

RELEVANT NEWS FOR THE LUX FINANCIAL CENTRE

28 October:

The Financial Stability Board issues principles to reduce reliance on CRA (credit rating agencies) credit ratings : the goal of these principles is to reduce the cliff effects from CRA ratings that can amplify procyclicality and cause systemic disruption.

The Technical Committee of the International Organization of Securities Commissions (IOSCO) publishes a consultation report containing principles to assist securities markets authorities in dealing with issues concerning dark liquidity.

27 October:

Switzerland and Germany have agreed to launch negotiations aimed at legalising undeclared assets in Swiss bank accounts. The talks are aimed at deterring evasion through an automatic levy on German taxpayers' investment incomes in Switzerland while at the same time preserving the "privacy" of the account holder. The agreement was struck as the two countries formally signed a revised dual taxation agreement, paving the way for the broader talks.

Transparency International's 2010 Corruption Perceptions Index (CPI), a measure of domestic, public sector corruption ranks Luxembourg together with Iceland - with a score of 8,5 - at the 11th world position. Luxembourg is thus among the analyzed countries in which corruption is perceived to be less important.

26 October:

AIFM: The European Parliament and the Council of Ministers reach an agreement which will introduce European regulation for the managers of alternative investment funds, including hedge funds and private equity.

The German government decides that no one at a bank that received public funds during the financial crisis should earn more than 500,000 euros per year. This measure follows a similar cap on salaries of executives at banks that received public aid during the global crisis and the discovery that others at banks like Commerzbank, Hypo Real Estate or WestLB are paid more than a half million euros annually.

Minister for Finance, Luc Frieden leads a financial mission to Latin America. Frieden pronounces himself in favour of a reinforcement of business connections between Luxembourg and Chile, particularly in terms of pension fund investment schemes. Chile and Luxembourg, moreover, express themselves in favour of negotiations for an agreement on non-double taxation.

25 October:

Switzerland and the UK sign declaration on the initiation of negotiations on tax matters: future investment income should be covered by a withholding tax, the rate of which has yet to be negotiated. The final withholding tax is a tax at source. After it has been paid the tax obligation towards the country of domicile will have been fulfilled. Extended administrative assistance has been agreed in order to prevent any possibility of circumventing the withholding tax. This envisages that the UK authorities can submit a request for administrative assistance, which states the name of the client, but not necessarily the name of the bank.

Mervyn King, Governor of the Bank of England, says Basel III won't stop another crisis and that the new levels of capital are insufficient to prevent a further crisis. "It is certainly a step in the right direction, an improvement on both Basel I and the ill-fated Basel II, and we should all welcome it. But if it is a giant leap for the regulators of the world, it is only a small step for mankind," King said in a speech in New York.

US federal prosecutors drop criminal charges against UBS saying that UBS had gotten out of the business of selling offshore private banking services allowing wealthy Americans to avoid billions of dollars in taxes.

Ministers of the Group of Twenty (G20) industrialized and emerging market economies agrees on a proposed raft of reforms of the IMF that will shift country representation at the IMF toward large, dynamic emerging market and developing countries. As a result of the quota rebalancing, the emerging market countries Brazil, China, India, and Russia move up to be among the top 10 shareholders of the IMF.

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23 October:

G20 meets to prepare the Seoul meeting: Finance Ministers and Central Bank Governors will, amongst others, pursue structural reforms to boost and sustain global demand, complete financial repair and regulatory reforms, achieve price stability, endorse Financial Stability Board's (FSB) recommendations to increase supervisory intensity and effectiveness, pursue their work to tackle non-cooperative jurisdictions.

22 October:

The Commission launches a consultation on further changes to the EU laws on capital requirements for banks. Countercyclical capital buffers are variable capital reserves that banks would have to accumulate during economically good times. Banks could draw upon these reserves to continue lending and borrowing when economic conditions worsen.

21 October:

UK Government publishes draft legislation on its bank levy: according to the British Bankers Association, the statement remains silent on how the bank levy would interact with taxation in other countries. The Bank Levy is intended to encourage banks to move to less risky funding profiles. The levy is expected to generate around £2.5 billion of annual revenues by 2012-13. The levy will be permanent.

