

## **Circular letter 22/9 of the Commissariat aux Assurances on the annual reporting of brokerage firms and insurance or reinsurance brokers who are natural persons**

Dear Sir or Madam,

Article 4, letter a), of the law of 7 December 2015 on the insurance sector, as amended (hereinafter the "**LSA**") provides that the Commissariat aux Assurances (the "**CAA**") shall issue instructions with regard to the accounting records and other documentation to be provided to the CAA by those natural and legal persons of the insurance sector authorised in the Grand Duchy of Luxembourg. Letter b) of the same article provides that the CAA may request authorised persons to provide all information and documentation deemed useful or necessary for the exercise of its supervision.

The reporting of insurance or reinsurance brokers, not linked to a brokerage firm, (hereinafter referred to as "brokers who are natural persons") and brokerage firms covers their activity in the fields of direct insurance and reinsurance.

In the interest of clarity, the term "brokers" is used to refer to all brokerage firms and brokers who are natural persons.

The Annual Reporting File (hereinafter the "**Annual Reporting File**"), which differs from its prior version mainly in format, has the following main objectives

- alignment with the annual reporting file format of other entities supervised by the CAA;
- increasing the granularity and precision of the information requested;
- the security of the Excel file;
- simplifying the filling of the file.

The Annual Reporting File operates on two levels, firstly, it serves as a means of reporting on the broker's global activity (hereinafter the "**Global Annual Reporting**") and, secondly, to provide, where applicable, specific information on the broker's (re)insurance distribution activity by branch established outside the Luxembourg territory (hereinafter the "**Branch Annual Reporting**").

- (1) The Global Annual Report of a broker is thus supposed to provide information about the (re)insurance distribution activity:
  - in Luxembourg, i.e. Luxembourg is the State of the commitment or the State in which the risk is located;
  - operated under the freedom to provide services under its Luxembourg licence;
  - operated under the freedom of establishment, i.e. through a branch, under its Luxembourg authorisation. As such, any permanent presence of an intermediary in the

territory of another Member State is treated in the same way as a branch, unless it lawfully sets up its permanent presence in the form of a legal person.

- (2) Brokers who have notified the CAA of their intention to carry on (re)insurance brokerage distribution activities outside Luxembourg under the freedom of establishment regime will also receive a Branch Annual Reporting file for each permanent establishment to complete. This file thus provides a targeted view of the specific activity of each branch, which is carried out either in the State of establishment of the branch or through the branch in other States, if applicable.

It is important to note that the figures provided in the Branch Annual Reporting file(s) should also be included in the overall information provided in the Global Annual Reporting file.

The following provisions, applicable as from the reference period 2021, are therefore divided into several parts:

- I. General information - providing a general explanation of the Annual Reporting File and its two parts (A) the reporting and (B) the information sheets;
- II. Detailed explanations of the information to be provided for the different modules of the file concerning:
  - A. the reporting part of the Global Annual Reporting file;
  - B. the information sheets section of the Global Annual Reporting file;
  - C. the specificities of the Branch Annual Reporting file.

## I. General information

1.1. The Annual Reporting File and the documents listed under 1.7. below must be in the possession of the CAA by the last Friday of April each year.

1.2. The executive of the brokerage firm in charge of the day-to-day management and the broker who is a natural person are responsible for the quality and accuracy of the information and documents provided in the annual reporting.

1.3. The Global Annual Reporting and Branch Annual Reporting files are available in English and French. The broker is invited to make the relevant selection in the *table of content* (ToC) of the Annual Reporting File.

1.4. The Annual Reporting File contains three main types of cells, classified by colour:

- White: cells to be filled in by brokers;
- Yellow: automatically filled cells;
- Orange: pre-filled cells, of which the unlocked ones may be corrected or should be completed, if necessary.

<i>Tables legend</i>		
	Fillable cells	
	Formula cells	locked
		unlocked
	Pre-filled cells	locked
		unlocked

1.5. The name of the EXCEL file corresponding to the Global Annual Reporting file starts with "CPRC-LU-0...".

In contrast, the name of the EXCEL file corresponding to the Branch Annual Reporting file uses the ISO 3166-1 alpha-2 country code corresponding to the host country of the branch instead of the reference "LU". For example, the name of the EXCEL file relating to a branch in Italy begins with "CPRC-IT-0...".

1.6. The Global Annual Reporting file for brokers is divided into two parts, namely the reporting (A) and the information sheets (B), the Branch Annual Reporting file is only composed of the reporting part.

The two tables below summarise for each module:

- the category of broker to which it is addressed, i.e. brokerage firms and/or brokers, natural persons, and
- the validity date of the information, i.e. the date to which the information to be filled in must correspond.

