New communication mean for AIFM reporting submission

Enhancing Regulatory Exchanges with S3 Reporting Channels

18 October 2023

cssf
Commission de Surveillance du Secteur Financier

Agenda

- The Current Regulatory Landscape
- The S3 Reporting Channel
- Implementation and Transition
- Conclusions
- Q&A

- A game-changing opportunity
- Real-time data
- Advanced analytics and automation
- Fairness, competition, and innovation

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The Current Regulatory Landscape

Current challenges

The Current Regulatory Landscape

- Today, two means of information exchange emerge in the context of CSSF 4.0:
  - individual submissions via electronic forms on the dedicated portals
  - batch submissions via secure APIs and traditional channels
- We understand the challenges and limitations of the existing regulatory reporting channels.
- We value the importance of open access and a level playing field for all reporters.

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The S3 Reporting Channel

Presenting a new reporting channel and its potential to improve regulatory exchanges

The S3 Reporting Channel

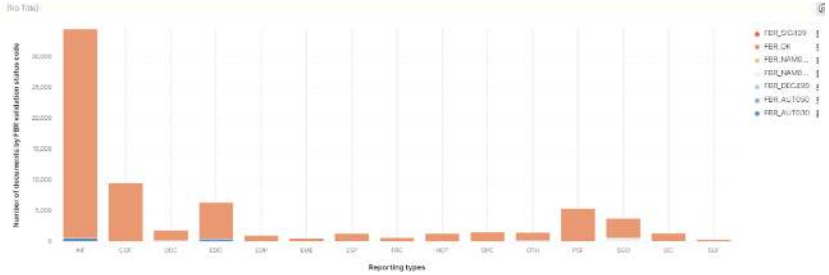
- The S3 Reporting Channel is a fast, secure, scalable, and inclusive platform for financial reporting.
- The goal of the S3 Reporting Channel is to facilitate exchanges with CSSF through standard formats on standard protocols solutions.
- The S3 Reporting channel enables seamless data sharing and analysis for all stakeholders.

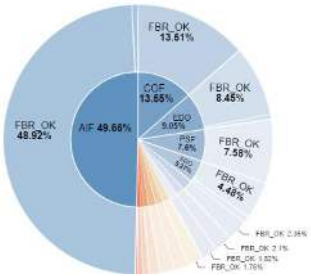
Why S3 is an Opportunity?

- The S3 Reporting Channel promotes collaboration with financial sector through:
  - Real-time Data:
    - Obtain data in real-time, enabling swift decision-making
  - Enhances Security:
    - Strong encryption and cybersecurity measures ensure data integrity
    - This solution does not rely on any Cloud providers, and it is hosted entirely on our infrastructure
  - Improved Accuracy:
    - Minimise errors through automated data validation
  - Scalability:
    - Accommodate increasing data volumes and complexity
  - Open Access:
    - Eliminate exclusivity and promote fair competition

Why AIFM is migrating to S3?

- Why S3 for AIFM?
  - Maturity of the reporting
  - High volume of data
  - Importance of the business flow





AIFM Key figures since Jan.2023 :

reports : 52.190 (~50% on “Crypto system”)*
AIFMs : 1.398
AIF : 8.876 (13.506 compartments)
Service Providers : 421

*The “Crypto system” is one of our major source of reporting

U1.1 Key figures since Jan.2023 :

reports : 229.191

UCI : 3.403 (14.717 compartments)
Service Providers : 122

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Implementation and Transition

Protocol and Format

Enrollment and configuration

File reporting

Implementation - Protocol and Format

- API implies exchange of data between two applications
- Two aspects are key for any exchange

Protocol :

