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The CSSF clarifies the notion of granting loans to the public in its FAQs on the status of PFS



As per article 28-4 of the Law of 5 April 1993 on the financial sector (the “LFS”), professionals who grant, for their own account, loans to the public need to be authorised by the Luxembourg Financial Sector Authority (CSSF). Conversely, professionals who do not target the “public” do not fall under the scope of article 28-4 of the LFS.

On 15 June 2021, the CSSF updated its frequently asked questions ([FAQS](#)) in this regard by providing some helpful guidance on the meaning of the notion of “public”. It specifies that a lending activity is not directed towards the public where:

- loans are granted to a limited circle of previously determined persons; or
- (i) the nominal value of a loan amounts to EUR 3,000,000 at least (or the equivalent amount in another currency); and (ii) the loans are granted exclusively to professionals such as defined in Article L.010-1.2) of the Consumer Code (i.e. any natural or legal person, whether public or private, who acts, including through the intermediary of another person acting in his or her name or on his or her behalf, for purposes relating to his or her commercial, industrial, craft or professional activity).

All market participants should welcome the CSSF’s clarifications as it will allow them to make a clearer assessment of their activities in relation to the (non-)application of article 28-4 of the LFS.

For more information and assistance on this topic, please feel free to reach out to the contacts listed on this article or your usual Luther S.A. contact.

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