

RELEVANT NEWS FOR THE LUX FINANCIAL CENTRE

15 April:

The Basel Committee on Banking Supervision closes the four-month consultation period for Basel III.

European Central Bank warns of a return of global imbalances resulting from large trade surpluses and deficits that could trigger another crisis.

14 April:

A Luxembourg parliament delegation visits Algirdas Semeta, Commissioner for Taxation and Customs Union, Audit and Anti-Fraud and to other commissioners in Brussels.

Liechtenstein says it refuses to collaborate with foreign authorities in cases of tax fraud where inquiries are based on stolen bank data.

Commerzbank completes new orientation, Luxembourg becomes competence centre for international wealth management.

The European Central Bank says that the planned launch of Target 2 Securities in 2013 will have to be delayed.

13 April:

Luxembourg for Finance and Mosfinagency sign a MoU to contribute to the development of both financial centres.

EU internal market commissioner Michel Barnier intervenes in a stand-off between Britain and France over regulating hedge funds by asking France to soften its stance.

International Monetary Fund urges US and European regulators to consider imposing higher capital requirements on "systemically important" banks deemed "too big to fail".

The Committee of European Securities Regulators (CESR) begins the process to overhaul MiFID by consulting on policy options.

12 April:

European finance ministers agree the terms of a €30bn bailout fund for Greece.

Bundesbank announces that it will not agree to any new national financial supervision structure that might impinge on its independence.

Switzerland is looking into the possibility of imposing punitive taxes on big banks if they take high risks.

10 April:

IMF proposes a banking tax similar to that proposed by the US, which is designed to discourage the build-up of excessive leverage in the banking system.

10 April:

According to the Wall Street Journal, US Banks masked their true risk levels by lowering debt before reporting it.

Michel Barnier has written to Finance Minister Tim Geithner to assure him that new rules for the hedge fund and private equity industries will not shut foreign funds out of EU financial markets (> bank levy could raise up to 50 billion a year).

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8 April:

EU Commission publishes a report on innovative financing options : the introduction of new taxes on leverage or risk taking by financial intermediaries is under consideration. Revenues from these new forms of taxation could be used to strengthen public finances, at least in part, as well as to tackle the costs of future crises.

7 April:

A report by Belgium's money laundering unit (Cellule de Traitement des Informations Financières) claims that the Belgian authorities hardly ever receive assistance from a whole string of countries labelled 'tax havens'.

A report on the impact of internet development on the finances of France's state reveals that doing E-Commerce in Luxembourg represents for France +/- EUR 100 of millions of losses each year. VAT in Luxembourg is only 15% compared to 19.6% in France.

EU Parliament : negotiations between EU and US on new financial data sharing agreement (SWIFT): MEPs want to limit number of transfers.

Securities and Exchange Commission (SEC) proposes tighter rules to increase investor protection in asset-backed securities.

6 April:

OECD and the Council of Europe agree to an update to an international treaty that aims to help governments enforce their tax laws as part of the global drive to combat cross-border tax evasion.

Bailed-out German Landesbank HSH Nordbank is mulling over the sale of its Luxembourg-based private banking arm as part of its move to cut its balance sheet by nearly half to meet regulatory demands.

5 April:

European Banking Federation identifies central questions for MiFID review.

US Treasurer Geithner urges Europe to revise hedge fund rules plan.

Alliance agreement between Saudi Arabia's Mohammed Hamad Al-Soaib Law Firm and the Luxembourg-based Lux Global Trust Services and Theisen Advocates is set to increase the use of the Grand Duchy as a trust and tax domicile for Saudi investment products.

31 March:

The German government approves plans to make banks pay into a fund to cover the costs of future financial bailouts.

France says it will pursue a parallel effort, as leading world economies weigh up strategies for curbing speculation and preventing future crises.

Swiss and US Government reach an agreement that will allow the Swiss tax authority to hand over details of UBS account holders accused of evading US taxes.

30 March:

Ireland sets out a plan to free the country's banks of toxic real estate loans.