France and Hong Kong sign a bilateral tax agreement. Hong Kong's Financial Secretary, John C Tsang added: "Between 2004 and 2008, our bilateral trade has grown at an average annual rate of 9%. Despite the global economic slowdown, the value of our bilateral trade reached EUR5bn (USD7bn) in 2009. The French business community in Hong Kong is one of the largest in the Asia Pacific, and French companies are doing well in all major sectors of our economy."

20 October:

ECOFIN (Economic and Financial Affairs Council) approves a report on levies and taxes on financial institutions. Regarding bank levies the report suggests that in the short term, attention should focus on ensuring a minimum level of coordination and in the medium term the setting up of crisis resolution structures based on the Commission's proposals. On financial sector taxation, different options should be examined.

The European Commission sets out its plan for a framework for crisis management in the financial sector. The new framework described in the Communication will be broad-ranging and aims to equip authorities with common and effective tools and powers to tackle bank crises at the earliest possible moment, and avoid costs for taxpayers. No entity should be "too big too fail".

In a response to the financial crisis prepared for the G20 meeting in Seoul, the Basel Committee identifies the weaknesses of the pre-crisis banking sector and describes the measures to be taken to strengthen the resilience of the global banking system.

19 October:

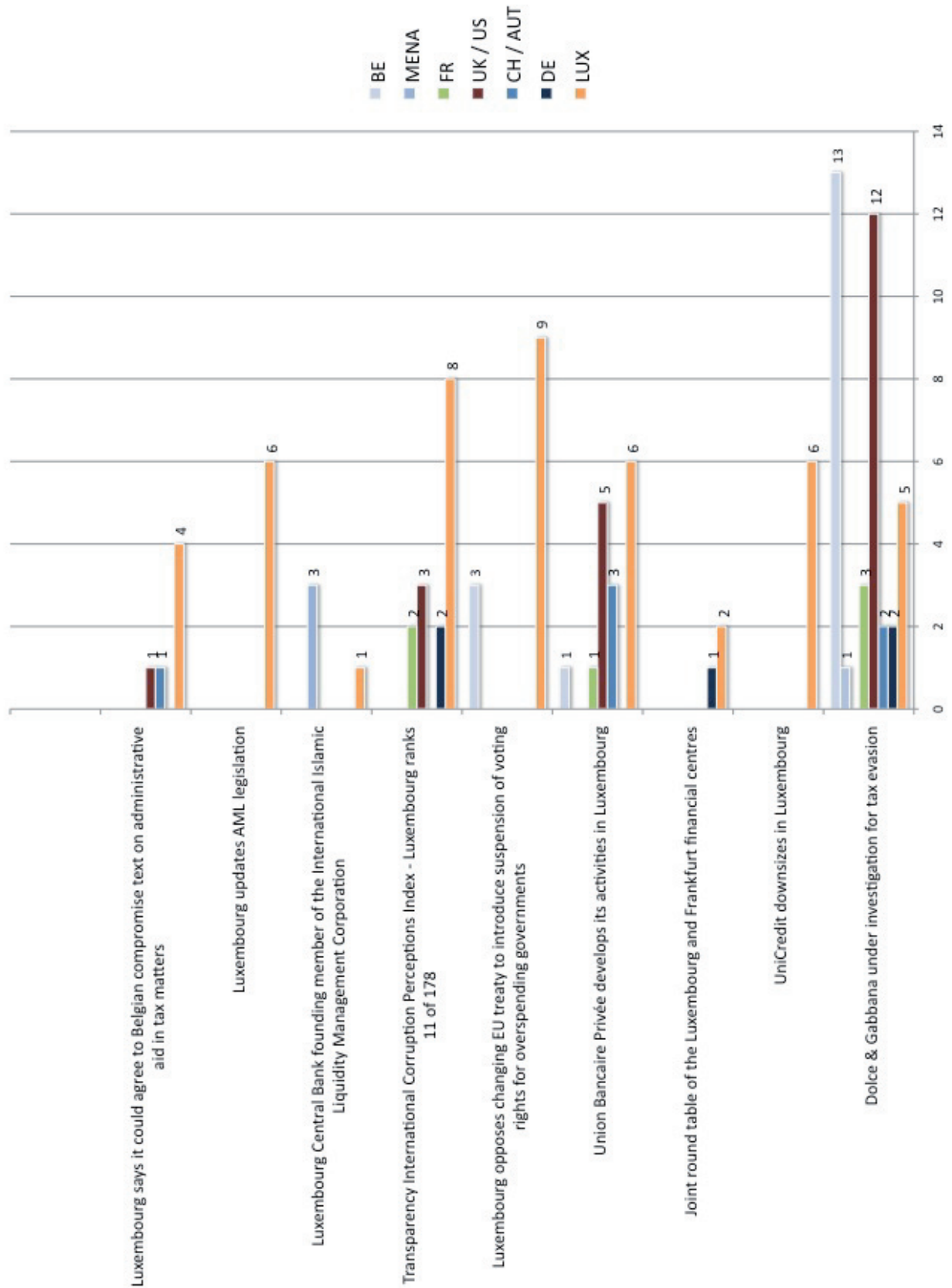
Hong Kong ratifies 5 double taxation agreements with: Hungary, Austria, UK and Ireland as well as the third protocol to the agreement with the Mainland of China.

