

RELEVANT NEWS FOR THE LUX FINANCIAL CENTRE

26 May:

European Commission proposes that the European Union establishes an EU network of national bank resolution funds to ensure that future bank failures aren't at the cost of the taxpayer.

Germany to widen ban on naked short selling by proposing to cover all stocks and euro currency derivatives not intended for hedging.

The Committee of European Securities Regulators (CESR) recommends that the European Institutions introduce a pan-European short selling disclosure regime as soon as possible.

The British Banking Association does not support an EU wide tax or levy to pay into a pan-European fund.

25 May:

According to the IMF, Spain's economy needs far-reaching and comprehensive reforms.

The International Organization of Securities Commissions (IOSCO) publishes a set of principles regarding cross-border supervisory cooperation developed by its taskforce. It sets out how securities regulators can better build and maintain cross-border cooperative relationships that will allow them to more effectively oversee financial services providers.

UK bank regulation reform is to be placed back in the hands of the Bank of England and the tripartite regulation system introduced in 1997 is to be abolished.

23 May:

The OECD releases draft content of the 2010 update to the model tax convention. The update will include the changes that were previously released for comments in the discussion drafts.

22 May:

Introduction of a new piece of anti-tax haven legislation in the US House of Representatives. Key clauses would make it much more difficult for corporations to receive income from IP assets in foreign jurisdictions.

21 May:

The IMD World Competitiveness Yearbook 2010, based on a study of 58 national economies, ranks Luxembourg at 11th position.

The Hinduja Group acquires KBC group's private banking subsidiary KBL European Private Bankers.

US Senate approves the most extensive overhaul of financial sector regulation since the 1930s hoping to avoid a repeat of the crisis.

19 May:

Switzerland and the US hold talks focusing on current financial and tax policy issues. The UBS agreement is also part of discussions.

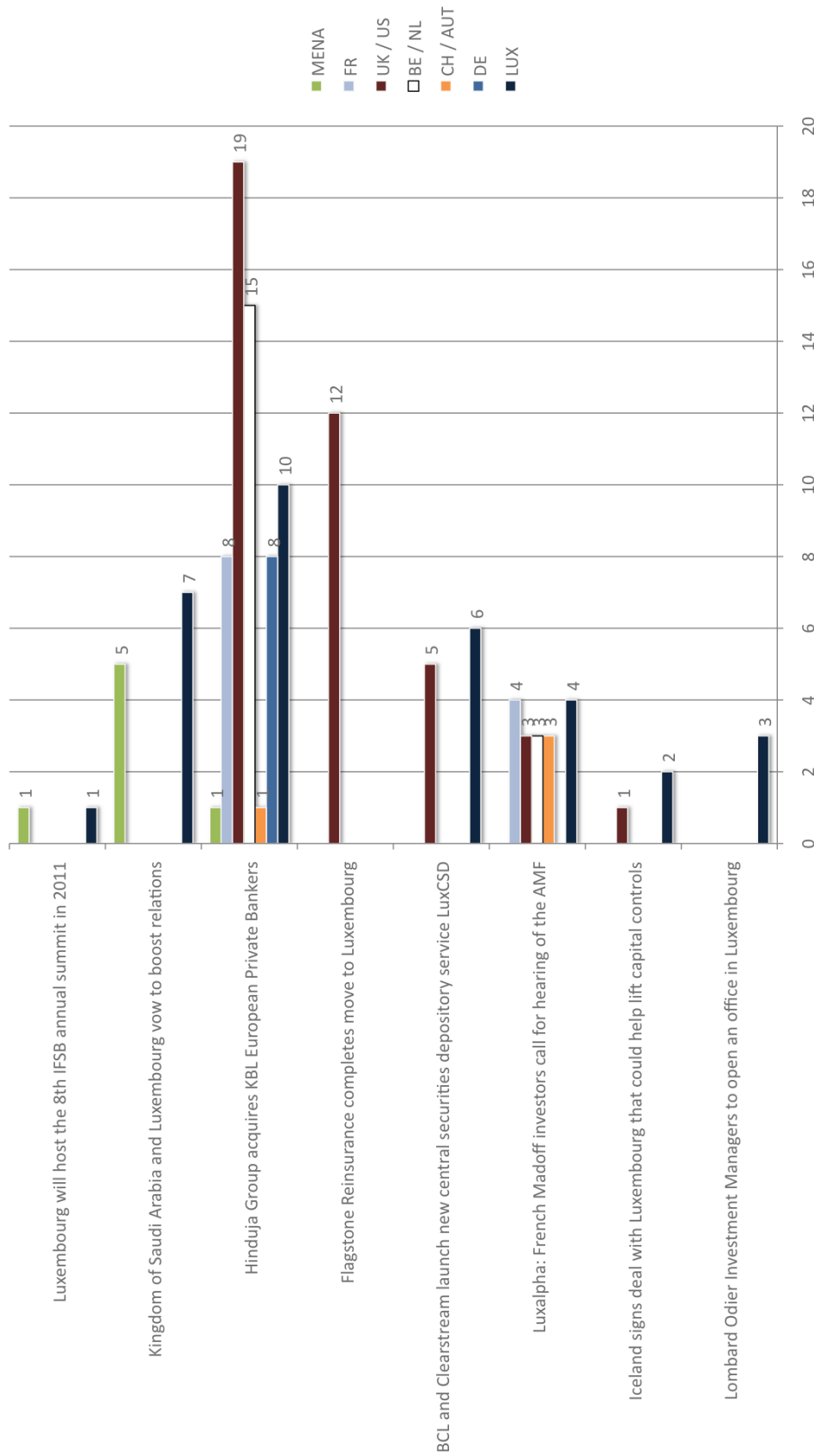
18 May:

The European Commission proposes more information sharing and direct oversight for pan-European supervision of credit rating agencies.

State Street completes acquisition of Intesa Sanpaolo's securities services business and expands its presence in Luxembourg.

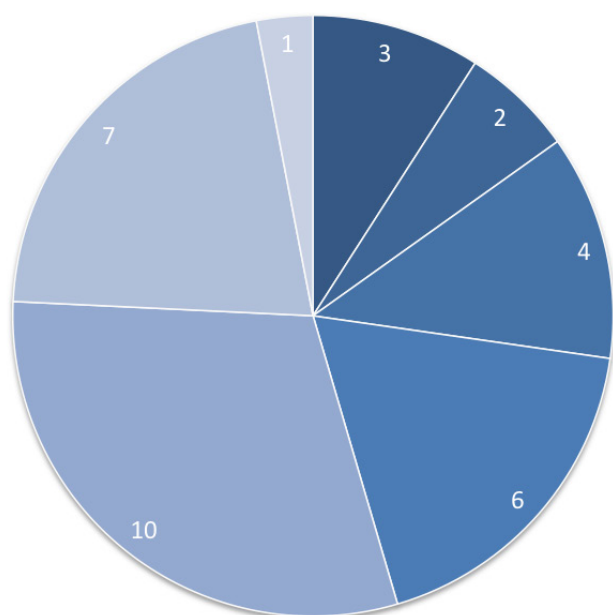
The new Conservative Northern Ireland secretary, Owen Paterson announces that he intends to turn Northern Ireland into a tax haven.

FINANCIAL CENTRE: MEDIA COVERAGE (by number of articles)



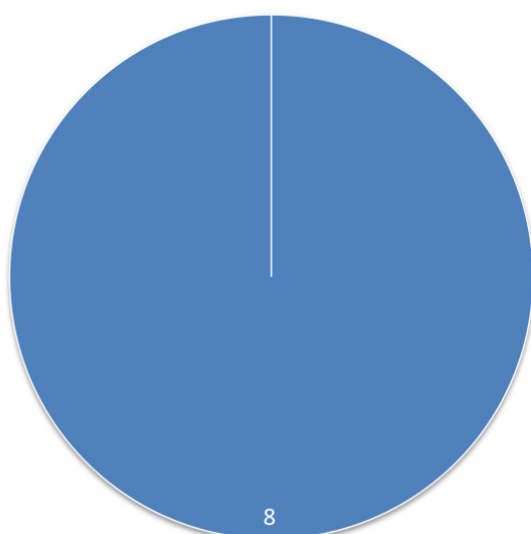
FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

