

## RELEVANT NEWS FOR THE LUX FINANCIAL CENTRE

### 13 January:

The European Banking Authority (EBA) Board of Supervisors select Andrea Enria as Chairperson, subject to confirmation by the European Parliament.

### 12 January:

The European Securities and Markets Authority (ESMA) becomes operational - Carlos Tavares is elected Vice-Chairman and Jean Guill, Director General of the CSSF (Luxembourg Supervisory Authority) on the 6 members Management Board.

### 11 January:

The EU Commission supports further exploration of a Financial Transaction Tax and is working to promote an agreement of G20 states: according to Algirdas Semeta, the European Union's tax chief, a tax on transactions in the financial sector is an attractive option for cash-strapped governments to raise funds.

The European Insurance and Occupational Pensions Authority (EIOPA), the new pan-European insurance supervisor, unveils its management team: Victor Rod, director of the Commissariat aux Assurances, Luxembourg, has been elected EIOPA's acting chairperson.

### 5 January:

The European Commission places a EUR 5 bn bond issue on behalf of the European Financial Stability Mechanism to finance the first tranche of the EU/International Monetary Fund Financial support for Ireland.

### 1 January:

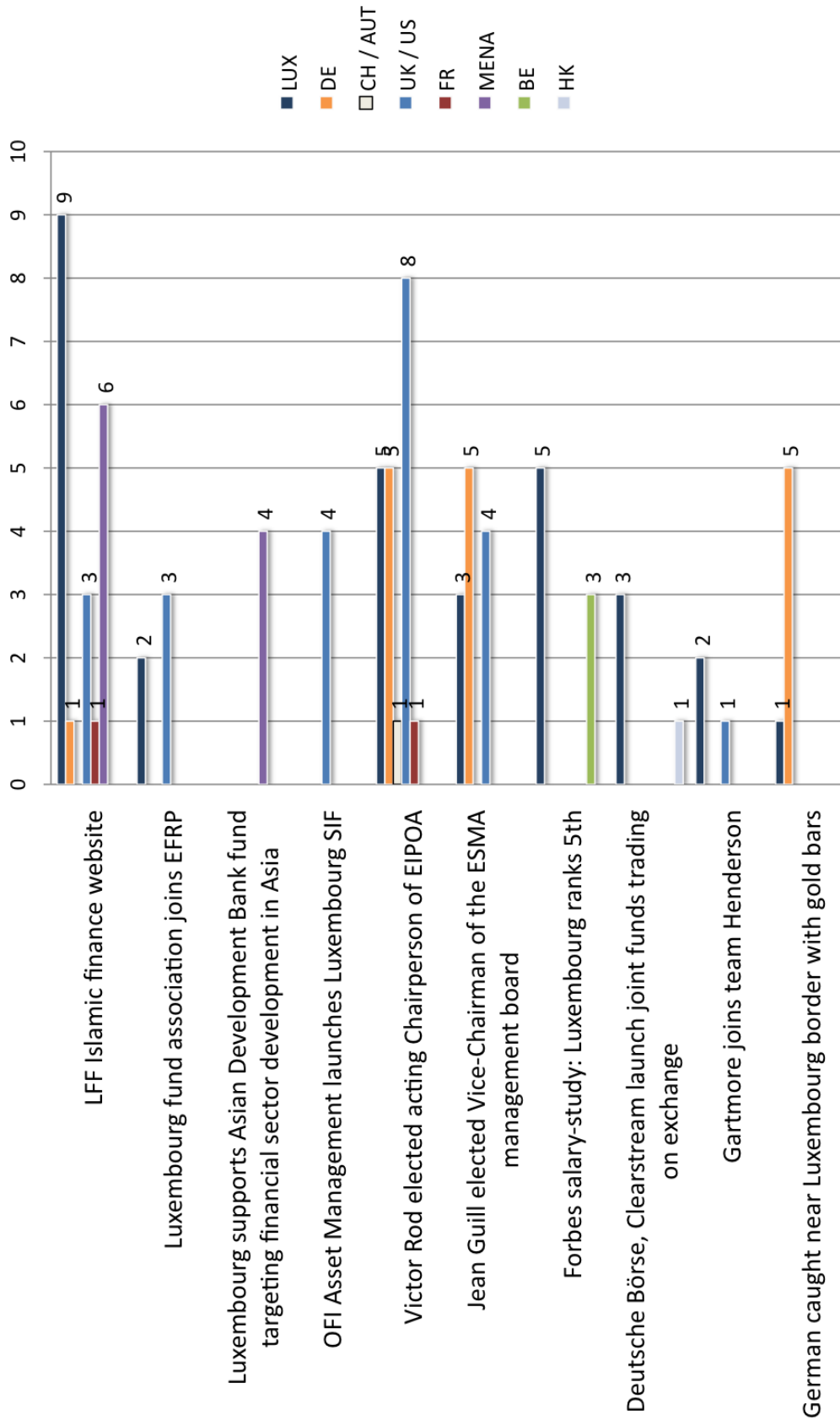
From January 1, the three new European financial supervisory authorities on duty, besides the European Systemic Risk Council (ESRC) responsible for macro-prudential supervision, are: the European Banking Authority (EBA); the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA). They will be responsible for safeguarding the harmonisation of national regulations, but they may also contribute to the improvement of European regulations.