18 October:

The City of London-commissioned report "Taxation of the Financial Services Industry: Predictability and Competitiveness" shows the importance of a predictable and competitive tax regime in attracting international business to the UK. The report also contains a comprehensive set of recommendations to help shape the debate on supporting a competitive tax regime.

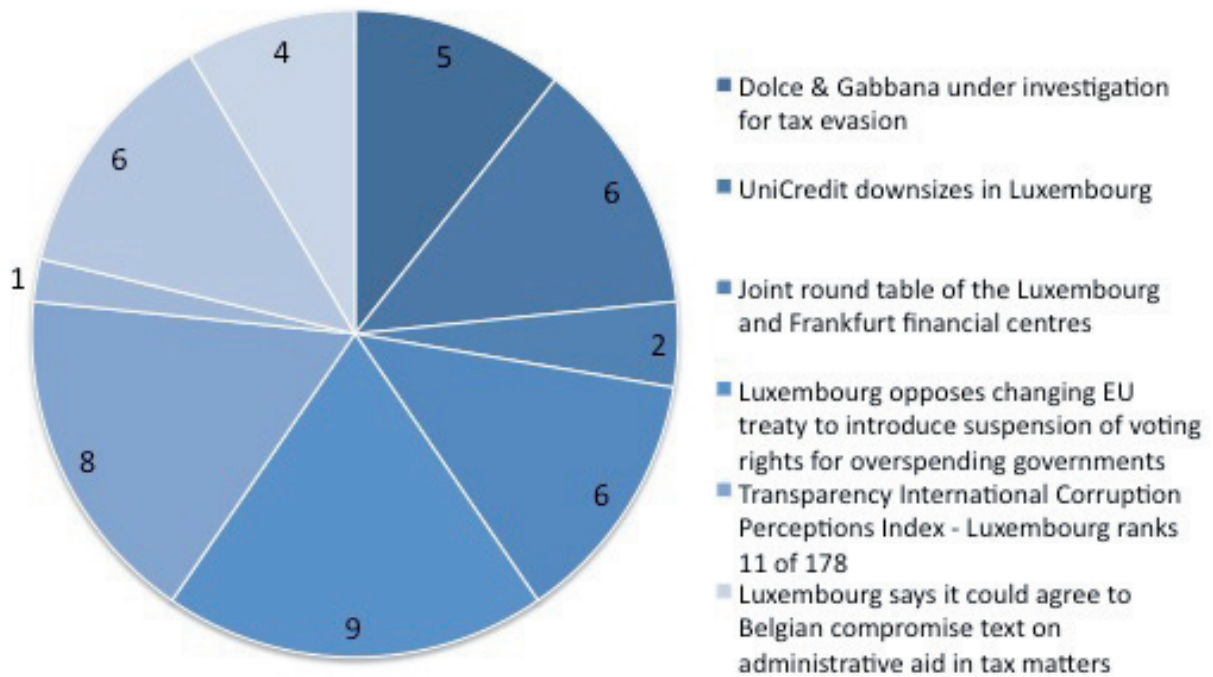
Germany buys more stolen data as tax agreement with Switzerland nears. Officials from Münster paid 1.5 million euros for a CD with data on 200 accounts at Zurich based Julius Baer.

