

Annual Report

2022



Association des Banques et Banquiers, Luxembourg
The Luxembourg Bankers' Association
Luxemburger Bankenvereinigung

The Association des Banques et Banquiers Luxembourg (ABBL) represents the entire banking sector in Luxembourg, encompassing a broad range of institutions and activities. Our mission is to promote the sustainable development of regulated, innovative and responsible banking services.

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“It is our job to reconcile the very short and very long-term horizons and match individual aspirations with collective opportunities”



Guy Hoffmann
Chairman of ABBL

Dear fellow citizens,

In the increasingly chaotic world we live in, your Luxembourg bankers contribute to the pursuit of sustainable development, by offering reliable financial services at the heart of Europe.

Is chaotic too strong a word? **Day after day, we are confronted with worrying news.** The war in Ukraine continues to rage at our doorstep, bringing unspeakable misery, whereas other tensions and conflicts brew in more distant geographies. Environmental catastrophes due to climate change also make the headlines, from storms to draughts and fires, striking ever closer to our homes. Vulnerable populations around the world are displaced by fear and hunger, and often seek refuge in Europe's prosperous democracies. Who would blame them?

Yet within Europe itself, people are worrying about their future. And sometimes their immediate future. We haven't quite seen the end of Covid, and already rising inflation and

interest rates have dented our purchasing power, affecting plans to buy a house or a car, pay for our children's education or the family's vacations. And, in a context of growing inequalities, many of our fellow Luxembourgers and Europeans are finding it hard to make ends meet.

All these pressing issues make it all the **more important to continue the pursuit of sustainable development.** Such long-term thinking may seem counter-intuitive when one faces short-term problems. Yet we all know, deep down, that we can only deal with these challenges collectively, not through selfish individual actions.

But how can Luxembourg's bankers be part of the solution, you may be wondering?

Well, as financial intermediaries, it is precisely our job to reconcile the very short and very long-term horizons and match individual aspirations with collective opportunities.

Your bankers, and the many other professionals working in the banking industry, are constantly growing their talent to serve a diversity of clients, from families to companies and institutions, both public and private. They anticipate and digest good and bad news, market trends and policy decisions, regulatory developments, and technological innovation... and simply integrate all this into the services they provide on a daily basis. And the beauty of their work is that most of the time you hardly notice it, and even take it for granted.

Yes, sometimes we observe glitches or even accidents. We hear about banks that have made mistakes, investing too heavily in promising start-ups or real-estate developments. Or accepting customers they would rather not have accepted. But these are exceptions that precisely demonstrate that **people expect banks to adhere to the most stringent standards.**

In reality, every day, consumers make millions of payments and transactions, in shops or online. They use their smartphones and hardly think twice. Sometimes they will pause to track their budget, save money for later projects, or consider investing in something bigger. Every day, companies buy and sell goods, pay their employees and suppliers, manage their cashflow, invest in new equipment. Every day households or companies get loans to fund their projects. Every day, asset managers invest in the future and report their earnings to countless beneficiaries. Every day, the State collects taxes and transfers funds for public services. All this happens thanks to a reliable banking infrastructure.

And how does all this contribute to sustainable development? By fostering trust.

The United Nations have defined 17 sustainable development goals that serve as a universal guide, from “No Poverty” to “Partnerships for the Goals”, through “Quality Education”, “Gender Equality” and “Peace, Justice and Strong institutions”, to name but a few.

In discussions about sustainable development, most people focus on the environment, and especially climate change, which is obviously one of the biggest challenges the planet is facing. Yet “Climate Action” is only one of the 17 goals, indeed goal n°13. And it cannot happen in isolation, we must tackle all the challenges systemically.

In business circles, sustainable development strategies have come to be known as ESG, which stands for Environmental, Social and Governance policies. Every business must track its progress in each area, yet it is important to focus efforts where one can make the biggest difference. **For the banking industry, the priority is governance,** in other words confidence in the way decisions about money are taken, within each organization and in compliance with all applicable regulations, governed by public institutions.

The trust we maintain thanks to our sound governance creates the foundation on which to pursue environmental and social goals as well. Banks already play an essential role in channelling private investment to finance the green transition. And Luxembourg banks, in their capacity as taxpayers, contribute significantly to the funding of our country's public services.

At the heart of Europe, **Luxembourg's bankers are governed by strict European rules, enforced by a strong regulator,** the Commission de Surveillance du Secteur Financier (CSSF). We are talented in performing our jobs reliably, and this has earned us the trust of our peers worldwide. Luxembourg is recognized as a centre of excellence for banking, just like Paris for fashion, Stuttgart for cars or the Silicon Valley for technology. We serve customers in dozens of countries, understand their objectives, their culture, their language. And we do it with your help, whether you work with us directly or indirectly, whether you offer hospitality to our foreign clients, work in construction or logistics, or maintain our excellent public services.

As your fellow citizens, we are proud to enjoy your trust and serve our community.

Together, we'll shape a sustainable future. Let's make it happen!

Yours sincerely,

Guy Hoffmann



“The ABBL supports your efforts to build trust in the Luxembourg financial industry.”



Jerry Grbic
CEO of ABBL

Dear members,

As our industry is subject to many questionings, **the ABBL supports your efforts to build trust in the Luxembourg financial industry**, by promoting the sustainable development of regulated, innovative, and responsible banking services.

We are acutely aware of the challenges you are tackling on a daily basis to remain competitive, in the face of demanding market conditions, ongoing regulatory adaptation and the twin transitions of digitalisation and sustainability.

We are equally aware that **our industry must continue to highlight its value to society**. Beyond reminding stakeholders that banks employ 26,000 talented staff, and that the financial sector as a whole contributes 35% of Luxembourg's total tax revenues and represents up to 25% of Luxembourg's GDP, we must focus on explaining why our daily work is so important to our fellow citizens.

Indeed, one could say everything we do can be considered as part of a general financial education curriculum. Basic financial education for the lay public of course, each time we help someone with a banking operation. And advanced financial education for professionals, because we may be experts in our area of specialization, constantly honing our own skills, and yet remain beginners regarding what our colleagues do in the department next door.

Our mission, at the ABBL, is to promote the sustainable development of regulated, innovative, and responsible banking services. This guides all our work, and our 2022 activity report highlights our many collective accomplishments.

Together with some 2,500 of you, who actively contribute to the work of our clusters, technical committees, forums and working groups, we continue to advocate for a regulatory framework that ensures customer protection, financial stability, and the fight against financial crime, but also provides the necessary space for banks and other financial institutions to innovate and develop successfully and sustainably. In the interest of our fellow citizens, we constantly strive to foster a level playing field between traditional players and new entrants, as well as between financial centres within and outside the EU.

The ABBL plays a pivotal role in the Luxembourg financial centre's ecosystem. Throughout the year, **our team members have contributed to creating a constructive dialogue between stakeholders, encouraged collaborations, and facilitated exchanges of best practices.** Furthermore, we provided members with industry and regulatory expertise, amongst others through research projects, as well as by diversifying our range of industry and thematic surveys. Our Foundation has been active as ever in the field of financial education, not only by highlighting the urgency of the topic, but also by taking action with initiatives aimed both at our senior and youngest citizens.

You will discover all this in the following pages, as well as in our dedicated CSR report.

Looking ahead, 2023 will be a crucial year. In the autumn, parliamentary elections will take place and negotiations on the collective bargaining agreement for bank employees will begin, as the current one will come to its term on 31 December. And this at a time when Luxembourg's financial industry is at a crossroads and building tomorrow's success requires setting the right priorities and taking the right actions.

The ABBL actively participated in the elaboration of some **forty recommendations**, common to all representative organizations of the financial industry, that will strategically position the financial centre as a vital and long-term player in the international landscape. The proposals are structured around seven themes: Talent & Skills, Tax Environment & Remuneration, Regulatory Framework, Public Authorities, Sustainable Finance, Digitalisation and Financial Education.

Many of these action points relate to the core issue of **attracting, retaining and constantly training talent.** This is a key success factor if we are to continue to grow, harness the opportunities of the digital and sustainable transition, manage risks comprehensively, match compliance requirements, meet the aspirations of our employees, and ultimately continue to provide the quality of service that our clients have a right to expect.

Let me give you a few examples.

Luxembourg needs to develop its education offering and adapt it to the needs of the industry. Today, 80% of the students who graduate from the University of Luxembourg's Master in Finance and Economics and Master in Wealth Management continue their career in Luxembourg. We should enhance the Bachelor and Master Programmes offered by the University, in order to attract more young talent and provide our institutions with even more qualified workforce. In particular, specialised Master programmes in Digital Finance, Sustainable Finance, Wealth Management and Alternative Investments are needed considering the shortage of specialised talents in these areas.

Your efforts in professional training should also be rewarded and supported. We therefore advocate increasing subsidies to companies that invest in training and re-skilling.

We also have to tackle a Luxembourg specificity: in our industry, 50% of the workforce are non-residents. That is why we propose the creation of a “teleworker” status at a regional or European level, allowing employees to work from home two days per week, without any impact on taxation or social security. Overall, we support the trend towards increasing flexibility of working time, for instance by defining an annual period of reference which would make it possible to spread the workload over a year.

In the interest of the entire Luxembourgish community, and indeed our fellow European citizens as well, we trust our future government will take our proposals on board, and also tackle the many structural reforms required to strengthen Luxembourg's competitiveness, foster innovation, accelerate the digital transformation, and support the green transition.

And while the challenges for the banking sector are many, so are the challenges for the global economy as a whole. As Guy Hoffmann, our Chairman, explains in his foreword, **inflation and the subsequent rise in interest rates has become a game changer** since last year. But another element has burst onto our banking planet, namely the **spectacular advent of consumer applications of artificial intelligence**, exemplified by ChatGPT. This new situation, with all the related opportunities and risks, will also keep us busy in the months to come. It is already an integral part of our discussions within some of our working groups, as well as with our European counterparts at the European Banking Federation (EBF) and with the supervisory authorities.

Finally, in the name of the entire ABBL team, I wish to thank you for the team spirit that we experience working with you. I wish each of you a successful year professionally and an enjoyable perusal of this report.

Best regards,

Jerry Grbic



A year at a glance



21

new members

2,500

experts and banking services
professionals contributing
to our activities

7

new workstreams
with public authorities

37

events organized with
more than 3,500 participants

24

responses to
public consultations



10

opinions to draft
legislation
in Luxembourg


13

sectoral surveys
conducted

11

industry guidelines
published or updated





Portrait of the Luxembourg banking sector

The Luxembourg banking sector is **121 banks strong**, but also encompasses a whole host of other financial institutions and organisations which support the sector.

The financial sector is an economic driving force for the local economy, contributing between **25-30% of GDP**, and contributing over **35% of tax receipts**.*

The banking sector alone provides direct employment for around **26,000 people**.

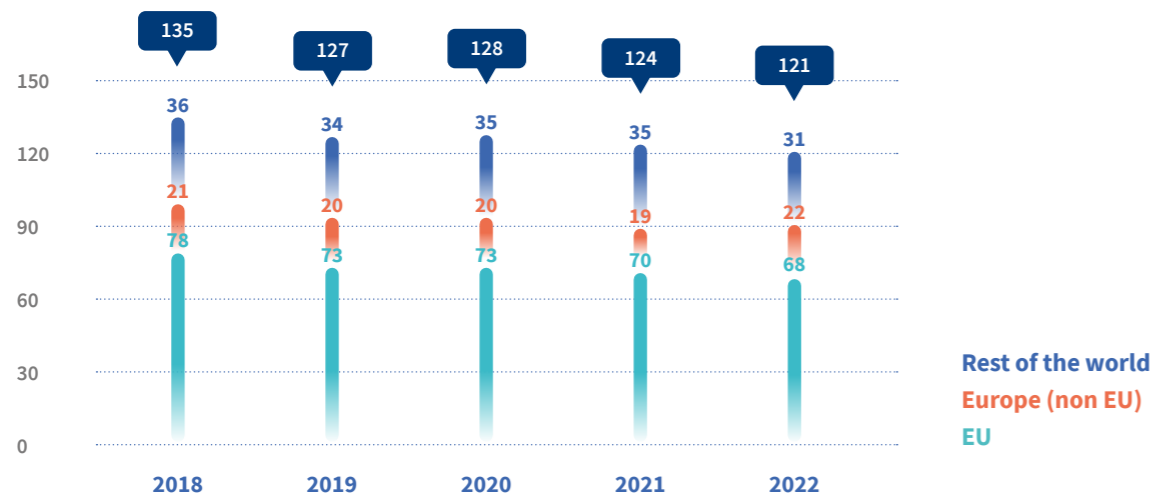
*(source Conseil Economique et Social - CES)



General figures

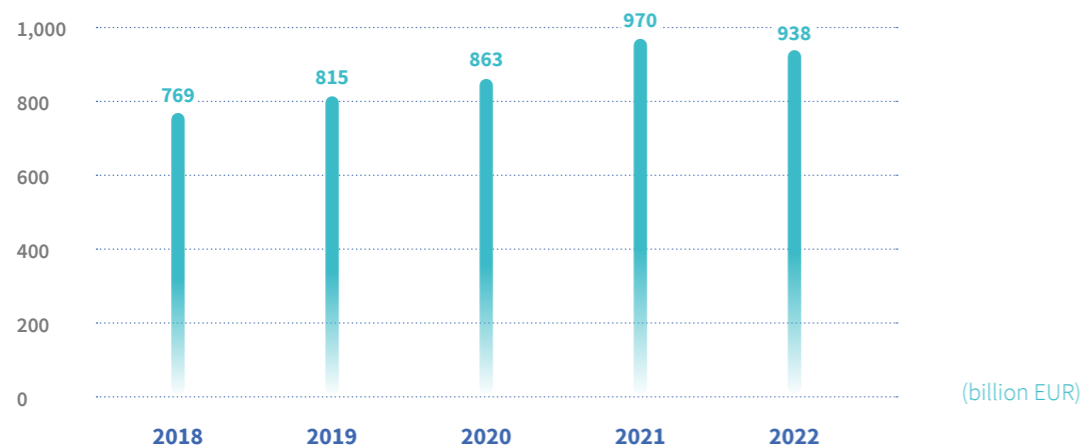
Number of banks authorized in Luxembourg (31.12.2022)

(source Banque Centrale du Luxembourg - BCL)



Banks' total balance sheet (31.12.2022)

(source BCL)



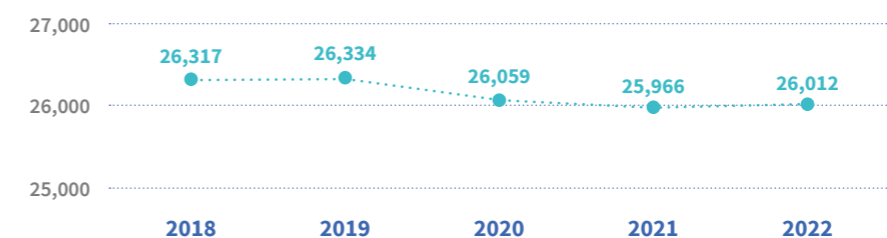
Banks' profit and loss (31.12.2022)

(source CSSF)

in million EUR	Jan. - Dec. 2021	Jan. - Dec. 2022	Variation in %
Net interest income	4,891.00	6,798.00	39.00%
Net fee and commission income	5,942.90	5,904.70	-0.60%
Other net income	1,899.20	1,399.10	-26.30%
Banking income	12,733.10	14,101.80	10.70%
Staff costs	3,164.70	3,235.80	2.20%
Other general expenses	4,471.80	4,660.70	4.20%
General expenses	7,636.50	7,896.50	3.40%
Profit before provisions and taxes	5,096.60	6,205.30	21.80%
Net profit	4,021.20	4,100.80	2.00%

Employment within the banking sector (31.12.2022)

(source BCL)



Corporate & Institutional Banking

The sector spans from local banks serving a diverse set of local companies to EU banks which provide financing solutions to European non-banking financial institutions (NBFIs) and multinational corporations, and non-EU banks which meet the financing and trade finance needs of non-EU companies for their operations across Europe.

