



Investment Funds: shielding from the new supervision paradigm

Following waves of enhanced regulation... Now come the controls. Are you prepared?

Harmonisation and convergence

Achieving supervisory convergence is one of the top priorities of the European Supervisory Authorities (EBA, EIOPA, ESMA). Convergence means fighting regulatory discretion to reach a level playing field of high quality regulation and supervision across Member States. It also means increased cooperation and exchange of information between local regulators when it comes to supervised entities. Clearly, the rules of the game have changed.

Authorise, supervise, control, sanction

"If a financial institution does not abide by EU rules in the area of financial services, traders and executives must realise that they won't get away with it and that the response will be tough, wherever in Europe the violation occurs". Former Commissioner Barnier set the tone. New regulations make it possible: be it UCITS V, MiFID II or MAR, PRIIPS or SFTR, all new regulation foresees an enhanced sanctions regime. Whether administrative, criminal, individual or targeted towards a company, sanctions are there to hurt and deter. As a result, the investment industry increasingly faces the need to anticipate potential violations and pre-empt regulator procedures.

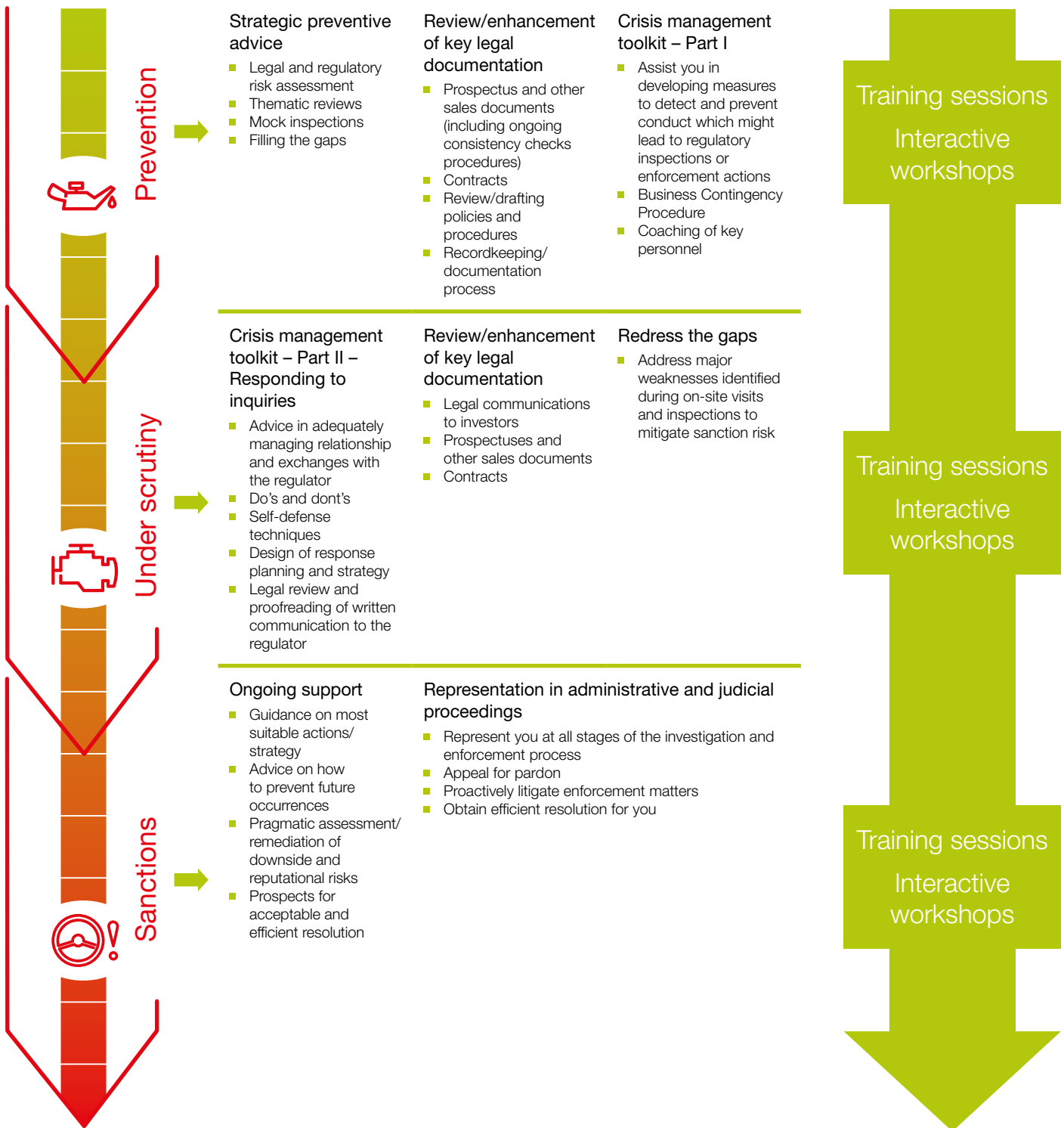
More on-site inspections... but not only

"Our great upcoming challenge is to increase on-site visits and controls" declared Claude Marx, the new CEO of the Luxembourg regulator, the CSSF, setting out its top priorities before adding: *"A sanction shall hurt and amounts must be higher; in that respect the bill of law on sanctions is welcomed"*. Luxembourg and the CSSF are therefore fully aligned with the new European supervisory paradigm and have expressed their willingness to deploy all of their investigation arsenal, including also questionnaires and whistleblowing.

Teaming up with the right partner

Whether you are not currently subject to a CSSF review but wish to adopt a preventive approach, already under scrutiny or subject to a sanction procedure, our modular legal and consultancy services are available to support your organisation along the prevention, enforcement and litigation paths. Our value-added and differentiating factors lie in the unique combination our teams of seasoned advisors and experienced lawyers offer, dealing on a daily basis with the challenges you face.

A gradual approach covering the full spectrum



Arendt & Medernach works hand in hand with Arendt Regulatory & Consulting to provide a combined approach of legal advice and regulatory and compliance services. This approach, which is unique in Luxembourg, meets the growing needs of clients for complete support and provides them with true benefits and efficiency.

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