FINANCIAL CENTRE: MEDIA COVERAGE (by number of articles)

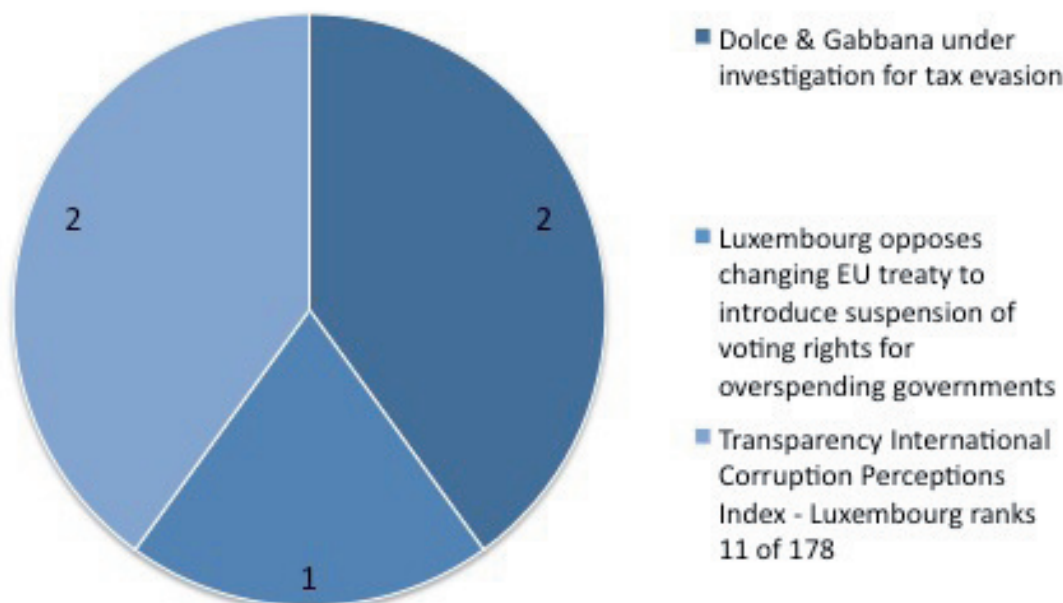


FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

LUX

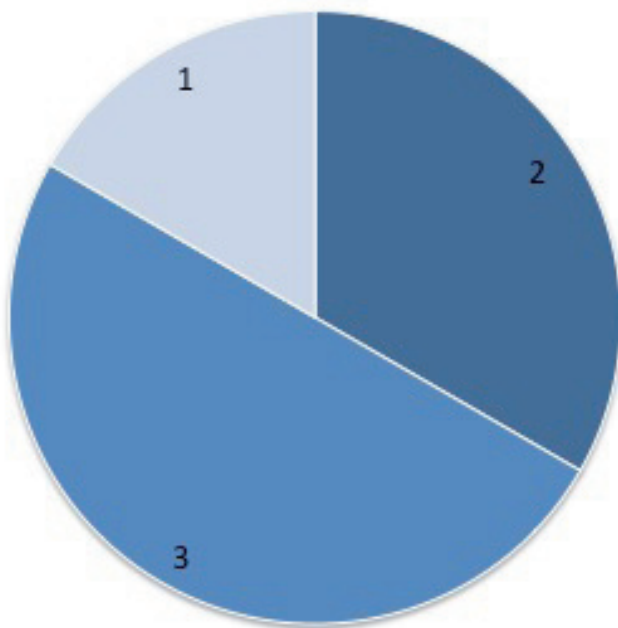


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FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