### 31 December:

The Luxembourg tax authority issues a Circular implementing a new favourable tax regime for expatriates. In the Circular, the Tax Director lists a series of relocation expenses, including the cost of equipping a house in Luxembourg and expenses relating to travel for special reasons such as a birth, wedding or death within the family.

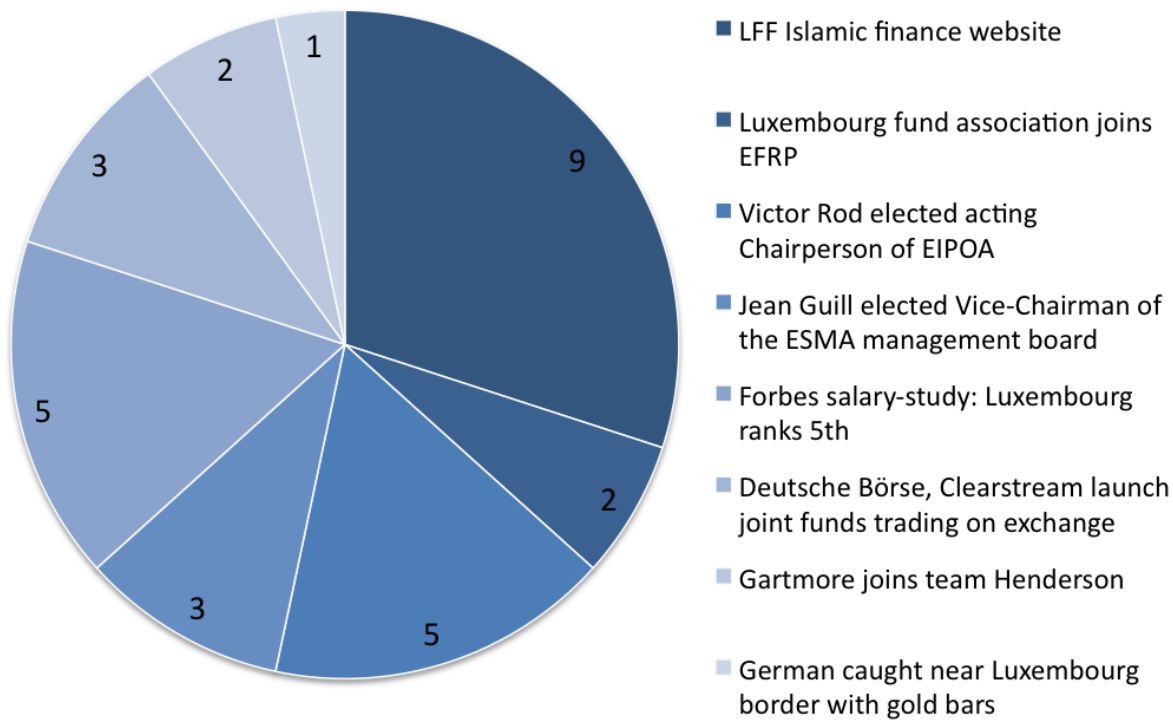
A Belgian Double Taxation Relief and International Tax Enforcement brings into effect arrangements set out in a protocol made by the UK government and the government of the Kingdom of Belgium to amend a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains.

