

LUXEMBOURG FINANCIAL CENTRE MONITORING

Un grand homme nous a quittés

abbl.lu, 25/08/11

<http://www.abbl.lu/news-publications/news-archive/abbl-news/grand-homme-nous-quitt%C3%A9s>

L'Association des banques et banquiers est terriblement attristée d'apprendre le décès de son directeur honoraire, Monsieur Lucien Thiel.

Homme de cœur, engagé, travailleur acharné et personnalité incontournable du paysage économique luxembourgeois, l'ABBL est parmi ceux que sa disparition brutale rend orphelins.

Lucien Thiel, qui a dirigé l'ABBL de 1990 à 2004, aura indéniablement contribué de par son engagement, sa disponibilité, sa bienveillance et son dynamisme au développement du Luxembourg, et en particulier de la place financière luxembourgeoise.

NLC baut einen „Freeport“ in Luxemburg

wort.lu, 30/08/11

<http://www.wort.lu/wort/web/business/artikel/2011/08/160119/nlc-baut-einen-freeport-in-luxemburg.php>

Die Schweizer Gruppe „Natural Le Coultre“ (NLC) will in Luxemburg einen „Freeport“ aufbauen. Das bestätigte Yves Bouvier, Managing Director von NLC, in einem Interview mit dem „Luxemburger Wort“. Wie dem Zeitungsbericht zu entnehmen ist, sollen bis zu 100 Arbeitsplätze entstehen. 30 Millionen Euro werden investiert.

NLC ist auf die Lagerung und den Transport von Kunstobjekten und anderen Wertgegenständen spezialisiert. In Genf und Singapur betreibt die Gruppe bereits einen Freihafen.

Steuern in Hongkong: Doppelbesteuerungsabkommen mit Luxemburg tritt in Kraft

artikel-presse.de, 30/08/11

<http://www.artikel-presse.de/?p=402886>

Die Regierung von Hongkong hat angekündigt, dass nunmehr das Protokoll zum Doppelbesteuerungsabkommen mit Luxemburg in Kraft treten wird nachdem es im November 2010 vereinbart wurde.

Das Protokoll wurde von Hongkong am 8. Juli 2011 ratifiziert. Am 17. August 2011 erfolgte die Bestätigung Luxembourgs, dass dort ebenfalls alle gesetzlichen Formalitäten abgeschlossen seien.

Somit kann es in Hongkong für die Geschäftsjahre ab dem 1. April 2012 und in Luxemburg für diesenigen ab dem 1. Januar 2012 in Kraft treten.

ABN Amro supprime 2.350 postes

paperJam.lu, 26/08/11

<http://www.paperjam.lu/article/fr/abn-amro-supprime-2350-postes>

Le groupe bancaire néerlandais fait état de 974 millions d'euros de profits pour le premier semestre 2011, de la création de 450 emplois, mais aussi et surtout de la suppression de 2350 postes. Les 200 employés de la filiale luxembourgeoise, spécialisée dans la banque privée, retiennent leur souffle.

La filiale luxembourgeoise spécialisée en private banking reste donc dans l'expectative avant toute communication officielle. Le comité de direction n'a pas pu répondre aux sollicitations et les indicateurs de tendances suggèrent davantage une issue heureuse pour les employés de la banque au Grand-Duché.

LUXEMBOURG FINANCIAL CENTRE MONITORING

La Place toujours en baisse, mais se relève

L'Essentiel, 23/08/11

<http://www.lesessentiel.lu/fr/economie/story/La-Place-toujours-en-baisse--mais-se-relevee-14597060>

Le chiffre provisoire de la somme des bilans des institutions financières au 31 juillet 2011 est de 1 043 541 millions d'euros. Par rapport au 31 juillet de l'année dernière, c'est une baisse de 4,1% qui est affichée par la Banque centrale du Luxembourg. Mais la banque précise tout de même que la somme est en légère augmentation sur le mois dernier (+0,8%).

Même constat pour les 143 banques inscrites sur la liste officielle. En hausse de 1,4% mensuel (780 861 millions d'euros au 31 juillet 2011 contre 770 398 millions au 30 juin), la somme des bilans provisoires des banques est restée stable sur l'année. Un bilan qui est largement meilleur que celui d'avril dernier. La Place semble se relever doucement.