Corporate and Institutional Banking Service Offering in terms of revenues (in BN EUR)

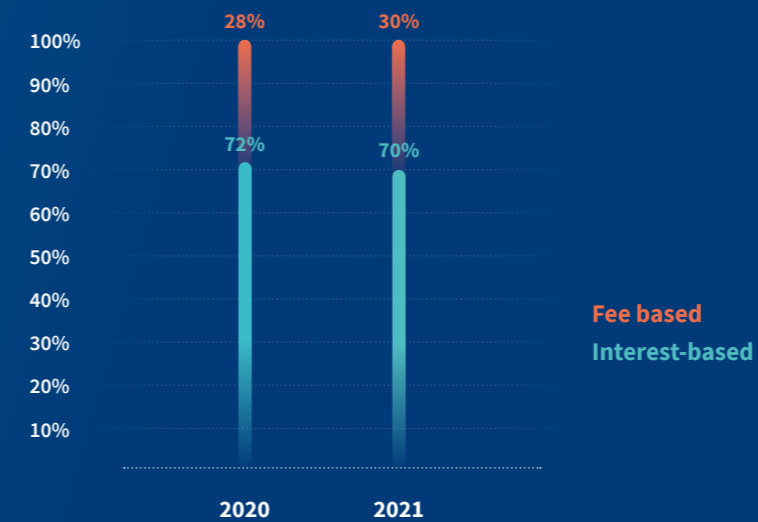
(source ABBL / CSSF / PwC Luxembourg Corporate & Institutional Banking Survey 2022)

Service Offering	Amount of revenues 2020	%	Amount of revenues 2021	%
Syndicated loans	1.1	29.5%	0.9	23.0%
Bilateral loans	1.0	25.7%	0.9	24.8%
Leasing	0.0	0.2%	0.0	0.3%
Bridge financing	0.0	0.4%	0.0	0.6%
Cash management	0.2	5.7%	0.2	5.3%
Corporate Finance	0.0	1.2%	0.1	1.3%
Trade finance	0.4	10.2%	0.5	13.5%
International clearing/payments	0.0	0.2%	0.0	0.2%
Treasury services	0.4	9.5%	0.2	5.4%
Other	0.6	17.3%	0.7	19.1%
TOTAL	3.7		3.5	

Corporate banking in Luxembourg generated around 3,5bn EUR in revenues in 2021, with financing activities accounting for more than 50% of total revenues.

Share of interest-based and fee-based revenue

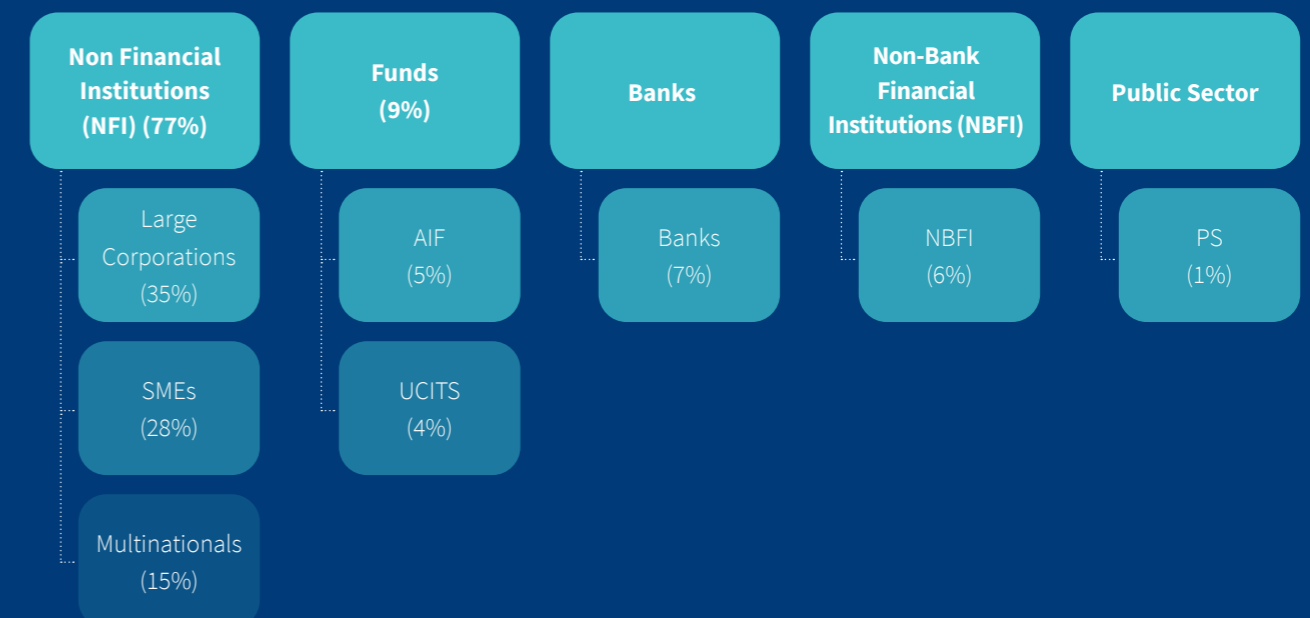
(source ABBL / CSSF / PwC Luxembourg Corporate & Institutional Banking Survey 2022)



Interest based revenues accounted for most of the total revenue and profit of the corporate banking industry in Luxembourg, with 70% of share.

Type of clients in terms of revenues

(source ABBL / CSSF / PwC Luxembourg Corporate & Institutional Banking Survey 2022)



Large Corporations, SMEs and Multinationals together account for 77% of the total revenues generated in 2021.

“Corporate banking, the hidden jewel of Luxembourg’s financial centre.”



Frank Rückbrodt

Chair of ABL’s Corporate and Institutional Banking Cluster, CEO Deutsche Bank Luxembourg S.A.

“Well, it all started with corporate banking!” was my answer, when recently asked about how the Luxembourg financial centre went on its journey on international expansion. I was of course referring to the emission of the first Eurobonds back in the sixties. My counterpart was quite surprised, because Luxembourg is rather known for private banking and of course for its fund industry and the depository banking services attached to it. He was even more surprised, when I quoted the first study the ABL’s Corporate and Investment Banking Cluster conducted in 2022. It showed that **revenues generated by corporate banks were higher than those of private banks**. That was quite surprising for my counterpart - like I had uncovered Luxembourg’s banking scene’s hidden jewel. So why and how did major international banking groups establish a corporate banking base in Luxembourg successfully, and what else did this survey show us?

The survey took a closer look at the state of the corporate banking segment in order to discover peculiar challenges and untapped opportunities. It proved to be truly enriching as it led to the identification of a set of **three distinguished business models**: the local banks which mainly serve a diverse set of local companies in financing and cash management services, EU banks which provide financing solutions to European non-banking financial institutions (NBFIs) and multinational corporations, and non-EU banks which meet the financing and trade finance needs of non-EU companies for their operations across Europe.

According to the survey one of the main reasons for the Luxembourg’s financial sector attractiveness to both local and international corporations and investors is the **comprehensive toolbox of products, legal and regulatory frameworks, as well as digital and cross-border transactional competencies** it boasts. This is unique to Luxembourg - compared to other EU countries - where corporate banks mainly serve local companies.

As for challenges, we identified that the **increasing regulation and the risk of ‘gold plating’ remain to be addressed** if the country is to remain agile to attract and maintain global players in corporate banking. The results also emphasise the need for greater innovation, for instance in the field of securitization (i.e., green securitization) or with the creation of ‘protected cell companies’ (i.e., cost reduction of multiple company structures). This highlights how not only banks, but government and regulatory bodies can help to drive the corporate banking landscape towards innovation, digitalisation, and sustainability. The materialisation of this scenario could not only lead to increased operational efficiency, new products, and services, but is set to boost Luxembourg’s overall competitiveness as a global hub for one of the most profitable banking segments.



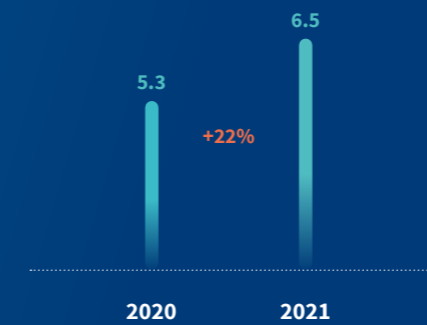
Depositary & Custodian banking

Sometimes carried out by the same players, depositary and custodian banking nevertheless deal with different clients and are subject to different obligations. Depositary banking addresses the fund industry and has developed in parallel with the growth of this pillar of Luxembourg's financial centre. Depositary banks act in the investors' interest as further gatekeeper, alongside the national supervisory authorities, the fund's management bodies and the auditors. Custodian banking services concern every other client: pension schemes and funds, global custodian services, banks and bank deposits, corporate clients, insurance funds and private and public issuers.



Assets under deposits (in tn EUR) - NAV value

(ABBL / CSSF Depositary Banking & Custody Services Survey 2022)



The strong increase in assets under deposits was mainly due to market performance.

Market concentration - depositary banking (2021 figures)

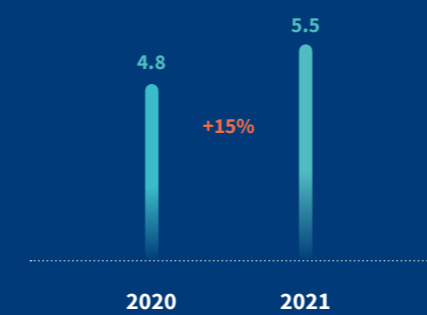
(source ABBL / CSSF Depositary Banking & Custody Services Survey 2022)



Top 10 players held approx. 78% of assets under management.

Assets under custody (in tn EUR- including cash and assets held in custody)

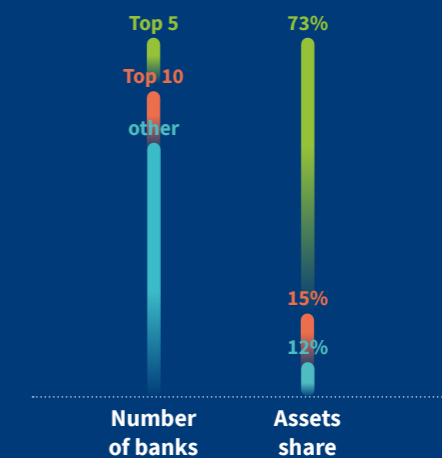
(source ABBL / CSSF Depositary Banking & Custody Services Survey 2022)



The increase in assets under custody was also mainly due to market performance.

Market concentration - custodian banking (2021 figures)

(source ABBL / CSSF Depositary Banking & Custody Services Survey 2022)



Top 10 players held approximately 88% of assets under custody.

Testimony David Claus

In my opinion, one of the keys to Luxembourg's success as a financial centre is having a national competent authority (NCA), the Commission de Surveillance du Secteur Financier (CSSF), which, although uncompromising, is easily accessible. And most importantly, it has a deep understanding of the challenges of the Luxembourg banking and fund industry - and Depository banks are at the crossroads of both industries. **Over the last years, we believe ABL is increasingly considered by the CSSF as an essential counterpart**, helped in particular by the fact that it increasingly represents the banking sector in the broadest sense, i.e. the four main banking business lines - retail banking, private banking, corporate banking and custodian banking - but also investment firms, payment institutions, e-money companies, fintechs, audit, law and consultancy firms that provide services to the banking sector.

In the spirit of adding value to the depository bank ecosystem, the ABL cluster on depository banking activities created **an exchange platform with the CSSF to maximize share experience and best practices**, to discuss on the NCA's main observations from its on-site inspections, to accelerate the implementation of corrective actions across the entire industry, and to raise awareness on the impact of new regulations.

Another element I would like to highlight is the constant interaction the Depository Banking Cluster has with the broader Luxembourg financial ecosystem. The outcome of this was the publication of a series of industry guidelines in cooperation with the Association Luxembourgeoise des Fonds d'Investissement (ALFI) (i.e., look-through and control principles, safekeeping of other assets, financial instruments held in custody).

We have chosen that topic for a reason! The Alternative Investment Fund Managers Directive (AIFMD) introduced a stringent regulatory environment for the alternative fund industry and has established the **depository as one of the main pillars of investor protection**, but the interactions within the community were showing there was still a need for additional guidance.

If we focus briefly on the LT & Control guidelines, they provide an overview of the various control situations that depositories may encounter in their day-to-day business, highlighting **how to apply the look-through principle anchored in the AIFMD framework**. The documents are the result of collective intelligence, as they contain the working groups' answers to questions about the currently accepted practices and approaches around control verifications for fund counterparties and the ensuing look-through obligations for depository banks. As a matter of information, the LT & Control guidelines are currently being updated by a specific ABL Task force.

“The exchange platform built between the industry and the CSSF provides an interactive and engaging space for our community. We share and develop knowledge, best practices and lessons learned: from reaction to anticipation.”



David Claus

Chair of ABL's Depository Banking Cluster, CEO of European Depository Banking S.A.

Private Banking

The private banking sector attracts international, high net worth clients. There are about 50 private banks in Luxembourg, located here because of the stable political climate, the excellent rating of the country, the sophisticated and international workforce, and the extensive financial ecosystem which supports the full range of cross-border wealth management needs. Over the last few years, there has been a significant consolidation in the sector, a shift in the client whilst assets under management continue to grow apace.

Evolution of private banking AuM in Luxembourg, in EUR billion 2007-2021

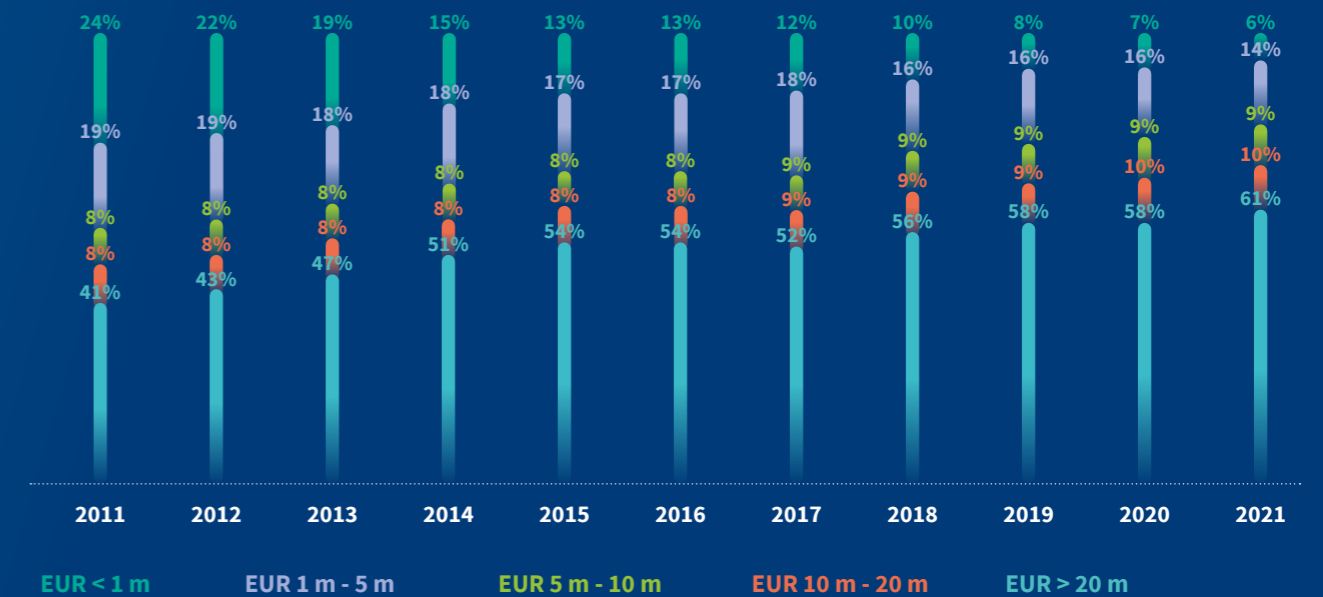
(source ABBL / CSSF / KPMG Private Banking Survey 2022)



Asset under management have seen impressive uninterrupted growth since the 2008 financial crisis, from EUR 225 billion in 2008 to EUR 599 billion at the end of 2021. The extreme good health of the financial markets during 2021 played a non-neglectable role in this impressive growth rate, especially over recent years.

Evolution of the distribution of client wealth bands, % of total AuM, 2011-2021

(source ABBL / CSSF / KPMG Private Banking Survey 2022)



The proportion of UHNWIs has increased from 41% of total assets und management in 2011 to 61% in 2021, while the proportion of affluent clients has decreased from 24% to 6% over the same period. Throughout the years, affluent clients are slowly disappearing from the map — a very different situation to that seen in the early days of Luxembourg as a nascent private banking centre.

Geographic origin of clients

(source ABBL / CSSF / KPMG Private Banking Survey 2022)



19% : Luxembourg
19% : neighbouring countries
48% : other European countries

Europe remains the core market of the Luxembourg private banking sector, accounting for 86% of total AuM, with the remaining 14% allocated to the “rest of the world”.

“The LuxFlag ESG discretionary mandate label, a differentiating element for Luxembourg private banking”

Pierre Etienne

Chair of ABL's Private Banking Group Luxembourg,
Managing Director - Pictet & Cie (Europe) S.A.



While throughout the year we continued to work on our main pillars, which are promotion, statistics & market intelligence, regulatory watch, partnerships, and education, I would like to highlight a project which I believe perfectly illustrates what the Luxembourg ecosystem is able to produce and which could in the future become a differentiating element for Luxembourg private banking, namely the LuxFlag ESG discretionary mandate label.

Let me render to Caesar what belongs to Caesar: the initiative for this label, the first of its kind in Europe, was taken by LuxFlag. But it was developed in the context of a **joint working group with PBGL & LuxFlag representatives**, bringing together the right mix of expertise and experience present in the Luxembourg private banking sector to build up a **solution that takes the needs of our industry as well as the ones of our clients fully into consideration**.