**A. The report**

<b>Module</b>	<b>Heading</b>	<b>Brokerage firm</b>	<b>Broker, natural person</b>	<b>Date of validity of the information</b>
CPR.C.0010	Basic information	X	X	Submission of Reporting
CPR.C.0020	Breakdown of premiums by Member State of the European Economic Area	X	X	End of the reference year
CPR.C.0021	Breakdown of premiums by Member State outside of the European Economic Area	X	X	End of the reference year
CPR.C.0030	Gross premiums negotiated during the reference year	X	X	End of the reference year
CPR.C.0040	Breakdown of turnover	X	X	End of the reference year
CPR.C.0050	Persons active for the brokerage firm / the broker on 31st December of the past calendar year	X	X	31.12.N-1
CPR.C.0060	Statistics on the number of contrats	X	X	End of the reference year
CPR.C.0070	Accounting information for a brokerage firm without banking activities	X		End of the reference year
CPR.C.0071	Accounting information for a brokerage firm with banking activities	X		End of the reference year
CPR.C.0080	Life insurance - Insurance undertakings with which business was placed directly and indirectly and/or with which a brokerage agreement was in force at the end of the reference period	X	X	End of the reference year
CPR.C.0090	Life insurance - Insurance intermediaries through which the business has been placed	X	X	End of the reference year
CPR.C.0100	Life insurance - Insurance intermediaries having placed their business through your firm	X	X	End of the reference year

CPR.C.0110	Non-Life insurance - Insurance undertakings with which business was placed directly and indirectly and/or with which a brokerage agreement was in force at the end of the reference period	X	X	End of the reference year
CPR.C.0120	Non-Life insurance - Insurance intermediaries through which the business has been placed	X	X	End of the reference year
CPR.C.0130	Non-Life insurance - Insurance intermediaries who placed their business through your firm	X	X	End of the reference year
CPR.C.0140	Reinsurance - Insurance or reinsurance undertakings with which business was placed directly and indirectly and/or with which a brokerage agreement was in force at the end of the reference period	X	X	End of the reference year
CPR.C.0150	Reinsurance - Intermediaries through which the business has been placed	X	X	End of the reference year
CPR.C.0160	Reinsurance - Intermediaries who have placed their business through your firm	X	X	End of the reference year

Start of reference year	R0050	2021-01-01
End of reference year	R0060	2021-12-31
Currency of annual accounts	R0070	EUR

The reference period to be taken into account for filling in the above modules corresponds to the calendar year for brokers, natural persons, and to the financial year, as defined in their articles of association, for brokerage firms. The lines "**R0050**" and "**R0060**" of module "CPR.C.0010" indicate the applicable reference period.

The currency in which the various reporting documents are to be filled in must be the currency in which the annual accounts of the brokerage firm are drawn up. The line "**R0070**" of module "CPR. C.0010" indicates the applicable currency.

## B. The information sheets

Module	Heading	Brokerage firm	Broker, natural person	Date of validity of the information
FIR.C.0010	Information on the brokerage firm	X		Submission of Reporting
FIR.C.0011	Information on the broker who is a natural person		X	Submission of Reporting
FIR.C.0020	Approved executives of the brokerage firm	X		Submission of Reporting
FIR.C.0030	Sub-brokers approved in the Grand Duchy of Luxembourg	X	X	Submission of Reporting
FIR.C.0040	Composition of the statutory body	X		Submission of Reporting
FIR.C.0050	Key functions holders (KFH)	X		Submission of Reporting
FIR.C.0060	Branches	X	X	Submission of Reporting
FIR.C.0070	Shareholders (legal persons) with qualifying holdings (≥ 10% of shares or voting rights or other means of control)	X		Submission of Reporting
FIR.C.0071	Shareholders (natural persons) with qualifying holdings (≥ 10% of shares or voting rights or other means of control)	X		Submission of Reporting
FIR.C.0080	Shareholdings held in companies	X	X	Submission of Reporting
FIR.C.0090	Review of the accounts	X		Submission of Reporting
RLB.C.0030	Fight against money laundering and against terrorist financing	X	X	<b>For trainings 31.12.N-1</b> and otherwise submission of the report

The vast majority of the above modules are, in principle, pre-filled with the information in the CAA's possession on the day the Annual Reporting File is sent to brokers. It is up to the brokers to check carefully that the information entered is correct and up-to-date on the day the file is sent to the CAA.

If, however, the pre-filled information is incorrect, then brokers must :

1. correct this information in the Annual Report File, **and**
2. send to the CAA the relevant supporting documents, as required by the laws and regulations.

