

RELEVANT NEWS FOR THE LUX FINANCIAL CENTRE

12 March:

French HSBC admitted that data affecting 24,000 current and former Swiss clients had been stolen.

London and New York are tied for first place in the latest Global Financial Centres (GFC) report, commissioned and published by the City of London. Luxembourg ranks 5th in Europe. Asian centres continued to make gains.

EU is struggling to find a common position on regulating hedge funds ahead of the next ECOFIN, as a rift emerged between France and Britain; European officials rebuffed criticism from Tim Geithner suggesting a draft law aimed at regulating hedge funds and other alternative investment vehicles would discriminate U.S. fund managers and banks.

Chris Dodd, Chairman of the US Senate banking committee, announces the introduction of a financial regulatory reform bill. Under the bill, the CFPB would have rule-making authority and would be led by a director appointed by the president.

UBS urges parliament to back U.S. tax deal, because it could result in a damaging backlash for Swiss banks as well as the Alpine nation's economy

11 March:

Germany and France called on the European Union to consider banning Credit Default Swaps speculation.

French Economy and Finance Minister Christine Lagarde announces that the new supervisory authority, ACP (Autorité de contrôle prudentiel), has now been set up, and will act as a "super authority" to strengthen regulation of the country's banks and insurance companies.

According to a study, the consulting company Accenture predicts increased M&A in Swiss private banking.

Euwifo (The European Economic Research Institute) Private Banking Monitor says Switzerland, Luxembourg and Liechtenstein became more unattractive and that this trend will continue.

10 March:

EU Parliament asks the Commission to develop the transaction tax plan (a plan to develop a global tax to discourage excessive risk-taking by financial institutions and ensure that the financial industry pays for the damage caused by the financial crisis) in order to be presented to the G20 meeting in June.

Majority of Members of European Parliament push EU Tobin Tax.

Positive assessment of 2009 by the Liechtenstein reporting office against money laundering and terrorist financing. Suspicious activity reports compared with previous year increased 24% and the preventive defense system was strengthened.

In talks with his German counterparts, State Secretary Andreas Ambühl explained the Swiss Federal Council's new financial centre strategy. In particular, they discussed the ongoing negotiations regarding a new double taxation agreement between Switzerland and Germany, market access issues and the purchase of stolen bank data by Germany.

German government approves double taxation deal with Liechtenstein.

9 March:

Recruitment Group ICDS: The Committee on Economic and Monetary Affairs (ECON) draft report argues that, although international regulation of Credit Default Swaps would be the ideal, the existence of different viewpoints on the global stage means that the EU should also be prepared to move on alone.

SVP (Schweizerische Volkspartei) says it opposes retroactive parliamentary approval of a deal between UBS and the United States on disclosure of secret bank accounts.

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8 March:

After talks in Luxembourg, German chancellor Angela Merkel and Luxembourg Prime Minister Jean-Claude Juncker propose to establish a European monetary fund (not welcomed abroad).

5 March:

Jean-Claude Juncker voices support for a European rating agency that would be part of the European Central Bank.

Belgian Prime Minister Yves Leterme proposes to create a European Finance Ministry to manage debt for the eurozone members.

Germany announces its intention to press ahead with the purchase of the data disc offered to federal state Baden Württemberg.