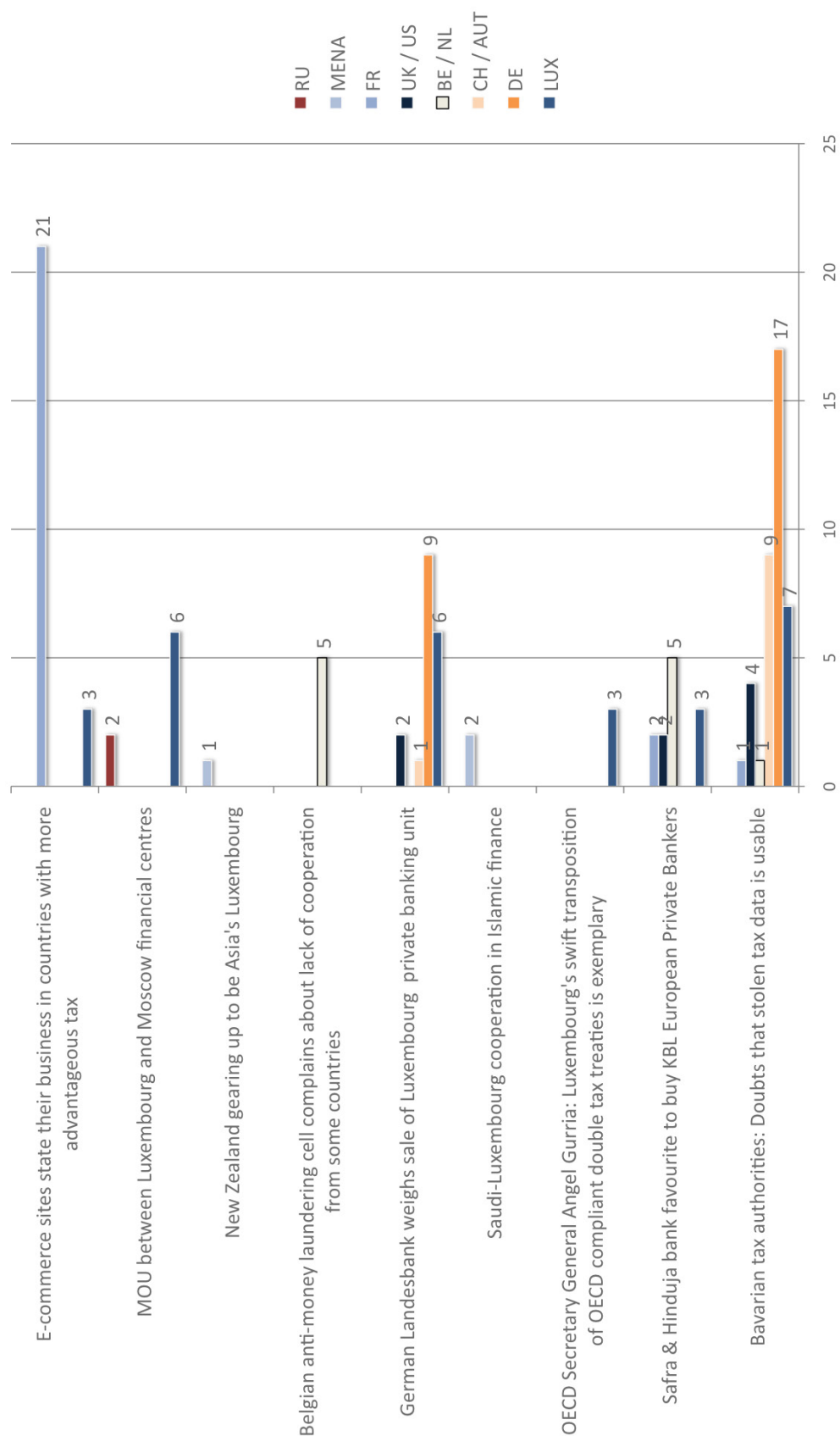
29 March:

IMF Managing Director Strauss-Kahn calls for a strengthening of European integration and cooperation.