1.7. Brokers are reminded that the Annual Reporting File should only be sent electronically to the email address [reporting\\_courtiers@caa.lu](mailto:reporting_courtiers@caa.lu). Brokers are requested to refrain from providing the Annual Reporting File in paper form, unless specifically requested by the CAA.

The following documents and information must be sent by any broker by email to the CAA's agent in charge of Annual Reporting who is specified in the *table of content* (ToC) of the Annual Reporting File:

- a) A covering letter, as required by this circular letter; (\*)
- b) The final annual accounts for the reference period (or, failing that, initially a draft of these annual accounts, followed by the approved annual accounts). "Annual accounts" means the balance sheet and the profit and loss account;
- c) The report of the *expert comptable* or *réviseur d'entreprises (agr  )*, as the case may be;
- d) AML/CFT training certificates, as indicated in line "R0020" of module "RLB.C.0030";
- e) For all authorised executives of a brokerage firm and for all brokers who are natural persons, a declaration on honour concerning
  - the address of the private residence; and
  - the absence or existence of criminal convictions in the territory of the European Union; (\*)

In addition, brokerage firms must attach the following documents:

- f) The minutes of the general meeting of shareholders/associates approving the annual accounts ;
- g) In case of amendments to the articles of association during the reference year (as defined in point 1.6., letter A. above), a copy of the minutes of the extraordinary general meeting of shareholders/associates approving the amendment and the latest version of the coordinated articles of association;
- h) An up-to-date group chart dated and signed by the brokerage firm
  - i. showing all direct or indirect shareholders, being either natural or legal persons, holding at least 10% of the capital or voting rights ("qualifying shareholding") in, or exercising control over, the brokerage firm, as indicated in modules "FIR.C.0070" and "FIR.C.0071";
  - ii. showing all the brokerage firm's holdings, as entered in module "FIR.C.0080";
  - iii. showing all the branches of the brokerage firm, as entered in the "FIR.C.0060" module;
  - iv. indicating the respective LEI codes, if available,
  - v. indicating the respective participation rates,
  - vi. indicating the date of the first qualifying holding, and
  - vii. highlighting by way of colour code the supervised entities and the respective supervisory authorities. (\*)

The standard group chart provided together with the Annual Reporting File shall be used as a mandatory basis for the group chart of the brokerage firm.

- i) An extract from the Trade and Companies Register (RCS) that is up-to-date on the date of submission of the annual report and less than 3 months old;
- j) An extract from the register of beneficial owners (RBE) that is up-to-date at the date of submission of the annual report and less than 3 months old;

The *expert comptable* or *réviseur d'entreprises (agr  )* of the brokerage firm must provide:

- k) Confirmation of the amounts of gross premiums negotiated during the reference year and of the arrangements in place in the event of transit of premiums / (re)insurance benefits through the brokerage firm, on the basis of the form which can be downloaded from the CAA website in the section "Documentations > Formulaires"; (\*)

In addition to the documents listed in letters a) to e), brokers who are natural persons must attach the following documents

- l) Supporting evidence that enables the CAA to verify the remuneration received during the reference year by the broker who is a natural person, such as the tax return or the commission certificates from the (re)insurance undertakings.

(\*) Documents marked with an asterisk must also be submitted to the CAA in their original version, unless they contain a qualified electronic signature.

## 1.8. Definitions :

### 1. Non-life premiums written :

Premiums relating to insurance contracts coming under insurance classes listed in Annex I of the LSA and for which a due date notice has been sent to the policyholder.

### 2. Life premiums written :

Premiums relating to insurance contracts coming under insurance classes listed in Annex II of the LSA.

### 2bis. Premiums negotiated :

Premiums relating to new contracts taken out during the reference year, successive single premiums resulting from contracts taken out in previous years, free payments and recurrent premiums resulting from contracts taken out in previous years.

### 3. State of establishment :

The State where a company is established. If, for example, the State where a company has its registered office is Belgium and the contract is taken out with the Luxembourg branch of the Belgian insurer, the State of establishment is Luxembourg.



#### 4. Insurance commissions:

Any form of gross remuneration received for insurance intermediation activities as defined by Article 279 of the LSA.

a) Commissions on new business :

Commissions received for business written during the reference year or commissions received for successive single premiums paid in the reference year but resulting from contracts written in previous years and for free payments;

b) Recurring commissions :

Commissions received on contracts taken out prior to the reference year for which the broker is remunerated on the basis of a recurrently issued premium (e.g. annual premium) ;

c) commissions on outstandings:

Commissions received for business written prior to the reference year without a recurring premium being issued on these contracts (e.g. life insurance contracts with a single premium but where the commissions paid to the intermediary are split/spread over time).