4 March:

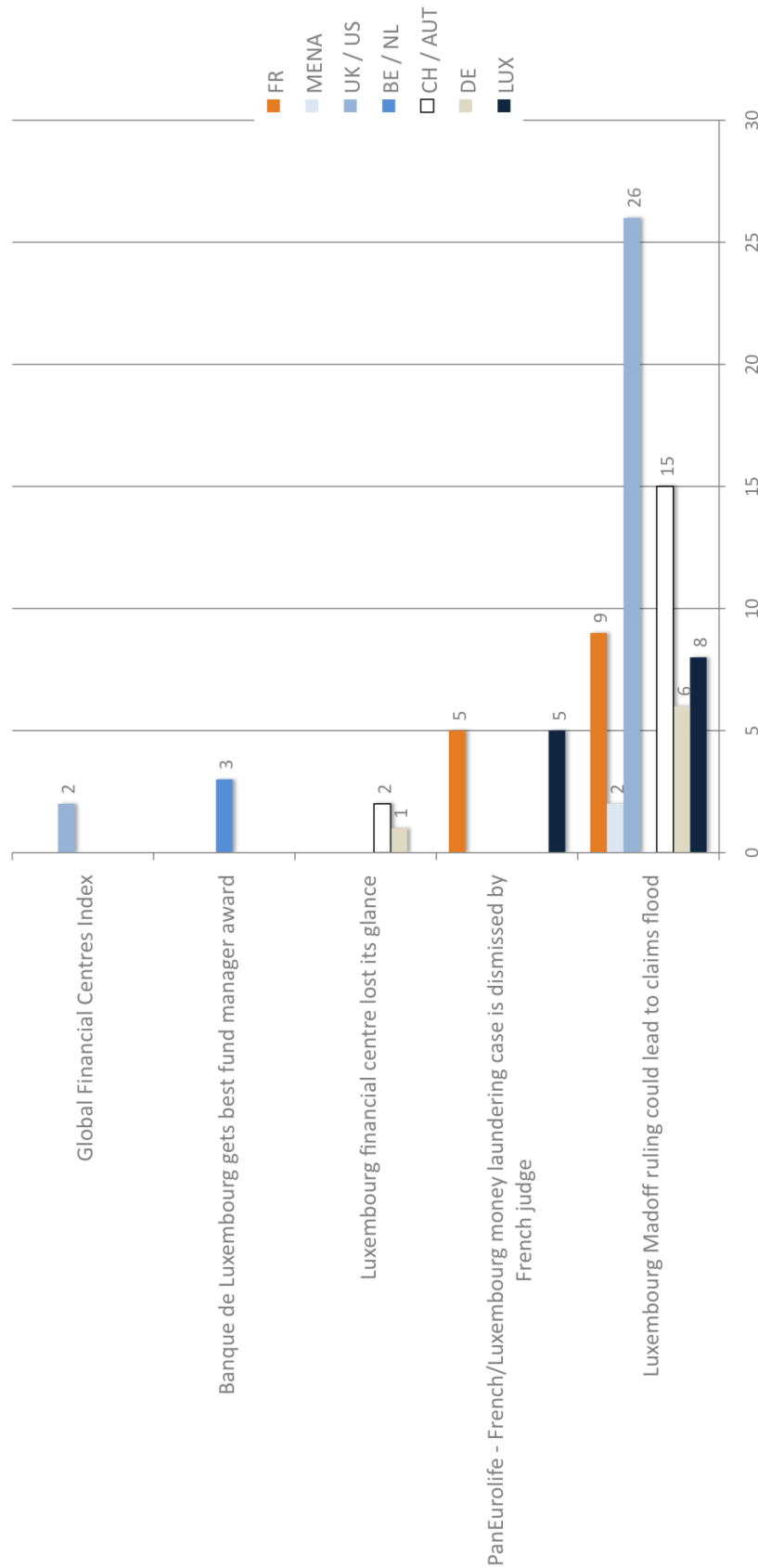
New strategy replacing the Lisbon Agenda: The European Commission launches the Europe 2020 Strategy. A crucial priority in the short term aims to restore a solid, stable and healthy financial sector, able to finance the real economy. It will require the full and timely implementation of the G20 commitments.

3 March:

EU Parliament's rejection of the SWIFT agreement.