FINANCIAL CENTRE: MEDIA COVERAGE (by number of articles)

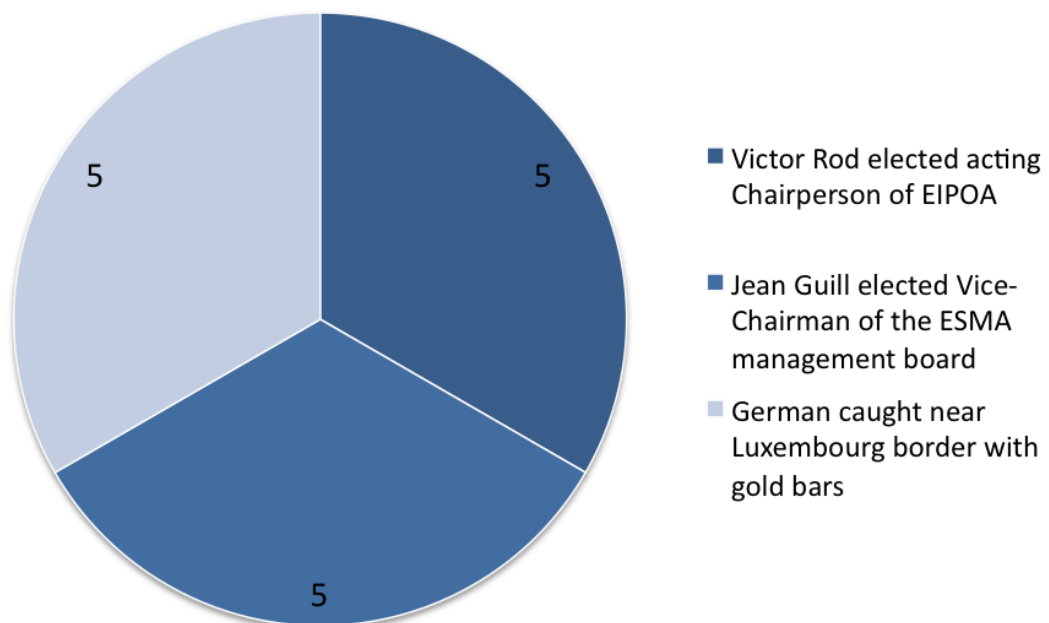


FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

LUX

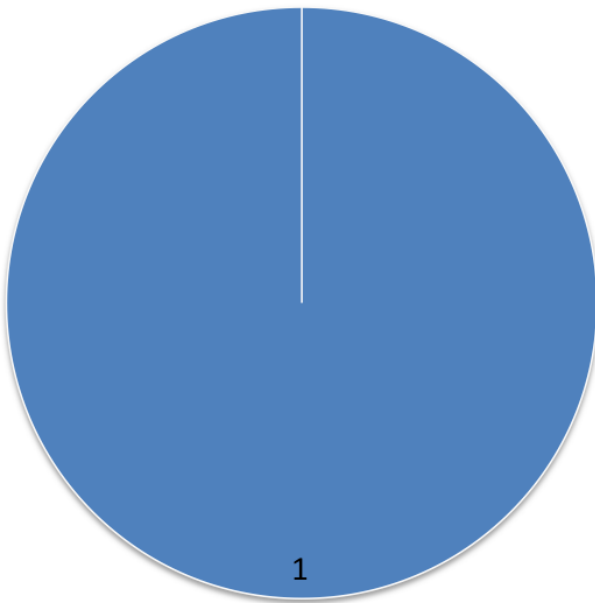


DE



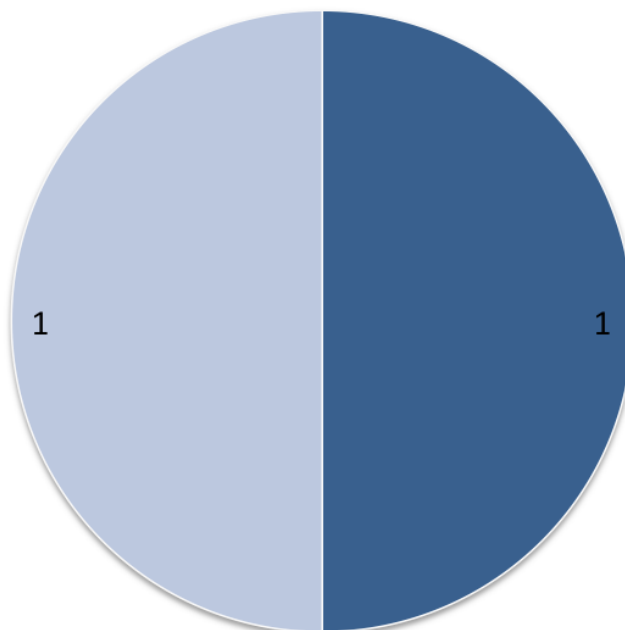
FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

CH / AUT



- Victor Rod elected acting Chairperson of EIPOA

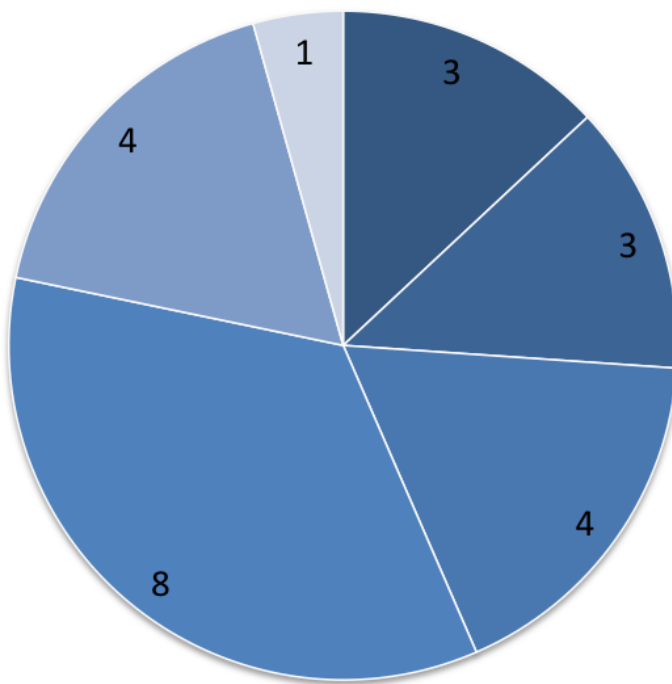
FR



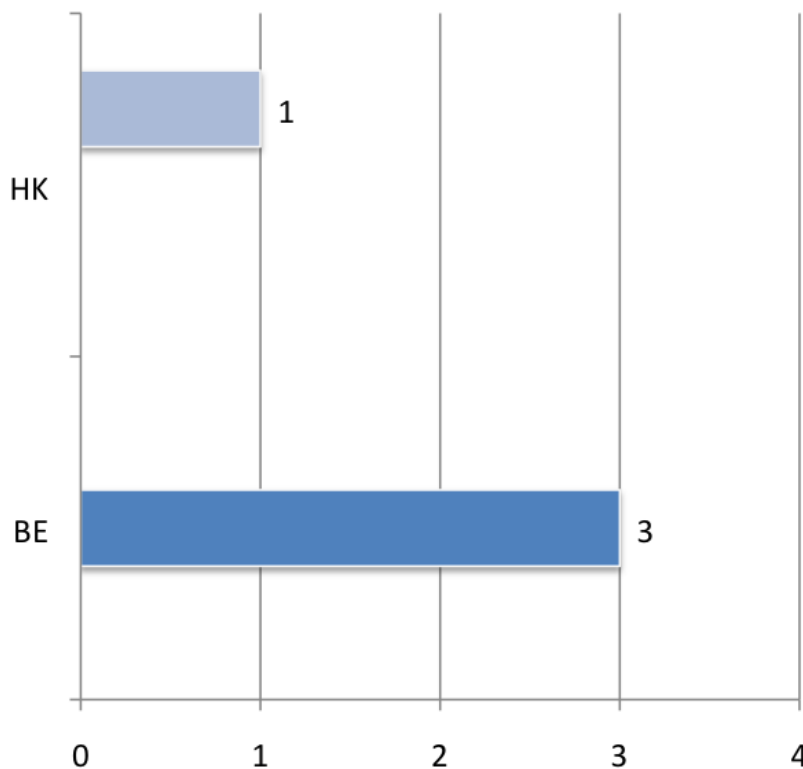
- LFF Islamic finance website
- Victor Rod elected acting Chairperson of EIPOA

FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

UK / US



- LFF Islamic finance website
- Luxembourg fund association joins EFRP
- OFI Asset Management launches Luxembourg SIF
- Victor Rod elected acting Chairperson of EIPOA
- Jean Guill elected Vice-Chairman of the ESMA management board
- Gartmore joins team Henderson



- Deutsche Börse, Clearstream launch joint funds trading on exchange
- Forbes salary-study: Luxembourg ranks 5th
- Victor Rod elected acting Chairperson of EIPOA

## STATEMENTS ABOUT LUXEMBOURG

	Name	Position	Organisation	Source	Date
Investment Funds	Andreas Rodin	Attorney	P+P Pöllath Partners	Who's Who Legal	Dec/10
	<p>This may explain why currently there is a tendency to set up funds in Luxembourg as countries like Luxembourg already have regulation in place for private equity funds. Although AIFM relates to regulation of the manager some of the new costs are to be borne by the fund and in a Luxembourg structure they are – to a certain extent – already considered today (eg, custodian costs).</p>				
	Péter Simon	Business Development Manager	OTP Fund Management	Budapest Business Journal	07/01
	<p>Due to Hungary's optimal geographic location for the financial services sector, it has become possible for the country to become the "Luxembourg of Eastern Europe," according to the Ministry for National Economy. However, market players asked by the Budapest Business Journal do not see this happening just yet (...) "The ministry says one thing, but does not support it by all means," Péter Simon, the business development director of TP Fund Management told the BBJ... While Hungary does not have a chance of becoming a financial center in the foreseeable future, it may become a hub in the southeastern European region in the long run, Simon said. "Although our financial sector is still more developed than that of the countries in that region, there is a lot to do, including the successful implementation of the UCITS IV directive (Under-takings for Collective Investment in Transferable Securities) and creating a competitive infrastructure for fund registration and order processing," he stressed.</p>				
Headquartering	Jonathan Birchell	Journalist	Financial Times	Financial Times	04/01
	<p>Amazon steps up EU growth - Amazon is now expanding its staffing at its European headquarters in Luxembourg, re-cruiting logistics and shipping experts to oversee further expansion and to improve the efficiency of its growing fulfilment network.</p>				

## FINANCIAL CENTRES MONITORING

## Luxembourg:

## Heritage Index of Economic Freedom 2011: Luxembourg ranks third in the EU

www.lff.lu, 14/01/11

<http://www.lff.lu/finance/news/news-detail/article/luxembourg-outranks-all-but-2-eu-countries-in-the-2011-heritage-index-of-economic-freedom/2/>

The Heritage Foundation, in cooperation with the Wall Street Journal, has just published its 2011 Index of Economic Freedom. This survey compares the levels of trade, business, fiscal, monetary, financial, labour and investment freedom in 179 countries. Luxembourg is ranked 13th worldwide with a score of 76.2 (up 0.8 on last year). Within the European region, Luxembourg is fourth out of 43 countries, behind Switzerland and fellow EU states Ireland and Denmark, but ahead of the UK (16th), Germany (23rd) and France (64th).

## Jean Guill à l'agence européenne des marchés

paperJam, 13/01/11

<http://www.paperjam.lu/article/fr/jean-guill-%C3%A0-lagence-europ%C3%A9enne-des-march%C3%A9s>

Jean Guill, directeur général de la CSSF (Commission de Surveillance du Secteur Financier) vient d'être élu au comité de direction de l'ESMA (European Securities and Markets Authority).

Etablie à Paris, cette autorité de contrôle des marchés financiers a vu le jour le 1er janvier 2011, dans le cadre de la nouvelle architecture de surveillance financière mise sur pied en réponse à la crise.

## Luxembourg financial centre launches website for Islamic finance

CIP Financial, 05/01/11

<http://www.cpipfinancial.net/v2/News.aspx?v=1&aid=6884&sec=Islamic%20Finance/>

The website, which is available in English and French, can be accessed on [www.islamicfinanceluxembourg.lu](http://www.islamicfinanceluxembourg.lu) or via the existing website [www.luxembourgforfinance.lu](http://www.luxembourgforfinance.lu).

