

The CAA considered it appropriate to add two new columns to modules FR_E1, FR_E3 and FR_E3a in order to identify captive insurance undertakings and reinsurance undertakings which are domiciled with management companies of captive insurance undertakings and management companies of reinsurance undertakings.

A new module FR_E5 has also been introduced in the PSA report to identify companies domiciled with management companies of captive insurance undertakings and management companies of reinsurance undertakings which are neither captive insurance undertakings nor reinsurance undertakings.

Thus, the report of the professionals of the insurance sector (PSA) has been modified as follows:

- Module EN_A section 8: Organisation chart
PSAs are now required to attach an organisation chart that is up to date on the date of the report, dated and signed by the authorised manager and showing the direct and indirect shareholders of the professional of the insurance sector, the nature of the holding relationship (shares, voting rights) and the percentage of ownership up to the beneficial owner(s) and its holdings and branches if applicable.
- Addition of the following two columns to modules FR_E1, FR_E3 and FR_E3a :
 - o Is the company domiciled with the management company?
 - o Effective date of the domiciliation agreement
- Addition of a module FR_E5 in which all companies domiciled with management companies of captive insurance undertakings and management companies of reinsurance undertakings which are not included in modules FR_E1, FR_E3 and FR_E3a shall be filled in.

Consequently, circular letter 15/6 of the Commissariat aux Assurances (Insurance Commission) relating to the report of professionals of the insurance sector (PSA) is amended as follows:

- Point (d) of section 1.2 under the heading "1. General" now reads as follows: "an organisation chart".
- Section A.8. under the heading "2. The Information Sheet" now reads as follows:

" Organisation Chart
Attached to the information sheet must be an organisation chart updated on the date of the submission of the report, dated and signed by the authorised manager and showing the direct and indirect shareholders of the professional of the insurance sector as well as the nature of

the holding relationship (shares, voting rights) and the percentage of ownership up to the beneficial owner(s) as well as his holdings and branches if applicable. »

A coordinated version of Circular Letter 15/6 is available on the CAA website.

The provisions of this Circular Letter are applicable for the first time for the report on the financial year 2019.

For the Management Committee,

Claude WIRION

Director