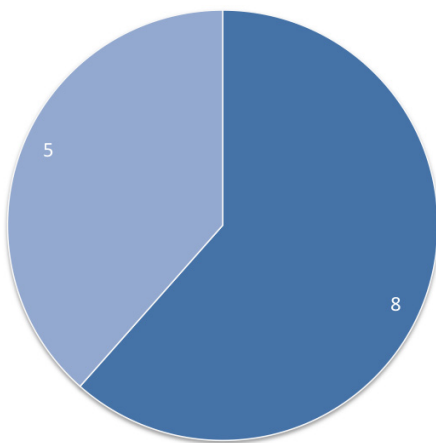
OECD calls on businesses to step up their fight against bribery.

FINANCIAL CENTRE: MEDIA COVERAGE (by number of articles)



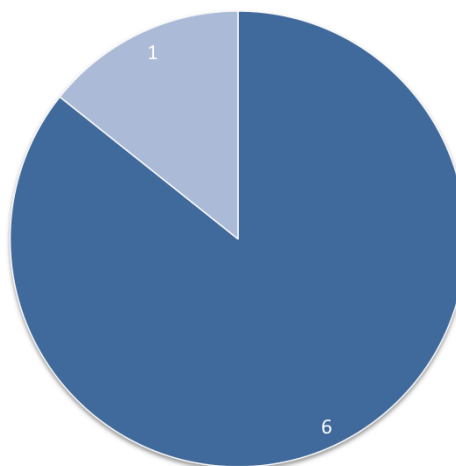
FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

Luxembourg



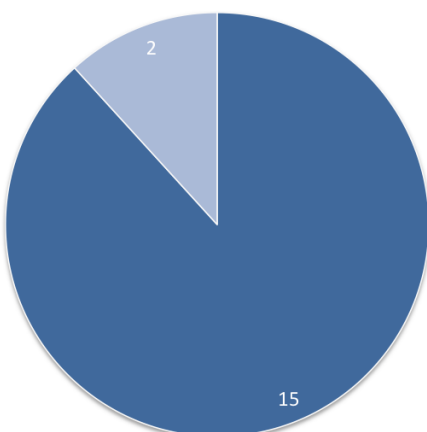
- Luxembourg Madoff ruling could lead to claims flood
- PanEurolife - French/Luxembourg money laundering case is dismissed by French judge

Germany



- Luxembourg Madoff ruling could lead to claims flood
- Luxembourg financial centre lost its glance