Microfinance funds invested actively in 2010

lff.lu, 18/08/11

<http://www.lff.lu/finance/news/news-detail/article/microfinance-funds-very-active-in-2011/21/>

Microrate has published its 6th annual survey of microfinance investment vehicles (MIV), highlighting the trends and outlook for the industry. Based on interviews with executives of the major microfinance investment funds and a survey of the 101 active MIVs, this report examines the key factors that affected the microfinance fund market in 2010 and the trends that are likely to drive growth in 2011 and beyond.

Comments on the article "The Lap of Luxembourgery"

Foreign Policy, 15/08/11

http://www.foreignpolicy.com/articles/2011/08/15/the_lap_of_luxembourgery

Extract: In the dark heart of Europe lies a nation rotten to the core. Renowned as a secret banking haven where North Korean leader Kim Jong Il allegedly squirreled away billions of dollars, its economy is tied to the whims of capricious global money markets. The country's per capita external debt is 84 times that of the debt-ridden United States (some \$3.76 million for each man, woman, and child). Democracy is a joke, undermined by a hereditary and unelected head of state who not only can dissolve parliament, but appoints some of its members in the first place. Beleaguered citizens worry about just how sustainable their ever-more-fragile country is, which is no surprise given that foreigners make up 44 percent of the population and the equivalent of another 25 percent invade the country daily just to do its work.

"THIS ARTICLE GETS SO MANY THINGS WRONG, it would be too long to list... How can you get the essence of a country with such a short visit and by talking to largely unrepresentative persons? I've live there for more than 13 years and it's nowhere near what you are picturing... "a nation rotten to the core"? "the cancer of the continent"??? Oh my God... I only see a small country that has been smart enough to find a niche market and make it flourish. This kind of journalism is rotten to the core." (OLIVIER101)

"ABOUT LUXEMBURGISH DEBT : it is the second best situation after Estonia with 16,2 % of the GDP. For information , Mr Pape, Luxembourg debt per habitant is around 15,300 EUR and not 3,310,000 USD as the global debt amount is 7,661 million EUR in 2010. So before to write a stupid article, check your information source." (JENDRIK)

"I AM A TEACHER IN LUXEMBOURG and one of my students brought in this article to know if it was really as uninformed as it appeared to her. I was flabbergasted by terrible quality of journalism. The sources Pape cites are poor representations of the country: an 18-year-old waiter from Greece, novelist, and a disaffected Luxembourger living in London whose main complaint is that teachers here make too much money and that you can't find decent Chinese food? ... Couldn't Pape have come up with any substantial gripes against Luxembourg?" (MIKEYMANNON)

"I THOUGHT TEACHERS WERE SUPPOSED TO BE EDUCATED, intelligent human-beings. Irony shouldn't escape them with such ease. Try re-reading the column. Then think a bit. :)" (ICRISTIAN)

"WELL, IRONY OR NOT, THIS MUST BE THE MOST LUDICROUS PIECE OF "JOURNALISM" I'VE READ FOR A LONG TIME. What's the point of all this attitude? Surely not humour, because it sure ain't funny. Foreign Policy might want to review their quality control procedures..." (PETRI ORAVAINEN)

"TYPICAL BULLSHIT ARTICLE TO FOOL THE AMERICAN JOHN DOE, who still thinks that the US is the only legal country on earth and all others are either evil communist leftovers or some lost spots undermined by the Islam... When do you people actually wake up and realize that you're living in Disneyland and that all your superheroes are just inventions of Martin Goodman?" (SUPERJHEMP)

"GEIFF DAAT DO NET ALS SERIEUX BEZEECHNEN. AN DOFIER MECH NET OPREEGEN !;-)" (YBAUER)

FINANCIAL CENTRES MONITORING

Switzerland:

Federal Council adopts six double taxation agreements

FDA, 31/08/11

<http://www.admin.ch/aktuell/00089/index.html?lang=en&msg-id=40853>

The Federal Council approved the dispatches on six double taxation agreements (DTAs), and submitted them to parliament for approval. These agreements are with the Republic of Korea, Malta, Romania, Sweden, Singapore and Slovakia. Along with an administrative assistance clause in accordance with the internationally applicable standard, they contain various provisions that are beneficial to the Swiss economy.