26 March:

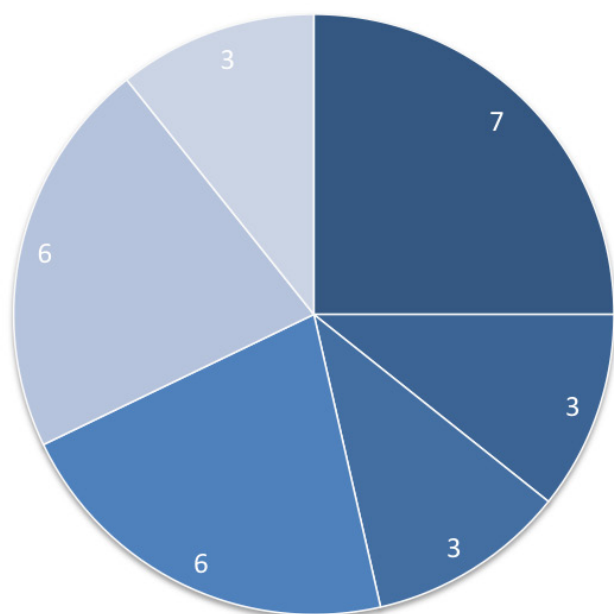
Germany and Switzerland reach a preliminary agreement to exchange information on suspected tax cheats.

FINANCIAL CENTRE: MEDIA COVERAGE (by number of articles)



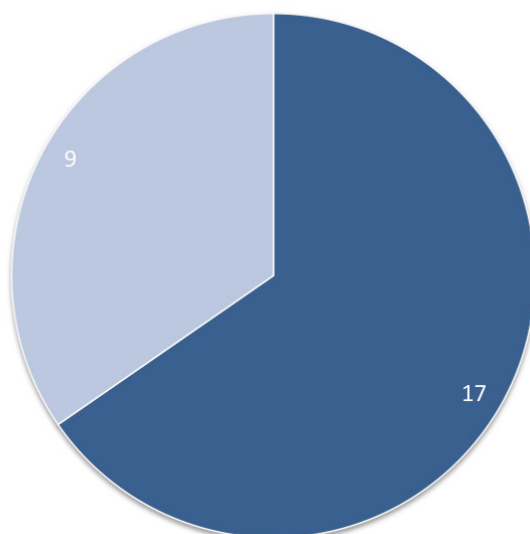
FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

Luxembourg



- Bavarian tax authorities: Doubts that stolen tax data is usable
- Safra & Hinduja bank favourite to buy KBL European Private Bankers
- OECD Secretary General Angel Gurría: Luxembourg's swift transposition of OECD compliant double tax treaties is exemplary
- German Landesbank weighs sale of Luxembourg private banking unit
- MOU between Luxembourg and Moscow financial centres
- E-commerce sites state their business in countries with more advantageous tax

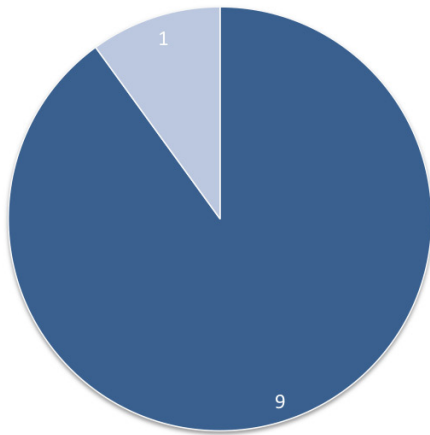
Germany



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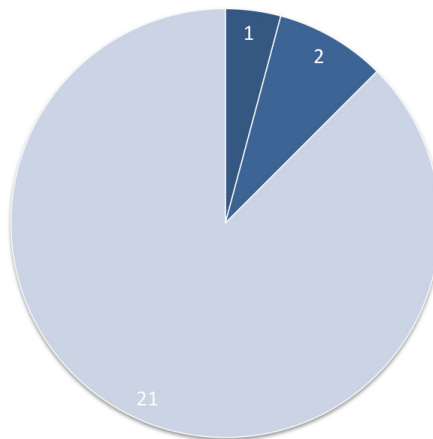
FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

Switzerland/Austria



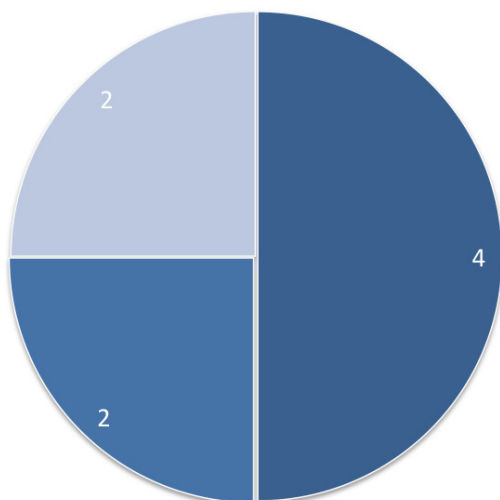
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France