I am confident that this new label will further boost the sustainability transition. But I will go even further. As we have also been able to capitalize on the work that LuxFlag has been doing for years in terms of labelling investment funds and on the legitimacy that its teams have gained, I am convinced that this new label could become the reference in Europe for discretionary management. In any case, we should do everything we can to ensure that it does.

Retail Banking

The retail banking sector in Luxembourg serves a wide range of clients, from private individuals, professionals and SMEs. The main business is lending, with close to 90% of loans dedicated to real estate purchases.

Total assets (all types of client)

Total assets in 2021 reached 54.7 bn, which represent an increase of 7.3% compared to 2020 (50.8 bn).

Breakdown by amount

- 14% / 0-49k €
- 35% / 50-249k €
- 17% / 250-499k €
- 14% / 500-999k €
- 20% / > 1 m €

Breakdown by amount

- 4% / 0-49k €
- 15% / 50-249k €
- 29% / 250-499k €
- 33% / 500-999k €
- 19% / > 1 m €

Total liabilities (all types of client)

Total liabilities in 2021 reached 43.2 bn, representing an increase of 7.4% compared to 2020 (40 bn).

Assets by account type (all types of client)

Clients continue to hold most of their assets in current accounts and savings accounts (80%). Compared to 2020, current accounts (+14%), savings accounts (+11%) and securities portfolios (+16%) increased significantly in 2021. Term deposits fell by -11%.

- 39% current
- 41% savings
- 18% Securities Portfolio
- 2% Term Deposit



“The new requirements on consumer credits should be based on the principle of proportionality, and effectiveness to improve consumer protection, and ensure a well-functioning and competitive market.”

Michael Burch

Chair of ABL's Retail Banking Cluster,
CEO ING Luxembourg S.A.



The world of consumer credits has undergone significant changes in the last decade, largely driven by advances in technology, changes in consumer behaviour, and regulatory reforms; the main game changer being digitalisation. With the proliferation of smartphones and other digital devices, **consumers are increasingly turning to online and mobile channels to access credit**. This has led to the rise of online lenders, peer-to-peer lending platforms, and fintech companies that offer fast and convenient loan application and approval processes.

Work on the new proposal for an EU-directive on consumer credits was one of the main occupations for our Retail Banking Cluster. For ABL members it was paramount that the new requirements of the proposal would be based on the principle of proportionality and effectiveness to improve consumer protection, and that they ensure a well-functioning and competitive market.

The ABL underlined in its comments that the provision of adequate information is in the interest of both consumers and financial institutions as it would support existing efforts of consumer protection. We considered that it was important for new information disclosure requirements to strike the right balance between appropriate information and information overload.

We also encouraged the EU Commission to enlarge the scope of the directive to include new players and products in order to ensure a level playing field when the same activity is performed. In our view all lenders, including non-banking lenders, should be subject to the same rules and the same supervision when conducting the same activity.

The discussions we had throughout the year at both national and European level were in line with what has always been the guiding principle of the ABL and its members, namely the fostering of responsible lending practices.



Payments

The payments landscape in Luxembourg is composed of different actors: in addition to banks, there are **17 payment institutions**, **11 electronic money institutions** and other professionals of financial services active in payments activities. Various types of payments with different schemes used are done by these actors.

Non-cash payments 2021

In **volume**, only 21% of the payments are done by transfer.

In **value**, 99.9% of non-cash payments are done by transfer which represent 2,837.7 EUR milliards.



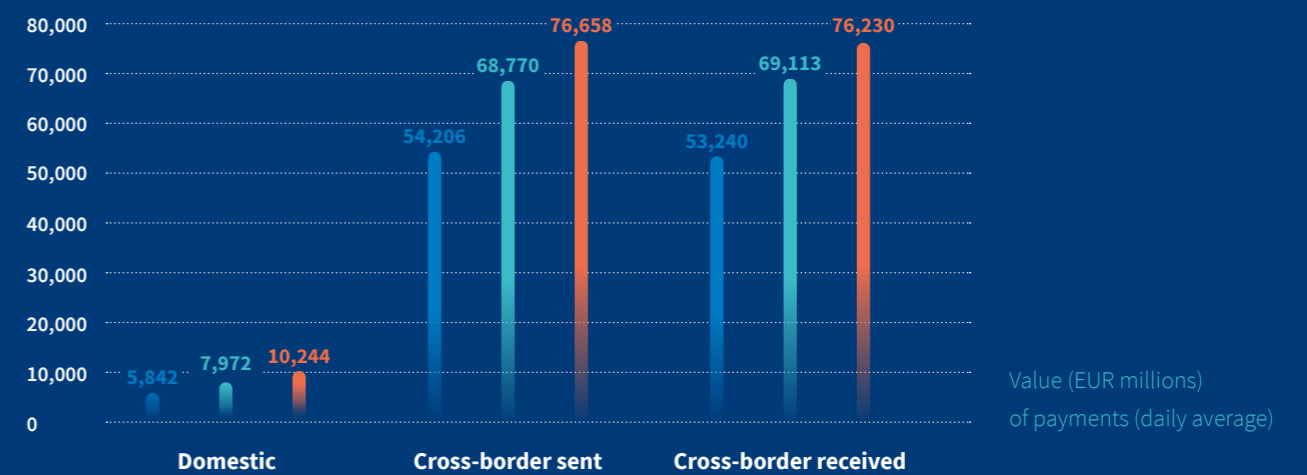
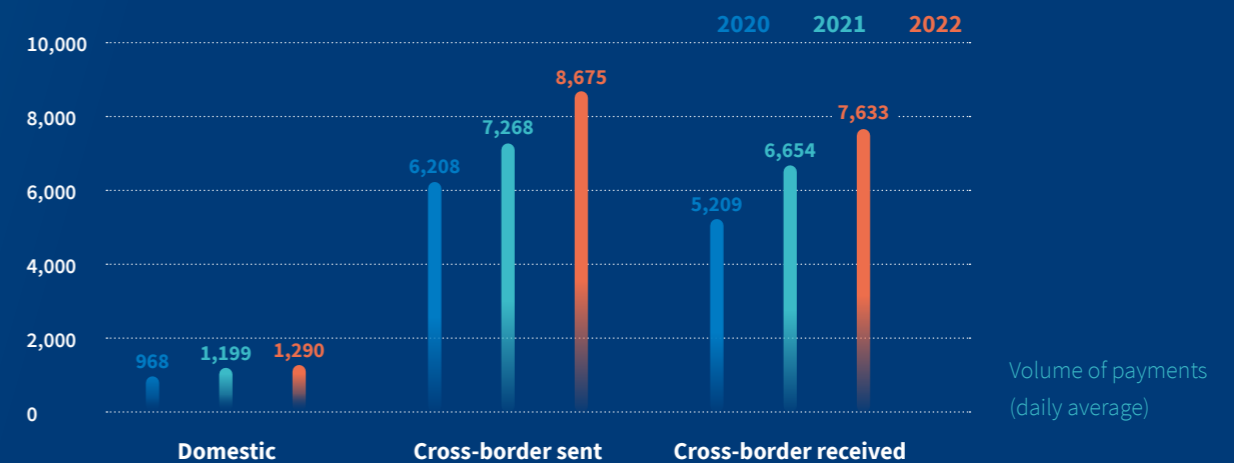
Use of SEPA

As per recent statistics, approximately **40% of customers credit transfers are done via the Single Euro Payment Area (SEPA) scheme**, 30% are non-SEPA and another third are sent via another Payment Service Provider. Another type of scheme, SEPA direct debit, is used mostly for domestic payments with some cross-border use (approximately 20% of total volume). Individuals have a large choice of payment methods: cards, mobile, cash, e-payment solutions, credit transfers and other (cheques, vouchers...). The preferred method of payment online and at points-of-sale is cards.

Payments Evolution TARGET2

(Source BCL)

- TARGET2 is the real-time gross settlement (RTGS) system owned and operated by the Eurosystem.
- The average transaction value is EUR 5 Mio.
- 70% of all TARGET2 payments are below €50,000
- 9% of all TARGET2 payments are above €1 million



Testimony Claire Alexandre

Often invisible, payments make the economy go round: consumers pay in shops or on-line, small businesses depend upon regular cashflow, firms receive payments from across borders. Payments are also everywhere in financial services: loans are reimbursed, savings set aside, salaries wired or pensions distributed. **The variety of payment use cases on the retail side is only matched by the range of payment needs on the corporate side:** think overnight treasury movements, private banking transactions or securities purchases.

The ABBL has recognized early the dynamism and importance of the payments sector by setting up a Payment Cluster which gathers now more than 50 members. It represents the diversity of payment service providers established in Luxembourg as well as the diversity of their work force, with women and men of all backgrounds, nationalities, and functions.

The cluster covers a wide range of projects and themes, from standards to licensing, including security and innovation. Digital questions actually represent a large part of the cluster's work: if data is the oil of the digital economy we now live in, payment transactions generate a lot of it. In turn, that payment data fuels essential financial services tools, such as risk management, fraud detection, identification or authentication.

“Payments make the economy go round.”

Claire Alexandre

Chair of ABBL's Payments Cluster,
Head of Government Relations, EMEA - PayPal.





Advocating members' interests

The ABBL's main mission is to put forward the interests of its members on national, European and international level. Thereby we contribute to defining a regulatory framework that offers a healthy balance between investor and consumer protection, financial stability, and the fight against financial crime, but also provides the necessary space for banks and other financial institutions to innovate and develop successfully and sustainably. In this context, we are also committed to foster a level playing field between traditional players and new entrants, as well as between financial centres within and outside the EU.

Dedicated subject-matter experts within our regulatory affairs, digital and innovation, and sustainability and conduct units in Luxembourg as well as our team of lobbyists in Brussels are undertaking related advocacy work.

Advocacy at European level

The European Affairs team, based in Brussels, represents the interests of the ABBL towards the EU institutions and monitors developments at EU level of importance to ABBL members. The representation was set up in 2006 as a shared office with ALFI. Since 2022, the office also represents the interests of the Association Luxembourgeoise des Assureurs et Ré-assureurs (ACA). The increasing workload triggered the recruitment of a third public affairs adviser. All three associations have joined the Transparency Register as early as the former's creation in 2008.

Our Brussel colleagues held several senior level meetings with representatives of DG FISMA, as well as with the Luxembourg Ambassador Permanent Representative to the EU in order to have a broader exchange about challenges for the Luxembourg financial centre.

Many ad hoc meetings have also been held with various EU decision makers and stakeholders on topics such as the latest EU Banking Package, Alternative Investment Fund Managers Directive (AIFMD) (depository issues), the Anti-Money Laundering (AML) Package, the Directive on Corporate Sustainability Due Diligence (CSDDD), the Deforestation Regulation, the Retail Investment Strategy or the Consumer Credit Directive.

More information about our advocacy principles can be found in our dedicated CSR report <https://www.abbl.lu/en/home/about-us/corporate-social-responsibility>

Legal, Regulatory & Tax Topics

Banking regulation

EU Banking Package

The European Commission's banking package is meant to transpose the latest Basel agreements into EU law as well as providing new rules on third country branches.

From a Luxembourg perspective the provision of financial services from outside of the EU as well as the treatment and supervision of third country branches are of particular interest. In this context, **ABBL has developed a fully-fledged advocacy campaign at international level to avoid excessive restrictions to the flow of financial services** between the EU and third countries and disruptive effects on third-country branches.

Sensible alleviations to the limitations initially contemplated have been secured in the initial phase of the legislative process notably as regards requirements applicable to the provision of cross-border investment services to the EU, corrective measures applicable to third-country branches of systemic importance and rules applicable to their supervision.

Depositary Banking

Luxembourg being a depositary banking centre, any changes in relevant legislation is of interest to ABBL members and are closely monitored.

In the context of the **review of the AIFM directive**, we have sponsored legislative amendments with the European Parliament to prevent the introduction of a full passport for depositary activities in relation to AIFs at European level. Indeed, we believe that the requirement for the depositary to share the same domicile as the fund is an essential safeguard for investor protection. In the current stand of the legislative proposal a fully-fledged depositary passport is off

the table and reliance on depositaries established in another member state would only be permitted in markets where assets safekept do not exceed a de minimis threshold. ABBL experts shall continue to closely monitor this file during the trilogue.

Since 2022 we are formally represented at the level of the Investment Fund Manager Committee of the CSSF. This underlines our commitment to engage with the regulator on issues relevant to fund administrators.



Testimony Camille Seillès

“The ABBL is committed to an open Europe in the field of financial services. The review of EU banking rules should not unduly restrict the flow of financial services with third countries and a new vision is required for Europe’s capital markets to unleash the flow of private capital available for investment.”

Camille Seillès

Secretary General, ABBL



Amid political uncertainty and new regulatory developments at European level, the ABBL remains committed to an open Europe in the field of financial services.

Brexit, the COVID crisis and war in Ukraine have largely shaken people’s conscience by highlighting the fragility and at the same time the relevance of the European construction. For many, the time has come for Europe to wake up and strengthen its strategic autonomy. However, **there is a risk that this awakening will be accompanied by a wave of protectionism, in particular with regard to financial services.**

Let us look at the **banking package released by the European Commission** in October 2021. The package aims to strengthen the resilience of the banking sector to economic shocks by completing the implementation of the Basel standards, to provide stronger tools to regulators overseeing EU banks in order to enhance financial stability and to strengthen the resilience of the banking sector to ESG risks. These are broader objectives that we at the ABBL can only welcome.

The review of EU banking rules should not, however, unduly restrict the flow of financial services between the EU and third countries.

We are often asked by commentators about the impact of Brexit, with the City of London being described as a dragon released from its chains, gaining in power, threatening our towns and villages and against which we should raise the drawbridge and strengthen our walls. For us, one thing is clear: due to the scale and liquidity of its markets and the depth of its financial expertise **the City of London remains an essential partner not only for our financial centre but for the European economy at large** at a time where massive investments are required to meet climate, energy and digitization targets.

We are committed to ensuring that the supply of financial services to the EU remains as flexible as possible. Any tightening of the rules should be targeted on core banking activities. Additional requirements imposed on third-coun-

try bank branches should remain proportionate to avoid jeopardizing well-established relationships with trustworthy third countries. And consistency should be maintained with existing rules to allow financial undertaking established outside the EU to further provide investment services to eligible counterparties on a cross-border basis.

The European Union must certainly build up a financial sector commensurate with the size of its economy but this will not happen overnight. Hastily moves may significantly hamper the attractiveness of European markets and could lead to a critical shortage in the supply of financial services in smaller Member States if not the entire EU market.

Looking forward, **a new vision is required for Europe’s capital markets to unleash the flow of private funding available to finance the European recovery.** As we celebrate 30 years of the Internal Market European capital markets remain largely fragmented. There is certainly no silver bullet to solve this issue and we are rather cautious on grand, holistic solutions that would take years if not decades to agree on at political level and would almost inevitably bring their share of new regulations and additional layers of supervision.

Cross-border investments should be made as easy and reliable as domestic investments by removing structural barriers. This should be the primary objective of a capital markets union. This could be achieved by taking targeted steps against red tape and towards the removal of technical obstacles to market integration. Of the 15 Giovannini barriers listed at the beginning of the 2000s, only a fraction can be regarded as having been fully removed two decades later.

Overly complex withholding tax procedures on cross-border securities income and sharply differing insolvency regimes are examples of those barriers. Eight years after the launch of the Capital Markets Union initiative by the European Commission, we are more than ever committed to contribute constructively to the adoption of measures yielding genuine simplifications for market participants and private investors alike.



Outsourcing Circular

The CSSF circular on outsourcing arrangements (Circular 22/806) was long-awaited by the Luxembourg financial community. Outsourcing contributes to the efficiency and to the competitiveness of banks' business models, as it allows banks to focus on their core business and gives them access to skills and services that are not available in house.

The key goal of the circular was to implement the requirements of the European Banking Authority (EBA) Guidelines on outsourcing arrangements.

It was crucial to ABBL members that the outsourcing regulation should strike **the right balance between the necessary safeguards preserving the integrity of outsourcing institutions and the flexibility to adapt to a fast-moving economic and technological environment.**

Thanks to a constructive dialogue with the CSSF the circular introduces a more light-touch ex-ante notification regime for outsourcing arrangements, thus echoing long-standing advocacy efforts.

Long Form Report Review

The ABBL worked closely with the CSSF in the context of the reform of the long form report for banks. While both parties were aware of the need to modernise this reporting, in particular by taking into account the potential for digitalisation of processes, we placed particular emphasis on making this reform **as cost neutral as possible** in the medium term.

New law on the issuance of covered bonds

The ABBL was actively engaged in the definition of the new legal regime for the issuance of covered bonds under Luxembourg law.

The new law allows any Luxembourg credit institution ("banque universelle") to exercise the activity of issuing covered bonds without requiring the establishment of a specialised credit institution as it was the case under the former legislation.