#### 5. Other remuneration:

Any remuneration received by the broker for services provided but not falling within the scope of (re)insurance mediation as defined by Article 279 of the LSA.

#### 6. Reinsurance premiums written

Premiums relating to reinsurance/retrocession treaties in the life, non-life or both classes of insurance, as appropriate, negotiated by the broker.

#### 7. Reinsurance commissions

Any form of gross remuneration received for activities generated by acts of reinsurance intermediation (including retrocession) as defined by Article 279 of the LSA.

## **II. Explanation of the different modules of the Annual Reporting File**

### **A. The report**

#### 2.1. Module CPR.C.0010 "Basic Information"

The majority of the data in this module is pre-filled. These inform the broker of the scope of the information requested.

In the line "**R0040**", the date on which the Annual Reporting File is completed must be entered. If the data entered in this file is subsequently modified, the date of the modification must be entered.

The Home State (line "**R0080**") corresponds to the State in which the brokerage firm has its registered office and the individual broker has his professional residence. For brokers authorised in Luxembourg, the Home State is always the Grand Duchy of Luxembourg. The Host State (line "**R0090**") corresponds to the State in which the broker has a

permanent establishment through which he intends to carry out (re)insurance brokerage activities. There are two possible situations:

- **Home State = Host State**

This file is the Global Annual Reporting file, which covers the broker's entire (re)insurance brokerage activity. The consolidated data relating to both the Luxembourg establishment and the other establishments in other States through which the brokerage activity is carried out must be provided.

- **Home State ≠ Host State**

This file is the Branch Annual Reporting which relates to the (re)insurance brokerage activity of a permanent establishment located outside the Luxembourg territory. The data relating to the establishment(s) located in the State identified in line "R0090" must be filled in.

It is the responsibility of the broker to provide the identity (line "R0100"), e-mail address (line "R0110") and direct telephone number (line "R0120") of the contact person for any questions relating to annual reporting.

**It is specified that the executive of the brokerage firm in charge of the day-to-day management, or the broker, who is a natural person, should, in principle, be the CAA's contact person for annual reporting. However, this function may be delegated by the executive to another person, although responsibility for the quality and accuracy of the data provided or the documents and explanations given may not be delegated.**

2.2. Module CPR.C.0020 "Breakdown of premiums by Member State of the European Economic Area"

This module takes into account, for the European Economic Area (EEA) :

- premiums relating to contracts entered into during the reference year and
- successive single premiums paid during the reference year on previously negotiated contracts or free payments made during the reference year.

The premiums relating to the new production of the financial year relating to direct insurance shall be broken down according to the Member State in which the risk is located or the Member State of the commitment, as provided for in Article 43 (15) and (17) of the LSA.

The premiums relating to the new production of the financial year relating to reinsurance shall be broken down according to the Member State of establishment of the ceding undertaking, respectively the Member State of establishment of the retrocessionaire, as provided for in Article 43, paragraph 12, of the LSA.

The amounts entered in line "R0310", columns "C0010", "C0020", "C0030" and "C0040" must be broken down by State in module "CPR.C.0021". They must correspond to the amounts respectively entered in line "R0010", columns "C0010", "C0020", "C0030" and "C0040" of module "CPR.C.0021".

2.3. Module CPR.C.0021 " Breakdown of premiums by Member State outside of the European Economic Area"

This module takes into account, for countries outside the European Economic Area (EEA):

- premiums relating to contracts entered into during the reference year and
- successive single premiums paid during the reference year on previously negotiated contracts or free payments made during the reference year.

For the purposes of the breakdown of premiums by non-EEA States, the broker is asked to apply the same criteria as those set out in point 2.2.

#### 2.4. Module CPR C.0030 "Gross premiums negotiated during the reference year"

This module takes into account all the negotiated gross premiums, as defined in 1.8.2bis above, of the reference year, more specifically the premiums actually written during the reference year on insurance and reinsurance contracts for which the broker has acted as intermediary.

This module should include the premiums collected directly by the insurer or the reinsurer/retrocessionaire, as the case may be, and the amount of premiums collected by the broker.

The gross premiums of the reference year relating to contracts transferred to the broker during the reference year from a (re)insurance undertaking or a (re)insurance intermediary must be entered in lines "**R0050**" and "**R0060**".

The *expert comptable* or *réviseur d'entreprises (agr  )*, as the case may be, is requested to confirm, by a duly signed letter to be sent to the CAA, the accuracy of each negotiated premium amount entered in line "**R0070**" of this module. A dedicated form is made available on the CAA website under "Documentations > Formulaires".