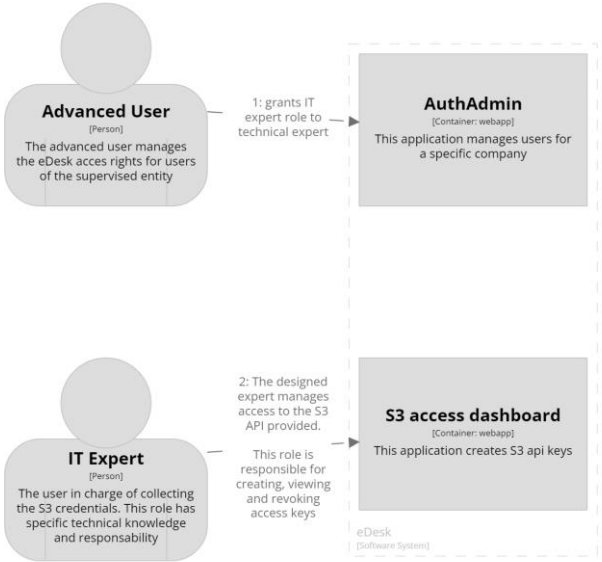
- we adopt a well know standard or market leader protocol
- we do not waste time on proprietary exchanges (security, time to market, evolutions, acceptance, ..)
- we chose the protocol S3 (based on HTTPS) for data transfer

Format

- we adopt market standards, we provide the schema or structure of the messages
- Json, Avro, Protobuf, XML, XBRL, csv can be options for incoming data
- some format may be banned by our lists for security reasons

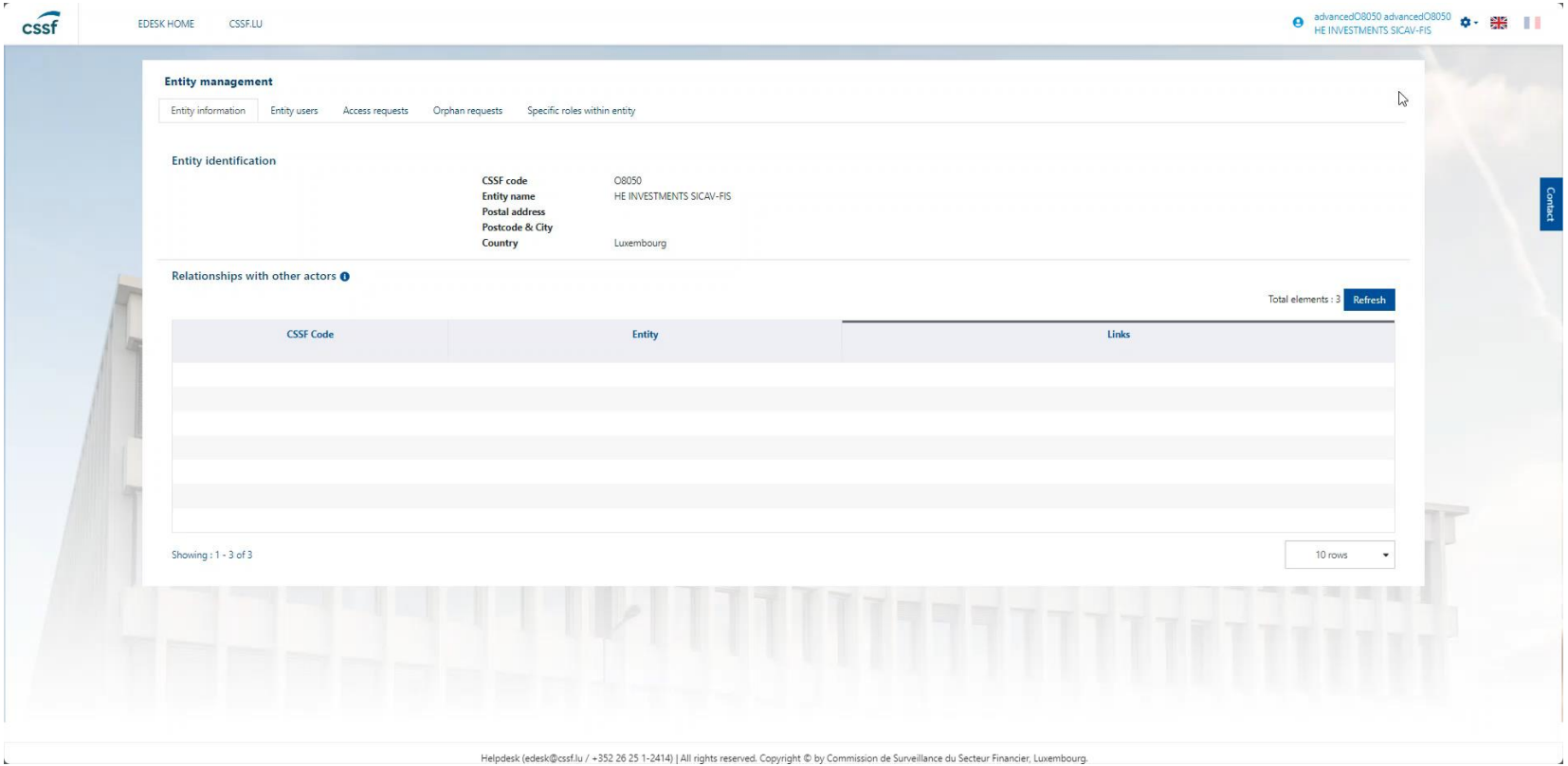
Goal: A standard format over a standard protocol for every exchange