Opening up the business of issuing covered bonds to so-called "universal" credit institutions will provide the latter with **additional opportunities** to cover their financing needs by giving them access to a wider range of refinancing instruments.

Financial markets

EU Retail Investment Strategy

The ABBL contributed to various public consultations at European level in the context of the review of the European investor protection framework set out in the Markets in Financial Instruments Directive (MiFID) and the Markets in Financial Instruments Regulation (MiFIR).

We believe that the existing EU retail investor protection framework provides a solid basis to protect retail investors when investing in capital markets. However, the fragmentation and the complexity of the investor protection rules across a multitude of legal texts as well as the lack of alignment of the rules entails that **some of the rules are difficult, if not impossible, to be applied by professionals and understood by consumers.** Furthermore, public authorities need to increasingly focus on the improvement of retail investor financial literacy, namely through the promotion of financial education accessible to the general population.

With proposed legislation expected in May 2023, we are looking forward to **engaging further in relation to the contemplated ban on inducements and opt-up conditions from the retail to professional client status.** As regards the former, we are not in favour of a complete ban on inducements as it would result in a critical advice gap for retail investors and would lead to critical disruptions of current distribution channels. Likewise, **we do not support the creation of an additional category of semi-professional client under MiFID** as there would be no significant benefits for the retail client who would in addition lose some of the protection currently available. **Sensible opt-up conditions should be refined** instead based notably on clients' knowledge and experience in the financial field.

Capital Markets Union (CMU)

Following up on its 2020 Capital Markets Union Action Plan, the European Commission published in November 2021 a further CMU package consisting mostly of legislative proposals reviewing the AIFMD and European long-term investment fund (ELTIF) regulation as well as modifications to MiFID/R and the creation of a European Single Access Point (ESAP) for market data.

The Commission followed up in 2022 with additional CMU-related actions including a proposal on listing and an initiative on corporate insolvency. Furthermore, the European Commission presented a clearing package with a regulation amending the European Market Infrastructure Regulation (EMIR) to make EU clearing services more attractive and resilient in order to increase the competitiveness of the European central clearing framework (CCP).

In addition to issues relevant to depositary banks under AIFMD, we are monitoring suggested European long-term investment fund (ELTIF) distribution modalities to retail investor. We have also **launched a dedicated task force to assess the content of the proposed directive** that aims at harmonizing certain aspects of insolvency law and have identified potential areas of improvements regarding the contemplated reform of insolvency proceedings under domestic law.

Banking and financial law

Consumer Credit Directive

The ABBL was actively engaged in the review of the Consumer Credit Directive and various submissions were made throughout the European legislative process.

We stressed that **all new requirements should be based on the principle of proportionality, effectiveness to improve consumer protection, and ensure a well-functioning and competitive market.** New information disclosure requirements strike the right balance between appropriate information and information overload. We also encouraged the Commission to enlarge the scope of the directive to include new players and products in order to ensure a level playing field throughout the industry. Finally, we highlighted the unexpected consequences that would result from the proposed limitation of interest rates on consumer credits.

As the revised directive is about to be formally enacted we are looking forward to engaging further with the Government to ensure a timely and adequate transposition.

New regime on inactive accounts

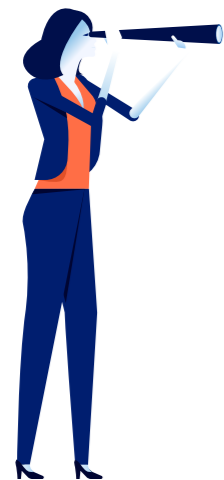
The law of 30 March 2022 on inactive accounts, inactive safes and unclaimed insurance contracts has entered into force on 1st June 2022. This new piece of legislation echoes long-standing demands towards the creation of an effective framework for the consignment of assets held in inactive accounts or safe boxes under Luxembourg law.

Following exchanges with the State Treasury and the CSSF, **the ABL has released a comprehensive guidance** document to assist members in the implementation of the new law, including reporting obligations to the CSSF.

State-guaranteed loans

The ABL actively supported the Luxembourg government's initiative in the design and launch State-guaranteed loan scheme aiming to alleviate the liquidity needs of businesses affected by the consequences of the war in Ukraine. Both parties were able to leverage on the experience gained in the context of the launch of the first programme of State-guaranteed loans during the pandemic.

The good collaboration translated into the signature of bilateral agreements between the Government and the six banks involved on 27 July 2022.



Taxation

Taxation of Cross-Border Homeworking

The ABL appreciates the improvements secured by the Government in the context of the pandemic regarding the taxation and social security treatment of cross-border homeworkers. We believe, however, that **the current framework should be thoroughly reviewed in the longer term to achieve greater neutrality from a tax and social security point of view**. Current thresholds do not enable employers to rely in full on cross-border workers.

Pending further developments, we remain committed to securing targeted improvements to streamline the implementation of applicable tax thresholds. A comprehensive guidance document has been released to help members navigating through applicable requirements. Open questions are discussed on a regular basis with members and the tax authorities.

As a result of joint advocacy efforts with the Union des Entreprises Luxembourgeoises (UEL) towards the French government, alleviations for the payment of the French withholding tax have been secured. From 2023 onwards, French law no longer requires foreign employers to withhold the French withholding tax on the portion of the salary paid to French-resident employees that is taxable in France. Instead, the French tax can be levied by direct debit by the French tax authorities on the bank account of the employees concerned ("acompte contemporain"). Foreign employers are still required though to report annually to the French tax authorities the amount of the salary taxable in France.

Personal Tax Incentives

Attracting and retaining talent is one of the most important issues for the Luxembourg financial centre. Well-tailored tax incentives may provide employers with an effective lever amidst fierce competition with other financial centres to secure critical human resources.

As a result of combined advocacy efforts involving the ABL, **the profit participating scheme and the impatriate tax regime will be enhanced in 2023**. Additional flexibility will be provided under the profit-sharing scheme to companies in a tax unity group to allow a determination of the eligible profits with reference to the group's aggregate profits. Eligibility requirements for the tax regime for impatriates will be relaxed by a lowering of the minimum eligibility threshold.

These are first steps in the right direction. **Our intention is to bring forward additional enhancements to the two regimes to match equivalent measures applicable in neighbouring countries**. A higher relief should be introduced in relation to impatriation bonuses, and a stronger focus should be set on the exemption of foreign-sourced income, while the benefits of the impatriate tax regime altogether should be conditioned to less burdensome requirements and monitoring. To our view, the profit participating scheme is still a bit too restrictive and current limitation thresholds should be increased to allow for higher benefits.

Corporate Tax Incentives

Banks and many other businesses are massively investing in their digital transformation while significant investments are required to meet climate targets. In the meantime, Luxembourg corporate investment tax credits remain essentially defined with reference to economic patterns of the 20th century. **It is urgent to modernize this regime to make sure that our tax system constitutes an effective lever to support future-proof investments**.

Based on the tripartite agreement signed on 28 September 2022, the ABL has joined forces with the UEL and other stakeholders to define a comprehensive set of new tax credits to support digital transformation projects and green investments. In close cooperation with members, proposed incentives have been defined broadly to reflect the complexity and diversity of the investments at hand. These proposals have been submitted to the Ministry of Finance. We now expect draft legislation to be released and adopted before the end of the current legislature.

Withholding tax procedures

The ABL is committed to achieving more efficient withholding tax relief and refund procedures at European level with respect to cross-border investment income. Current complexities are indeed a major obstacle to cross-border investment and the completion of the Capital Markets Union. A harmonized framework yielding genuine simplifications is long overdue and should leverage on Organisation for Economic Co-operation and Development (OECD) work on treaty relief and compliance enhancements (TRACE).

These points were highlighted in our contribution to the latest public consultation organized by the European Commission in April 2022. With the aforementioned objectives of administrative simplification and market efficiency in mind, we are now looking forward to the legislative proposal announced by the Commission.

Anti-Money Laundering/ Countering the Financing of Terrorism (AML/CFT)

EU AML/CFT Package

The long awaited AML/CFT package of the European Commission was released on 20 July 2021. The EU's aim was to harmonise certain fundamental principles of the current framework, and to address the shortcomings identified in recent years, notably by strengthening communication and coordination between the private sector and public authorities.

For the ABBL it was most important that this new regulatory package should preserve a level playing field between all financial actors in the EU in the application of their AML/CFT obligations. As such, national legislators should not aim to go beyond the future harmonized EU rules by adopting additional specific rules on top of those

provided for in the AML Regulation. This would indeed confuse future EU standards and lead to further divergence in AML/CFT professional obligations between Member States, as well as undermine the global level playing field and thus put European companies at a disadvantage compared to the rest of the world.

To preserve this level playing field, we have sponsored legislative amendments with the European Parliament to avoid increased requirements on national level and ensure full alignment with Financial Action Task Force on Money Laundering (FATF) standards.

Sanctions against Russia

For the use of its members, **the ABBL has kept up to date a technical note on EU restrictive measures against Russia** emphasising the novelties relevant for financial stakeholders. We have also set-up a dedicated working group in this regard with the collaboration of the Ministry of Finance and the CSSF. The technical document, more specifically, addresses the following dimensions: procedures to identify customers/prospects subject to sanctions and the monitoring of transactions; dealing with customers/prospects; deposits; professionals' prohibition to acquire financial instruments /provide investment services & loans from/to the Russian State; provisions likely to affect financial markets/structures and the provision of certain investment services. It also deals with certain prohibitions with regards to provide specialised financial messaging services; financing or financial assistance related to certain goods generating significant revenues for Russia/ enhancing Russian industrial capacities; and accounting, auditing, and tax consulting services among others.

FATF on-site visit

The ABBL has actively prepared the FATF visit, which took place in October 2023, with members and local authorities to demonstrate the effectiveness of the AML/CFT framework in Luxembourg. In this context, **the association has been heard by the FATF evaluation team.**

ABBL/CSSF/CRF public private partnership to fight ML/TF

The fight against ML/TF requires an integrated approach in which public authorities and industry representatives pool their knowledge and skills to prevent, detect and combat these crimes together. **Such a public-private dialogue helps providing clarity on risks related to specific activities, typologies of crimes, regulatory expectations, and also aims at identifying specific areas or issues where more regulatory guidance is needed.** On 13 September 2022, the ABBL, the Cellule de Renseignement Financier (CRF), and the Commission de Surveillance du Secteur Financier (CSSF) signed a public private partnership to foster synergies and to come up with clear common guidance. Two sub-working groups (Expert Working Group Compliance and Private Banking) were also set up.

Register of bank accounts

The CSSF circular pertaining to this topic appropriately reflects the members technical suggestions, thanks to the ABBL advocacy in this regard.

Seizure of criminal assets

The ABBL successfully provided the Ministry of Justice and the newly established Asset Management and Recovery Office with the necessary **technical guidance** for the Law of 22 June 2022 to be efficiently implemented.



Social Affairs

Talents & Skills

Talent acquisition and retention, as well as training and reskilling or upskilling is key to maintain the competitiveness of the Luxembourg financial centre, even more so since the industry is going through two fundamental business (sustainability) and technology (digital) transformation.

The development of high value-added activities may be jeopardized, with a risk of non-compliance with complex regulations. In the worst case, this may result in a delocalization of workforce (outsourcing and offshoring of certain activities where shortages are the highest) in places where certain profiles are eager to be attracted or where the labour costs are lower. Moreover, the improvable suitability of school leavers' profiles to the Luxembourg labour market is a concern. Because of the increasing lack of workforce in the Great Region, highly qualified profiles have to be recruited from abroad.

To alleviate these problems, **the ABBL has actively contributed to various public initiatives to stress the needs and challenges of the banking sector, including meetings at ministerial level and with the OECD.**

Amongst others, we regularly participate in the Union des Entreprises Luxembourgeoises (UEL) and the Agence pour le Développement de l'Emploi (ADEM) joint steering committee actions, such as developing a factual definition of job identified as undergoing shortages or high shortages. This definition may be used to take positive actions to hinder these shortages. We also participated to discussions with the OECD on the Luxembourg national skills strategy, as well as elaborating the UEL position on this issue.

Other notable areas of action were the close collaboration with the House of Training and the University of Luxembourg to suit the industry's needs, the demand for increased subsidies to companies who invest in training and re-skilling, a compensation for employers when employees are leaving the private sector for the public sector, the transposition of EU social law without gold plating, and the increased flexibility of working time.

Labour law

As an employers' association, one of the key roles of the ABBL is to assist its members in all social and labour matters. The Social Affairs Committee handles topics related to the relationship between the employer and the employee. We represent the financial sector in the CES, in the UEL and the EBF.

In the wake of the 2023 elections, we helped to develop the employers' position on employment and labour law issues along four lines:

- coping with labour shortages and employee absences (multiplication of special and extraordinary leaves, incapacity for work...);
- meeting employees' expectations in terms of work organisation, while ensuring the smooth running of the company;
- ensure that employees have the necessary skills to carry out the business in line with the company's strategy; sustain and develop business.
- Furthermore, we contributed to the Chamber of Commerce's position on: draft legislation pertaining to the introduction of career's leave and time off on the ground of force majeure in order to mitigate the costs for employers; on moral harassment; and on whistleblowing.

Covid-related measures

The ABBL **contributed to opinions of the Chambre de Commerce on the various Covid related laws and to the CES annual report** on the country's economic, financial, and social situation. The report was dedicated to the lessons to be learned from the Covid-19 pandemic from a Luxembourg perspective. The CES underlined that the financial sector had the ability to adapt quickly and efficiently to the challenges resulting from the pandemic.



Testimony Catherine Bourin

There has never been time when talents were more in demand than today. There has never been a more challenging time for employers to attract and retain talents. **Talent attraction is a problem all over Europe and in all industries, but with specific issues in Luxembourg due to the specificities of the Luxembourg market.** Not only are there too few university graduates per year, but talents actively move from one company to another, putting upward pressure on wages. Moreover, employees from neighbouring countries tend to prefer to accept a job offer in their own country in order to avoid costly and tiresome commuting to the workplace coupled. Eventually, the new generation of employees has high expectations of quality of life at work, including the possibility to telework.

So which solutions could be promoted?

First, considering the difficulty to hire new candidates, it is of the utmost importance to **focus efforts on up-skilling and re-skilling.** We are living in a time of profound changes in which science and technology are evolving at great pace. Due to the same, jobs themselves are evolving, some are disappearing, others are appearing - those related to digital tools, blockchain-based technology, artificial intelligence, sustainable finance, We all know that we do not know everything and that the knowledge we have today becomes quickly outdated if not updated. We are all in a sort of permanent state of “programmed obsolescence” due to the speed of change. We have permanently to update our systems, or rather our brains, which in everyday language is called training.

Training is of paramount importance in this context of unprecedented transformation of professions. Not only must lifelong learning be facilitated and encouraged by better cost coverage, but also the curricula offered by the Luxembourg University, which must be open to the needs of companies. In addition to professional teachers, teaching must be provided by external practitioners who bring the practical dimension essential for better employability. There is a need for a pragmatic approach in line with market needs. We

strongly believe that the legal framework of University studies should be reviewed in order to largely allow work-linked learning.

Thus, **which solutions could be suggested to the new government concerning the new way of working post-Covid?**

The Covid crisis has had a strong impact on the way of working. All employees of the Luxembourg banking sector have now tasted the experience of remote work and definitely want more of it. However, teleworking in Luxembourg is limited for taxation and social security reasons. As a result, for workers living in Thionville, Trier or Arlon, it is more interesting to work for a firm in Paris, Frankfurt or Brussels than in Luxembourg. In order to solve this issue, we now need a European status of teleworkers that should be introduced in European regulation.

Speaking about flexibility in organizing work also means reducing the constraints of labour law. **Most of the time, employers are ready to adapt their system, but the current legal environment does not cater for it.** For example, it is impossible to telework in the morning for two hours to get on the road by 10 am and avoid traffic jams. Teleworking is not only a matter of flexibility, but it also avoids commuting everyday while workers do not find affordable housing except further away. Buying a home in Luxembourg has become impossible for young couples. Even renting has become difficult. Solving the housing crisis needs a proper policy by the new Government. An increase in accommodation for students coming from abroad is crucial to attract talents from abroad.

Eventually, to attract talents from abroad, Luxembourg government should increase the attractiveness of taxation of individuals. A more interesting profit participation scheme and impatriate regime are part of measures likely to attract and retain talents.

“There has never been a more challenging time for employers to attract and retain talents.”

Catherine Bourin

Member of the Management Board, ABBL



Sustainable Finance

Corporate Sustainable Due Diligence Directive (CSDDD)

The ABBL supported the policy objectives of the proposal. Nevertheless, **it must ensure a proportionate approach when applied to financial services and provide a clear and pragmatic legal framework for integrating human rights and environmental protection into the supply/value chains of the companies concerned.**

We contributed to the EBF's response to the consultation on the CSDDD, highlighting the need to clarify what supply/value chain would mean for financial undertakings and the directors' duties of care obligations. It also raised concerns about the practicalities of due diligence obligations for financial institutions and the inclusion of proposed civil liability provisions in light of current established principles of national civil law.

