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# CSSF held back Alter Domus fine announcement for a year

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Luxembourg’s financial supervisor CSSF this week announced that it, at the end of 2021, presented management company Alter Domus with a fine of 174,000 euro relating to the collapsed Columna Commodities fund.

This Luxembourg fund, created in 2013, went into liquidation in 2017, a year before the sale of its manager, Luxembourg Fund Partners, or LFP, to Alter Domus. CSSF said the fine was issued on 1 December 2021, more than a year ago.

The failed Columna Commodities fund is a disputed topic in Luxembourg and still is subject to a court challenge in which the CSSF also is involved.

CSSF on Tuesday said its investigation found that the Columna fund was the subject of “material and persistent failures” in regards to due diligence and conflict of interests and in terms of procedures and organisation. Alter Domus underlined that the violation for which it was fined took place before it took over LFP.

## ‘Historical shortcomings’

“Alter Domus Management Company notes the CSSF’s filing regarding historical shortcomings in LFP’s controls in 2016 and 2017, prior to Alter Domus’ acquisition of LFP,” a spokesperson said via email. “Upon acquisition, Alter Domus Management Company (formerly LFP) has operated under new controls and compliance frameworks established by Alter Domus Group in accordance with the regulation in force in Luxembourg.”

The Luxembourg regulator is heavily criticised for its role in the collapse of the Columna Fund. One leading critic is self-proclaimed asset recovery specialist David Mapley, who took CSSF to court in 2020 seeking to recover 55 million dollars in lost assets and fees.

The Columna Commodities fund was one of a number of sub-funds under the umbrella of

LFP I Sicav. In late 2017, LFP I Sicav's assets under management totalled about 4,000 million euro, according to press reports. Two years later, these assets under management totalled around 80 million euros.

LFP had marketed Columna Commodities with investments in a range of commodity-linked assets. In fact, the bulk of its subscriptions were lent to another firm under the LFP I Sicav umbrella, Global Hill Corporation. Several other funds were under the same umbrella, including the Equity Power Fund.

## At odds

David Mapley and the CSSF remain at odds. In 2020 the supervisor took [a decision to no longer consider Mr David Mapley of good repute](#) for a period of four years. Mapley on Wednesday commented on the fine for Alter Domus, pointing out that the CSSF, pending the court's decision, has held back announcing its fine for Alter Domus for more than a year.

"CSSF kept this quiet for over a year - they authorised a fund where not one of the investment management team had any relevant experience," [he wrote on LinkedIn](#), adding hashtags such as "#adirtyfund" and "#cssfnegligence".

Under Luxembourg law, CSSF is required to make public the fines it imposes on financial firms. The law however does not say how quickly this needs to be done. "In principle, the CSSF only publishes the sanctions it pronounces once the decisions have become final, i.e. when the time limits for appeal have expired, or when a final judicial decision has been rendered," a CSSF spokesperson said.

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