Implementation - Enrollment

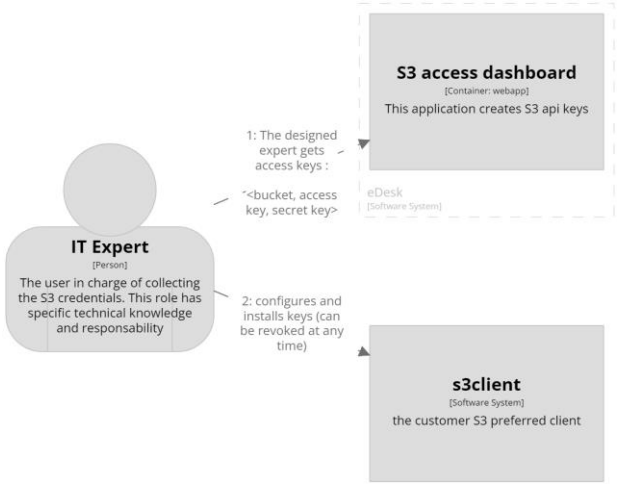


- Enrollment via CSSF portal (eDesk)
- IT Expert : a brand new specific role

Implementation - Enrollment

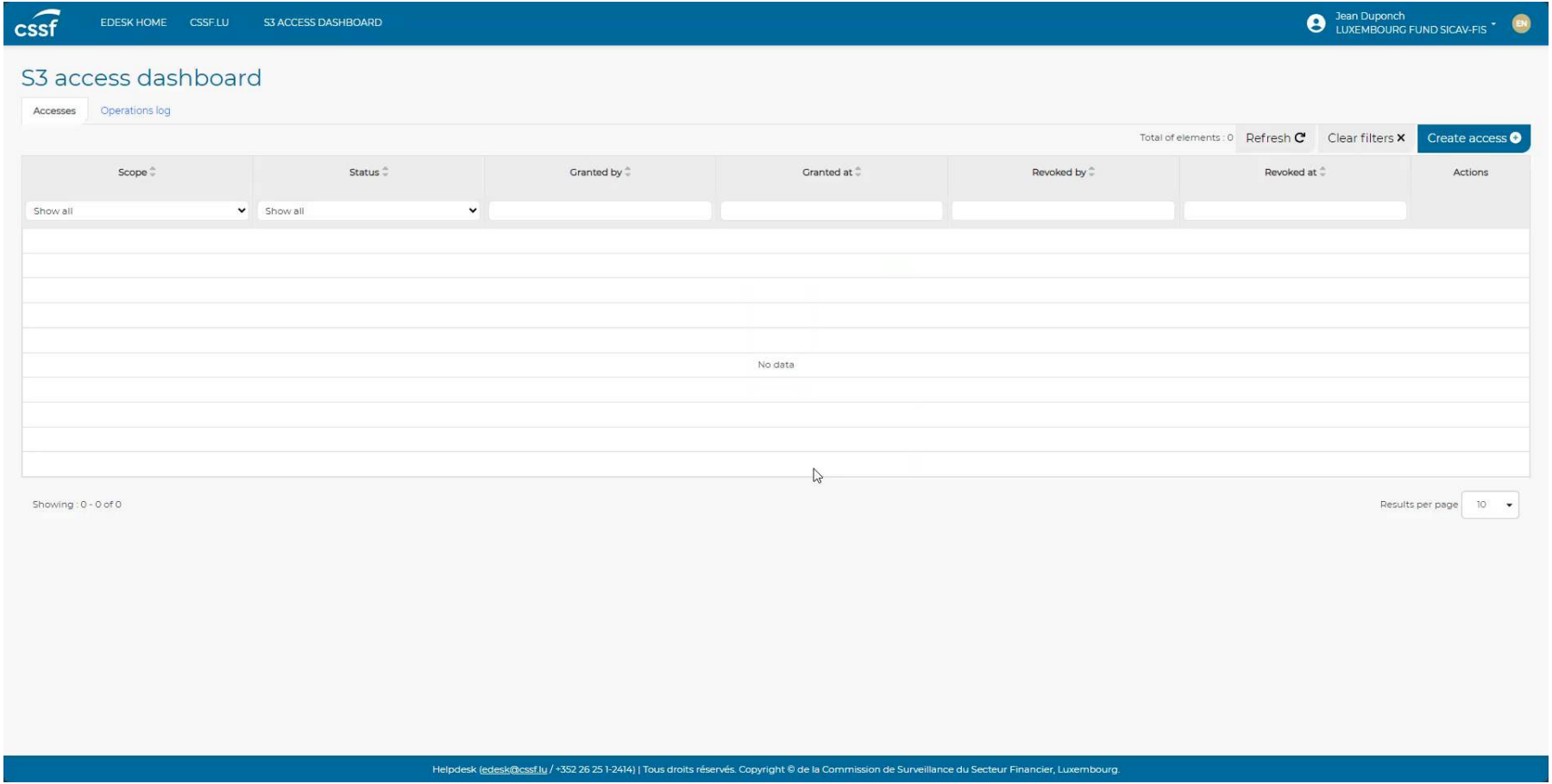


Implementation - Configuration



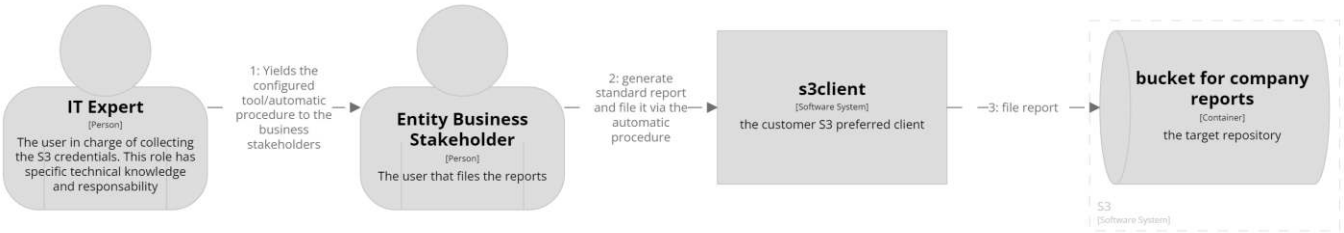
- IT Expert specific role
- Dedicated credentials for reporting transmission
- Configuration of the S3 Client

Implementation - Configuration



Implementation - File the report

- The business stakeholders create and file the reports



Implementation - notes

- Test Pilot
  - AIFM : 2 pilot testers (alpha and beta)
    - Contract Test
    - Connectivity Test
    - Feedback and Error processing
- As of today, the relation *<service provider, AIFM>* is registered in our systems
- For any changes on the AIFM reporting, please mail to edesk@cssf.lu with the following information:
    - The name and identification number of the reporting entity
    - Full name of a contact person
    - Phone number of a contact person
    - E-mail address of a contact person
- For any other question, please contact it_division_analyse@cssf.lu

S3 Roadmap

AIFM	Apr 3 - May 15	S3 - ECHO Service Test
	May 1 - Jul 31	S3 - AIFM - Alpha Testing
		S3 - AIFM - Beta Testing
U1.1 - COREP - FINREP – TAF - KIID	Jan 1 - Jul 1	S3 Implementation and Test
MMF +crypto	Jul 1 - Dec 31	S3 Implementation and Test
Other procedures	Jan 1 - Dec 31	S3 Implementation and Test

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Conclusions

A call to embrace the S3 Reporting Channel for a brighter and more inclusive future in regulatory exchanges.

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Q&A

Thank you

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