Corporate Sustainability Reporting Directive (CSRD)

The ABBL has contributed to EBF response as well as to the Luxembourg response coordinated by the Commission des Normes Comptables (CNC) to the European Financial Reporting Advisory Group (EFRAG) public consultation on the European Sustainability Reporting Standards (ESRS) in early August 2022. We provided a platform for exchange to its members on CSRD and ESRS through its dedicated Corporate Sustainability working group.

Deforestation Regulation

ABBL, ACA and ALFI strongly support the importance of fighting deforestation and forest degradation, as well as any other harm caused to the environment and biodiversity. The three associations are convinced that the free flow of financial services and investments has the potential to play a key role in combatting deforestation. However, the first proposals around the Deforestation Regulation provided for measures that went significantly beyond the information that financial services providers would be able to provide. **Financial resources which should be directed at financing the ecological transition, would instead be trapped in data gathering exercises which would not help in combatting the threats in this matter.**

On national and international level, the three associations pleaded to consider the characteristics of financial market participants, and their role as institutional investors and also to take into account that prevention of deforestation can only be controlled by the respective operators and traders, and not by the financial services sector.

On 6 December 2022, EU lawmakers and ministers agreed to ban the import of products related to deforestation but excluded banks from due-diligence rules in this context.

Environmental, Social and Governance Policies (ESG)

The ABBL ensures an active dialogue with both the CSSF and its members with regards to the effective implementation of the CSSF circular 21/773 on climate-related and environmental risks.

We also contributed to the EBF ESG risks Task force to discuss the proposed amendments to the Capital Requirement Regulation (CRR) and the Capital Requirements Directive (CRD) about a dedicated prudential treatment of exposures related to ESG factors and the integration of ESG risks in banks' risk management framework. **We support the EBF position to favor a risk-based approach and the "one tool one objective" rule with enhanced adaptive mechanisms and targeted amendments to the existing framework.**

Taxonomy and Labels

The ABBL has contributed to the EBF position on the latest developments concerning the **EU Commission proposal for a European Green Bond Standard**, i.e., the use of the standard on a voluntary basis, ensuring legal certainty while criteria of the taxonomy would develop and the alignment with other legislative and market developments.

Energy performance certificates

A task force on energy performance certificates (EPC) was launched to identify key issues and concerns from our members when collecting information about the energy performance of the buildings they finance to comply with their regulatory requirements as well as voluntary commitments. The objective was to make recommendations (e.g., to the Ministry of Energy) and proposals to facilitate the collection of EPC and related energy performance data on existing and future loans to finance new construction, acquisitions, and renovations. To this end, a dialogue with the Ministry of Energy has been initiated, in particular to discuss the amendments to the Energy Performance for Building Directive (EPBD IV) and its impacts for Luxembourg banking sector.



Payments

Payment Services Directive (PSD2) review

In May 2022, the European Commission launched a consultation on the review of the PSD2. The main goal was to assess the effectiveness, efficiency, coherence, relevance, and EU-added value of the Directive.

The ABBL worked with its members on a common response to the Commission and also provided comments to the European Banking Federation (EBF). The ABBL concluded that the PSD2 main objectives had been globally reached: greater consumer protection, more innovation, competition enhancement, and decrease in fraud level. Nevertheless, **the industry encountered certain difficulties with PSD2 implementation**, such as: dealing with multiplicity of texts with different timetables, differences in interpretation of PSD2 in EU countries, as well as implementation of strong customer authentication (SCA) and application programming interfaces (APIs).

Also, **the investments required to comply with PSD2 were very important**. ABBL members were in favour of more guidance for technical accessibility in order to facilitate the connection of Third-Party Payment Systems (TPPs) to multiple banks and more guidance on SCA implementation.

The ABBL is following closely the discussions on the review of PSD2 at European level to continue working closely with its members.

Instant Payments

In October 2022, the European Commission published its legislative proposal on instant payments (IPs). The proposed text will be introduced as amendments of the SEPA regulation and Cross-border payments codification regulation. The initiative is expected to improve the efficiency of the retail payments market and unlock the benefits of instant payments for EU citizens and businesses, especially Small and medium-sized enterprises (SMEs).

The proposed regulation text is built around four pillars:

- **Availability:** obligation for payment service providers (PSPs) that already offer credit transfers in euro to offer the service of sending and receiving instant payments (IPs) in euro.
- **Pricing:** obligation for PSPs to ensure that the price charged for IPs in euro does not exceed the price charged for traditional, non-instant credit transfers in euro.
- **Confirmation of Payee:** obligation for PSPs to verify the match between the International Bank Account Number (IBAN) and the name of the beneficiary provided by the payer, in order to alert the payer of a possible mistake or fraud before the payment is made.
- **Sanctions screening:** removing friction in the processing of instant euro payments through a procedure where PSPs will verify at least daily their clients' database against EU sanctions lists, instead of screening all transactions one by one.

The ABBL supports its members to establish a market position on the European Commission proposal, as well as focus on key priorities for its future implementation.

EU cross-border payments reporting

The **Central Electronic System of Payment information (CESOP)** is a new European database and is part of the legislative package adopted by the European Commission to combat VAT fraud. Starting from 1 January 2024, the Payment Service Providers offering payment services in the EU will extract specific information on cross-border payments and transmit it to the competent tax authorities on a quarterly basis.

The ABBL monitored the works on this scheme, cooperated with the Luxembourg tax authorities on the implementation of the new reporting and supported its members on this matter, and will continue its work with a dedicated Task Force.



Digital & Innovation

Digital Euro

Since January 2020, the European Central Bank has been moving forward in its project to create a Central Bank Digital Currency – the digital euro. In April 2022, the EC launched a targeted consultation on this topic. The ABBL submitted its response to the EC and provided comments to the EBF.

We believe that the digital euro has certain advantages, both for individuals and for merchants. It offers an alternative to cash, and innovations such as the potential programmability of a digital euro can be built by private actors using technological features of a digital euro.

We support an intermediated digital euro model, which would reduce disruption to the European financial system. Intermediaries can facilitate the use of a digital euro by integrating digital euro accounts into user interfaces and payment methods, and maintaining access to digital euro balances through applications or sites that consumers already use to manage their finances. Many of these functionalities could be provided by existing private providers. In addition, technologies such as near-field communication (NFC) and QR codes could enable offline payments in digital euros. These intermediaries can also perform the necessary AML/CFT checks. The association also stressed the importance of caps and liquidity risks. A dedicated Task Force continues to develop positions on this topic.

Digital Operational Resilience Act (DORA)

The DORA (Regulation (EU) 2022/2554) aims to strengthen regulations regarding Information and Communication technology (ICT) and cyber resilience at financial services firms.

DORA explicitly refers to ICT risk via targeted rules on ICT risk-management capabilities, incident reporting, operational resilience testing and ICT third-party risk monitoring. The regulation also raises awareness of ICT risk and acknowledge that ICT incidents and a lack of operational resilience have the possibility to jeopardise the soundness of financial entities. In order to maintain full control over ICT risk, financial entities need to have comprehensive capabilities to enable a strong and effective ICT risk management, as well as specific mechanisms and policies for handling and reporting ICT related incidents.

Regulatory Technical Standards (RTS) and guidelines detailing requirements will be drafted and adopted throughout 2023 and 2024, with varying deadlines.

We contributed to various exchanges with authorities at national and EU levels and recently launched a dedicated task force to continue the advocacy work on DORA RTS. In the previous rounds of discussions, **the question of proportionality in DORA was instrumental to make sure that smaller players are not subject to the same burdens and constraints as larger players**. Other focal areas were classification and reporting of incidents, scope of testing, managing third-party risk, and information sharing.

MiCA & DLT pilot regime

Important work has been done in 2022 on advocacy work related to such novel technology as distributed ledgers and its specific use-case – crypto-assets.

Proposal for a regulation on **Markets in Crypto-assets (MiCA)** was on its final Trialogue stage in terms of inter-institutional negotiations in 2022. Those crypto-assets that do not qualify as financial instruments would be subject to MiCA. According to the European Commission, the proposed regulation sets strict requirements for issuers of crypto-assets in Europe and crypto-asset service providers wishing to apply for an authorisation to provide their services in the single market.

Another legislative initiative, EU Regulation 2022/858 on a **pilot regime for market infrastructures based on distributed ledger technology (DLT)** has adopted in 2022. The pilot regime is aimed to allow for certain DLT market infrastructures to be temporarily exempted from some of the specific requirements of Union financial services legislation that could otherwise prevent operators from developing solutions for the trading and settlement of transactions in crypto-assets that qualify as financial instruments, without weakening any existing requirements or safeguards applied to traditional market infrastructures.

In Luxembourg, more recently, **bill of law “Blockchain III”** was introduced to implement the pilot regime in in Luxembourg. For that purpose, the bill includes modifications to the amended law of 5 April 1993 on the financial sector, the amended Law of 5 August 2005 on financial collateral arrangements and the amended Law of 30 May 2018 on markets in financial instruments. The ABBL is supportive of that legal initiative as it will enable Luxembourg to continue to be a front-runner regarding the use of DLT.

For both MiCA and the DLT pilot regime files ABBL contributed to numerous exchanges with authorities in Luxembourg as well as directly with members of the European Parliament and through the EBF at national and EU level with a focus on the level playing field, harmonization, innovation (while remaining technological neutral), investor/consumer protection and financial stability.

Open Finance

Data sharing and open finance are a reality and have the potential to revolutionise the banking experience through better knowledge of customers’ needs.

In 2022, the European Commission launched a consultation on this issue, for which the ABBL worked with its members to define a common position and give a better understanding of the impacts of the future implementation.

The ABBL contributed to the definition of the EBF position in finding financial use cases for cross-sector data sharing, supporting the need for standardisation and a compensation scheme covering costs of data sharing processing.

Regulation on electronic identification and trust services for electronic transactions in the internal market (eIDAS)

The ABBL is part of the European Credit Sector Associations (ECSAs) eID Task Force and closely monitored the latest developments. The ECSAs Task Force concentrates its works on the establishment of a Toolbox, and in particular on the Technical Requirements for the Payments Use Case, together with the legal analysis and amendments proposals of the EU Commission revised text.

Data Act

The ABBL followed the progress on the European Commission’s proposal for a **Regulation on harmonised rules on fair access to and use of data (Data Act)**. In line with the EBF position, ABBL’s focus was on the clear definition of the scope for new obligations, data sharing modalities and the compensation principle recognizing the investment by data holders.

“Data can be used to better understand customers, manage risks, innovate and improve customer experiences.”



Ananda Kautz

Member of the Management Board, ABBL

In an increasingly digital economy, trust in data is essential. To face challenges related to a new data economy, ABBL has created a dedicated group of experts to work on topics like artificial intelligence and open finance dealing with data exchange, interoperability and reliability.

The economy has become increasingly dependent on digital technologies over the past few decades. With the rise of the internet and mobile devices, businesses and individuals are now able to connect, communicate, and transact with each other anytime from anywhere. Our daily live routine is quite “digital”: we buy online, we pay contactless, we communicate and share information on social networks, we use e-learning platforms to learn new skills, we watch movies on streaming platforms, we control the temperature and security of our homes from our smartphones, we use video conferencing tools in our workplace, we use chatbots to get answers to our questions.

In all these digital interactions, data is the raw information that is collected from various sources and used as the input to various applications, such as machine learning, artificial intelligence and data analytics, to extract insights and make decisions.

But **why is the data ecosystem important for banks?**

Banks generate and process massive amount of data every day, and this data can be used to better understand customers, manage risks, innovate and improve customer experiences. A few examples of how data impacts the banking sector: by analysing data, banks can identify potential risks associated with lending, investments, and fraud and develop strategies to mitigate those risks. Data help banks meet regulatory requirements. Further personalization of services: by analysing customer data, banks can understand their preferences and needs and offer tailored products and services that meet those needs. And finally, by analysing data, banks can identify opportunities to innovate and automate.

As we move into a data economy, the European Commission is thinking about an **Open Finance ecosystem**, in which institutions and third-party providers share financial data. Open Finance raises concerns about cross-sector data sharing, data privacy and security. Moreover, interoperability in data sharing, meaning the ability of different systems and applications to communicate and exchange data with each other seamlessly, is a key priority for ABBL members. Currently, financial institutions may use different data standards, which can create challenges when trying to exchange data. **ABBL promotes the need for stronger data security standards for financial institutions and their customers.**

Another important topic for ABBL members is the use of artificial intelligence tools to improve efficiency and innovate. However, **reliable data is a pre-requisite in the usage of AI algorithms.** Banks need to remain vigilant and proactive in implementing appropriate measures to protect their customers’ data and comply with regulatory requirements. If data contains biases or reflects discriminatory attitudes, these biases may be perpetuated by the AI system, leading to unfair or discriminatory outcomes.

ABBL has partnered with Centre for Security, Reliability and Trust (SnT) on a research project to develop a trustworthy AI tool for improving transaction monitoring, which is based on federated learning technology, ensuring data security. Data experts, chief compliance officers, and risk management analysts are currently working together on a prototype.

ABBL is also supporting training and education initiatives around data economy. Recent example is the House of Training’s Digital Finance new courses focusing on Artificial Intelligence and Machine learning.

In summary, data economy has the potential to transform the financial sector by enabling greater innovation, improving the customer experience, fostering competition, and enhancing security. However, it is important to carefully consider its impacts as the industry moves towards a more open data model. Ensuring quality and security of data is a key priority for ABBL’ members as banking is all about trust!



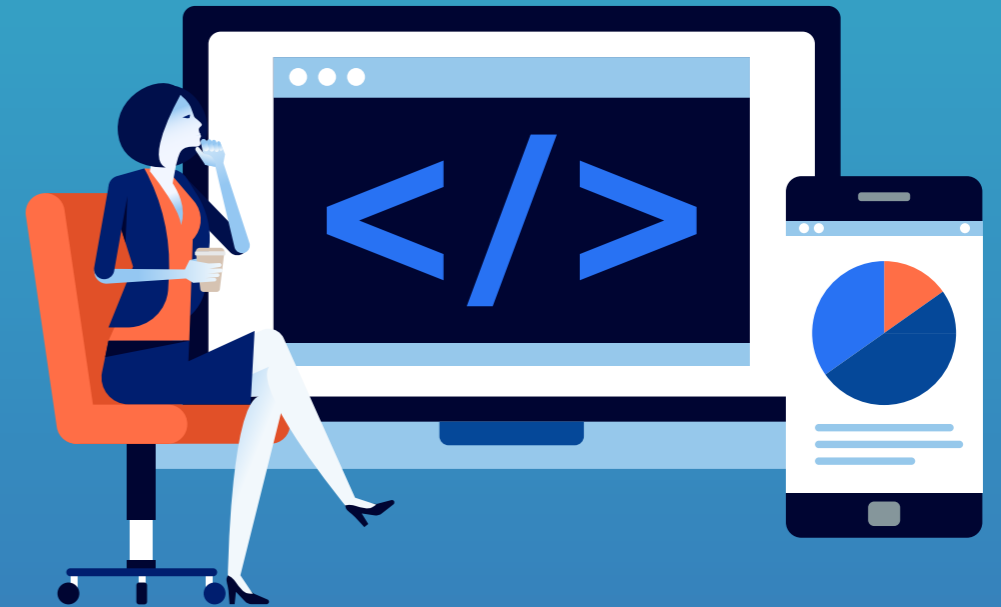
Access to public citizen's data

One of the ABBL long-standing revendication is to **foster the cooperation between data sharing actors, such as financial service providers other than banks; technological platforms; the private sector and the public sector**. ABBL also encourages further digitalisation of public services with a focus on corporate users. Improvements should include the use of e-identification, e-payments, e-signatures and e-documents.

The fact that **the ABBL became founding member of the Luxembourg High Committee for Digital Transformation** on 28 September 2022, is also to be seen as taking part of its will to improve interoperability. The Committee is made up of various ministries, representatives of civil society and employers, and experts from different backgrounds. Its aim is to consider the challenges of digitalisation from a variety of perspectives relating to the economy, work, education, health, continuing education, and digital public services.

Regulatory Dialogue for Innovation

A dedicated task force with the CSSF was launched offering ABBL members a channel to discuss specific regulatory matters related to innovation with the regulator, covering topics like crypto-assets and cloud service providers outsourcing.



03

Facilitating exchanges and fostering best practices



The ABBL plays a pivotal role in a constantly evolving ecosystem. In addition to our mission of shaping and representing the voice of the Luxembourg banking services industry, our teams foster collaborations and exchange of best practices with and amongst members, but also with other economic actors and relevant authorities. We also provide members with industry and regulatory expertise, amongst others through research projects.



Surveys

Surveys are a unique tool to monitor and measure the long-term development of the banking sector and identify key trends. They serve as benchmarking tool for members.