Luxembourg



- Lombard Odier Investment Managers to open an office in Luxembourg
- Iceland signs deal with Luxembourg that could help lift capital controls
- Luxalpha: French Madoff investors call for hearing of the AMF
- BCL and Clearstream launch new central securities depository service LuxCSD
- Hinduja Group acquires KBL European Private Bankers
- Kingdom of Saudi Arabia and Luxembourg vow to boost relations
- Luxembourg will host the 8th IFSB annual summit in 2011

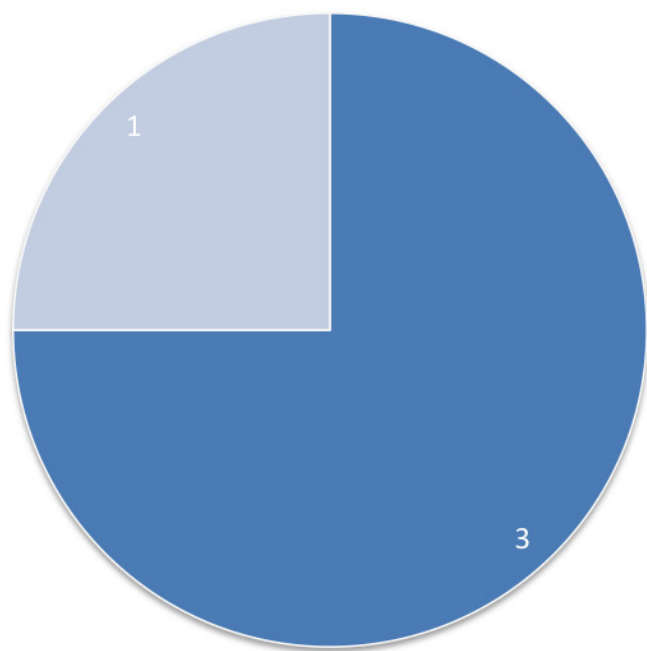
Germany



- Hinduja Group acquires KBL European Private Bankers

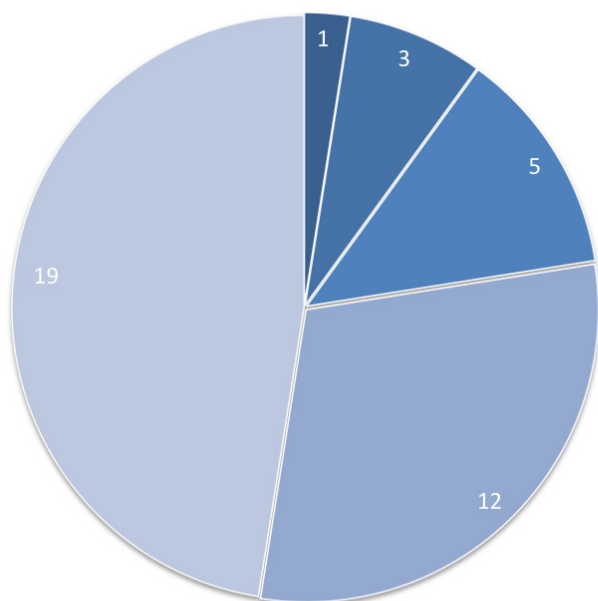
FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

Switzerland/Austria



- Luxalpha: French Madoff investors call for hearing of the AMF
- Hinduja Group acquires KBL European Private Bankers