#### 2.5. Module CPR C.0040 "Breakdown of turnover"

The total of this module in line "**R0030**", column "**C0050**", must correspond to the gross turnover as it appears in the profit and loss account of the annual accounts (unless it is an abbreviated profit and loss account).

Commissions / fees / remuneration received for insurance and reinsurance distribution should be entered in the first line of this module (**R0010**) and broken down into four columns according to their source:

- "**C0010**" - (re)insurance undertakings (= modules (CPR.C.0080 + CPR.C.0110 + CPR.C.0140) - modules (CPR.C.0090 + CPR.C.0120 + CPR. C.0150)),
- "**C0020**" - (Re)insurance intermediaries  
(= modules CPR.C.0090+CPR.C.0120+CPR.C.0150),
- "**C0030**" - customers,
- "**C0040**" - other.

The term "customers" refers to policyholders, ceding companies and retrocessionaires.

Detailed explanations, in particular concerning the counterpart of these remunerations, must be provided in the accompanying letter in case an amount is entered in one of the cells listed below:

- Line '**R0010**', column "**C0040**"
- Line "**R0020**", column "**C0050**"

It is important to note that, in contrast to the 2020 Annual Report, commissions / fees / remunerations received for reinsurance intermediation are to be included in line "**R0010**" and broken down according to their source.

#### 2.6. Module CPR C.0050 "Persons active for the brokerage firm/the broker on 31 December of the past calendar year"

All persons who were active for the broker on 31 December of the past calendar year and who were carrying out tasks relating to (re)insurance brokerage activities must be entered in this module (either distribution or administrative tasks).

For example, for the annual reporting relating to the reference period 2021, the persons active on 31 December 2021 must be reported, even for brokerage firms closing their financial year before 31 December 2021.

Persons who are not active in relation to (re)insurance broking activities should not be included in this module.

The first part of the module, entitled "*full task*", must be filled in for all persons meeting the following cumulative conditions

- Be active at full task (=100%) for the broker, **and**
- Devote their entire working time to (re)insurance brokerage activities.

On the other hand, in the second part of the module, entitled "*partial task*", all persons fulfilling one of the following conditions must be filled in:

- be fully at full task (=100%) for the broker and devote only a proportion of their working time to (re)insurance brokerage activities;
- be partially employed (<100%) by the broker and devote their entire working time to (re)insurance broking activities;
- be partially employed (<100%) by the broker and devote only a proportion of their working time to (re)insurance brokerage activities.

A distinction must then be made according to whether or not the persons are bound by an employment contract and whether or not they are registered with the Luxembourg social security system.

If persons have more than one nationality, including the Luxembourg one, they shall be indicated as being a Luxembourg national.

## 2.7. Module CPR C.0060 "Statistics on the number of contracts"

The following information must be entered in this module:

- Column "**C0010**": the number of new direct insurance and reinsurance contracts written during the reference period and for which the broker acted as intermediary, as well as successive single premiums paid during the reference year or free payments made during that period related to contracts written in previous years;
- Column '**C0020**': the total stock of direct insurance and reinsurance contracts of the broker corresponding to his entire portfolio at the end of the reference year, including existing contracts of a (re)insurance undertaking or intermediary taken over by the broker.

For contracts relating to the life classes listed in Annex II of the LSA, the broker is required to make a breakdown between the following types of contracts:

- for individual life insurance contracts, those defined as
  - o "Pure protection" i.e. life insurance policies covering death, certain disabilities or physical injury, which often require medical evidence, which do not have a savings or investment element and which are usually financed by regular (modest) premiums (e.g. outstanding balance insurance in favour of a bank, covering the amount borrowed). Contracts that have a savings element should be classified in one of the other three categories below. It should also be noted that a life insurance policy with death or disability benefits should be classified as a "Savings and investment other" policy if the benefit exceeds EUR 2.5 million.
  - o "This category includes savings and investment insurance policies with an annual premium of up to EUR 1,000 or a single premium of up to EUR 2,500. Policies with premiums above these thresholds but below or equal

to the tax deductible limit in Luxembourg may also be classified in this category.

- "Savings and other investment", i.e. single premium, regular or open-ended contracts that typically aim at savings and investment flexibility, allowing for surrenders and transfers.
  - "Bearer contract" means contracts which, regardless of their other characteristics, promote the anonymity of the policyholder and/or beneficiaries.
- for group life insurance contracts (pension scheme funded within an insurance contract), those defined as
- "Regulated and registered plans" means group life insurance contracts regulated and registered with the *Inspection générale de la sécurité sociale* (IGSS) in Luxembourg.
  - The term "non-savings contracts" refers to group life insurance contracts that do not contain any savings or investment features.
  - "Other group contracts" i.e. group life insurance contracts that do not fall into the other two categories above.