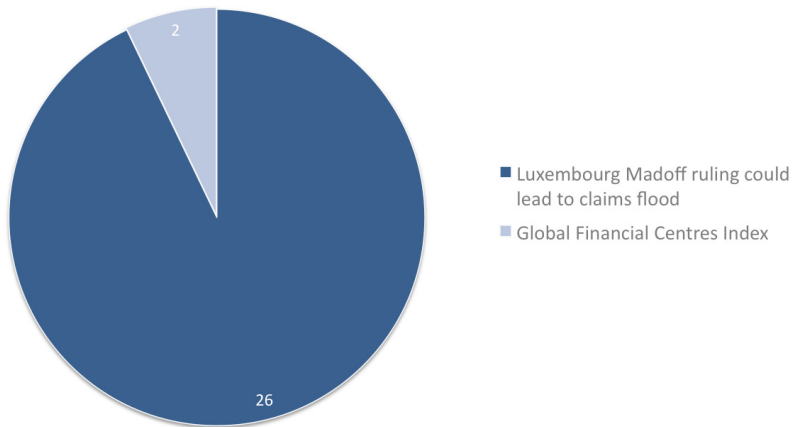
Switzerland/Austria



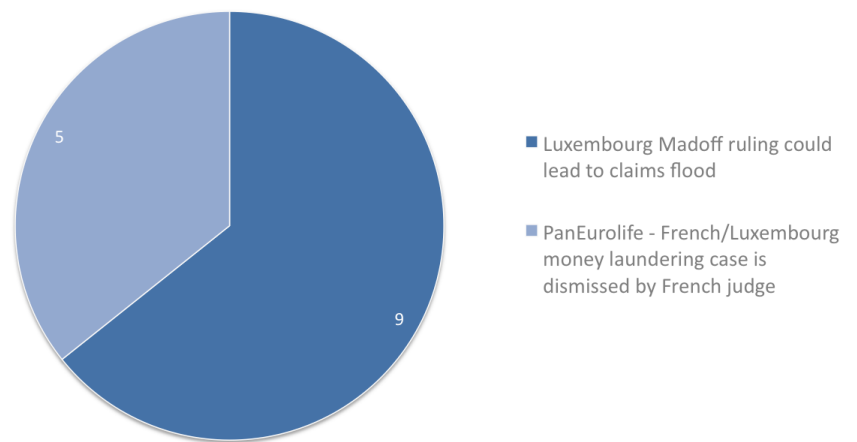
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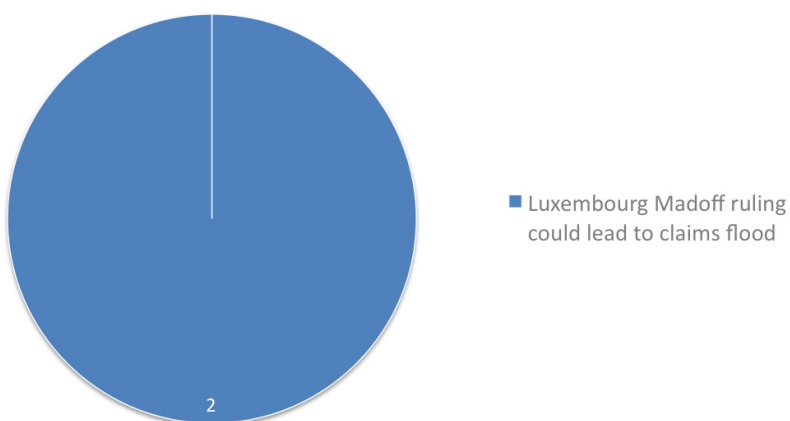
UK / US



France



Middle East



STATEMENTS ABOUT LUXEMBOURG

	Name	Position	Organisation	Source	Date
Fund Industry	Charles Muller	Deputy Director General	ALFI	Bloomberg	05/03/10
	The results of a study published in January by the European Union's securities supervisors of the duties and liabilities of custodians show that Luxembourg regulation is fully compliant with EU law.				
Image	Not named	Journalist	NZZ	NZZ	10/03/10
	In beiden Ländern (Deutschland und Österreich) schwang die Schweiz in der Liste der attraktivsten ausländischen Vermögensverwaltungsplätze weit obenaus. Jeweils rund die Hälfte der Befragten placierten die Schweiz ganz oben, die dahinter folgenden Destinationen wie Liechtenstein, Luxemburg, Singapur und Hongkong lagen klar unter 10% der Nennungen. (...) Die stark gestiegene Verunsicherung um das Bankgeheimnis hat in den Köpfen der Anleger denn auch Spuren hinterlassen: Die Schweiz, Luxemburg und Liechtenstein sind laut den Befragten in den vergangenen zwei Jahren unattraktiver geworden und werden weiter an Attraktivität verlieren. Hongkong und Singapur hingegen haben ihre Attraktivität in der Wahrnehmung der Befragten gehalten oder sogar verbessert.				
	Jean Asselborn	Minister of Foreign Affairs	Luxembourg Government	Lëtzebuenger Gemengen	11/03/10
	Néanmoins, pour revenir à l'image du Luxembourg, je suis d'avis que celle-ci restera celle qu'elle a été pendant des décennies: une place financière sérieuse et forte, qui garantit un des meilleurs standards internationaux et qui sait s'adapter à une demande de produits qui évolue rapidement, avec des services excellents et une expertise de toute première classe. N'oublions surtout pas que l'industrie des fonds au Luxembourg reste, malgré la crise financière, parmi les plus fortes dans le monde! A côté de ces facteurs, je suis sûr que les clients intéressés à investir ou à déposer leur argent au Grand-Duché savent apprécier la stabilité politique et sociale de notre pays, tout comme l'environnement multiculturel et la qualité de vie, qui reste pratiquement inégalée à travers l'Europe.				
Private Banking	Claudio Baccelli	Société Générale Bank and Trust	Deputy Director	Letzebuenger Land	05/03/10
	Le challenge majeur de la Place financière de Luxembourg se mesurera dans la capacité du système à pouvoir produire pour les clients haut de gamme toute une panoplie de produits transparents et de services pour assurer notamment les déclarations fiscales dans leur pays d'origine.				
Taxation	Véronique Poujol	Journalist	Letzebuenger Land	Letzebuenger Land	05/03/10
	L'amnistie fiscale italienne (scudo fiscale) n'a pas desservi les intérêts de la place financière luxembourgeoise. Paradoxalement, la scudo fiscale, troisième de l'ère berlusconienne, aurait même conforté les banquiers luxembourgeois dans le modèle d'affaires qu'ils disent suivre depuis une décennie, celui de la finance onshore, avec des clients étrangers qui n'ont (plus) rien à se reprocher ni à cacher l'origine de leurs avoirs à leurs autorités de résidence.				