CH / AUT

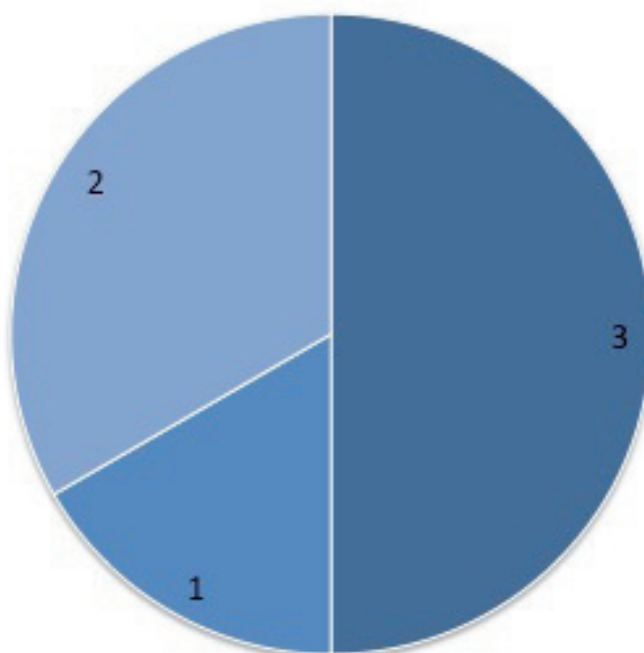


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■ Union Bancaire Privée develops its activities in Luxembourg

■ Luxembourg opposes changing EU treaty to introduce suspension of voting rights for overspending governments

FR



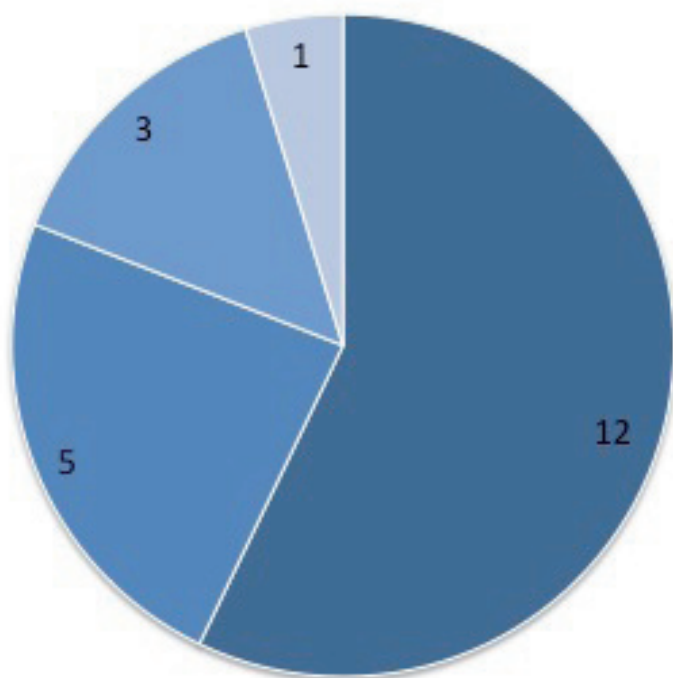
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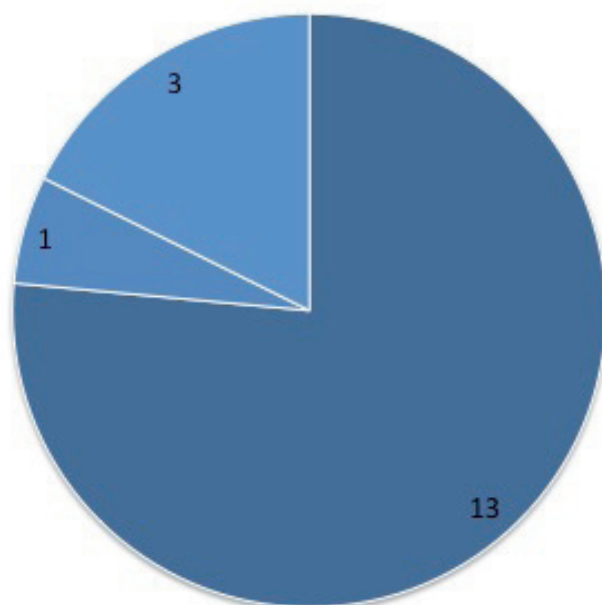
FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

UK / US



- Dolce & Gabbana under investigation for tax evasion
- Union Bancaire Privée develops its activities in Luxembourg
- Transparency International Corruption Perceptions Index - Luxembourg ranks 11 of 178
- Luxembourg says it could agree to Belgian compromise text on administrative aid in tax matters

