

Press Release

Luxembourg and Dubai Deepen Collaboration in the Field of Financial Services

'Luxembourg for Finance' and DIFC sign Memorandum of Understanding to promote industry development and regulatory cooperation that will benefit Luxembourg and MENA region

Dubai, 12 January 2010: A senior finance delegation from Luxembourg, led by Prince Guillaume, Crown Prince of Luxembourg, and the Dubai International Financial Centre held a seminar today to explore opportunities for greater collaboration in financial services between the Grand Duchy and the Middle East and North Africa (MENA) region.

As well, DIFC and Luxembourg for Finance, the agency responsible for developing the financial sector in the Grand Duchy, signed a Memorandum of Understanding to promote cooperation and industry development across a wide range of areas – including market access, financial regulations and infrastructure, training, and industry development for firms located in the two jurisdictions.

The MoU and the seminar are particularly significant given the regional and global roles of the two financial centres, as well as the strong and growing relationship between the UAE and Luxembourg in a range of areas, such as trade and investment. While DIFC is the leading financial centre and global gateway for capital and investment in a region stretching between Europe and Asia, Luxembourg is the second largest investment fund centre in the world and the Eurozone's premier hub for private banking. Both are looking to increase business opportunities for companies located in their jurisdictions.

"By working with other leading international financial centres such as Luxembourg, DIFC brings business opportunities and a continually expanding scope of financial products and services not only to DIFC-based firms, but to the UAE and wider region as well," said H.E. Ahmed Humaid Al Tayer, DIFC Governor.

He added, "Luxembourg is a natural partner for DIFC, with each centre's strengths complementing those of the other, and opening many possibilities for cooperation among our regulators, as well as among the many firms located in our two jurisdictions."

Like Luxembourg, the DIFC and UAE offer a high degree of political and social stability and a reliable legal and fiscal framework. And like Luxembourg, DIFC is able to act quickly and competently to adapt regulation to evolving international situations and to provide the legal basis for new business opportunities – all while maintaining a well-regulated onshore environment.

Fernand Grulms, CEO of Luxembourg for Finance, said, "**Between Luxembourg and Dubai we see huge potential for bilateral business. However, in the complex world of finance, this can only be achieved by building partnerships among foreign financial centres, so that's why we are pleased to be here today and to have signed this memorandum with DIFC. Luxembourg has enormous expertise to offer clients in the region and opportunities for collaboration with firms based in the MENA region.**"

During the seminar, entitled “Luxembourg, a Global Financial Services Centre”, members of the Luxembourg delegation, which also included H.E. Mr Luc Frieden, Minister of Finance of the Grand Duchy of Luxembourg, highlighted the range of products and services offered from the European centre and identified areas for collaboration in the Middle East, particularly in the areas of wealth management and collective investments.

“International investors, including sovereign wealth funds from the MENA region, rely on Luxembourg expertise to structure their worldwide investments, namely in the area of real estate and private equity,” Grulms said. **“For example, local know-how in setting up, administering and distributing investment funds has led the Bank of London and the Middle East (BLME) to launch a Shari’ah-compliant dollar income fund from Luxembourg.”**

Some of the MoU’s key areas of focus include promoting the exchange of information on banking, financial services and securities legislation and regulation; sharing trends in financial services and products, and promoting events taking place in the two jurisdictions. Other areas include welcoming delegations from each jurisdiction, cooperating in financial services training and facilitating collaboration among universities located in the two jurisdictions.

About DIFC

The Dubai International Financial Centre (DIFC) is an onshore hub for global finance. It bridges the time gap between the financial centres of Hong Kong and London and services a region with the largest untapped emerging market for financial services. In just five years, over 850 firms have registered at DIFC. They operate in an open environment complemented with world-class regulations and standards. DIFC offers its member institutions incentives such as 100 per cent foreign ownership, zero tax on income and profits and no restrictions on foreign exchange. In addition their business benefits from modern infrastructure, operational support and business continuity facilities of uncompromisingly high standards.

About Luxembourg for Finance:

Luxembourg for Finance, the Agency for the Development of the Financial Centre, is a public-private partnership between the Luxembourg State and the Luxembourg Financial Industry Federation (PROFIL). It consolidates and enhances the efforts made by the public authorities and principal actors of the financial sector to ensure the development of an innovative and professional financial centre.

The objective of the agency is to create a strong brand image for the Luxembourg financial centre through a coherent and structured communications policy.

Thus Luxembourg for Finance enhances the external presentation of the financial centre, communicating the advantages of its products and services to a wider public and highlighting the numerous opportunities available to investors and clients, whether institutional or private, around the world.

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