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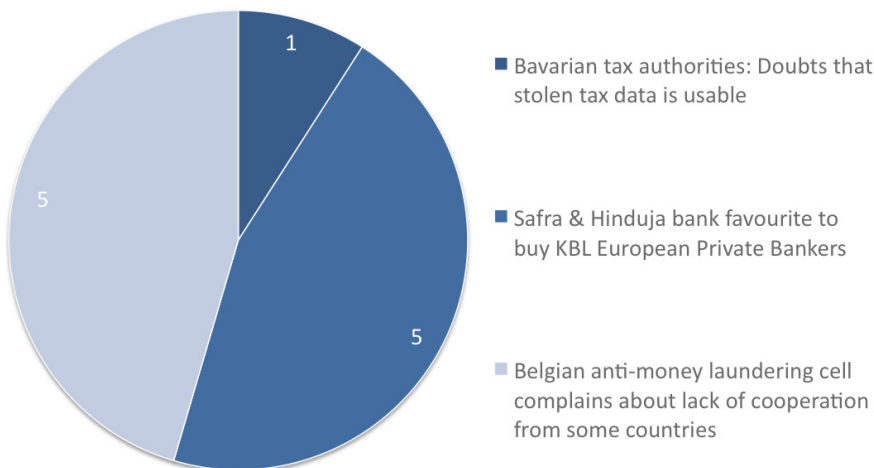
UK / US



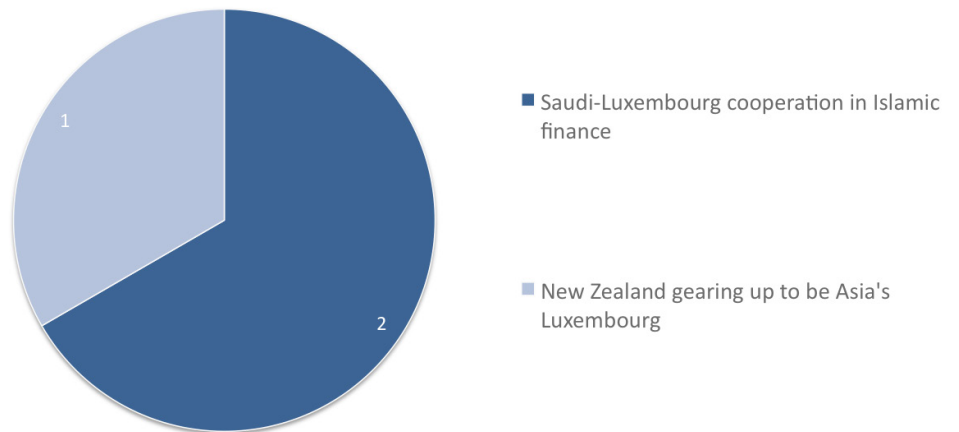
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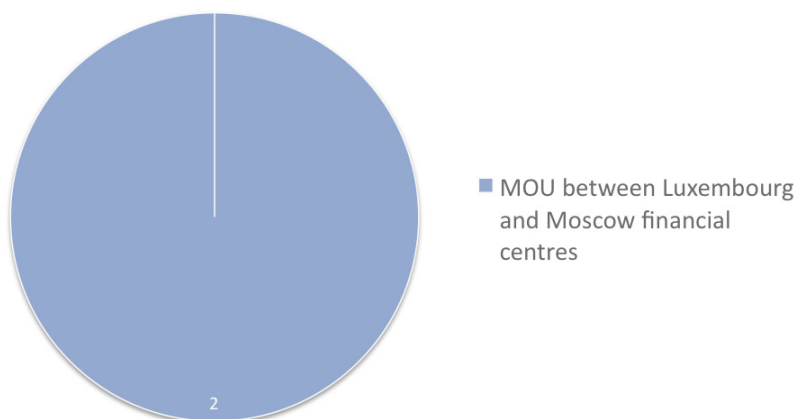
BE / NL