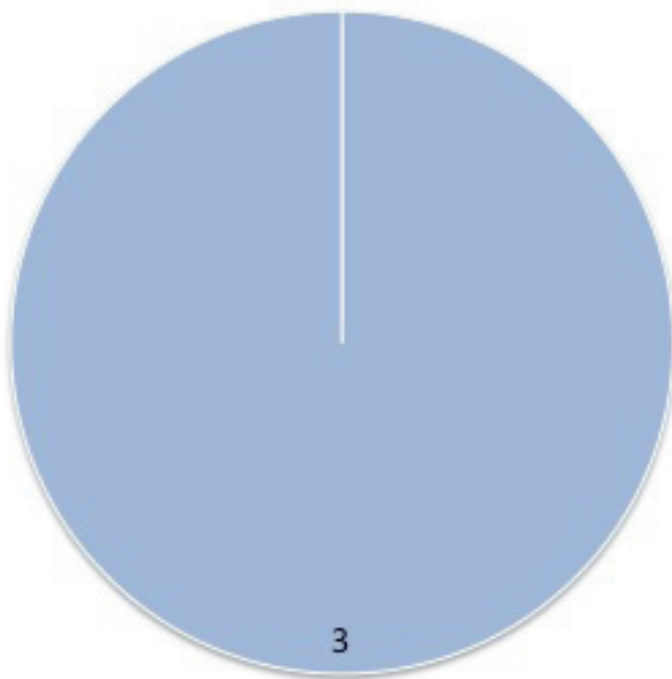
BE



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

MENA



- Luxembourg Central Bank founding member of the International Islamic Liquidity Management Corporation

STATEMENTS ABOUT LUXEMBOURG

	Name	Position	Organisation	Source	Date
Taxation	Frank Wagener	Chairman of the Management Board	Dexia-BIL	paperJam	26/10
	L'avenir de la Place de Luxembourg, c'est le client fiscalement transparent auquel on peut offrir des produits et des services adaptés, et pas forcément sur le seul Luxembourg, mais peut-être aussi via des produits sophistiqués domiciliés ailleurs.				
	/	/	/	Bulletin Quotidien Europe	22/10
	Le Luxembourg, un des pays les plus sceptiques quant à la directive (sur la coopération administrative), a, lui, fait un pas, en exprimant un accord de principe sur le compromis, à deux conditions, toutefois: - quant aux modalités d'échange d'informations, à l'article 5, préciser le texte en y incluant une référence aux principes établis dans les Traités sur la double imposition, qui, contrairement au compromis de la Présidence, prévoient une procédure qui régleme les modalités de demande et de communication des informations. Cette précision est destinée à réglementer les modalités d'échanges automatique d'informations pour limiter les demandes intrusives d'informations (« fishing expéditions ») de la part des autres administrations fiscales par le biais de la nouvelle législation; - à l'art.B, en ce qui concerne les produits d'assurance-vie, la référence aux trois directives communautaires pertinentes doit être précisée, en indiquant qu'il s'agit des directives sur la fiscalité de l'épargne. Le Luxembourg se demande en effet pourquoi inclure les produits d'assurance-vie, alors qu'ils sont déjà repris dans les directives sur la fiscalité de l'épargne.				
	Cynthia Stroum	U.S. Ambassador to Luxembourg	U.S. Embassy in Luxembourg	Luxemburger Wort	19/10
	Luxembourg and the U.S. have also worked closely together in recent years toward a stronger bilateral relationship in the financial sector. The signing in 2009 of an amended double-taxation treaty for information exchange was a critical factor in solidifying this relationship.				
Image	Andrea Gentilini	/	Economist Club	paperJam	26/10
	Le Luxembourg avec ses fonds Ucits dispose d'une marque reconnue au niveau mondial qu'il sera difficile de pirater. De plus, il faut y ajouter les structures sociétaires et surtout la capacité toute luxembourgeoise de gérer plusieurs juridictions, un élément à même d'attirer les capitaux des high net worth individuals, en particulier de ceux en provenance des pays émergents.				
Economy	David Kansas	Journalist	Wall Street Journal	MarketWatch Blog	18/10
	Ah, the mighty power of Luxembourg. You doubt, but when the euro starts to get too strong, the recent euro-zone strategy is to trot out Luxembourg Prime Minister Jean-Claude Juncker and have him talk about how terrible the European Union economy is. The euro rally tends to die on his lips....And, yes, Luxembourg is the 'lux' in Benelux.				
Investment Funds	Georges Hübner	Professor	HEC Université de Liège	L'Echo	25/10
	AIFM: Les fonds offshore seront particulièrement visés, puisqu'ils devront se conformer à toutes ces exigences pour obtenir leur précieux passeport. Et notamment se soumettre à un dépositaire, une procédure coûteuse. Georges Hübner estime que cela va renforcer les places d'administration de fonds tel que le Luxembourg et l'Irlande.				
Money laundering	Cynthia Stroum	U.S. Ambassador to Luxembourg	U.S. Embassy in Luxembourg	Luxemburger Wort	19/10
	Luxembourg also remains a leader in the EU's efforts to combat money laundering.				