More information:

<https://www.abbl.lu/en/professionals/data-research/surveys>

Annual industry surveys*

For several years, the ABBL has been conducting annual surveys on the Luxembourg private banking and retail banking industries, as well the activity of external asset managers (or independent asset managers). In 2022, the ABBL membership relation team, for the first time, collated responses and provided aggregate figures on the state of play and developments in the depositary and custodian banking and of the corporate banking sector, thus providing a response to the scarcity of data on both businesses.

*Figures from these surveys can be found in the Portrait of the Luxembourg banking sector chapter pp. 10 - 31. The figures relate to the financial year 2021 as the figures for 2022 are not available until spring 2023.

Thematic surveys

ABBL teams provided research and thought leadership on several topics:

Social Affairs: analysis of the social situation in the banking sector

For over 20 years this survey has become a study of major importance for both our banking members and for the ABBL. It provides members comparative measures, allowing them to see how their internal practices match the average in the banking sector, and it helps the ABBL to have a clear and long-term view of the developments of the social situation in our banking sector.

The results of this survey are analysed on an aggregated and anonymous basis. The results are not published but are sent to the participating members.

Members participation in this survey is absolutely vital to ensure a robust and complete representation of the Luxembourg banking sector. In 2022, 77% of ABBL members, representing 87% of the workforce in the banking sector participated.

The survey covered the following areas:

- demography in banks
- costs and training
- organisation of working time
- benefits
- procedures

Cloud Adoption (joint survey with KPMG - 2nd edition)

The acceleration of working from home caused by the Covid-19 pandemic pushed the sector to rethink data access and storage, and cloud solutions have multiplied. But issues around security, supervisory permissions and a clear legal framework meant that cloud solutions have not been adopted as quickly in our sector compared to others.

In its second survey on cloud adoption, conducted together with KPMG, the ABBL showed nevertheless that there is a positive shift towards this technology in the Luxembourg financial sector. **Key takeaways of the survey were:**

- **Many financial institutions rely on legacy IT**, so cloud adoption will be a longer journey for them. The sooner institutions begin this journey, the easier and quicker it will be. The ABBL recommends prompt preparation, and if possible, in a gradual manner. For example, starting by adopting some non-material/critical cloud use cases.
- **Educating existing workforce**, the right way is key. Training is the bedrock of any organization looking to seize cloud computing's many opportunities. The authors suggest training starts at the top and moves down: Ops and IT leadership must understand the impact of cloud, its ecosystem, and its concepts.
- **Security professionals need to be included in the cloud journey**. The amount of cloud knowledge required from SecOps and IT risk teams should not be underestimated; chances are that "gate" controls - like security assessments - will need a major overhaul to remain relevant for cloud deployments.

- While financial regulation is often perceived as an obstacle for cloud adoption, **some of the respondents went "all cloud" despite being regulated too**. Internal control functions, such as Legal and Compliance, also need to be part of your cloud journey to support companies as they tackle these regulatory requirements.
- **can companies miss out on software which is only available in the cloud?** Both well-established and rising vendors don't offer (or no longer offer) on-premises versions of their solutions. This may restrict options to maintain and/or expand information systems in the fields of the modern workplace, CRM, business intelligence, data warehouse, etc.
- By now, the **fresh graduates arriving in Luxembourg are all digital natives**. In an increasingly competitive landscape for recruiting and retaining talented employees, organizations must deploy the right technology to enable a modern workplace and prepare for the future of work.

ICT: Jobs with a future Skills (joint survey with the Fédération des Industriels Luxembourgeois - FEDIL)

FEDIL and ABBL published the results of their 11th survey on the hiring expectations of companies in the field of information and communication technologies (ICT).

The 2022 survey showed **high potential for hiring** in the next two years, further accelerated by the health crisis and the digital transformation. There was a total of 687 recruitments for 97 companies, 47% of which were to replace departures and 53% to fill newly created positions.

The **most demanded areas of expertise** for both ICT hiring and replacement were “Software analysis, development and maintenance” (41% in total number of hiring and replacements), “Analysis, development and administration of computer systems” (24%), and coordination (13%). The percentages and ranking of these three areas among other areas of expertise remain stable since 2018.

Digital onboarding and E-signatures (joint survey with Deloitte)

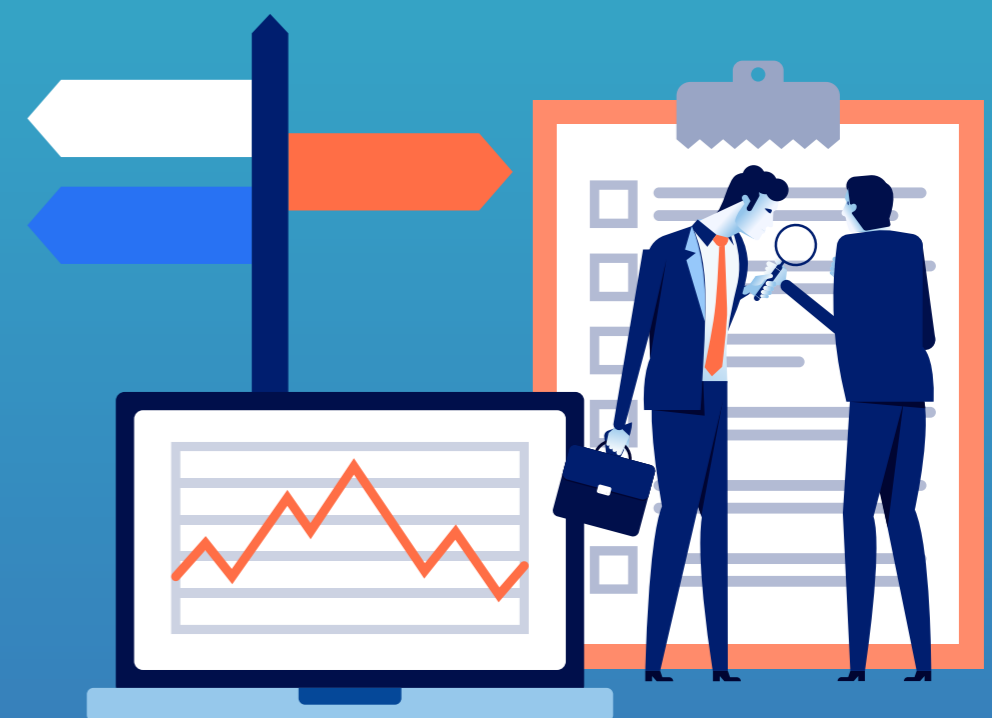
In the context of unprecedented operational and organisational challenges linked to the global pandemic, the financial sector has accelerated digital transformation. One of the ways to increase customers' satisfaction and facilitate internal processes is to adopt digital client onboarding and implement electronic signatures.

To evaluate the Luxembourg market situation in these fields, the ABBL, in cooperation with Deloitte, conducted a market study with its members, who provided valuable information on their level of knowledge, ongoing projects, and status of adoption of these two digital improvements for day-to-day business.

Even though most of the respondents were in the process of implementation analysis or have already adopted digital onboarding and electronic signature, they noted several **obstacles** in their projects, such as:

- Lack of appropriate solutions available
- Difficult integration with legacy systems
- Ambiguous legal framework

For almost 20% of respondents, the added value of digital onboarding remained unclear, and the necessity for adoption of electronic signatures varied depending on the client type.



Guidelines and standards

The ABBL mission is to promote the sustainable development of regulated, innovative and responsible banking services. This materialises in the association acting as a trusted intermediary between the regulator and regulated entities, but also in defining and spreading best practices to upgrade industry standards.

In 2022, we published several new guidelines and standards:

- **ESG risks:** whitepaper on the integration of climate-related and environmental risks into risk management frameworks.
- **Energy savings:** best practices for banks and set of guidelines on energy savings.
- **Sanctions against Russia:** technical note and Q&A on how to implement the EU sanctions, with regular updates.
- **Inactive accounts:** guidance on the implementation of the new law on inactive accounts.
- **Credit facility agreement template:** creation of a Luxembourg-law governed credit facility agreement template based on relevant template from the Loan Market Association.
- **Homeworking:** Q&A on practical aspects of taxation and social security for cross-border workers.
- **Belgian Central Point of Contact (CPC) reporting:** guidance on reporting obligations under the Belgian law on the CPC including legal advice from a Belgian legal counsel.
- **Payments standards:** guidelines to clarify the implementation of the credit transfer initiation message ISO 20022.

Other guidelines and standards were updated:

- Covid-related FAQs
- AML handbook
- SFDR implementation guidelines

More information:

<https://www.abbl.lu/en/professionals/publications/guidelines>

ABBL & SEPA

The ABBL acts as SEPA's National Adherence Support Organisation (NASO) and actively supports the SEPA initiative with regard to the introduction of new payment systems or the migration of existing systems to new standards.

As a participant in the decision-making and working bodies of the European Payments Council (EPC), the ABBL influences the respective implementation of the current schemes by providing background information to its members.

For future developments, the ABBL represents members' and non-ABBL members and contributes to the development of standards, rules, guidebooks, best practices, technical and operational recommendations for the SEPA community.

Research

Research programme artificial intelligence (AI) for instant anti-money laundering (AML) due diligence

The ABBL, its Foundation and the Interdisciplinary Centre for SnT jointly initiated a research programme, "Trustworthy AI for instant AML Due Diligence", in order to develop tech solutions for the mutual benefit of the ABBL, its members and the SnT. The goal of this initiative is to **develop a tool to resolve possible flaws in the reliability of AI in the banking sector and to provide solutions to instant monitoring of payments.**

AI systems are used to learn data models which are then used to make decisions. However, AI tools can acquire biases that can skew their results. In many companies, there is no tracking of how AI systems are operated and simple questions like 'who, how, and when' regarding a training model are not answered. These questions become fundamental for financial institutions when related to AML checks. These vital administrative procedures add complexity and costs. In addition, the deployment of instant payment is raising the interest of financial institutions to explore trustworthy AI tools suitable for instant AML due diligence.

The Luxembourg financial services sector and the ABBL are embracing new technologies such as AI to ensure Luxembourg remains an important global hub for financial services. ABBL three-year collaboration with SnT is central to these efforts as it connects the banking community to high quality researchers working at the cutting edge of technologies.

We strive to support the development of high quality, low cost, inclusive banking services, which is why initiatives like this are so important for its members to keep an innovative edge.

Expert events and conferences

ABBL events provide the opportunity for knowledge sharing, networking, and upskilling by bringing together professionals with similar interests, expertise, and backgrounds. Many of these conferences are organized in cooperation or in presence of local authorities.

In 2022, the ABBL member relations team organised **37 events** (+ 12 compared to 2021) which were attended by more than **3,500 participants**:

- 28 expert events
- 6 expert events in co-operation with a member
- 2 networking events for members
- 1 reception for EU decision makers and stakeholders in Brussels

ABBL experts participated as panellists on **30** key conferences and events.



37
events

3,500
participants

Landmark expert events in 2022

- ABBL-CSSF webinar Outsourcing Arrangements (1,500 participants)
- ABBL-CSSF conference Revised Long Form Report (250 participants)
- ABBL/Association Luxembourgeoise des Risk Managers (ALRiM) Risk Management conference with Claude Wampach, Director CSSF, as keynote speaker (200 participants)
- ABBL-ACA-Treasury Dormant accounts conference with Bob Kieffer (Director of the Treasury) as keynote speaker (180 participants)
- ABBL Tax impacts of homeworking (180 participants)
- ABBL-Allen & Overy MiCA regulation (120 participants)
- ABBL-KPMG Cloud Adoption (80 participants)
- ABBL-EY Cyber resilience challenges (50 participants)
- 2022 SEPA Roadmap (40 participants)

A hackathon for FinTech-solutions

The Luxembourg Tech School (LTS), in partnership with the Fondation ABBL pour l'éducation financière and the Luxembourg House of FinTechs (LHoFT), held a hackathon on 1-3 July 2022, where its Level Up students got together with LTS Alumni to design and build FinTech solutions for the banks of the future. LTS students followed a unique educational program, supported by the Luxembourg Ministry of Education, that aims at training future digital leaders. About 50 students coming from different lycées in Luxembourg took part in the event together with their LTS coaches.

Representatives of several ABBL members volunteered to be mentors for student teams. Three student projects have been awarded for such use-cases as custom donation, financial education, and expense management.





Reporting on our Responsibility

Our Annual Report provides a detailed overview of our achievements, priorities, and activities in a wide range of areas which matter to ABBL members. But as part of our continuous effort to improve our approach to corporate social responsibility (CSR), we considered it was insightful to produce a new, separate report which would respond to the expectations of all our stakeholders.

This is why **we produced our first CSR report in 2021**. Preparing that report invited us to question the impacts of our activities on society, the economy, and the environment. It is an approach towards progress in terms of the value of our activities.

We now publish our CSR report under the name of 'Responsibility Report' each year alongside our Annual Report. We are increasingly raising our alignment to recognised international standards on sustainability reporting to produce clearer, more complete, and better comparable information for our CSR report.

In 2022, we have conducted a **renewed materiality assessment** to find out what our stakeholders expect from our CSR policy and have adapted our disclosures to increase our transparency on these elements.

Our Responsibility Report is intended for all our stakeholders. It describes how we create shared value through our commitment to a responsible banking sector, our transparent governance model and our work to foster financial literacy.

In 2022, the ABBL

- joined a working group of the Commission des Normes Comptables dedicated to the European Sustainability Reporting Standards;
- joined Luxembourg's national Platform on climate action and energy transition;
- published its first CSR report using the internationally recognized GRI sustainability reporting standards;
- contributed to a joint study by INSEAD Corporate Governance Centre and Odgers Berndtson on diversity among Boards and Executive committees worldwide;
- led the IMS Autonomous Working Group on Gender on a project to create a DE&I self-assessment tool for corporates;
- co-founded a new committee on CSR with the institutions with which it shares the House of Finance, i.e., Luxembourg For Finance (LFF), LuxFLAG, the Luxembourg Private Equity and Venture Capital Association (LPEA), ALFI, ACA, the Fondation de Luxembourg and the Luxembourg Sustainable Finance Initiative (LSFI);
- engaged in various philanthropic actions.

Additionally, we strengthened our commitment to financial education with an emphasis on sustainable finance through the Fondation ABBL pour l'éducation financière (the Foundation).

In 2022, the Foundation:

- launched a new workshop to familiarize high school students with the basics of responsible investing;
- conducted a survey jointly with the LSFI and the CSSF on the general public's perceptions and knowledge on sustainable finance;
- kicked-off a radio campaign on sustainable finance in collaboration with RTL and the CSSF.

To learn more about how the ABBL creates shared value for its stakeholders, read our 2022 Responsibility Report which is available on the ABBL's website.

15

ABBL
members

Diversity is one of the ABBL's riches, and it strives to cultivate it. The ABBL membership base represents the Luxembourg banking services scene at large to reflect the financial ecosystem in Luxembourg in all its richness and to create a beneficial dialogue for all stakeholders.

Members include banks, investment firms, payment and E-money institutions, lawyers, auditors, consultants, and IT service providers.

The ABBL Member Relations team promotes the ABBL to the Luxembourg financial sector's actors and manages the on-boarding of new members, offering them an effective integration into the Luxembourg banking and financial community.

21 new members (vs 15 new members in 2021) joined the ABBL in 2022, reaffirming the ABBL stature as the largest employers' association in Luxembourg, with 185 full members, and 59 related members as of 31 December 2022.



Three questions to Sarah Odru, Head of Member Relations

1. What were the main developments in the ABBL's membership base over the past year?

The Member Relations department proactively developed our community with 21 new members in 2022 representing each segment of the financial sector, mainly regulated entities and other players active in the financial sector. Diversity is one of our strengths, bringing the members together as very often exposed to the same challenges.

2. Member Relations department is organizing events throughout the year. To what type of initiatives have members particularly reacted positively?

A vast variety of events are organized, from presentations of technical aspects of new regulations to simply get-together networking cocktails. The feedback of the members shows that this variety is greatly appreciated, also in terms of the proposed format: livestreams and webinars become indeed more and more popular.

More particularly, in 2022, we organized multiple events in collaboration with the CSSF that were highly regarded by the members as a chance to listen and dialogue with the local regulator.

3. What new impetus do you want to give to the animation of the members' network in the coming months?

One of 2023's ABBL resolution – Creating a context for accelerating digitalisation – is becoming a reality!

On 11 January, we organized a speed-dating event bringing together our members: CEO of banks and FinTech's founders in presence of H.E. Yuriko Backes, Luxembourg's Minister of Finance, and Guy Hoffmann, ABBL Chairman. The initiative resulted in creating a unique atmosphere for 70 senior bankers and FinTech professionals enabling those ABBL members to meet each other in person, interact, and explore new opportunities for the future.