FINANCIAL CENTRES MONITORING

Luxembourg:

EU creeps closer to Asia through Luxembourg

The Asset.com, 10/03/10

<http://www.theasset.com/article/17719.html>

Luxembourg is continental Europe's leading financial centre. Over the years it has become competitive with London and New York in terms of assets under management. As such the EU's financial future depends, to a certain extent, on how Luxembourg performs as a global financial centre.

Investment-Atlas: Neue Geografie

manager magazin, 02/03/10

<http://www.manager-magazin.de/magazin/artikel/0,2828,667906,00.html>

Nichts ist beim Immobilienkauf so wichtig wie die richtige Lage. manager magazin hat ganz Europa analysieren lassen und zeigt die attraktivsten Standorte. An der Spitze steht Luxemburg vor dem Landkreis München, Ingolstadt, Warschau und der Stadt München. Abgeschlagen hingegen ist insbesondere der Osten Deutschlands.

Ireland:

IDA Ireland strategy targets the delivery of over one hundred thousand new jobs by 2014

IDA Ireland, 02/03/10

<http://www.idaireland.com/news-media/press-releases/tanaiste-launches-ida-ire/index.xml>

Today, Deputy Prime Minister and Minister for Enterprise, Trade and Employment, Mary Coughlan, T.D., launched 'Horizon 2020', IDA Ireland's strategic blueprint for attracting Foreign Direct Investment (FDI) into Ireland in the coming decade. She said this initiative is an integral part of the Government's Smart Economy policy noting that, "Within the Irish economy, foreign direct investment has been, and will continue to be, a catalyst for our national prosperity. FDI companies create hundreds of thousands of high-quality jobs, both for the employees of the investing companies and in the firms, including indigenous firms, that provide them with goods and services. Securing such investments can also play a pivotal role in rejuvenating part of a city, a town or region where employment opportunities are limited."

Agencies urged to market Innovation Ireland

Irishtimes.com, 11/03/10

<http://www.irishtimes.com/newspaper/finance/2010/0311/1224266044518.html>

THE INNOVATION Taskforce has urged State agencies and education bodies to jointly market and brand Ireland "as a leading innovation location and destination of choice" for overseas investors.

It has also called for a special 5 per cent rate of tax to apply from profits derived from "innovative activities" carried out in Ireland and other European countries.