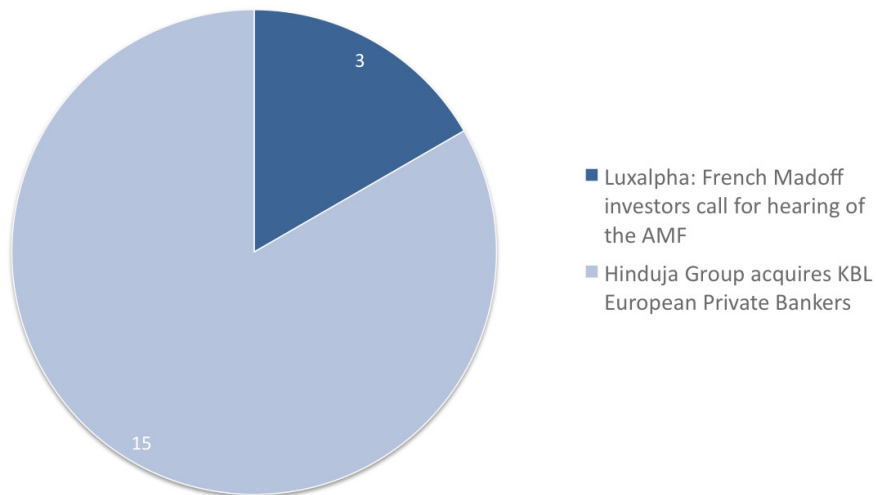
UK / US



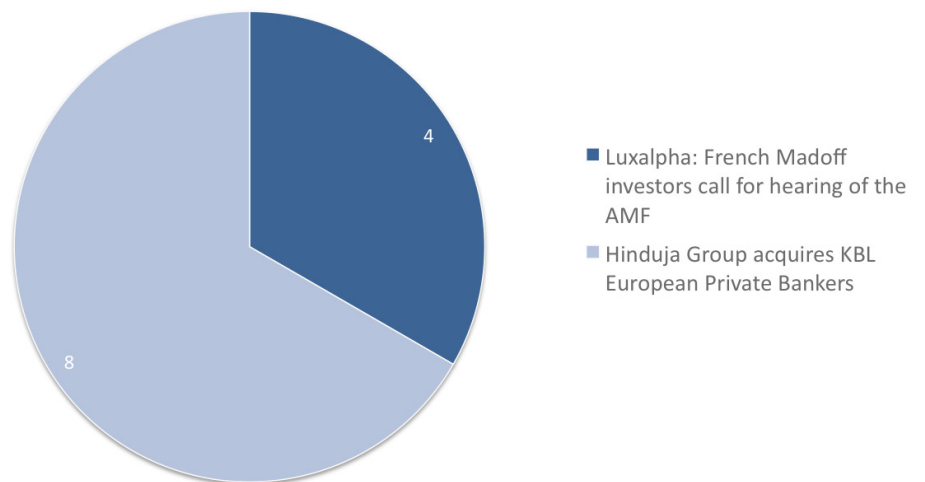
- Iceland signs deal with Luxembourg that could help lift capital controls
- Luxalpha: French Madoff investors call for hearing of the AMF
- BCL and Clearstream launch new central securities depository service LuxCSD
- Flagstone Reinsurance completes move to Luxembourg
- Hinduja Group acquires KBL European Private Bankers

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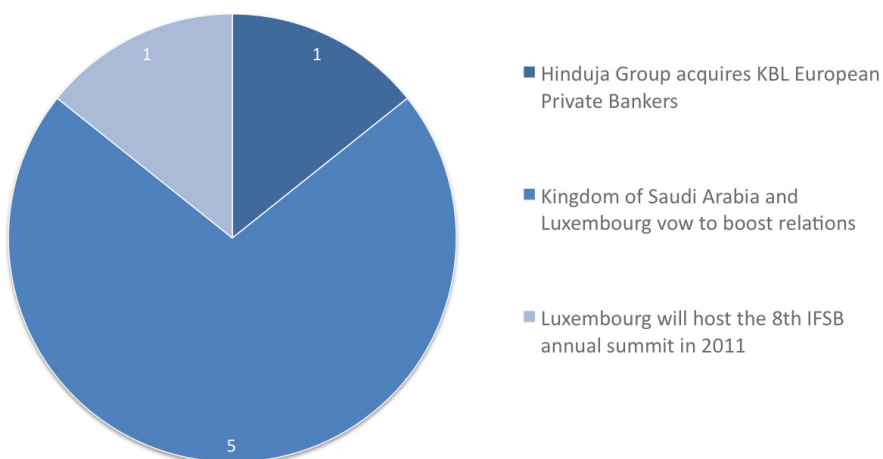
BE / NL