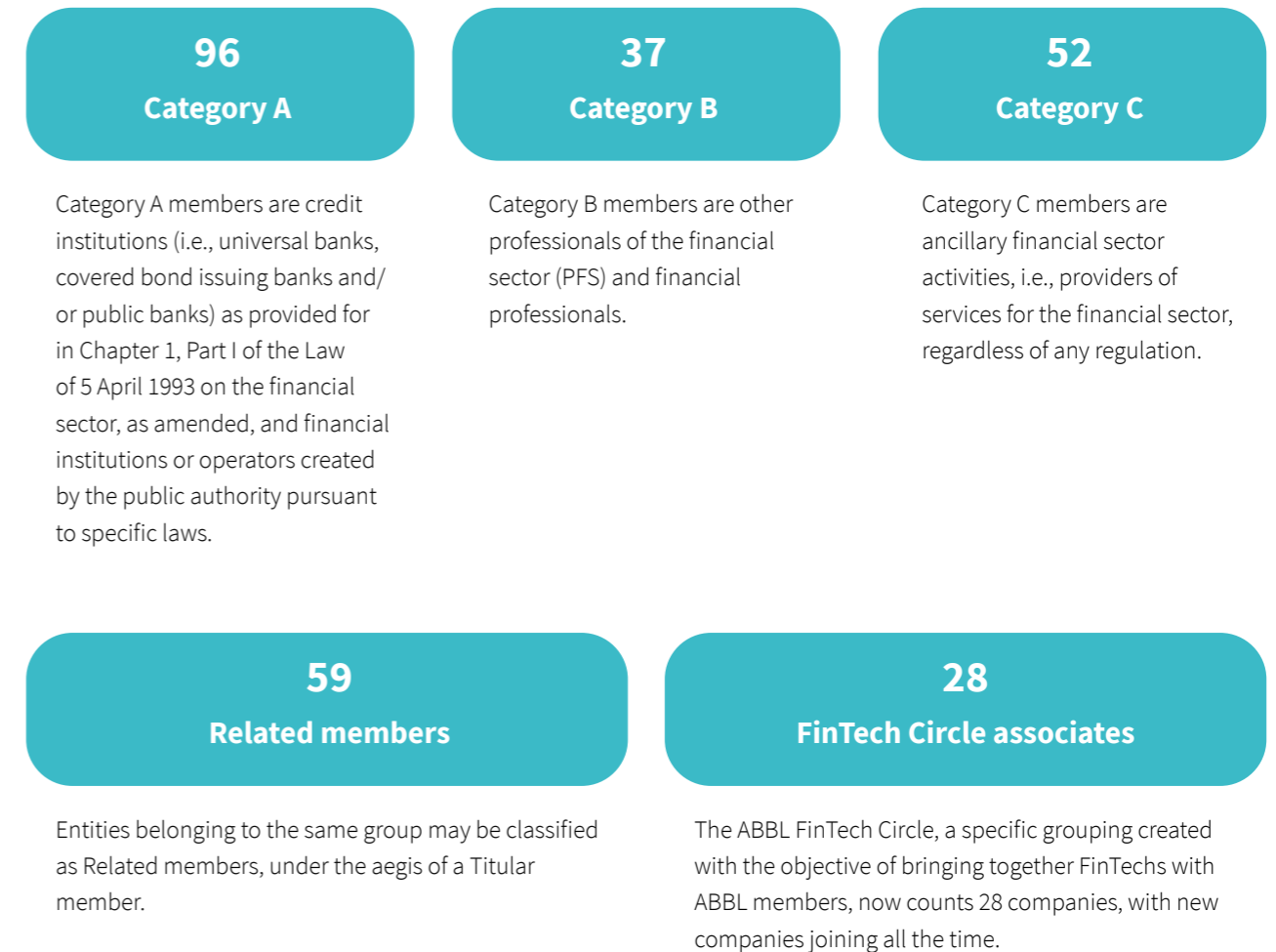
This event also demonstrates the ability of the ABBL to leverage on the Luxembourg associations' network such as, in this case, the Luxembourg House of Financial Technology, which expands even further the possibilities for ABBL's members.

We will continue to innovate and collaborate just like this event to increase the benefits of the ABBL membership in all terms.



Sarah Odru
Head of Member Relations

Breakdown of members



Directory of members

(as of 31.12.2022)

Titular members

- 1875 Finance (Luxembourg) SA
- 3S Money (Luxembourg) SA
- Accenture (Luxembourg) S.à r.l.
- Advanzia Bank S.A.
- Agricultural Bank of China (Luxembourg) S.A.
- AIQU Tax Sà rl
- Airbnb Payments Luxembourg S.A.
- AKD Luxembourg Sà rl
- Allen & Overy S.C.S.
- Allfunds Bank S.A.U., Luxembourg Branch
- Alpha Europe S.A.
- Alpha Omega Sà rl
- Amazon Payments Europe SCA
- Andbank Luxembourg
- Annerton SA
- Arendt & Medernach SA
- ATOZ S.A.
- Aurexia Luxembourg Sà rl
- Avaloq Luxembourg S.à r.l.
- Axon Advisory & Consulting Sà rl
- Baker & McKenzie Luxembourg
- Banca March, S.A., Luxembourg Branch
- Banco Bradesco Europa S.A.
- Banco Santander (Brasil) S.A., Luxembourg Branch
- Bank GPB International S.A.
- Bank Julius Baer Europe S.A.
- Bank of China Limited Luxembourg Branch
- Bank of Communications (Luxembourg) S.A.
- Banking Circle S.A.
- Bankinter Luxembourg S.A.
- Banque BCP S.A.
- Banque de Commerce et de Placements S.A., succursale de Luxembourg
- Banque de Luxembourg
- Banque Degroof Petercam Luxembourg S.A.
- Banque Havilland S.A.
- Banque Internationale à Luxembourg S.A.
- Banque J. Safra Sarasin (Luxembourg) SA
- Banque Raiffeisen, Société Coopérative
- Banque Transatlantique Luxembourg S.A.
- Barclays Bank Ireland plc, Luxembourg Branch
- BDO Services Luxembourg S.A.
- BearingPoint Luxembourg Sà rl
- BEMO Europe - Banque Privée
- BGL BNP Paribas S.A.
- BITSTAMP EUROPE SA
- Bonn & Schmitt Sàrl
- BOS Wealth Management Europe S.A.
- BPER Bank Luxembourg SA
- Brown Brothers Harriman (Luxembourg) S.C.A.
- Brucher Thieltgen & Partners, Avocats à la Cour
- CA Indosuez Wealth (Europe)
- CaixaBank Wealth Management Luxembourg S.A.
- CapitalatWork Foyer Group S.A.
- CASTEGNARO S.à r.l.
- Chambre de Commerce du Grand-Duché de Luxembourg
- China Construction Bank (Europe) S.A.
- China Everbright Bank (Europe) S.A.
- China Merchants Bank Co., Ltd., Luxembourg Branch
- CIBC Capital Markets (Europe) SA
- Citco Bank Nederland N.V., Luxembourg Branch
- Citibank Europe plc, Luxembourg Branch
- Clearstream Banking S.A.
- Clifford Chance S.C.S.
- CMS DeBacker Luxembourg SCS
- Colin & Cie. Luxembourg S.A.
- COMMERZBANK Finance & Covered Bond S.A.
- Creand Wealth & Securities (Banque de Patrimoines Privés S.A.)
- Credit Suisse (Luxembourg) S.A.
- Creditreform Luxembourg S.A.
- Creutz & Partners The Art of Asset Management SA
- DekaBank Deutsche Girozentrale, Succursale de Luxembourg
- Delen Private Bank Luxembourg S.A.
- Deloitte General Services S.à r.l.
- Dentons Luxembourg
- Deutsche Bank Luxembourg S.A.
- DLA Piper Luxembourg Sà rl
- DNB Luxembourg S.A.
- Dock Financial SA
- Dynas Lux SA
- DZ PRIVATBANK S.A.
- eBay Europe S.à r.l.
- East-West United Bank S.A.
- Edmond de Rothschild (Europe)
- EFG Bank (Luxembourg) S.A.
- Ekonoo SA
- Elavon Financial Services DAC - Luxembourg Branch
- Elvinger Hoss Prussen, société anonyme
- Eraneos Luxembourg Sà rl
- Eurizon Capital S.A.
- Eurobank Private Bank Luxembourg S.A.
- European Depository Bank S.A.
- EY
- Fideuram Bank (Luxembourg) S.A.
- Finastra (Finastra Europe S.à r.l.)
- Finegan
- Finologie S.A.
- FIS Privatbank S.A.
- Forethix Sà rl
- Fortuna Banque s.c.
- Fundsquare S.A.
- Goldman Sachs Bank Europe SE, Luxembourg Branch
- Grant Thornton Advisory SA
- GSK Stockmann S.A.
- Halian S.à r.l.
- Hamburg Commercial Bank AG Luxembourg Branch
- Hauck Aufhäuser Lampe Privatbank AG, Niederlassung Luxemburg
- HSBC Continental Europe, Luxembourg
- i-Hub SA
- Industrial and Commercial Bank of China (Europe) S.A.
- ING Luxembourg
- Intesa Sanpaolo Bank Luxembourg S.A.
- Intesa Sanpaolo Wealth Management
- Invoke Luxembourg Sà rl
- Itaú BBA Europe SA, Luxembourg Branch
- John Deere Bank S.A.
- JP Morgan SE, Luxembourg Branch
- Kleyr Grasso S.C.S.
- KPMG Luxembourg SA
- Kuylenstierna & Skog S.A.
- Landesbank Baden-Württemberg, Luxembourg Branch
- Linklaters LLP
- Lombard Odier (Europe) S.A.
- Loyens & Loeff Luxembourg S.à r.l., Avocats à la Cour
- LuxCSD S.A.
- Luxembourg Stock Exchange
- LUXHUB S.A.
- LuxTrust S.A.
- Mazars Financial Advisory Services S.A.
- Mediobanca International (Luxembourg) S.A.
- Microsoft Luxembourg Sà rl
- Mirabaud & Cie (Europe) S.A.
- Mitsubishi UFJ Investor Services and Banking (Luxembourg) S.A.
- Mizuho Trust & Banking (Luxembourg) S.A.
- Molitor - Avocats à la Cour S.à r.l.
- Monex Europe SA
- Natixis Corporate and Investment Banking Luxembourg
- NautaDutilh Avocats Luxembourg S.à r.l.
- Nomura Bank (Luxembourg) S.A.
- NORD/LB Luxembourg S.A. Covered Bond Bank
- Northern Trust Global Services SE
- Norton Rose Fulbright Luxembourg S.C.S.
- Novo Banco S.A., Succursale de Luxembourg
- Payconiq International SA
- PayPal (Europe) S.à r.l. et Cie, S.C.A.
- Pictet & Cie (Europe) S.A.
- Pinsent Masons Luxembourg
- POST Luxembourg
- PPRO Payment Services SA
- PricewaterhouseCoopers, Société coopérative
- Privalux Management S.A.
- Quintet Private Bank (Europe) S.A.
- Radices Financial Services S.A.
- Rakuten Europe Bank SA
- RBC Investor Services Bank S.A.
- Royal Bank of Scotland International Limited, Luxembourg Branch (The)
- Satispay Europe SA
- Schiltz & Schiltz SA
- SIA Partners Luxembourg Sà rl



- Simmons & Simmons Luxembourg LLP
- Skandinaviska Enskilda Banken AB, Luxembourg Branch
- SMBC Nikko Bank (Luxembourg) S.A.
- Société Générale Luxembourg
- Sopra Banking Software Luxembourg
- Spirit Asset Management S.A.
- Spuerkeess
- State Street Bank International GmbH, Zweigniederlassung Luxemburg
- Stibbe Avocats
- Sumitomo Mitsui Trust Bank (Luxembourg) S.A.
- Svenska Handelsbanken AB (Publ), Luxembourg Branch
- Swissquote Bank Europe SA
- The Bank of New York Mellon S.A./N.V., Luxembourg Branch
- Thomson Reuters Finance SA
- UBS EUROPE SE, Luxembourg Branch
- UniCredit International Bank (Luxembourg) S.A.
- Union Bancaire Privée (Europe) S.A.
- Union Investment Luxembourg S.A.
- Unzer Luxembourg SA
- Vermeg Luxembourg SA
- Victory Asset Management SA
- VP Bank (Luxembourg) SA
- WAVESTONE Luxembourg S.A.
- Westrich Gen SA
- Worldline Financial Services (Europe) S.A.
- Wüstenrot Bausparkasse AG, Niederlassung Luxemburg
- zeb.rolfes.schierenbeck.associates GmbH

Membership benefits

1. Collaborate and network: Members can benefit from the networking opportunities provided by the ABBL to connect with other industry players, including banks, and develop partnerships, share best practices, and explore business opportunities.

2. Access to information and resources: ABBL offers a wealth of information and resources that can be valuable to its members, including updates on regulatory changes, industry trends and market developments. These insights can help them stay informed and competitive.

3. Benefit from education and training programs: The ABBL organizes various education and training programs with the House of Training that can be relevant to all its members helping them to enhance their skills and knowledge in various areas of the financial sector.

4. Influence on policy and regulation: By being part of the ABBL, our members can contribute to shaping the regulatory and policy environment that affects the broader financial sector. They can have a say on issues that may impact their businesses directly or indirectly.

5. Enhance reputation and visibility: Membership in the ABBL can enhance its members' reputation and visibility within the financial industry, demonstrating their commitment to upholding high standards and best practices.

6. Support for innovation and growth: The ABBL supports innovation and growth in the financial sector, which can benefit banking and non-banking entities, particularly fintech companies, by creating a favorable environment for the development and adoption of new technologies and business models.

Related members

- Amundi Luxembourg S.A.
- Andbank Asset Management Luxembourg
- ATOZ Administration
- ATOZ Aviation Finance Sàrl
- ATOZ Digital Solutions S.A.
- ATOZ Services S.A.
- Banco Safra S.A., Luxembourg Branch
- Bank of China (Europe) S.A.
- Bank of Communications Co, Limited Luxembourg Branch
- Belair House
- BHW Bausparkasse AG, Niederlassung Luxemburg
- BIL Manage Invest S.A.
- BLI - Banque de Luxembourg Investments S.A.
- BIL Fund & Corporate Services
- BNP Paribas Asset Management Luxembourg SA
- BNP Paribas Lease Group Luxembourg S.A.
- BNP Paribas Leasing Solutions S.A.
- BNP Paribas S.B. Ré S.A.
- BNP Paribas, succursale de Luxembourg
- CA Indosuez Wealth (Asset Management)
- CACEIS Bank Luxembourg Branch
- China Construction Bank Corporation, Luxembourg Branch
- China Everbright Bank Co. Ltd., Luxembourg Branch
- Clearstream International S.A.
- Clearstream Services S.A.
- Commerzbank AG, Filiale Luxemburg
- Credit Suisse AG Luxembourg Branch
- Degroof Petercam Asset Services SA
- Degroof Petercam Insurance Broker SA
- Deloitte Audit
- Deloitte LIS Sàrl
- Deloitte Solutions Sàrl
- Deloitte Tax & Consulting S. à r.l.
- Deutsche Bank AG, succursale de Luxembourg
- Edmond de Rothschild Asset Management (Luxembourg)
- Edmond de Rothschild Assurances et Conseils (Europe)
- EFG Investment (Luxembourg) S.A.
- EuroInformation International S.A.
- European Financial Group EFG (Luxembourg) S.A.
- FIAD S.A.
- Fiduciaire Générale de Luxembourg S.A.
- Fund Channel S.A.
- Global Funds Management S.A.
- Global General Partner S.A.
- HSBC Private Bank (Luxembourg) S.A.
- ING Lease Luxembourg S.A.
- ING Solutions Investment Management SA
- KPMG Services Sàrl
- Kredietrust Luxembourg S.A.
- Lux Gest Asset Management S.A.
- RBS International Depository Services SA
- SEB Investment Management AB, Luxembourg Branch
- SG Issuer
- Société Générale Capital Market Finance S.A.
- Société Générale Financing and Distribution
- Société Générale Life Insurance Broker S.A.
- Société Générale Private Wealth Management S.A.
- Société Luxembourgeoise de Leasing BIL-Lease SA
- UniCredit Bank AG Luxembourg Branch



About the ABBL



Presentation

Established in **1939**, the Luxembourg Bankers' Association (ABBL) is the oldest and largest professional association in the financial sector, **representing most banking institutions as well as regulated financial intermediaries and other professionals in Luxembourg, including law firms, consultancies, auditors, market infrastructures, electronic-money and payment institutions.** This makes us truly representative of the diversity of the Luxembourg banking centre, placing us in a unique position, able to give the entire sector a voice at both national and international level.

We provide our members with the **intelligence, resources, and services** they need to operate in a dynamic financial market and in an increasingly complex regulatory environment. We also facilitate an open platform to discuss key industry issues and to define common positions for the entire sector.

The ABBL is organised around four main pillars, dedicated to the banking sector of today and of the future: **Sustainability & Conduct, Digital & Innovation, Regulatory Affairs and Member Relations.** With this structure, we facilitate a transversal approach between ABBL experts and ABBL Members, ensuring that efforts are always focused on issues that have the biggest impact on the sector.