Clients can use the site to do upstream research on their projects, identifying the best vehicles for particular Shari'ah-compliant structures.

## New tax regime for highly skilled expatriates

www.lff.lu, 04/01/11

<http://www.lff.lu/finance/news/news-detail/article/luxembourg-extends-its-hand-to-highly-skilled-workers/2/>

The number of highly skilled expatriates working in Luxembourg has grown continually over the last couple of decades. Alongside a number of other EU Member States, Luxembourg has now adopted a special tax regime for expatriates. In a new Circular, the Tax Director provides details for companies hiring experienced personnel on the international market.

## FINANCIAL CENTRES MONITORING

## Belgium:

## Belgium clarifies ambiguous tax law

www.taxationinforenews.com, 23/12/10

<http://www.taxationinforenews.com/2010/12/belgium-clarifies-ambiguous-tax-law/>

Belgian tax authorities have clarified their standing on a one-year old tax law on fund transfers to tax havens, after tax professionals claimed that the new rules were unclear and in need of more specifics.

Recently the tax authorities of Belgium released a long-awaited circular intended to clarify a tax law that was introduced into the Belgian tax code on December 23rd 2009. The law concerned the reporting requirements for Belgian resident and non-resident business entities operating in the country which transfer funds or make payments to tax haven jurisdictions.

## UK:

## UK and Swiss authorities to tackle tax evasion

Accountancy Age, 13/01/11

<http://www.accountancyage.com/aa/analysis/1936861/uk-swiss-authorities-tackle-tax-evasion>

Plans by the UK government to agree a withholding tax on Britons' secret Swiss bank accounts signal a pragmatic approach to combating tax evasion in the world's most famous and secretive tax haven.

Switzerland, which manages an estimated \$1.8trillion of foreign wealth, is the most lucrative target in the international crackdown against tax dodgers. But at what rate will the withholding tax come in, and what effect will that have on those with funds stashed away?

A possible tax rate of 25% to 35% on untaxed income in Swiss bank accounts could add an estimated £3bn to £6bn to Treasury coffers within a couple of years, according to experts close to HM Revenue & Customs, while preserving bank secrecy.

## Osborne: London wird immer Europas Finanzzentrum bleiben

Eur.Activ.de, 07/01/11

<http://www.euractiv.de/markt-und-wettbewerb/artikel/osborne-london-wird-immer-europas-finanzzentrum-bleiben-004175>

Der Britische Schatzkanzler George Osborne warnt davor, von einem Wettbewerb zwischen den Finanzplätzen London, Paris und Frankfurt zu reden. London sei das Zentrum Europas für Finanzdienstleistungen, und stehe nur mit Finanzplätzen in Asien und den USA im Wettbewerb, so der Finanzminister.

## Switzerland:

## Swiss banks welcome European tax deals - survey

<http://www.reuters.com/article/idUSLDE7091OP20110111>

Reuters, 11/01/11

Swiss banks see upcoming tax agreements with European neighbours to clean up client assets hidden from authorities as positive for the country's private banking industry, a survey by Ernst & Young showed.

## FINANCIAL CENTRES MONITORING

## Germany:

**Baustelle Finanzplatz - Finanzplatz-Serie (Teil 11): Auslandsbanken stehen zum Standort Frankfurt**

Börsen-Zeitung, 11/01/11

<http://www.boersen-zeitung.de/index.php?li=1&artid=2011006053>

Oft werden Vertreter der ausländischen Finanzindustrie seit Beginn der Verwerfungen auf den Finanzmärkten gefragt, welche Auswirkungen - positive wie negative - diese für den Finanzplatz hätten und ob es zu Verschiebungen im Wettbewerb der Finanzplätze kommen werde. Schon vor 2007 war eine solche Prognose schwierig. Stützen sollte man sich daher bei Antworten auf Fakten, nämlich dass sich die ausländischen Finanzakteure entgegen verschiedenen Meinungsäußerungen nicht vom deutschen Markt zurückgezogen haben. So zählte die Deutsche Bundesbank im Sommer 2010 allein in Frankfurt 157 Auslandsbanken, im ersten Krisenjahr 2007 waren es 158, die Gesamtzahl ist somit insgesamt stabil.