France



Middle East



STATEMENTS ABOUT LUXEMBOURG

	Name	Position	Organisation	Source	Date
Fund Industry	Alastair Blair	Head of financial services	Accenture	The Irish Post	23/05/10
	<p>People think companies are in the IFSC because of our corporate tax rate, but they're not. The IFSC is at the very cutting edge of process and technology to support the funds industry globally. (...) Ireland is competing very strongly to take on management of those funds and that is a huge opportunity for us. Every fund that moves to Ireland creates jobs in Ireland.</p>				
Private Banking	Luc Frieden	Minister of Finance	Luxembourg Government	Luxemburger Wort	21/05/10
	<p>Private Banking in Luxemburg hat eine Zukunft. Das Privatkundengeschäft benötigt internationales Know-how sowie Qualität in der Beratung. Das bietet Luxemburg wie kaum ein anderer Finanzplatz. Darauf sollten die Banken ihre Strategie ausrichten. Das Bankgeheimnis ist nur ein kleiner Teil der Attraktivität Luxemburgs.</p>				
Taxation	Michael Sandelson	Journalist	The Foreigner	The Foreigner	20/05/10
	<p>Not every Norwegian has "problems" remembering where their money is, though. Tax-reporting amnesty has been granted to 516 people and a total of two billion kroner (251692,6882 €) has been disclosed, mostly from Switzerland and Luxembourg.</p>				

FINANCIAL CENTRES MONITORING

Luxembourg:

La compétitivité de l'économie luxembourgeoise ne connaît toujours pas d'amélioration sensible

abbl.lu, 20/05/10

<http://www.abbl.lu/articles/competitivite-l%E2%80%99economie-luxembourgeoise-ne-conna%C3%BFt-toujours-pas-d%E2%80%99amelioration-sensible>

Le rapport World Competitiveness Yearbook (WCY) 2010 publié par l'institut suisse IMD (International Institute for Management Development) classe le Luxembourg au 11e rang mondial des économies les plus compétitives parmi 58 pays. L'analyse repose tant sur des indicateurs statistiques que sur l'opinion des décideurs économiques et des dirigeants d'entreprise.

Saxo Bank is coming to Luxembourg

lff.lu, 27/05/10

<http://www.lff.lu/finance/news/news-detail/article/saxo-bank-is-coming-to-luxembourg//2/>

The Danish investment bank has announced that it intends to set up in the Luxembourg financial centre. According to the newspaper Luxemburger Wort, the establishment of Saxo Bank Luxembourg could be the next step. Saxo Bank, acting as an online trading platform for private clients, employs 800 people worldwide.

Switzerland:

Swiss banks' mantra of 'go east' carries risks

MarketWatch, 18/05/10

http://www.marketwatch.com/story/swiss-banks-mantra-of-go-east-carries-risks-2010-05-18?reflink=MW_news_stmp

When it comes to private banking in Switzerland - a country under intense pressure to scrap its secrecy laws - the new mantra is, "Go east." But this enthusiasm toward emerging markets may set the Swiss on a new collision course with the international community.

France:

France's AAA rating 'a stretch'

Straits Times, 30/05/10

http://www.straitstimes.com/BreakingNews/Money/Story/STIStory_533254.html

France's Budget Minister François Baroin said on Sunday the objective of keeping the country's AAA rating was 'a stretch' and had an impact on economic policy decisions related to cutting the deficit.

FINANCIAL CENTRES MONITORING

UK:

EU nations override UK on hedge fund rules

Today, 19/05/10

<http://www.todayonline.com/Business/EDC100519-0000113/EU-nations-override-UK-on-hedge-fund-rules>

European Union governments have brushed aside British objections by agreeing to tighten rules for hedge funds, a move some fear will block American funds from the region and cause the lucrative industry to flee London's financial district.

In London, banks begin to hire again

DealBook, 25/05/10

<http://dealbook.blogs.nytimes.com/2010/05/25/in-london-banks-begin-to-hire-again/?src=busln>

Less than a year after reporting giant losses and cutting thousands of jobs, many banks in London's financial center are hiring again.

Russia:

Lack of legislation hinders Islamic finance march in Russia

arabnews.com, 31/05/10

<http://arabnews.com/economy/islamicfinance/article59407.ece>

There is no doubt of the potential for Islamic finance in Russia and the CIS countries, but the major stumbling block is the absence of enabling legislation and a regulatory framework to facilitate Islamic financial products such as Murabaha, Ijara and sukuk.

China:

China funds use HK as global springboard

The Edge, 17/05/10

http://www.theedgemaalaysia.com/index.php?option=com_content&task=view&id=166160&Itemid=79

China's major fund managers that have been licensed to operate out of Hong Kong and sell mainland assets to offshore investors are hoping to use the springboard to become global names in asset management.