FINANCIAL CENTRES MONITORING

Switzerland:

Finanzplatz Schweiz auch ohne Bankgeheimnis attraktiv

NZZ, 11/03/10

http://www.nzz.ch/nachrichten/zuerich/finanzplatz_schweiz_auch_ohne_bankgeheimnis_attraktiv_1.5194867.html

Die Schweizer Banken gehen gemäss einer Umfrage davon aus, dass das Bankgeheimnis weiter gelockert wird. Nur gerade die Hälfte der Finanzinstitute sieht dieses bis im Jahr 2015 noch als einen Wettbewerbsvorteil für die Schweiz.

Allerdings wird der Finanzplatz Schweiz auch nach einem Fall des Bankgeheimnisses attraktiv bleiben, wie es in einer am Donnerstag veröffentlichten Studie des Beratungsunternehmens Accenture und des Kantonalbankenverbands heisst. Massgebend für die Attraktivität seien die Beratungs- und Servicequalität sowie die Reputation durch die politische Stabilität und die Sicherheit der Schweiz.

Swiss private banking M&A set to hot up: study

Reuters, 11/03/10

<http://www.reuters.com/article/idUSTRE62A46T20100311>

Swiss private banking will undergo fundamental change during the next five years and banks unable to meet current challenges will be targeted by others, a study from management consultancy Accenture said.

Für einen starken Finanzplatz und sichere Arbeitsplätze - Weiterentwicklung der Finanzplatzstrategie für neue Herausforderungen

FDP, 08/03/10

<http://www.fdp.ch/page/content/index.asp?MenuID=12930&ID=110400&ConID=110400&View=&Item=13.3>

Die Delegiertenversammlung der FDP/Die Liberalen vom 24. April wird eine weiterentwickelte und konkretisierte Finanzplatzstrategie verabschieden. An einer Medienkonferenz hat die FDP heute die Themen vorgestellt, über welche die Delegierten diskutieren sollen. Die FDP geht mit drei Säulen die Herausforderungen für den Schweizer Finanzplatz und seine Stärkung aktiv an: Erstens die Konkretisierung einer „Weissgeldstrategie“ als Antwort auf internationale Forderungen. Zweitens eine Klärung des Unterschieds zwischen Steuerhinterziehung und -betrug im Inland. Und drittens eine Serie von Massnahmen zur Stärkung des Schweizer Wirtschaftsstandorts.

FINANCIAL CENTRES MONITORING

UK:

Britain ready to compromise on hedge funds-sources

Reuters, 10/03/10

<http://www.reuters.com/article/idUSLDE6292K620100310>

Britain is preparing concessions to Germany and France that will pave the way for European finance ministers to agree draft regulations on hedge funds as soon as next week, sources with knowledge of the matter said.

European leaders including German Chancellor Angela Merkel and French President Nicolas Sarkozy have accused hedge funds and others of exacerbating the problems of Greece, the region's most troubled economy, by betting on its debt.

Revealed: how higher taxes send London to top of the table

Financial News, 08/03/10

<http://www.efinancialnews.com/story/2010-03-08/higher-taxes-make-london-most-expensive>

Senior bankers and hedge fund professionals will pay more in personal income tax and social security should they be based in London from April 6 onwards, than they would if they were located in any other major financial centre, according to data prepared for Financial News by KPMG.

Global Financial Centres Index

City of London, March 2010

www.cityoflondon.gov.uk/NR/.../0/BC_RS_GFCI5.pdf

New research has established an index of competitiveness between 46 of the world's financial cities, commissioned and published by the City of London.

The Global Financial Centres Index (GFCI), launched today, shows London and New York as the only two truly global financial centres, well ahead of the two Asian centres of Hong Kong (3rd place) and Singapore (4th place). Zurich is in 5th place, just ahead of Frankfurt.