Middle East



Russia



STATEMENTS ABOUT LUXEMBOURG

Name	Position	Organisation	Source	Date
Steve Johnson	Journalist	FT	FT.com	11/04/10
<p>Asian investors last year accounted for 35 per cent of fund sales in Luxembourg, Europe's biggest fund centre, with Latin American buyers making up a further 5 per cent and those from Europe, the Middle East and Africa 60 per cent, according to the European Fund and Asset Management Association.</p>				
Douglas Ferrans	Chairman	Investment Management Association	The Herald	02/04/10
<p>My chief executive is in Luxembourg for a board meeting today, these guys are all over the place, because we are running funds that are tax-efficient for investors if they are domiciled in these centres. They have the infrastructure and all the paraphernalia you need to have to run a company over there, such as local directors, and I am thinking we really should be looking at having something like this onshore in the UK, and why not Scotland?</p>				
Tim Groser	New Zealand Minister of Trade	New Zealand Government	Asian Investor	31/03/10
<p>New Zealand politicians are drafting laws aimed at making the country the Luxembourg of Asia. The aspiration was outlined by New Zealand's Trade Minister Tim Groser, who was in Hong Kong on Monday to mark the signing of an economic agreement between the two jurisdictions. At a press conference, AsianInvestor asked Groser if New Zealand is gearing up to be a financial hub. "You are absolutely right," he says, "and we are doing this in a very ordered way." There is a "serious opportunity" for New Zealand to specialise in areas such as fund management, he says.</p>				
Will Jackson	Journalist	American Chronicle	American Chronicle	30/03/10
<p>By December 2001, the proportion of Luxembourg funds marketed internationally had risen to 57%, and the country was the preferred location for European managers targeting other nations. Since then, the Ucits single market has developed at a faster rate, as groups have restructured their businesses into centralised ranges, based primarily in Luxembourg. Significant growth has come from Switzerland, owing to the country's decision to remain outside the EU. Of the E430 billion in assets attributed to Swiss fund managers, Lipper estimates that more than half is domiciled in Luxembourg.</p>				
Will Jackson	Journalist	American Chronicle	American Chronicle	30/03/10
<p>The past decade also saw Dublin's emergence as a key player. This was driven in part by Anglo-Saxon managers' preference for doing business in Ireland - Lipper notes that the country has about 300 golf courses, compared with Luxembourg's six - but its growth has been impressive. While Luxembourg's share of the international fund market fell from 71% to 60% over the past 10 years, Dublin's rose from 18% to 30%. Ireland's growth can also be attributed to the rising use of institutional money market funds - often located there because of the country's previously-favourable tax regime. Money poured into such funds during the financial crisis, bolstering Dublin's share. Lipper expects Luxembourg to regain its lost ground, however, following the stockmarket rally in 2009 and the consequent return to riskier assets.</p>				
Yuri Bender	Journalist	FT	FT	28/03/10
<p>Hedge funds are usually based offshore, typically in the Cayman Islands or British Virgin Islands. However, an estimated \$35bn has flowed into the Ucits alternative space, following launches in the past 18 months. "Newcits", as these funds have been dubbed, are set up mainly in Luxembourg and Dublin (...). Both Dublin and Luxembourg are seeking non-Ucits alternative investment fund business, to cater for funds that want an EU base but do not need, or cannot fit into, the relatively restrictive Ucits structure.</p>				
Yuri Bender	Journalist	FT	FT	28/03/10
<p>Dublin stalwarts also warn of the threat from new entrants. Since Dublin muscled in on Luxembourg's cross-border funds monopoly in the early 1990s, there has been a tacit agreement from both centres to share the spoils. But today, Malta, a more recent entrant to the European Union, is busy building an increasing reputation as a sharply regulated and marketed funds centre.</p>				

FINANCIAL CENTRES MONITORING

Luxembourg:

Moscow's financial centre push gets Luxembourg onside

www.rt.com, 14/04/10

<http://rt.com/Business/2010-04-14/moscows-financial-centre-push.html>

A hundred financial gurus from Luxembourg are in Moscow to share their experience on building an international financial centre.

Landlocked Luxembourg is a wealth manager for all neighbouring European countries and Fernand Grulms, CEO of Luxembourg for Finance, says Moscow could become the same financial hub for the Commonwealth of Independent States.

Switzerland:

Swiss money laundering reports hit record high

Reuters, 08/04/10

<http://www.reuters.com/article/idUSLDE6370DQ20100408>

Swiss authorities sifted through record numbers of suspicious financial deals last year totalling 2.23 billion Swiss francs (\$2.1 billion) for possible money-laundering, and most were forwarded to prosecutors.

In 2009, Switzerland's Money Laundering Reporting Office received a total of 896 reports on suspicious financial activities, a 5.3 per cent increase from the previous year.