Bis hierher und nicht weiter

NZZonline, 24/08/11

http://www.nzz.ch/nachrichten/wirtschaft/aktuell/bis_hierher_und_nicht_weiter_1.12075162.html

Im Streit der Schweiz mit den USA um Bankgeheimnis und Steuern möchten die Amerikaner am liebsten eine Wiederholung des UBS-Szenarios: eine Menge Daten über Kunden verschiedenster Schweizer Banken sowie saftige Bussengelder dazu. In der Schweiz dagegen ist die Wiederholung des UBS-Szenarios tabu. Der Bundesrat hatte zwar auf Basis einer offensiven Interpretation des bestehenden Doppelbesteuerungsabkommens (DBA) gehofft, dass der Vertrag in Sachen UBS den Rahmen des DBA nicht sprengt. Er wurde aber vom Bundesverwaltungsgericht zurückgepfiffen und musste den Canossa-Gang ins Parlament antreten, um damit quasi rückwirkend neues Recht zu schaffen. Die US-Aufforderung an die Schweiz, jetzt für andere Schweizer Banken nochmals die gleiche Übung durchzuspielen, kommt hierzulande nicht an.

Switzerland and the UK initial tax agreement

FDA, 24/08/11

<http://www.efd.admin.ch/aktuell/medieninformation/00462/index.html?lang=en&msg-id=40731>

British and Swiss negotiators concluded the negotiations on outstanding tax issues and initialled a tax agreement. Under this agreement, persons resident in the United Kingdom can retrospectively tax their existing banking relationships in Switzerland either by making a one-off tax payment or by disclosing their accounts. Future investment income and capital gains of British bank clients in Switzerland will be subject to a final withholding tax, and the proceeds of this will be transferred to the British authorities by Switzerland. In addition, mutual market access for financial services will be improved. The agreement should be signed by both governments in the next few weeks and could enter into force at the start of 2013.

Financial sector stability: allowing the issue of CoCos in Switzerland

FDA, 24/08/11

<http://www.news.admin.ch/message/index.html?lang=en&msg-id=40710>

Changes in withholding tax should allow Swiss companies to issue their bonds under competitive conditions in Switzerland. These changes would also apply to the newly created contingent convertible bonds (CoCos). Their issue in Switzerland ensures the application of Swiss law, thereby increasing the legal security of this instrument. At the same time, these changes should strengthen the security function in withholding tax. The Federal Council approved a dispatch with corresponding measures for the attention of parliament. Initial measures in this vein were introduced within the scope of the bill on dealing with systemic risks of big banks ("too big to fail" or TBTF).

The legislative amendments could come into force on 1 January 2013 at the earliest.

FINANCIAL CENTRES MONITORING

Ireland:

Finance sector cool on bank tax

irishtimes.com, 17/08/11

<http://www.irishtimes.com/newspaper/breaking/2011/0817/breaking3.html>

The financial sector has reacted coolly to Franco-German plans to push anew for a Europe-wide tax on financial transactions, saying it would be destabilising, ineffective and costly to the industry.

Markets players said even if France and Germany could persuade all 27 European Union member states to adopt the tax - overcoming long-standing UK opposition - it would simply drive many transactions offshore to less-regulated financial centres.

Minister for Finance Michael Noonan broadly welcomed proposals by France and Germany to help stabilise the euro zone but said any financial transaction tax introduced would have to apply across the European region, otherwise financial centres such as Dublin would face a competitive disadvantage.

China:

Hong Kong blessed with new development opportunity

People's Daily Online, 24/08/11

<http://english.peopledaily.com.cn/90778/7578852.html>

China's Vice Premier of the State Council Li Keqiang announced on Aug. 17 a series of measures adopted by the central government to support Hong Kong's development and deepen its cooperation with the Chinese mainland.

Of them, the most noteworthy are some policy measures to accelerate the pace of developing Hong Kong into an offshore RMB business center. China's central bank governor Zhou Xiaochuan has accordingly released 10 specific opinions on the implementation of the measures, including allowing Chinese mainland institutions to expand the size and scope of issuing yuan-denominated bonds in Hong Kong, permitting qualified foreign institutional investors to make yuan-denominated investments in the Chinese mainland's financial market and supporting Hong Kong-based enterprises to make yuan-denominated foreign direct investments in the Chinese mainland.

Hong Kong exchanges in talks for venture with Shanghai, Shenzhen bourses

Bloomberg, 18/08/11

<http://www.bloomberg.com/news/2011-08-18/h-k-exchange-in-talks-with-shanghai-shenzhen.html>

Hong Kong Exchanges & Clearing Ltd., the most valuable exchange company, said it's in venture talks with China's two stock exchanges. The company is discussing the development of new indexes and other derivative products with the Shanghai and Shenzhen bourses. The venture may be based in the former British colony.

