

RELEVANT NEWS FOR THE LUX FINANCIAL CENTRE

12 May:

The Swiss Federal Council approves the report on the actions of the Financial Market Supervisory Authority in the financial market crisis - lessons for the future.

11 May:

Internal Market Commissioner Michel Barnier stresses that it is essential that both sides of the Atlantic reach the same objectives with the banking capital reform, otherwise regulatory arbitrage will rule financial markets.

The EU Parliament's Committee on Economic and Monetary Affairs (ECON) postpones its vote on the Alternative Investment Fund Managers Directive, so that more consideration can be given to the opinion of the Legal Affairs Committee. The vote is now scheduled for 17 May 2010.

10 May:

OECD's Economic Survey of Luxembourg 2010 : Regarding the financial sector, Luxembourg has emerged as a major international financial centre. This has been crucial to the development of its economy and the financial sector has come to play a large role in economic activity, employment and government revenues.

The Lisbon Review 2010: Luxembourg ranks 5th in the new World Economic Forum EU competition benchmark - but is ranked first for its enterprise environment and second for financial services.

Extraordinary ECOFIN decides on a comprehensive package of measures to preserve financial stability in Europe with a total volume of up to € 500 billion.

The International Monetary Fund (IMF) approves a €30 billion three-year loan for Greece as part of a joint European Union/IMF €110 billion financing package to help the country ride out its debt crisis, revive growth, and modernize the economy.

The European Central Bank agrees on measures to address the tensions in certain market segments which are hampering the monetary policy transmission mechanism and thereby the effective conduct of monetary policy oriented towards price stability in the medium term.

G7 members state that they redeploy the bilateral swap arrangements between the US Fed, the ECB and others. The Bank of Japan will be considering similar measures soon.

7 May:

The Committee of European Securities Regulators (CESR) decides to intensify its close monitoring of securities and derivatives markets. In particular, it will pay attention to potential breaches of conduct of business rules and cases of market abuse with a view to coordinating the actions of national supervisors.

6 May:

The "Haut Comité de la place" (France) decides to launch an initiative for the strategy and development of the industry of the management of credits. For this purpose, it constitutes a pilot group to ensure the development of the industry.

The Commission's spring forecast confirms that the economic recovery is in progress in the EU. After having experienced the deepest recession in its history, the EU economy is set to grow by 1% in 2010 and 1.75 % in 2011.

Any new agreement on providing bank data to the United States - for example via the SWIFT system - must avoid "bulk data" transfers until they can be processed within the EU, warns European Parliament.

The EU Commission says it will probe rating agencies and announces it could set up a central agency to take over this job.

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5 May:

Angela Merkel and Nicolas Sarkozy call for a rating agency review by suggesting stricter standards under European law.

US Senate removes bank bailout fund from financial reform bill.