Die Schweiz profitiert von Supersteuer

Handelszeitung Online & The Wallstreet Journal, 07/04/10

http://www.handelszeitung.ch/artikel/Unternehmen-Die-Schweiz-profitiert-von-Supersteuer_708753.html

London hat eine neue Einkommenssteuer eingeführt, die die britische Finanzindustrie massiv trifft. Hedge-Fonds-Manager kehren der City den Rücken und entdecken Genf, Zürich und Pfäffikon. Die Zahl der Arbeitsplätze in der hiesigen Hedge-Fonds-Industrie dürfte sich verdoppeln.

Steve Bernard, Direktor des Branchenverbands Genève Place Financière, versucht, sachlich zu bleiben. Doch seine Zufriedenheit darüber, dass der Finanzplatz Genf trotz der heftigen Diskussionen ums Bankgeheimnis und der Madoff-Affäre gestärkt aus der Krise hervorgehen könnte, ist unübersehbar. Ein Grund für Bernards Optimismus liefert ausgerechnet London: Die City, zusammen mit New York die weltweite Nummer eins unter den Finanzplätzen, greift den Topbankern und Hedge-Fonds-Managern mit einer neuen Steuer tief ins Portemonnaie: Einkommen, die über 150000 Pfund betragen, werden neu mit 50% besteuert.

Secret bancaire: résistances au PLR (Parti Libéraux-Radicaux) contre la stratégie "argent propre"

Romandie News, 05/04/10

<http://www.romandie.com/infos/news2/201004051900060AWPCH.asp>

Le secret bancaire fait actuellement l'objet de tensions au sein du PLR. Pour les uns, il représente beaucoup d'argent, pour les autres, il met rien de moins que l'avenir du parti en jeu. Dans ce litige, Fulvio Pelli et ses alliés défendent bec et ongles leur stratégie de "l'argent propre".

Leurs adversaires, issus des milieux de la finance, s'avèrent surpuissants même à l'intérieur du parti: un groupe de travail d'experts financiers libéraux-radicaux autour du conseiller aux Etats zougais Rolf Schweiger n'a pas manqué de mettre en pièces la stratégie du président Fulvio Pelli. Ce dernier n'a pas souhaité faire de commentaires à ce propos durant le week-end pascal.

En revanche, des membres du parti qui luttent avec leur président pour une place financière suisse propre se sont fait entendre: les experts financiers ne veulent rien d'autre que "le maintien d'un commerce criminel", a déclaré lundi le conseiller national thurgovien Werner Messmer à l'ATS. Comme il s'agit de beaucoup d'argent, ils ne sont pas prêts à abandonner ce commerce profitable avec de l'argent non déclaré, estime-t-il.

FINANCIAL CENTRES MONITORING

Finanzplatz Genf verdaut Schock

Tages Anzeiger, 27/03/10

<http://www.tagesanzeiger.ch/wirtschaft/unternehmen-und-konjunktur/Finanzplatz-Genf-verdaut-Schock/story/27361698>

Der 13. März 2009, an dem der Bundesrat die Unterscheidung zwischen Steuerbetrug und Steuerhinterziehung bei Amtshilfe preisgab, gilt in Genfer Bankenkreisen immer noch als «schwarzer Freitag». Ein Jahr später gibt es kaum Anzeichen, wonach die damals unter Schock geäußerten düsteren Prognosen für Genf als Zentrum der transnationalen Vermögensverwaltung auch tatsächlich eintreffen.

UK:

The City UK - Overseas Promotion Committee

06/04/10, www.ifsl.org.uk

The first meeting of the Overseas Promotion Committee (OPC) was held on 11th March 2010. The OPC, the successor body to the Financial Service Sector Advisory Board, will set TheCityUK's overseas promotion agenda. The Committee is Chaired by Robert Gray of HSBC and consists of representatives of the Financial Services Industry, Government and the City of London Corporation.

Robert Gray explained that the aim of the OPC was to provide a coordinated approach to the promotion of UK based financial and professional services internationally, with the aim of growing the footprint and reputation of the industry in priority and opportunity markets.

The meeting was presented with a number of regional and sectoral strategy papers for consideration. IFSL (International Financial Services, London) has been asked to lead work with partners on incorporating existing strategies for the Gulf Cooperation Council (GCC) countries into a coordinated strategy for the Gulf region. We will also be working on developing a strategy for Brazil.

