

**COMMISSION FOR THE SUPERVISION
OF THE FINANCIAL SECTOR**

Non official translation from the French original

CSSF CIRCULAR 12/540

Luxembourg, 9 July 2012

To all Luxembourg undertakings for
collective investment

**Re: Non-launched compartments, compartments awaiting reactivation
and compartments in liquidation**

Ladies and Gentlemen,

This Circular concerns undertakings for collective investment ("UCIs") subject to the Law of 17 December 2010 on undertakings for collective investment or the Law of 13 February 2007 on specialised investment funds. Its purpose is to provide clarification regarding, on one hand, the compartments of UCIs that have been approved by the CSSF but which have not yet been launched following their approval and which have become inactive after their launch or which are in liquidation and, on the other hand, the information to be transmitted to the CSSF in this regard.

Please note that the information refers only to compartments of UCIs and not to classes of units within the compartments.

1. Scope

1.1. Compartment not launched since its approval ("non-launched compartment")

A compartment is considered as non-launched since its approval by the CSSF if that approval is not promptly followed by an issue of its units. If the compartment appears in the current prospectus/offering document of the UCI concerned, it may remain therein, subject to the conditions under point 2 below.

1.2. Compartment launched but having become inactive (compartment "awaiting reactivation")

A compartment launched and functioning may become inactive following the full redemption of its units by the UCI if the compartment is not followed by a prompt reactivation and new subscriptions and issues of units. It is thus kept without assets (cash and securities) and may remain in the prospectus/offering document of the UCI concerned, subject to the condition under point 2 below.

1.3. Closed compartments/compartments in liquidation

If the board of directors of an investment company or a management company decides to liquidate a compartment of a UCI, the compartment must be removed from the prospectus/offering document of the UCI concerned at its next update, which must take place at the latest 6 months following the date of the decision of the liquidation. It is specified that the decision of a board of directors of an investment company or of a management company to close a compartment by realising and distributing all the assets to investors is to be considered as a liquidation and the procedure mentioned above has to apply.

2. Clarification on the period of existence of "non-launched" compartments and compartments "awaiting reactivation"

The CSSF wishes to clarify that a "non-launched" compartment or a compartment "awaiting reactivation" will have **eighteen months** (i) starting from the date of the CSSF's approval letter of the relevant compartment to be launched, or (ii) starting from the date on which it became inactive to be reactivated.

The compartments existing and "non-launched" or "awaiting reactivation" at the date of the publication of this Circular will also have **eighteen months** from the date of publication either to activate or reactivate the compartment, as appropriate.

The CSSF distinguishes between two situations where, at the end of that period of eighteen months (the "**Due Date**"), a "non-launched" compartment has not been launched or a compartment "awaiting reactivation" has not been reactivated:

- a. If the compartment is not contained in the current prospectus/offering document of the UCI concerned, the CSSF will consider the proposed launching of this compartment as abandoned.
- b. If the compartment is contained in the current prospectus/offering document of the UCI concerned, it must be removed from this prospectus/offering document at its next update (the update must take place no later than 6 months following the Due Date) and the marketing documents must be adapted.

3. Information to be transmitted to the CSSF ("unique reporting")

In order to allow the CSSF to be in possession of current information on the approved compartments of a UCI, UCIs are required to complete the form published for this purpose on the website of the CSSF indicating (all) the compartment(s) approved but non-launched and the compartment(s) awaiting reactivation and the compartment(s) still contained in the prospectus/offering document but whose liquidation/closure has been decided or which have been closed. UCIs which do not have compartments which are "non-launched", "awaiting reactivation" or in liquidation are required to indicate this on the same form.

The form to be used for this purpose may be downloaded from the following address: <http://www.cssf.lu/fileadmin/files/Formulaires/compartimentsinactifs.xls>. The form must be transmitted by e-mail to the e-mail address comp@cssf.lu or via one of the electronic channels authorised by the CSSF.

This unique reporting form must be submitted to the CSSF by **Monday, 15 October 2012** at the latest and must refer to the **situation at the end of the month of September 2012**.

Moreover, it should be noted that this unique reporting must be transmitted in addition to the communication of the financial information regarding the approved and activated compartments which must be provided pursuant to IML Circular 97/136 "Financial information for the IML and Statec" and CSSF Circular 07/310 "Financial information to be provided by specialised investment funds", as amended by CSSF Circular 08/348.

For any question regarding this Circular please contact Mr Nico Barthels (telephone: 26 25 12 49, e-mail: nico.barthels@cssf.lu).

Yours faithfully,

COMMISSION FOR THE SUPERVISION OF THE FINANCIAL SECTOR

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