#### 2.8. Modules CPR C.0070 and CPR C.0071 "Accounting information" (for brokerage firms only)

The accounting information must correspond to the information included under the various accounting items of the balance sheet and profit and loss account of the brokerage firm's reference period.

However, a distinction must be made between brokerage firms that have a banking activity and those that do not. Indeed, as banks do not follow the standard chart of accounts, they have to complete the tables contained in module "**CPR.C.0071**", while "non-banking" brokerage firms are required to complete module "**CPR C.0070**". It should be noted that in the "Profit and Loss Account" table of Module "**CPR C.0070**", the expense accounts should be filled in as negative amounts.

#### 2.9. Modules CPR C.0080, CPR.C.0110 and CPR.C.0140 "Insurance [or reinsurance] undertakings with which business has been placed directly and indirectly and/or with which a brokerage agreement was in force at the end of the financial year

The insurance or reinsurance undertakings with which the (re)insurance contracts in the broker's portfolio have been placed either directly or through another insurance intermediary must be reported.

Undertakings should be listed in descending order of premiums for the reference period.

Under column "**C0010**", the exact and complete company names of the undertakings must be entered. For each insurance or reinsurance undertaking listed, the broker shall look up the LEI code of that undertaking and enter it in column "**C0020**". It is strongly recommended to *copy and paste* the LEI codes from the website <https://search.gleif.org> into the respective cells to avoid errors.

The column "**C0030**" identifies the establishment of the (re)insurer through which contracts have been placed. If a broker has placed contracts with the same (re)insurer, but through different establishments, i.e. through the head office and/or one or more branches of the (re)insurance undertaking, the latter must be mentioned as many times as there are establishments through which the contracts have been placed.

The broker must indicate in column "**C0040**" whether a brokerage agreement with these undertakings is in force at the end of the reference period. In addition, the broker must list in these modules all undertakings with which such a brokerage agreement exists, even if there are no insurance or reinsurance contracts in force, i.e. even if there are no premiums written and no commissions to be reported.

The total amount of premiums written entered in column **"C0050"** must correspond to the total amount of gross premiums negotiated during the reference period for the relevant (re) insurance class, as indicated in line **"R0070"** of module **"CPR.C.0030"**.

In columns **"C0060"**, **"C0070"** and **"C0072"**, the broker must break down the amounts according to the type of commission received. It is pointed out that insurance contracts that did not give rise to gross premiums written during the reference period but which nevertheless generated commissions should also be entered.

Column **"C0071"** must contain the total amount outstanding at the end of the reference period, which is the basis for the calculation of the outstanding commissions (column **"C0072"**).

2.10. Modules CPR C.0090, CPR.C.0120 and CPR.C.0150 "Intermediaries through which business has been placed"

The explanations given for the different headings under point 2.9. are also applicable for this module.

2.11. Modules CPR C.0100, CPR.C.0130 and CPR.C.0160 "Intermediaries having placed business through your firm"

The explanations given for the different headings under point 2.9. are also applicable for this module.

**B. The information sheets**

2.12. Module FIR.C.0010 "Information on the brokerage firm"

All commercial names, brand names and/or trademarks used by the brokerage firm that differ from its corporate name must be entered on line **"R0140"**.

For lines **"R0150"**, **"R0160"** and **"R0170"**, if the option "Other" is selected in the drop-down menu, the broker is requested to specify in the covering letter the activity to which it refers and to provide the related NACE code ([https://guichet.public.lu/fr/outils/code\\_nace.html](https://guichet.public.lu/fr/outils/code_nace.html)).

2.13. Module FIR.C.0011 "Information on the broker, natural person"

The explanations given for the different headings under 2.12. and 2.14. are also applicable for this module.

2.14. Module FIR.C.0020 "Approved managers of the brokerage firm"

A brokerage firm may have several authorised executives of a brokerage firm. Only one of these managers has been authorised by the articles of association or the statutory body to carry out the day-to-day management of insurance distribution.

"Registration in a register of distributors of another Member State" (Column **"C0080"**) means an authorisation, a licence or a personal registration as an insurance intermediary issued by a competent authority of another State (whether or not a member of the EEA). Activities carried out in another EEA Member State under the freedom to provide services or the freedom of establishment, as provided for in the Insurance Distribution Directive (EU) 2016/97, do not need to be filled in. In case *"true"* is selected in the drop-down menu, details, including at least the State of registration, the category of (re)insurance intermediary and the number in the register of distributors, must be provided in the cover letter.