Germany:

Deutschland hat sich als ETF-Standort etabliert

www.FAZ.net, 12/04/10

<http://www.faz.net/s/Rub645F7F43865344D198A672E313F3D2C3/Doc~E98D13846AB724CC98EA2C5E1534C89C9~ATpl~Ecommon~Scontent.html>

Deutschland hat sich als Standort für das Geschäft mit börsengehandelten Indexfonds (ETF) international an führender Stelle etabliert. Hinter den Vereinigten Staaten folgt der Finanzplatz mit einem verwalteten Vermögen von 90,3 Milliarden Dollar (knapp 68 Milliarden Euro) und 920 Produkten.

Russia:

Moscow to boost standing as global financial centre

www.rt.com, 07/04/10

<http://rt.com/Business/2010-04-07/moscow-boost-standing-global.html>

Improving the investment climate, reforming financial infrastructure, and clarifying the tax regime - these tasks are on Moscow's "to do" list, as it bids to become a global financial center.

Moscow ranked in 60th position on the 2009 City of London Global Financial Centres Index. But, Vladimir Milovidov, head of the Federal Financial Markets Service, says Moscow is aiming to push into the ranks of the upper echelon.

FINANCIAL CENTRES MONITORING

UAE:

[Dubai finance 'A-Team' vital step to recovery](#)

Matktoob Business, 12/04/10

http://business.maktoob.com/20090000457618/Dubai_finance_A_Team_vital_step_to_recovery/Article.htm

Setting up a government team to tackle medium-term financial planning and make recommendations on cash-strapped Dubai's fiscal needs is another vital step to regain lost investor trust and confidence, analysts said on Monday.

But they warned that the emirate, mired in more than \$80 billion of debt, still needs to go a long way to mend the damage caused by its months-long silence after government-owned conglomerate Dubai World asked for more time to repay debt in November.

[Dubai International Financial Centre Announces MENASA Forum 2010](#)

DIFC, 06/04/10

<http://www.difc.ae/press-centre/press-archive/2010/06-april-2010/>

Recognising the growing importance of the Middle East, North Africa and South Asia (MENASA) region to the global economy, the Dubai International Financial Centre (DIFC) today announced the MENASA Forum, a high-level finance and business conference focused on this vast and unique region that will be taking place under the patronage of His Highness Sheikh Maktoum Bin Mohamed Bin Rashid Al Maktoum, Deputy Ruler of Dubai and President of the DIFC.

Under the theme of 'Finance for the Next Decade of Growth', the Forum, to be held May 23-24, 2010, in association with Abraaj Capital and Deutsche Bank, will look at issues such as regional capital market development, infrastructure finance opportunities, Islamic finance challenges, regional energy needs and the changing role of oil in an increasingly diversified global energy mix – all from an emerging markets perspective.

[Dubai talks to Abu Dhabi over bourse merger](#)

FT.com, 30/03/10

<http://www.ft.com/cms/s/0/53cd2458-3bd7-11df-9412-00144feabdc0.html>

Dubai and Abu Dhabi on Tuesday said they were in talks on a possible merger of the emirates' exchanges.

The move signals a potential shake-up in a region that holds the key to the future ownership of the London Stock Exchange and Nasdaq OMX, the US exchange operator.

It offers the possibility of lower costs and higher trading volumes in the Gulf, where there is increasing interest in modernising market structures to attract trading interest.

FINANCIAL CENTRES MONITORING

Bahrain:

Bahrain Financial Exchange to be launched in October

www.arabianbusiness.com, 13/04/10

<http://www.arabianbusiness.com/585905-bahrain-financial-exchange-to-launch-in-october>

The Bahrain Financial Exchange will launch in October, it was confirmed on Tuesday.

The multi-asset exchange will be known as the BFX, and will trade cash instruments, derivatives, structured products and shariah-compliant financial instruments. It will be regulated by the Central Bank of Bahrain.

Bahrain's IIFM May Issue Global Guidelines for Islamic Bonds

Business Week, 04/04/10

<http://www.businessweek.com/news/2010-04-04/bahrain-s-iifm-may-issue-global-guidelines-for-islamic-bonds.html>

The International Islamic Financial Market, the Bahrain-based organization seeking to set standards for Islamic securities, may issue new global guidelines to facilitate the sale of Shariah-compliant bonds, an official at the industry body said.