FINANCIAL CENTRES MONITORING

Germany:

Der Finanzplatz übersteht die Krise vergleichsweise gut

Börsen-Zeitung, 03/03/10

<http://www.boersen-zeitung.de/index.php?li=1&artid=2010042331>

Das Jahr 2009 war hinsichtlich der Entwicklung an den Finanzmärkten ein Jahr der gelungenen Stabilisierung. Dennoch wäre es ein fundamentaler Fehler, würden die Marktteilnehmer nunmehr leichtfertig zum Alltagsgeschäft übergehen. Alle müssen das ihre dazu beitragen, eine systemische Krise, wie wir sie in jüngster Vergangenheit erlebt haben, für die Zukunft auszuschließen. Die Finanzmarktkrise hat viele, komplex miteinander verbundene Gründe, die mittlerweile vielfältig analysiert und beschrieben wurden. Der Finanzplatz Frankfurt konnte in ihrem Verlauf mit Stabilität überzeugen.

China:

Hong Kong's Economy Overtaken by Shanghai in 2009

Business Week, 05/03/10

<http://www.businessweek.com/news/2010-03-05/hong-kong-s-economy-overtaken-by-shanghai-in-2009-update2-.html>

Shanghai's economy exceeded the size of Hong Kong's for the first time in at least three decades after stimulus spending helped China skirt the global crisis and lead the world out of recession.

Shanghai's gross domestic product grew 8.2 percent to the equivalent of \$218.3 billion in 2009 compared with a 2.7 percent contraction to \$210.7 billion for Hong Kong, according to data compiled by Bloomberg. The preliminary reading on Shanghai was published in January and Hong Kong's release came last week.

HK exchange can't count on China IPOs forever

Reuters, 04/03/10

<http://blogs.reuters.com/columns/2010/03/04/hk-exchange-cant-count-on-china-ipos-forever/>

The Hong Kong Stock Exchange is the world's second biggest exchange, measured by its own market capitalisation. Call it the China factor. Yet as the mainland's own exchanges get bigger, Hong Kong can't count on winning prize listings forever. It's time for a plan B.

Shanghai Opens Doors to Financial World

The New York Times, 02/03/10

<http://dealbook.blogs.nytimes.com/2010/03/02/shanghai-opens-doors-to-financial-world/>

Shanghai's World Expo is expected to be a tourist bonanza, drawing 70 million people between May and October. But with China's leaders aiming to turn the city into a globally competitive financial capital by 2020, it is also a golden opportunity to start recruiting bankers and barristers to settle down on the banks of the Huangpu River, Julie Makinen reports in The New York Times.

FINANCIAL CENTRES MONITORING

UAE:

DFSA enters into Memorandum of Understanding with French markets authority

zawya, 07/03/10

<http://www.zawya.com/story.cfm/sidZAWYA20100307131035/DFSA%20Enters%20Into%20Memorandum%20of%20Understanding%20With%20French%20Markets%20Authority>

The Dubai Financial Services Authority (DFSA) entered into a Memorandum of Understanding (MoU) with the Autorité des marchés financiers of France (AMF), the French securities regulator, on Friday.

The AMF is France's independent public body responsible for safeguarding investments in financial instruments and in all other savings and investment vehicles; for ensuring that investors receive material information; and for maintaining orderly financial markets. The AMF also lends its support to financial market regulation at European and International levels.

UAB calls for more bank mergers in UAE

Emirates Business, 10/03/10

<http://www.business24-7.ae/banking-finance/banking/uab-calls-for-more-bank-mergers-in-uae-2010-03-10-1.66848>

The UAE Government should come out with schemes to encourage mergers in the banking system, Union of Arab Banks (UAB) Chairman Adnan Ahmed Yousif said yesterday.

The UAE has more than 50 banks but only one merger, between Emirates Bank International and National Bank of Dubai, has taken place in the recent history.

Dubai Financial Services Authority launches electronic Islamic finance handbooks

AMEinfo, 10/03/10

<http://www.ameinfo.com/226351.html>

The Dubai Financial Services Authority (DFSA) has launched a series of electronic Islamic finance tailored handbooks, designed to help firms undertaking Islamic finance activities in the Dubai International Financial Centre (DIFC).