

## UP TO DATE COMPLIANCE NEWS FOR INVESTMENT MANAGERS PASSPORTING INTO LUXEMBOURG

### Special Edition: CSSF announcement regarding UK firms' position in Luxembourg post-hard Brexit

The Luxembourg regulator, Commission de Surveillance du Secteur Financier (CSSF), has issued a [Press Release 19/34](#) reminding firms that those operating under CRD, MiFID II, PSD 2 or EMD in the UK will be considered “third-country firms” following a ‘hard Brexit’. As such, the relevant EU Directives and their existing passporting rights derived from them also will cease from the date the UK leaves the European Union.

#### **UK firms should take the necessary steps to prepare and anticipate the consequences of a possible hard Brexit.**

If a UK firm wishes to continue their business and conclude new contracts in Luxembourg post-hard Brexit they are required to submit an authorisation application to the CSSF as soon as they possibly can. These applications can take up to 12 months to result in authorisation and should a UK firm fail to receive the necessary authorisation by the date of a hard Brexit the firm will be required to cease all business.

With respect to existing activities, Brexit laws mean the CSSF will allow those UK firms currently using an EU passport to provide financial services in Luxembourg to continue their activities during the transitional regime – a limited time period after the occurrence of a hard Brexit. The transitional regime has a limited scope and only applies to a hard Brexit scenario and only to existing contracts entered into before Brexit as well as contracts entered into post Brexit but closely related to existing contracts.

#### **The CSSF has set the transitional period at 12-months following the date of Britain’s hard exit from the European Union.**

UK firms planning to continue their existing contracts in Luxembourg under the transitional regime will have to notify the CSSF accordingly. Firms and investment funds planning to use the 12-month transitional regime must make their notification no later than **15<sup>th</sup> September 2019**. Dedicated “Brexit Notification” forms are available through the eDesk portal accessible at <https://www.cssf.lu/edesk>. Any date indicated on these Brexit Notifications forms assumes the occurrence of a no-deal Brexit on 31 October 2019.

Please refer to the CSSF Press Release 19/34 [here](#). Please contact us should you have any questions about the CSSF press release and how it impacts your passporting rights into Luxembourg.