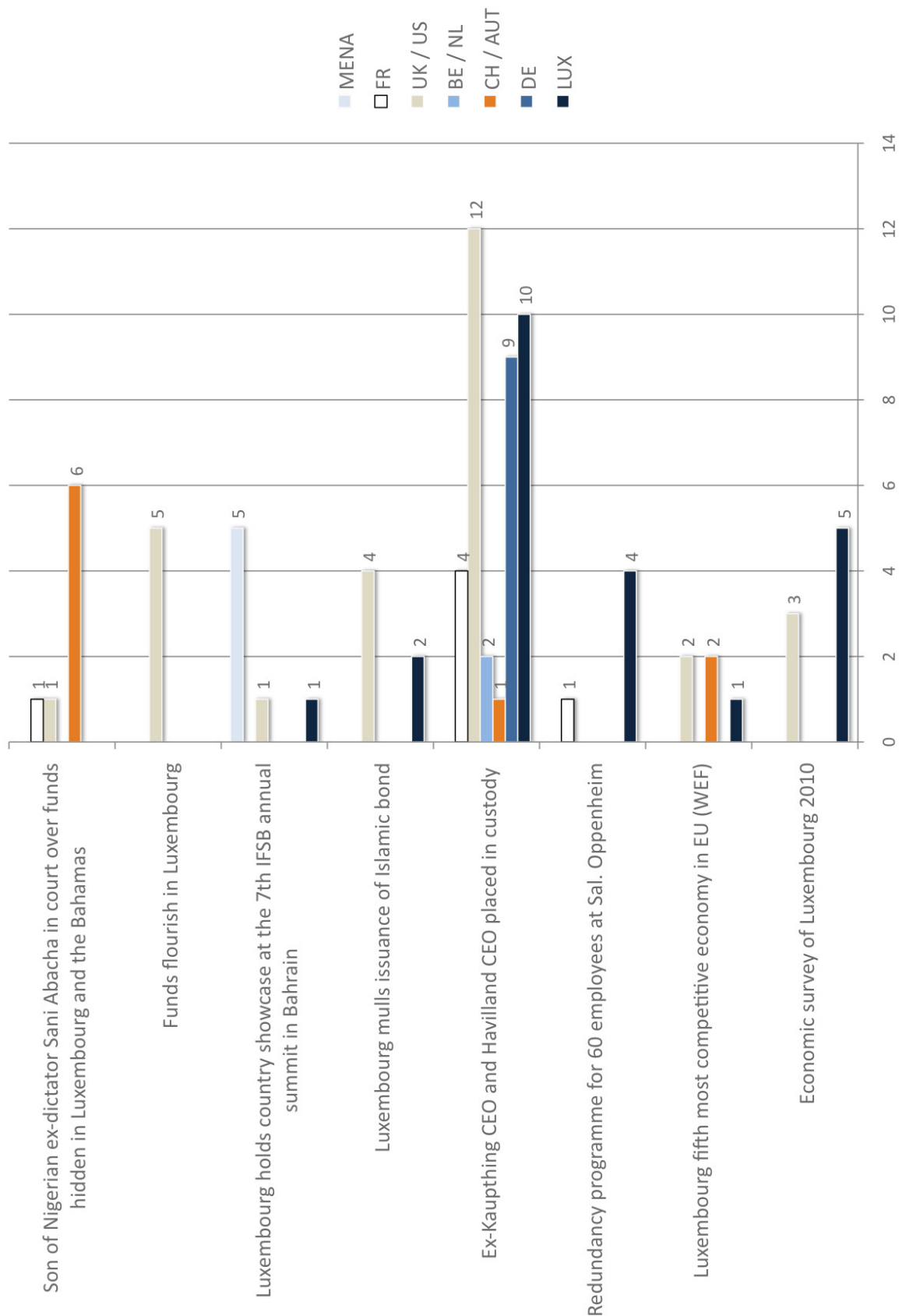
4 May:

Liechtenstein government adopts a report and proposal concerning an amendment to the country's VAT law: VAT rates will be increased in line with those in Switzerland from 2011.

US Treasury urges Congress to add bank tax to financial reform.

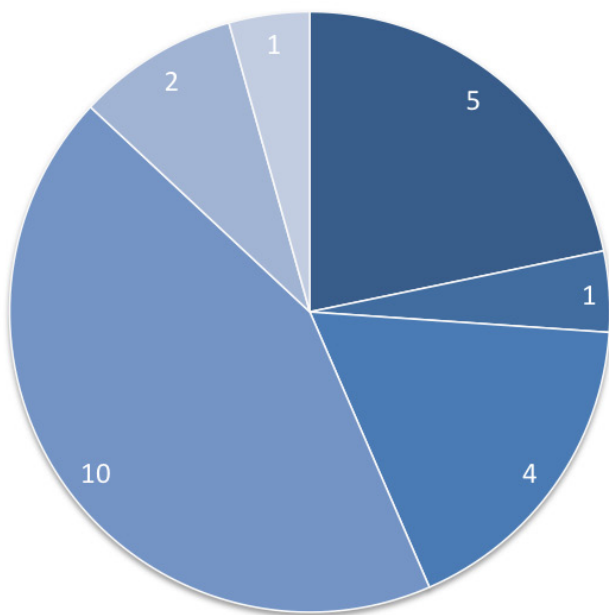
Bilateral talks between Germany and Liechtenstein on tax cooperation matters.

