

Brexit: Mandatory notifications to the Luxembourg regulator for firms, UCIs and their managers established in the UK



Mr. Vivian Walry
Partner



Mr. Aurélien Hollard
Partner

vivian.walry@cms-dblux.com Aurelien.Hollard@cms-dblux.com

With respect to the [Brexit Laws issued on 8 April 2019](#), the Luxembourg regulator ("CSSF") issued yesterday two reminders addressed respectively to all [firms currently authorised under CRD, MiFID II, PSD 2 or EMD in the United Kingdom](#) and to [UCIs and/or their managers, also established in the UK, that are currently authorised entities under Directive 2009/65/EC \("UCITS Directive"\) and/or Directive 2011/61/EU, \("AIFM Directive"\)](#).

In the event of a so-called "Hard Brexit", these firms and entities will be considered as "third-country entities" meaning they will lose the benefit from passporting rights and therefore be exposed to sanctions if they pursue regulated activities in Luxembourg without a proper authorisation.

To address this issue, the Luxembourg legislator and the CSSF have decided to set a transitional period of 12-months following the date of a hard Brexit. To benefit from this period, all firms and entities that intend to continue their activities in Luxembourg are required to notify the CSSF via the notification portal to be opened on the CSSF website in the coming weeks.

UCIs and/or their managers

Notifications will have to be made no later than 15 September 2019.

These entities will then be required to submit to the CSSF before 31 October 2019 either:

- the corresponding application for authorisation;
- the corresponding notification or information on any action taken otherwise, depending on the nature of the activities they intend to pursue after the occurrence of a hard Brexit;
- the steps undertaken to address the loss of passporting rights.

Within 10 business days of the submission of the required information, the CSSF may, on a case-by-case basis, grant impacted entities the possibility to continue their activities in Luxembourg during the transitional period.

Entities that are currently authorised in the United Kingdom under both the UCITS Directive and the AIFM Directive will be required to proceed with a Brexit notification for both licenses.

Entities that have already submitted an application for authorisation with the CSSF in anticipation of a hard Brexit are also required to submit a Brexit notification.

Firms currently authorised under CRD, MiFID II, PSD 2 or EMD

Notifications will have to be made no later than 15 September 2019. The CSSF will assess each notification received and verify that the conditions of the Brexit laws are met, notably that the firm has duly passported its services to Luxembourg in the past and that the information on their activities is coherent and sufficiently detailed.

The CSSF expects that UK firms and entities have already taken the necessary steps to prepare and anticipate the consequences of a possible hard Brexit. Should it not be the case, CMS Luxembourg Investment Funds and Regulatory teams are at your disposal to answer any questions you may have on this process.