Regulators around the world, including Bahrain and Malaysia, are looking for ways to better evaluate risks of Islamic banks, bonds and make products suitable for investors globally. Malaysia's central bank on March 24 said it plans to issue standardized principles for Shariah-compliant contracts such as those used in real-estate and project financing to improve oversight.

Singapore:

Singapore chosen to host East Asia's 1st economic surveillance office

www.mlive.com, 07/04/10

<http://www.mlive.com/newsflash/international/index.ssf?/base/international-28/127064976438300.xml&storylist=international>

ASEAN finance ministers have chosen Singapore as the location for East Asia's first ever economic and financial surveillance office, which will run a US\$120 billion multilateral currency swap scheme to ward off future regional financial crises, ASEAN sources said.

FINANCIAL CENTRES MONITORING

China:

Shanghai May Launch International Exchange This Year

www.cnn.com, 15/04/10

<http://www.cnn.com/id/36537235>

The Shanghai Stock Exchange could potentially launch its planned international board for the trading of overseas companies' shares this year, a city official said in remarks published on Thursday.

HK enters new phase of tax policy

www.news.gov.hk, 07/04/10

<http://www.news.gov.hk/en/category/businessandfinance/100330/features/html/100330en03005.htm>

Hong Kong has entered a new phase in supporting the international effort to enhance tax transparency, Commissioner of Inland Revenue Chu Yam-yuen tells news.gov.hk.

This legislation - Inland Revenue (Amendment) Ordinance 2010 - enables the Inland Revenue Department to collect and transfer a person's information upon a legitimate and justified request from its comprehensive agreement for avoidance of double taxation partners, even if the department has no domestic tax interest in such information.

Hong Kong's IPO flurry under scrutiny

04/04/10

<http://www.ft.com/cms/s/0/c18dd59c-3dbb-11df-bdbb-00144feabdc0.html>

After a year in which companies raised some \$32bn (£21bn, €24bn) through initial public offerings in Hong Kong – more than anywhere else in the world – the territory's dealmakers have many reasons for cheer.

But behind the headlines, the picture is murkier. Investors, lawyers and regulators are questioning whether bankers carried out adequate due diligence on some of these IPOs – or whether standards slipped in the heat of the boom.

Hong Kong Set to Ease Incorporation Process

The Wall Street Journal, 02/04/10

http://online.wsj.com/article/SB10001424052702304252704575156831721859718.html?mod=googlenews_wsj

The Hong Kong government wants to make it faster and easier to set up a corporation, even as recent high-profile U.S. criminal cases have revealed that some tax evaders have used Hong Kong shell companies to hide their identities.

By early 2011, Hong Kong wants to set up electronic incorporation and registration of businesses, allowing a person anywhere in the world to establish a company via the Internet in a matter of minutes.

HK, Japan agree to income tax pact

www.news.gov.hk, 31/03/10

<http://www.news.gov.hk/en/a9a25550-9e4a-4598-9254-1c28a55e023a.htm>

The Governments of Hong Kong and Japan have reached consensus on an agreement to avoid double taxation and to prevent fiscal evasion with respect to income taxes, the Financial Services & the Treasury Bureau says.

The pact will clarify the scope of taxation on investment income and business profits of enterprises operating in each other's places to avoid instances of double taxation. It promotes further investment and economic exchange between the two places.

"Faces of Hong Kong" campaign kicked off

7th Space, 27/03/10

http://7thspace.com/headlines/339728/faces_of_hong_kong_campaign_kicked_off.html

The Financial Secretary, Mr John C Tsang, today (March 27) kicked off a "Faces of Hong Kong" campaign which is the Government's new marketing and communications strategy to promote the city via the Brand Hong Kong (BrandHK) platform. The campaign was inaugurated on the same occasion as the launch of the revitalised BrandHK, following an in-depth review. The new marketing strategy focuses on the evolution of BrandHK rather than its reinvention, building on the brand's existing equity to further its appeal and reach, while also showing that Hong Kong, a world financial centre, also has a "human" side.

The campaign aims to highlight Hong Kong's soft power - the richness of its culture and heritage, as well as the enterprising spirit, innovation and creativity of its people. Local people are at the heart of the strategy. Central to this is the theme "meet the many faces of Hong Kong" which invites the global audience to get to know more about Hong Kong through the real stories of people here.