FINANCIAL CENTRE: MEDIA COVERAGE (by number of articles)



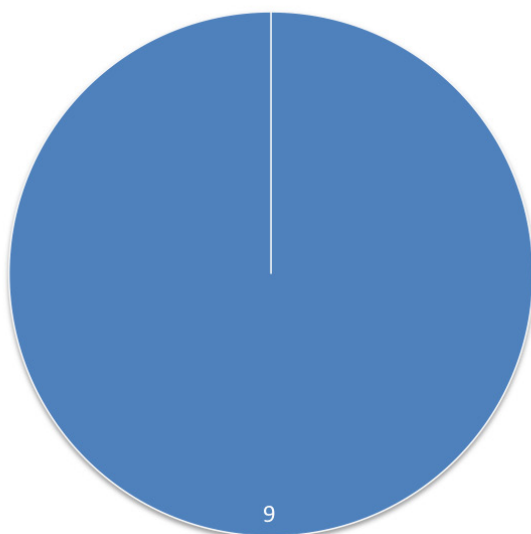
FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

Luxembourg



- Economic survey of Luxembourg 2010
- Luxembourg fifth most competitive economy in EU (WEF)
- Redundancy programme for 60 employees at Sal. Oppenheim
- Ex-Kaupthing CEO and Havilland CEO placed in custody
- Luxembourg mulls issuance of Islamic bond
- Luxembourg holds country showcase at the 7th IFSB annual summit in Bahrain

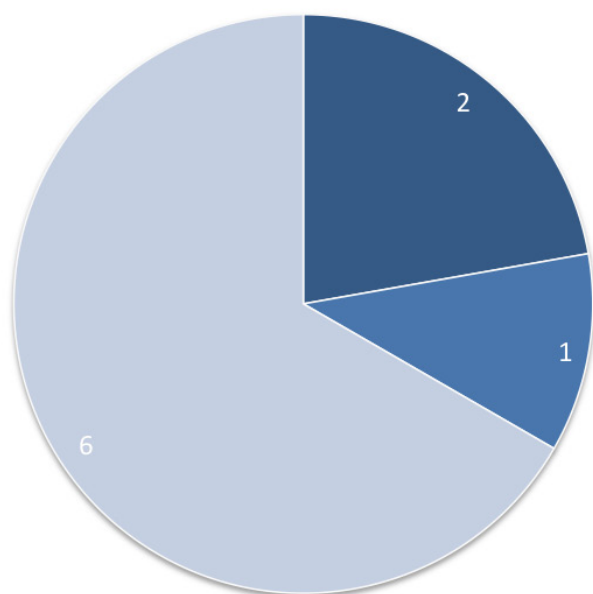
Germany



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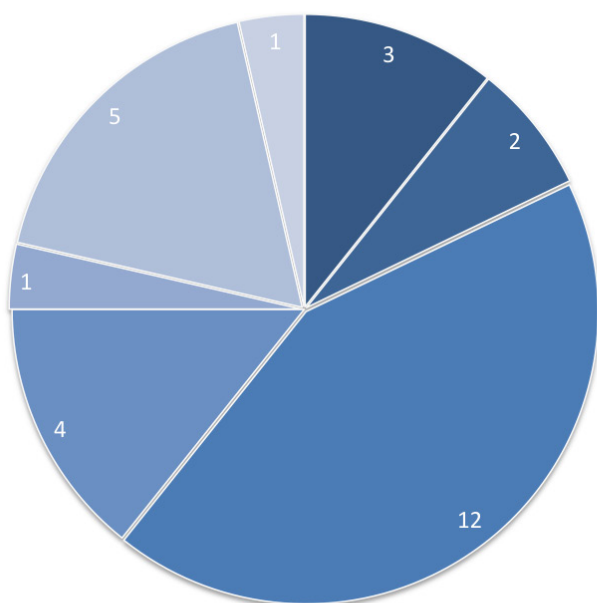
FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