FINANCIAL CENTRES MONITORING

Luxembourg:

Renforcer les liens entre Luxembourg et Santiago

lff.lu, 28/10/10

<http://www.lff.lu/finance/news/news-detail/article/renforcer-les-liens-entre-luxembourg-et-santiago/2/>

Luc Frieden s'est exprimé en faveur d'un renforcement des relations d'affaires entre le Luxembourg et le Chili, plus particulièrement dans le domaine financier. Les fonds de pension chiliens investissent d'ores et déjà une importante partie de leurs avoirs dans les fonds d'investissement luxembourgeois estimés grandement pour leur qualité, leurs objectifs internationaux et leur caractère inhérent de protection des investisseurs.

Art & Finance in Paris

lff.lu, 20/10/10

<http://www.lff.lu/finance/news/news-detail/article/art-finance-in-paris/2/>

Tonika Hirdman, Director General at the Fondation de Luxembourg, talked about the possibility of art philanthropy at the third De-Loitte Luxembourg Art & Finance conference, which was sponsored by Luxembourg for Finance and took place this year in Paris.

EU agrees on new hedge fund directive

lff.lu, 20/10/10

<http://www.lff.lu/finance/news/news-detail/article/eu-agrees-on-new-hedge-fund-directive/2/>

Last Tuesday, Luxembourg was the scene of the adoption of new regulations on private equity and hedge funds by the Council of the European Union. Luxembourg for Finance talked to Didier Prime, Asset Management Leader at PricewaterhouseCoopers Luxembourg.

All about banking and finance in Luxembourg

lff.lu, 18/10/10

Luxembourg for Finance is proud to be partner of mymosaik.lu, a web page that offers information about finance in Luxembourg. Besides displaying the latest news from the Luxembourg financial centre, the homepage pools all LFF social media channels, as well as its blog entries, LFF events and the international that impacts the financial centre.

Please click on this link to discover the finance section on mymosaik.lu :

http://www.mymosaik.lu/index.php?option=com_content&view=article&id=28&Itemid=58

For the banking site, my mosaik.lu has linked up with the Luxembourg Bankers' Association (ABBL) as a partner. National and international banking news and an interesting blog can be found on this page :

http://www.mymosaik.lu/index.php?option=com_content&view=article&id=28&Itemid=5

The aim of mymosaik.lu is to provide information about all aspects of Luxembourg. It covers lifestyle categories, telecommunication, the job market and an overview of events in Luxembourg.

FINANCIAL CENTRES MONITORING

UK:

Taxation of the Financial Services Sector in the UK - Predictability and Competitiveness

A report commissioned by the City of London Corporation (CoL) and written by Charles River Associates (CRA).

The UK's system of taxation, while moving in the right direction on some issues, has seen a notable deterioration in the perception of its taxation compared with other competitor jurisdictions.

[Download the report](#)

Exodus der Hedge-Fonds aus London

Frankfurter Allgemeine Zeitung, 29/10/10

Noch ist London eine der Hochburgen als Sitz für international agierende Hedge-Fonds. Aber möglicherweise ändert sich das gerade. Nach Schätzungen von Marktbeobachtern findet zurzeit ein wahrer Exodus statt: Viele Fonds ziehen um.

<http://www.faz.net>

London wirbt mit niedrigen Steuern für Unternehmen

Handelsblatt, 26/10

Die britische Regierung senkt die Belastung für Unternehmen. Manches EU-Land sorgt sich. Berlin bleibt jedoch betont gelassen.

<http://www.handelsblatt.com>

Banks face new future of higher taxes

Financial Times, 20/10/10

Banks operating in the UK face a prolonged period of higher taxes after the chancellor warned he would extract as much revenue as possible from financial services companies without pushing them overseas.