"Function held with an insurance undertaking or other intermediary" (column "**C0090**") means both positions held with Luxembourg and foreign insurance or reinsurance undertakings and positions held with Luxembourg or foreign insurance or reinsurance intermediaries other than the broker himself. If "*true*" is selected in the drop-down menu of the column "**C0090**", the broker must specify in the covering letter exactly the function held and the entity concerned.

The following possibilities exist:

- The executive of the brokerage firm is registered in his personal capacity in the register of distributors of another Member State and exercises a function with an undertaking or another intermediary (e.g. director).  
→ "True" must be selected in columns "**C0080**" and "**C0090**".
- The executive is not registered in his personal capacity in the register of distributors of another Member State, but exercises a function with an undertaking or another intermediary (e.g. director or manager of a foreign brokerage firm)  
→ "False" must be selected in column "**C0080**" and "True" must be selected in column "**C0090**".
- The executive is registered in his personal capacity in the register of distributors of another Member State, but does not exercise a function with an undertaking or another intermediary  
→ "True" should be selected without column "**C0080**" and "False" should be selected in column "**C0090**".
- The executive is not registered in his personal capacity in the register of distributors of another Member State and does not exercise a function with an undertaking or other intermediary  
→ "False" must be selected in columns "**C0080**" and "**C0090**".

For all non-Luxembourg resident executives of a brokerage firm, it is assumed that the address for service ("*election de domicile*") in the Grand Duchy of Luxembourg corresponds to the address of the registered office of the brokerage firm for which they are authorised. If this is not the case, the broker is requested to specify the address for service in the accompanying letter.

It is important to clarify that the business telephone number (mobile or landline) (column "**C0140**") and the business e-mail address (column "**C0150**") of the brokerage firm must correspond to their professional contact details and not to the general contact details of the brokerage firm.

#### 2.15. Module FIR.C.0030 "Sub-brokers approved in the G.D. of Luxembourg"

The explanations given for the different headings under point 2.14. are also applicable for this module.

#### 2.16. Module FIR.C.0040 "Composition of the statutory body"

In contrast to the 2020 Annual Reporting file, it is no longer necessary to enter the full details on the address of private residence of each member of the statutory body, but only to select from the drop-down menu in column "**C0040**" the predominant country of residence over the past 5 years.

"Start of mandate" (column "**C0060**") means the date of the person's first appointment as a member of the statutory body.

In case a legal entity is a member of the brokerage firm's statutory body, the permanent representative of this entity must be entered in this module. The exact name of the legal

entity represented is entered in column "**C0080**", followed by the registration number in the Trade and Companies Register (RCS or foreign equivalent).

If the brokerage firm is a "*société anonyme*" with a dual management system, all members of the management board and all members of the supervisory board must be entered in this module. The broker must then specify in the covering letter the body each person is part of and the function occupied by each such person.

#### 2.17. Module FIR.C.0050 "Key functions holders (KFH)"

The functions of Responsible for Compliance and Compliance Officer are defined in Article 1 of CAA Regulation No. 20/03 of 30 July 2020 on the fight against money laundering and terrorist financing. Details of these functions are provided in the *Commentaire des articles* relating to the above-mentioned regulation. The relevant data must be valid on the date of submission of the Annual Report.

Only the brokerage firms are required to fill-in the present module, since brokers who are natural persons, assume themselves the function of Compliance Officer and, if necessary with regard to their activities, the function of Compliance Officer.

The function of training officer is defined in Article 42 of the CAA Regulation No. 19/01 of 26 February 2019 on insurance and reinsurance distribution, as amended. The person entered under this function is the person who was notified to the CAA in the context of the Reporting of Continuing Education. The data must be valid at the date of the submission of the annual reporting.

#### 2.18. Module FIR.C.0060 "Branches"

It is recalled that Article 279, paragraph 31, of the LSA defines a branch as "*an agency or a branch of an intermediary which is located in the territory of a Member State other than the home Member State.*"

All permanent establishments, i.e. all forms of permanent presence of the broker on the territory of another State, on the date of submission of the annual reporting, must be entered in this module. If a broker carries out several activities, only the permanent establishments carrying on the activity of (re)insurance brokerage, either exclusively or non-exclusively, should be entered in this module.

A simplified annual reporting file is to be completed for each branch appearing in this module.

#### 2.19. Module FIR.C.0070 "Shareholders (legal persons) with qualifying holdings ( $\geq 10\%$ of shares or voting rights or other means of control)"

In case the option "Other" is selected in the drop-down menu of the column "**C0080**", the broker is requested to specify in the cover letter the main activity of the legal entity shareholder, ideally with the related NACE code.