Switzerland/Austria



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- Ex-Kaupthing CEO and Havilland CEO placed in custody
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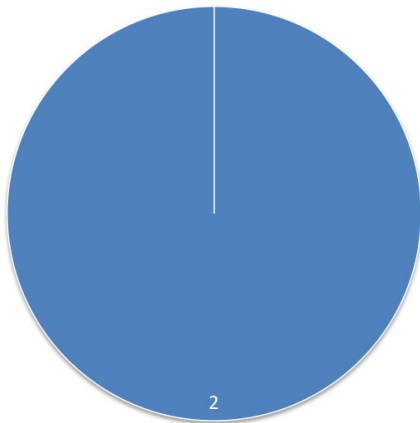
UK / US



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- Funds flourish in Luxembourg
- Son of Nigerian ex-dictator Sani Abacha in court over funds hidden in Luxembourg and the Bahamas

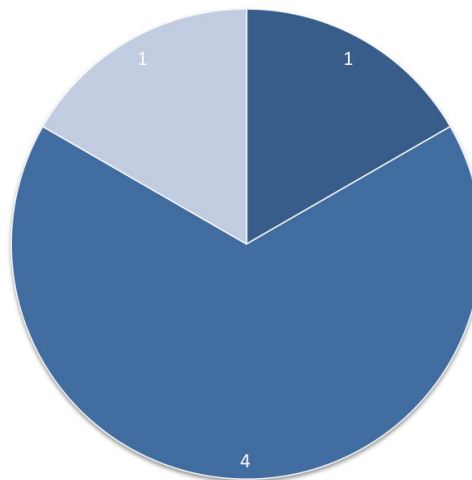
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Belgium



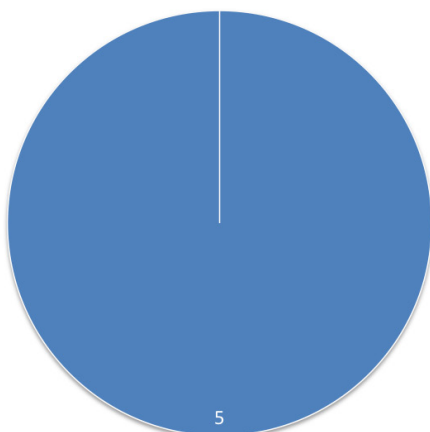
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France



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Middle East



- Luxembourg holds country showcase at the 7th IFSB annual summit in Bahrain

STATEMENTS ABOUT LUXEMBOURG

	Name	Position	Organisation	Source	Date
Fund Industry	Ray Clancy	Journalist	Investment International	Investment International	06/05/10
	<p>Luxembourg is confident it can convince hedge funds to re-domicile to its turf, as alternative players look to flee offshore domiciles in favour of more regulated centres. (...)</p> <p>Assets under management in Luxembourg rose by 24% to €1.9 trillion by the end of last year, up from €1.5 trillion in 2008. The revival in stock markets and resulting investor interest meant equity fund assets rose by 54% to reach €604 billion. Bond funds also enjoyed healthy asset growth of 34% with total net assets reaching €420 billion.</p>				
Taxation	Markus Böhl	Partner	Ernst & Young	IPE Real Estate	10/05/10
	<p>It's sensible to avoid real estate companies in Germany. Overseas investors have preferred to use Luxembourg vehicles. It's difficult for foreign investors, because they need to assume that they'll be paying 26% withholding tax.</p>				

FINANCIAL CENTRES MONITORING

Luxembourg:

Luxembourg joins the IFSB Summit in Bahrain

Iff.lu, 12/05/10

<http://www.iff.lu/finance/news/news-detail/article/luxembourg-joins-the-ifsb-summit-in-bahrain//2/>

For the first time Luxembourg has taken part in the annual IFSB summit as a member and sponsor of the event. The programme for members included a Public Hearing of the IFSB Exposure Draft on setting a standard on solvency requirements for takaful (Islamic insurance) undertakings. Luxembourg also conducted a Country Showcase, providing fellow members and other guests with the opportunity to ask questions relating to the Grand Duchy, which resulted in a lively and extended Q&A session.

Funds flourish in Luxembourg

Financial News, 03/05/10

<http://www.efinancialnews.com/story/2010-05-03/funds-flourish-in-luxembourg>

In the 25 years since the launch of the first pan-European investment scheme, the Grand Duchy of Luxembourg has scarcely looked back. The country with the third-largest GDP per head, more than a fifth of which is derived from financial services, looks set to grow, according to its financial regulator.