The bourse's Chief Executive Officer Charles Li is forging closer ties with the mainland and hopes to attract the country's investors. The exchange hosted the first Yuan-denominated initial public offering outside of China this year and is preparing for dual-currency listings to take advantage of Beijing's plans for financial liberalization and its promotion of the Yuan in global trade and investment.

Hong Kong ETF planned for mainland investors

Market Watch, 17/08/11

<http://www.marketwatch.com/story/hong-kong-etf-planned-for-mainland-investors-2011-08-17>

Beijing plans to unveil an exchange-traded fund that will enable Mainland China investors to access stocks listed in Hong Kong, according to a package of measures unveiled by Vice Premier Li Keqiang.

The ETF along with several other measures to boost the city's role as an offshore hub for the use of the Chinese currency, the Yuan.

Few details were provided on the structure of the ETF, though analysts said it would likely be listed in Shanghai and enable access to constituents of the Hang Seng Index (HSI:HK:HSI) as well as other large-capitalization stocks listed in Hong Kong.

(...) The Chinese vice premier outlined a smaller-scale version of QFII — its Qualified Foreign Institutional Investor program, which will enable qualifying institutions to purchase mainland securities up to an initial quota of 20 billion Yuan (\$3.1 billion).

It was launched as a way to enable foreign investors gain greater access to China's domestic stock markets without violating its strict currency controls.

FINANCIAL CENTRES MONITORING

China:

China to keep minimum CAR for banks of systematic importance at 11.5%

<http://www.whatsonxiamen.com/news20705.html>

What's on Xiamen, 16/08/11

China's banking regulator said it has begun to seek public opinion on the drafted tougher capital rules for the nation's banks. The new rules will keep minimum capital adequacy ratio (CAR) for banks of systematic importance at 11.5 percent, while raising the ratio for banks of non-systematic importance to 10.5 percent, the China Banking Regulatory Commission (CBRC) said on its website.

The opinion inquiry will conclude on September 20.

GCC:

GCC asset management firms manage \$29bn in 325 funds

Zawya, 28/08/11

http://www.zawya.com/story.cfm/sidZAWYA20110828034128/GCC_asset_management_firms_manage_29bn_in_325_funds

The GCC asset management industry, with roughly 100 asset management companies, manages approximately \$29 billion in assets in about 325 funds as of March 31. Geographically, Saudi Arabia country funds account for 62 percent of the total, followed by Kuwait country funds with 19 percent share. In terms of products, money market funds lead the pack with a 50 percent share, closely followed by equities at 47 percent while the remainder is in fixed income and other funds. Of the total, Islamic funds manage \$17.6 billion in assets implying a share of 61 percent. In terms of number of funds, GCC/MENA mandated funds top the table with 131 funds, followed by Saudi Arabia country funds with 109 funds and Kuwait country funds with 51 others. Contrary to pattern seen in assets under management, there are more conventional funds (176 funds) than Islamic funds (149 funds).

India:

Indian banking sector to be third-largest by 2025

IBEF, 23/08/11

http://www.ibef.org/artdisplay.aspx?cat_id=60&art_id=29663&utm_source=investnow_newsletter_290811&utm_medium=email&utm_campaign=IBEF

The Indian banking sector is poised to become the world's third-largest in terms of assets over the next 14 years, according to a report by The Boston Consultancy Group (BCG).

"The domestic banking industry is set to see exponential growth in the coming years, with its assets poised to touch \$28,500 billion by 2025, compared with the current \$1,350 billion (2010)," says the report by Indian Banks' Association (IBA), Ficci and BCG titled 'Being five-star in productivity — Roadmap for excellence in Indian banking', prepared for the IBA.

The report was released on the eve of the three-day IBA-Ficci-BCG bank summit. The summit would be inaugurated by Reserve Bank Governor D Subbarao and would be attended by the heads of banks and the four central bank deputy governors.

The report adds China would overtake the US as the world's largest banking industry by 2015. It is expected the asset size of Chinese banks would be nearly \$30,000 billion, while that of the US would be around \$28,000 billion.

Malta:

Skills, speed and cost lift Malta's global profile

hedgeweek, 30/08/11

<http://www.hedgeweek.com/2011/08/30/129660/skills-speed-and-cost-lift-malta%E2%80%99s-global-profile>

For most of the past two decades, there have been only two significant international fund domiciles and servicing centres in Europe, Luxembourg and Dublin. But just as new rules governing both traditional and alternative investments draw promoters' and managers' attention to the advantages of establishing fund vehicles within the European Union, the Mediterranean island of Malta is staking a serious claim to a share of this burgeoning market.