A distinction is made in terms of equity and voting rights holdings (columns "**C0120**" to "**C0150**").

In case "true" is selected in column "**C0160**", the broker is requested to explain in the cover letter which means of control is/are involved. (For example: existence of a shareholder agreement).

#### 2.20. Module FIR.C.0071 "Shareholders (natural persons) with qualifying holdings ( $\geq 10\%$ of shares or voting rights or other means of control)"

The explanations given for the different headings under point 2.19. are also applicable for this module.



#### 2.21. Module FIR.C.0080 "Shareholdings held in companies"

The explanations given for the different headings under point 2.19. are also applicable for this module.

#### 2.22. Module FIR.C.0090 "Review of the accounts"

Start of mandate" (column "**C0040**") means the date of the first appointment of the natural or legal person to the revising function in accordance with Article 299 of the LSA.

Where an end-of-mandate date is entered in column "**C0050**", the natural or legal person who will take over this function must also be entered in this module. The broker must specify in the covering letter who is carrying out the review of the accounts for the reference period.

#### 2.23. Module RLB.C.0030 "Fight against money laundering and against terrorist financing"

The number of suspicious transaction reports (line "**R0010**"), as well as the number of persons having received AML/CFT training (line "**R0020**"), are those relating to the (re)insurance brokerage business as at 31 December of the previous calendar year.

The "*Number of persons allocated to the brokerage activities who followed an AML/CFT training in 2021*" (line "**R0020**") includes all persons relating to the field of (re)insurance brokerage, whether salaried or non-salaried, who have received AML/CFT training during the past calendar year (i.e. from 01/01/N-1 to 31/12/N-1, where "N" is the calendar year during which the reporting file for the reference period "N-1" is completed). It is pointed out that, pursuant to Article 39, paragraph 6, of the *Regulation of the Commissariat aux Assurances No 19/01 of 26 February 2019 on insurance and reinsurance distribution, as amended*, all natural persons active in the field of (re)insurance brokerage are required to follow these training courses, given that the authorisation they hold allows them to distribute the entirety of the life, non-life and/or reinsurance branches (5 hours of training per 3-year reference period).

Brokers who indicate in line "**R0030**" that they fall within the scope of the law of 12 November 2004 on the fight against money laundering and the financing of terrorism, as amended, (AML/CFT Law) are furthermore requested to :

- confirm that they have written procedures in place that comply with the legal and regulatory requirements at the time of the annual report. In view of the numerous legislative and regulatory changes in the area of AML/CFT, the CAA stresses the importance of reviewing these on a regular basis and at least annually. The same applies to the assessment of the money laundering and terrorist financing risks to which brokers are exposed, and
- to answer five questions relating only to contracts concluded during the calendar year/reference year.

In answering these questions, the following should be understood as :

- "politically exposed person" : means any person as defined in Article 1<sup>er</sup> paragraph 9 of the AML/CFT Law
- "beneficial owner" : means any person as defined in Article 1, paragraph 7, of the AML/CFT Law.
- "investment of its premium in unlisted instruments in excess of 50% of the issue of unlisted securities" : any investment that allows the client to exercise control over the unlisted instrument (shares, units, etc.).

All brokers are required to have adequate arrangements in place to implement the financial restrictive measures adopted against certain States, natural and legal persons, entities and groups by the provisions of resolutions adopted by the United Nations Security Council and acts adopted by the European Union. Thus, all brokers are requested to provide a response in lines "**R0180**" and "**R0190**".

### **III. Specificities related to the Branch Annual Reporting file**

As explained above, for each branch (within the meaning of Article 291 of the LSA) established on the territory of another State, the broker is required to complete a specific annual reporting giving detailed information per permanent establishment.

Thus, for the broker carrying out its (re)insurance distribution activities through various establishments of its Luxembourg brokerage firm, the Global Annual Reporting gives an overview of the broker's global activity, including the activity of the branches which is detailed by a Branch Annual Reporting for each permanent establishment outside Luxembourg territory. In other words, the Global Annual Reporting is the addition of the Branch Annual Reportings and the distribution activity carried out in or from Luxembourg (under the freedom to provide services). This means that the figures and amounts reported in a particular Branch Annual Reporting file cannot be higher than those reported in the Global Annual Reporting.

Only CPR.C. modules of the Global Annual Reporting are included in the Branch Annual Reporting, with the exception of module "CPR.C.0070" "Business Report - accounting information".

### **IV. Repeal provisions**

Circular letter 17/4 of the Commissariat aux Assurances on the annual reporting of brokerage firms and insurance or reinsurance brokers, natural persons, as well as its amending circular letters, are repealed.

The Executive Committee