## Japan:

**Japan makes list of 'too big to fail cos'**

The Economic Times, 30/12/10

<http://economictimes.indiatimes.com/news/international-business/japan-makes-list-of-too-big-to-fail-cos/articleshow/7188274.cms>

Japanese regulators have made a list of the top 60 "too big to fail" financial institutions, with Deutsche Bank ranked at the top followed by Goldman Sachs and JPMorgan Chase, Japan's Mainichi newspaper reported on Wednesday.

The list, compiled by Japan's Financial Services Agency and the Bank of Japan, includes several Japanese institutions. It ranks Nomura Holdings at 19th, Mitsubishi UFJ Financial Group 24th, Mizuho Financial Group 36th and Daiwa Securities Group 48th, the paper said without citing sources.

## China:

**Analysis: Asia private equity exits outstrip new deals**

Reuters, 11/01/10

<http://www.reuters.com/article/idUSTRE70B0LF20110112>

Asia's private equity industry has quickly turned into a sellers' market, as firms cash out of investments made on the back of the region's robust economic growth.

And the trend is expected to continue as long as Asia's stock markets remain steady and institutional demand holds up.

In the near term, that means more initial public offerings (IPOs) backed by private equity firms and more cash on hand for them to spend on new Asia deals, bankers say.

**Better wealth management**

English.xinhuanet.com 30/12/11

[http://news.xinhuanet.com/english2010/indepth/2010-12/30/c\\_13670327.htm](http://news.xinhuanet.com/english2010/indepth/2010-12/30/c_13670327.htm)

The global financial crisis has offered China a good opportunity to review its ability to manage its increasing national wealth.

During the past three decades China has developed into the world's largest foreign reserves holder and net capital exporter from a country that lacked reserves and foreign investment. The country has changed from being a debtor to become the world's second largest creditor.

## FINANCIAL CENTRES MONITORING

## Singapore:

## Singapore vies for hedge funds business

Hedge Funds Review, 21/12/10

<http://www.hedgefundsreview.com/hedge-funds-review/feature/1929890/sponsored-article-singapore-vies-hedge-funds-business>

Singapore is growing in importance as a hedge fund servicing centre in Asia. Strong infrastructure and a highly trained workforce coupled with competitive pricing should ensure future growth.

Singapore is increasingly attracting interest as a fund and fund management and advisory company domicile. The reasons for this are varied and include infrastructure, soundness of the economy, maturity as a financial centre, reputation of regulation quality and adherence to the rule of law, cost competitiveness, quality of service providers, a large pool of well educated staff and favourable financial treatments such as taxation.

## MENA:

## Banks in UAE flush with cash

MENAFM. com, 12/01/11

[http://www.menafn.com/qn\\_news\\_story\\_s.asp?StoryId=1093387559](http://www.menafn.com/qn_news_story_s.asp?StoryId=1093387559)

Banks in the UAE are sitting on a huge amount of cash deposits, but are reluctant to open their doors to needy borrowers while capital injection by financial institutions is a must to further boost the economy, according to analysts.

## UAE to have approximately \$800m lower revenue in 2011

TopNews Arab Emirates, 06/01/11

<http://topnews.ae/content/25709-uae-have-approximately-800m-lower-revenue-2011>

A shortage of \$800m in the coming year with an eight percent fall in revenues, for the UAE, is estimated by Kuwait Financial Centre.

It has been alleged that the UAE's corporate profits may increase by 24 percent 2011 after an expected fall by six percent during 2010. The outcrops for Abu Dhabi have been divided, which are positive, and Dubai remain normal.

## Debt forgetfulness

The Economist, 29/12/10

[http://www.economist.com/node/17800215?story\\_id=17800215&fsrc=rss](http://www.economist.com/node/17800215?story_id=17800215&fsrc=rss)

THERE was plenty of Schadenfreude when, in late 2009, Dubai was forced to admit it had trouble paying its debts. The brash emirate's Gulf neighbours quietly hoped to tempt bankers and business people to their rival financial hubs. Now, irritatingly for many, Dubai is showing signs of recovery. A \$10 billion bail-out by Abu Dhabi staved off the threat of a big default. The emirate returned to the bond markets in September. Although the issue was unrated, it was heavily oversubscribed.