Switzerland:

Singapour et Hongkong, pôles alternatifs pour banques suisses

Le Temps, 10/05/10

http://letemps.ch/Page/Uuid/9c462ea8-5baa-11df-ac04-f0a41b53ef6b/Singapour_et_Hongkong_p%C3%B4les_alternatifs_pour_banques_suisses

Qu'est-ce qui fait courir les banques suisses en Asie? Elles sont 18 à entretenir une présence à Hongkong et 17 à Singapour, les deux principaux centres financiers de la région. A cela s'ajoutent des présences dans des villes comme Dubaï, Mumbai, Djakarta ou Bangkok. Hormis les deux grandes banques suisses, actives dans la banque d'affaires, elles se concentrent sur la gestion de fortune privée.

Geneva seeks to become hub for Chinese banking

Reuters, 04/05/10

<http://www.reuters.com/article/idUSLDE6420NT20100504>

Geneva is seeking to transform itself into a hub for Chinese banking and commerce, building on its new strength in commodity trading and hedge funds, officials from the city's economic promotion division said on Tuesday.

France:

Christine Lagarde se félicite du lancement d'une initiative de place pour la stratégie et le développement de l'industrie française de la gestion d'actifs

Ministère de l'économie, de l'industrie et de l'emploi, 05/05/10

http://www.minefe.gouv.fr/discours-presse/discours-communiques_finances.php?type=communiqu&id=4208&rub=1

Le Haut comité de la place a décidé du lancement d'une initiative pour la stratégie et le développement de l'industrie de la gestion d'actifs en France. A cet effet, il a décidé de la constitution d'un groupe de pilotage présidé par le Directeur général du Trésor, le Président de l'Association française de gestion financière (AFG) et le Président de l'Autorité des marchés financiers (AMF) et chargé de remettre à Christine Lagarde d'ici l'automne des propositions pour définir la stratégie et assurer le développement de l'industrie de la gestion d'actifs en France.

FINANCIAL CENTRES MONITORING

UK:

Britain vulnerable to eurozone land-grab

Telegraph.co.uk, 06/05/10

<http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/7683129/Britain-vulnerable-to-eurozone-land-grab.html>

This vital part of the British economy and the great powerhouse of its growth this past 20 years finds its position as the engine room of European capital markets under sustained political and regulatory siege. The enemy isn't so much the bank bashers of Britain's political class, but Europe.

Financial regulation: Good news, for hobbits

The Economist, 13/05/10

http://www.economist.com/world/britain/displaystory.cfm?story_id=16113119

For those in favour of sensible financial reform a coalition may well come up with better ideas than either partner individually. Conservative plans risked throwing bank regulation into turmoil; the Liberal Democrats' vision threatened fragmentation and parochial Hobbit-town banking. A compromise between the two should in any event go further and faster than the efforts of the late Labour government, which was too beholden to the ill-fated regulatory regime it had created.

UAE:

Fund managers warm to Saudi Arabia

ft.com, 05/05/10

<http://blogs.ft.com/beyond-brics/2010/05/05/fund-managers-warm-to-saudi-arabia/>

Saudi Arabia might not be everyone's cup of tea, but, unsurprisingly, fund managers can't help but love a country that sits on top of the world's largest pool of oil.

According to a report today by Kuwait Financial Centre - an investment bank popularly known as Markaz - interest in most other Gulf markets has waned but allocations to the conservative kingdom have increased over the past six months.

Bahrain:

Bahrain Financial Exchange launches its membership campaign

AMEinfo, 04/04/10

<http://www.ameinfo.com/231597.html>

The Bahrain Financial Exchange (BFX), the Multi-Asset exchange in the Middle East and North Africa, which will be internationally accessible to trade cash instruments, derivatives, structured products and Shariah-compliant financial instruments, today unveiled its plans for its membership activity to concentrate liquidity across the Mena region via its multi asset product portfolio.

Turkey:

Special report: Istanbul as a Financial Centre

FT.com, 05/05/10

<http://www.ft.com/reports/istanbul-2010>