

ATOZ ALERT

COVID-19: Accounting obligations and reports - Regulatory aspects

8 May 2020

On 7 May 2020, the Luxembourg Parliament passed the draft law n°7540 which relates to the extension of certain deadlines relating to accounting obligations of entities of the financial sector, including, inter alia, SICARs, SIFs and UCIs, in order to take into account the exceptional circumstances caused by COVID-19 (the “**Law n°7540**”).

As a result of various comments made by the State Council on 3 and 23 April 2020, the scope of the Law n°7540 is tighter than the one expected in the initial draft law as the RAIF, the SICAR (Part II) and the SIF (Part II) are no longer covered.

Deadlines - Legal extension

The Law n°7540 intends to extend the following deadlines:

- *SICARs not falling within the scope of the Luxembourg SICAR law dated 15 June 2004, Part II* – The deadline so as to make the annual reports, together with the report of the réviseur d’entreprises (statutory auditor), available to investors is extended from 6 months to 9 months, as from the end of the period to which these reports relate;
- *SIFs not falling within the scope of the Luxembourg SIF law dated 13 February 2007, Part II* – The deadline so as to make the annual report available to investors is extended from 6 months to 9 months, as from the end of the period to which the report relates;
- *UCIs Part II* – The deadline so as to publish the half-yearly report is extended from 3 months to 6 months, as from the end of the period to which the report relates.

As a result, for instance, the annual report as at 31 December 2019 that should in principle be submitted to investors for 30 June 2020 at the latest, shall be provided for 30 September 2020.

However, such extensions are only applicable to reports whose deadlines have not been reached as at 18 March 2020 and which relate to a period ending as at the date of the end of the state of crisis declared on 18 March 2020. The measures introduced by the Law n°7540 are also applicable to the deadlines falling between 18 March 2020 and the entry into force of the Law. The Law will enter into force the day of its publication in the Official Journal of the Grand-Duchy of Luxembourg.

Deadlines – CSSF FAQ

In this context, on 26 March 2020, the CSSF amended its FAQ relating to COVID-19, in order to specify that deadlines for, inter alia, the following documents relating to SICARs, SIFs, UCI Part II and AIFM may be extended provided that the CSSF is informed thereof:

- the annual reporting O 4.1./ O.4.2 (UCI) on the basis of Circular IML 97/136 to be submitted to the CSSF within 6 months (for non-UCITS) as from the reference date – This deadline may be extended to 30 June 2020;
- the monthly reporting O 1.2. (UCIs with formal guarantee) to be submitted to the CSSF within 10 days following the end of the month – This deadline may be extended to 30 June 2020;
- the quarterly reporting G.2.1. (SIAG/FIAAG) on the basis of Circular CSSF 18/698 to be submitted to the CSSF within 20 calendar days following the end of the preceding month – This deadline may be extended to 31 August 2020;
- the quarterly reporting G.2.1. (AIFMs) on the basis of Circular CSSF 15/633 to be submitted to the CSSF within 20 calendar days following the end of the preceding month – This deadline may be extended to 40 calendar days following the end of the preceding month;
- the management letter on the basis of Circular CSSF 02/81 to be submitted to the CSSF within 6 months (for non-UCITS) as from the reference date – An additional period of 3 months may be granted;
- the semi-annual reporting K3.1 (SICAR) on the basis of Circular CSSF 08/376 to be submitted within 45 calendar days following the reference date – This reporting may be suspended until further notice;
- the closing documents to be provided annually by AIFMs pursuant to sub-points (3) to (15) of point (3) of Annex 2 to Circular CSSF 18/698 to be submitted within 5 months following the closing date of the AIFM's financial year – For the AIFMs which closed their financial year on 31 December 2019, this deadline may be extended to 31 August 2020. For the AIFMs whose financial year closed after 31 December 2019, this deadline may also be extended by 3 months;
- the management letter to be submitted by AIFMs within the month following the ordinary general meeting that approved the annual accounts and at the latest 7 months after the closing date of the AIFM's financial year – An additional period of 1 month may be granted;
- the quarterly reporting of authorised AIFMs with the list of managed AIFs – This deadline is extended to 30 June 2020.

The legality of these extensions of deadlines should however be assessed following the comments of the State Council to the draft law according to which, under the Luxembourg Constitution, only the Grand Duke is allowed to take exceptional regulations which derogate from the law during the state of crisis.

Do you have further questions?



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