<http://www.ft.com>

France:

Christine Lagarde se félicite de l'adoption de la stratégie de place pour le développement de l'industrie française de la gestion d'actifs In-Business, 16/10/10

Christine Lagarde a approuvé les propositions du rapport du 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) pour développer l'industrie de la gestion d'actifs en France. Ce rapport répond à l'initiative lancée le 5 mai dernier par le Haut comité de place.

www.in-business.fr

FINANCIAL CENTRES MONITORING

Switzerland:

La Suisse préserve au prix fort l'essentiel de son secret bancaire

Les Echos, 27/10/10

L'anonymat des Allemands et des Britanniques fortunés qui ont ouvert un compte bancaire en Suisse sera préservé. Mais ils devront consentir à déboursier un prélèvement libératoire important.

<http://www.lesechos.fr>

London and Bern strike tax agreement deal

Financial Times, 26/10/10

The UK and Switzerland have struck a landmark tax agreement deal that opens a multibillion-dollar stream of new revenue for European states while preserving the prized secrecy of the Swiss bank system.

www.ft.com/cms/s/0/7ecef6c-489e-11df-9a5d-00144feab49a.html

Bern und Berlin beenden Steuerstreit

DRS, 27/10/10

Die Finanzminister Merz und Schäuble haben ein neues Abkommen zur Doppelbesteuerung zwischen der Schweiz und Deutschland unterzeichnet. Zudem gab Berlin grünes Licht für ein auszuhandelndes künftiges Steuerabkommen.

<http://www.drs.ch>

La Suisse et le Canada signent une convention révisée de double imposition

AFC, 22/10/10

Le conseiller fédéral Hans-Rudolf Merz et la ministre canadienne des affaires intergouvernementales Josée Verner ont signé aujourd'hui à Berne un protocole à la convention contre les doubles impositions (CDI) en matière d'impôts sur le revenu et sur la fortune.

<http://www.estv.admin.ch>

Finanzplatz Genf: Zuwachs bei verwalteten Vermögen

Basler Zeitung, 20/10/10

Die Genfer Finanzbranche hat dank Neugeldzufluss im ersten Halbjahr 2010 ein Wachstum der verwalteten Vermögen verzeichnet, wie Bernard Droux, der Präsident von Finanzplatz Genf, am Mittwoch vor den Medien sagte.

<http://bazonline.ch>

Privatbanken verdienen massiv weniger

Berner Zeitung, 20/10/10

Die Steuerdebatten und die Finanzkrise drücken im Schweizer Private Banking auf die Profitabilität der Kundenvermögen: Die Bruttomargen gingen gemäss einer Studie seit 2006 stark zurück - unter anderem, weil Kunden ihre Anlagen in risikoärmere Produkte umgeschichtet haben.

<http://www.bernerzeitung.ch>**La Suisse et l'Uruguay signent une convention de double imposition**

DFF, 18/10/10

Le conseiller fédéral Hans-Rudolf Merz et le ministre de l'économie et des finances uruguayen Fernando Lorenzo ont signé aujourd'hui, à Berne, une convention de double imposition (CDI) en matière d'impôts sur le revenu et sur la fortune. Cette CDI contient des dispositions sur l'échange de renseignements conforme à la norme de l'OCDE et aux principes fixés par le Conseil fédéral. Elle améliore les relations économiques bilatérales et encourage les investissements directs.

<http://www.efd.admin.ch>**Singapore:****Singapour, une Bourse qui veut compter en Asie**

L'Echo, 26/10/10

La Bourse de Singapour et celle d'Australie vont unir leur destin. Pour le meilleur, l'espèrent-elles. La première va déboursier 8,4 milliards de dollars australiens (5,9 milliards d'euros) pour acquérir la seconde. L'offre de 48 dollars australiens par action ASX valorise la Bourse de Sydney au-dessus de son cours actuel. La future entité attend désormais l'aval du régulateur australien. L'opération devrait être finalisée pour le deuxième trimestre 2011.

<http://www.lecho.be>**Malaysia:****Asia, Middle East institutions to create 'mega' Islamic bank**

Bloomberg, 27/10

Malaysia, the world's biggest market for Islamic bonds, will issue a license before the end of this year to a new Islamic bank that will be jointly established by institutions from Asia and the Middle East.

<http://www.arabianbusiness.com>