We are also part of a much larger ecosystem, and work closely with partner associations in the wider economic environment, as well as national and international bodies and committees, including the Luxembourg Government, the CSSF, the BCL, the UEL, the CES, the EBF and the European Payments Council (EPC).

To ensure close monitoring of EU regulatory developments, and to support the sectors' EU advocacy efforts, we have a **Representative Office in Brussels,** where our European Affairs team closely follows regulatory developments, facilitates the interactions with policy makers and represents the interests of ABBL Members in Brussels.



Governance

Board of Directors

Status as of 30 March 2023



Guy Hoffmann
Banque Raiffeisen S.C.

Chairman



Pierre Etienne
Pictet & Cie (Europe) S.A.

Vice-Chairman

Pierre Ahlborn Banque de Luxembourg S.A.	Claire Alexandre PayPal (Europe) S.à r.l. et Cie, S.C.A.	Julie Becker Luxembourg Stock Exchange S.A.	Béatrice Belorgey BGL BNP Paribas S.A.	Michael Burch ING Luxembourg S.A.
Olivier Carcy CA Indosuez Wealth (Europe)	David Claus European Depositary Bank S.A.	Falk Fischer Bank Julius Baer Europe S.A.	Tobias Gansäuer DekaBank Deutsche Girozentrale, Luxembourg S.A.	Jerry Grbic ABBL (invited member)
Roxane Haas Pricewaterhouse-Coopers, Société coopérative	Arnaud Jacquemin Société Générale Luxembourg S.A.	Riccardo Lamanna State Street Bank International GmbH, Zweigniederlassung Luxemburg	Marcel Leyers Banque Internationale à Luxembourg S.A.	Melinda Perera Linklaters LLP
Philippe Renard RBC Investor Services Bank S.A.	Frank Rückbrodt Deutsche Bank Luxembourg S.A.	Philippe Seyll Clearstream Banking S.A.	Françoise Thoma Spuerkeess	Massimo Torchiana Intesa Sanpaolo Bank Luxembourg S.A.
Emanuele Vignoli HSBC Continental Europe, Luxembourg	Chen Xu Bank of China Limited Luxembourg Branch S.A.			

Committee chairs

Jean Hilger Université de Luxembourg / Spuerkeess	Catherine Poças BIL Banque Internationale à Luxembourg S.A.	Joseph Delhaye Spuerkeess
Digital Strategy Committee	Fiscal Affairs Committee	Legal Affairs Committee
Thierry Lopez Northern Trust Global Services SE	Alexandra Merlino Pictet & Cie (Europe) SA	Tim Geyens Pictet & Cie (Europe) SA
Banking Supervision Committee	Financial Markets & Intermediation Committee	Professional Obligations Committee
Stéphane Leydet Banque Raiffeisen S.C.	Alessandra Simonelli BIL Banque Internationale à Luxembourg S.A.	Antoine Le Bars EY
Social Affairs Committee	Sustainability Committee	Accounting Committee
Laurent Marochini Société Générale Luxembourg S.A.		
Fintech & Innovation Forum		

More information about our governance principles can be found in our dedicated CSR report <https://www.abbl.lu/en/home/about-us/corporate-social-responsibility>



Organisation

Business Clusters

- Corporate & Investment Banking
- Depository Banking
- Payments
- Private Banking
- Retail Banking

Technical Committees

- Accounting
- Banking Supervision
- Digital Strategy
- Financial Markets & Intermediation
- Fiscal Affairs
- Legal Affairs
- Professional Obligations
- Social Affairs
- Sustainability

Forums

- FinTech & Innovation
- Consultants & Auditors
- Law Firms
- Compliance
- Chief Financial Officers

Working Groups

Regulatory topics

- Banking supervision
- Compliance
- Data protection
- Industry standards
- Market regulation
- Reporting
- Risk management
- Sustainable finance
- Taxation
- ...

Business topics

- Business activities
- Business intelligence
- Corporate social responsibility
- External Asset Managers
- Guidelines & training
- Innovation
- Investment Firms
- Products
- Security
- ...



The ABBL team

In addition to the **2,500 banking professionals** who are involved in the ABBL's committees, clusters, working groups and other forums, we have a highly committed team of **39 employees**.

Each of them presents the contribution to the ABBL's missions of which they were most proud in 2022.



Management Board



Jerry Grbic
CEO

"In an ever-increasing challenging environment, I am delighted that we were able to alleviate the transversal communication among the ABBL and its members in order to take advantage of the tremendous competencies and collective intelligence the banking sector offers."



Camille Seillès
Secretary General

"A tax expert by training, I have been particularly committed to formulating proposals towards the introduction of incentives to support digital and green investments and talent attraction to Luxembourg. The fact that certain measures, under the coordination of the UEL, are set to materialize during the current legislature is for me a positive sign as to the attention given by the Government to the needs of our sector."



Catherine Bourin
Member of the Management Board

"After negotiating with the Ministry of Justice clarifications concerning the implementation of the law on the management and recovery of seized assets in a sense to the advantage of banks, we received a letter signed by the Minister of Justice herself recognising and thanking the ABBL - and specifically me - on the good cooperation and great help given to the Ministry on this file."



Ananda Kautz
Member of the Management Board

"Banks are embracing innovation, our members are adopting the blockchain technology, moving to the cloud, developing AI functionalities, putting in place partnerships with fintechs, the Luxembourg banking sector is vibrant and the ABBL is here to support."



Extended Management Team



Antoine Kremer
Head of European Affairs

"At the Brussels Office we continuously keep a dialogue a.o. with the Commission, Member States, MEPs and other stakeholders. And results are there e.g., on the treatment of third country aspects in the CRD, depositary requirements in the AIFMD, or the financial sector in the deforestation directive."



Sarah Odru
Head of Member Relations

"With the recruitment of 21 new members in 2022 made of, among others, Banks, Payment Institutions, Investment firms and Law firms, I am proud to support their effective integration into the Luxembourg banking and financial sector thanks to the ABBL community and hereby contribute to the ABBL being the voice of the financial sector."



Gilles Pierre
Head of Banking Regulation & Financial Markets

"I am proud to have organized two webinars in collaboration with the CSSF, which have gathered a broad audience of ABBL members around the new CSSF circulars on Outsourcing Regulation (1,500 participants) and on the new Long Form Report (250 participants). I appreciate the quality of the supervisory dialogue with the CSSF, which brings great value to our financial community!"



Myriam Sibenaler
Head of Human Resources

"The public affairs job market in Brussels is extremely competitive. I am therefore very proud that we have been able to complete the recruitment of two new colleagues, with very interesting profiles, for our representative office in the European capital."



Paul Wilwertz
Head of Communication

"As a new recruit, I am especially happy to have been able to integrate into an extremely dynamic team of people who have a clear sense of purpose and who are very open-minded to initiatives in the field of communication."

Technical Experts



Xavier Bové
Adviser - European Affairs

"Our efforts to prevent the inclusion of the financial sector in the new EU Deforestation Regulation - which would have resulted in an unnecessary duplication of existing requirements - was crowned with success following ACA, ABBL, and ALFI's coordinated engagements with EU decision makers."



Laétitia Carroz
Adviser - Tax

"I have provided continued assistance to our members to understand the tax issues associated with cross-border homeworking. We prepared a comprehensive ABBL guidance, and we organized a dedicated webinar during which we were able to provide answers to many practical questions raised by members and to share timely updates in anticipation of the expiry of Covid-related reliefs."



Cristelle Cervellati
Legal Adviser

"On files relating to labour relations, we have been able to maintain and perpetuate, both with the institutions and with our social partners, a constructive and qualitative dialogue allowing us to always seek solutions adapted to the specificities of each company and the particular needs of our members and their employees."



Thomas Collin
Officer - Sustainability & CSR

"The achievement I am most proud of is the ABBL Responsibility Report 2021. For our second sustainability report, we referred to the internationally recognised reporting standards developed by GRI to enhance its structure and content. That makes our latest Responsibility Report the first of its kind amongst banking federations in Europe. I believe this underlines our long involvement in the field of corporate social responsibility. And we are only getting started!"



Julien Froumouth
Adviser - Sustainable Finance

"I am particularly proud to be motivating and federating a large community of financial professionals amongst our members who actively exchange ideas and pool energies to support the necessary shift of the Luxembourg banking sector towards the financing of the transition to a sustainable economy."





Bettina Helling
Adviser - Payments and Digital

(new colleague as of 17.02.2023)



Jonathan Hug
Senior Legal Adviser

"My main realizations for 2022 were the continuous support that I was able to deliver to members regarding the implementation of the Law of 31 March 2022 on inactive accounts, the conference held in May 2022 dedicated to that topic, and the guidelines we have issued in that respect following discussions with the Treasury and the CSSF."



Simone Kayser
Senior adviser - Retail Banking & Consumer Protection

"Thanks to my knowledge in Retail Banking & Consumer Protection, I really enjoyed supporting the various ABBL initiatives on Financial Education."



Julien Leroy
Senior Legal Adviser

"Having been able to demonstrate to the FATF assessors, while performing their Luxembourg on-site AML/CFT evaluation, the achievements made by the ABBL and its members to efficiently fight financial crime over the past few years."



Fabio Mandorino
Senior adviser - Member Relations

"I am particularly proud of setting up market surveys for each of our business clusters with a view to gain a solid and granular statistical database to support the strategic decisions of our members active in the different business segment."



Giorgia Marteddu
Intern - European Affairs team

"My greatest achievement since working for ABBL, ALFI and ACA was definitely co-organizing the Brussels reception, putting so much effort into planning an enjoyable evening for our chairman, members of the ABBL Board, colleagues and our 120 guests."



Andrey Martovoy
Adviser - Innovation & Digital

"For me, the most rewarding activity has been working with ABBL members on the advocacy work related to the proposal for MiCA and Luxembourg law bill N°8055 ("Blockchain Act III") implementing the Regulation (EU) 2022/858 on a pilot regime for market infrastructures based on distributed ledger technology."



Galina Miroshnichenko
Adviser - Payments & Digital

"The payments landscape is undergoing a major transformation which is, among others, driven by the global adoption of the ISO 20022 financial messaging standard. Acting as the backbone of payments, ISO 20022 facilitates the harmonisation of formats and data components of multiple payment methods that previously could not work together. One of my roles is to support the members in their systems' migration by providing with comprehensive guidelines, organising experts workshops and webinars and facilitating experience exchange."



Leonardo Nello Rivella
Adviser - European Affairs

(new colleague as of 01.01.2023)



Marilyn Rinck
Adviser - Financial Markets

"I would like to highlight the creation of two fields of work on Market Infrastructures, our internal working group and also the joint working group with ABBL and the Luxembourg Capital Markets Association (LuxCMA). The aim and desire behind this initiative was to bring the market infrastructure community together and extend its reach, by being the platform where specialists and users can exchange views and learn from each other."



Jessica Thyrion
Adviser - Financial Education

"Having had the opportunity to present the mobile application, "Money Odyssey", that has been created and developed by our Fondation ABBL pour l'éducation financière, during a webinar organised by the European Commission and the OECD, our application being selected as a good practice for the implementation of the Financial Competence Framework for adults in the European Union."



Support Functions



David De Oliveira
Information technology

“During the Covid crisis, providing quality IT-support has been a challenging task. I’m proud to have helped improve the workflow of daily support tasks. While doing this I gained a better understanding of our users’ needs.”



Laurence D’Haeyere
Digital Marketing Specialist

“I am proud to have implemented the new ABBL Corporate Identity which really reflects the richness and diversity of our ABBL community.”



Chloé Farouault
Head of Accounting & Finance

“Accounting, invoicing, and payment processes are now fully digitized allowing the team to focus on the most meaningful tasks. We have been able to enhance the return on our liquidities through a dynamic monitoring of interest rates on the markets. And, last but not least, the production of quarterly interim statements has allowed the management to accurately monitor income and expenses.”



Carlo Fonseca
Head of information technology

“With the help of my team, we managed to resolve a long list of standing issues in 2022. We also improved the workflow of our daily tasks, and reviewed our SLAs for all the entities our IT department is in charge of. We now are well prepared for a new challenging year.”



Cédric Fonseca
Information technology

“Our IT Team has streamlined our on- and off boarding process for all entities managed by us. I am happy to have seen my own ideas and suggestions flourish into integral parts of the resulting process.”



Elisângela Furtado
Accounting & Finance

“2022 was a remarkable year! I am proud to have contributed to our Accounting and Finance department’s efforts and achievements. We’ve been implementing tools to upgrade and to optimise efficiency in our daily work while enhancing the quality of the support provided to our colleagues and counterparts. Working on a TEAM environment and being involved on some of our ABBL’s projects was really great!”



Chantal Hoffmann
Receptionist

“In 2023 I enter my last year of a career at the ABBL that started in 1989. Throughout these years, I have been very proud to be able to welcome and guide representatives of a financial community that has become increasingly large and diverse, since in addition to the ABBL guests, we now also welcome to the House of Finance visitors from ACA, ALFI, Fondation de Luxembourg, LFF, LPEA and LuxFLAG. But in the end, what I will take away with me is a great deal of gratitude to all those people who, from the CEO to the ordinary banker, have always treated me with great respect.”



Ghislaine Mercatoris
Human Resources

“2022 was a record year for applications. It is extremely motivating to see that the ABBL is an attractive employer. For my part, I am very proud to have processed more than 250 applications we received and to have been able to get back to absolutely all the candidates within a reasonable time”.



Yazid Neghiche
Information Technology

“I am happy to have joined the ABBL team, with the goal to improve our digital communication tools. Thanks to the good collaboration with the ABBL team members, I gained a better understanding of the needs of each department.”



Piero Ruscetti
Facilities Management

“As a facility manager and safety officer, the safety and health of the employees of the ABBL and the House of Finance is of particular concern to me. In this context, I was particularly proud in 2022 to have set up and delivered first aid and fire safety training.”



Sophie Poekes, Annick Rollinger, Perrine Schuler
Assistants

“We are proud to assist members, colleagues and partners and ensure the smooth functioning of the ABBL administration.”



Glossary

ABBL	Association des Banques et Banquiers Luxembourg	EBA	European Banking Authority
ACA	Association Luxembourgeoise des Assureurs et Ré-assureurs	EBF	European Banking Federation
ADEM	Agence pour le Développement de l'Emploi	EC	European Commission
AIFMD	Alternative Investment Fund Managers Directive	ECSA	European Credit Sector Associations
ALFI	Association Luxembourgeoise des Fonds d'Investissement	EFRAG	European Financial Reporting Advisory Group
ALRiM	Association Luxembourgeoise des Risk Managers	eIDAS	Regulation on electronic identification and trust services for electronic transactions in the internal market
AML	Anti-money laundering	ELTIF	European long-term investment fund
API	Application programming interface	EMIR	European Market Infrastructure Regulation
BCL	Banque Centrale du Luxembourg	EPBD	Energy Performance for Building Directive
CCP	European central clearing framework	EPC	Energy performance certificates
CES	Conseil Economique et Social	EPC	European Payments Council
CESOP	Central Electronic System of Payment information	ESAP	European Single Access Point
CFT	Countering the Financing of Terrorism	ESG	Environmental, Social and Governance Policies
CMU	Capital Markets Union	ESRS	European Sustainability Reporting Standards
CNC	Commission des Normes Comptables	FATF	Financial Action Task Force on Money Laundering
CPC	Central Contact Point	FEDIL	Fédération des Dirigeants d'Entreprises Luxembourgeoises
CRD	Capital Requirement Directive	IBAN	International Bank Account Number
CRF	Cellule de Renseignement Financier	ICT	Information and communication Technology
CRR	Capital Requirement Regulation	IP	instant payment
CSDDD	Corporate Sustainability Due Diligence Directive	LFF	Luxembourg For Finance
CSR	Corporate Social Responsibility	LHoFT	Luxembourg House of FinTechs
CSSF	Commission de Surveillance du Secteur Financier	LPEA	Luxembourg Private Equity and Venture Capital Association
DLT	Distributed ledger technology	LSFI	Luxembourg Sustainable Finance Initiative
DORA	Digital Operational Resilience Act	LTS	Luxembourg Tech School



LuxCMA	Luxembourg Capital Markets Association
MiCA	Markets in Crypto-assets
MiFID	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
NFC	Near-field communication
OECD	Organisation for Economic Co-operation and Development
PSD	Payment Services Directive
PSP	payment service provider
RTS	Regulatory Technical Standards
SCA	strong customer authentication
SEPA	Single Euro Payment Area
SME	small and medium sized companies
SnT	Centre for Security, Reliability and Trust
TPP	Third-Party Payment System
TRACE	Treaty Relief and Compliance Enhancements

Our values



Professionalism



Responsibility



Teamwork



Belonging



Interested in becoming an ABBL member?



Contact

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+352 46 36 60 - 1
mail@abbl.lu

