

RELEVANT NEWS FOR THE LUX FINANCIAL CENTRE

30 April:

Viviane Reding announces that a SWIFT agreement should be presented at the end of May.

The EU Commission will propose a law to safeguard the rights of investors who buy and sell shares and other securities across the bloc's borders.

29 April:

Swiss banks' exposure to Greece dropped in the first quarter of 2010 to \$3.6 bn from \$64 bn because EFG, Greece's No. 3 bank by assets was until last year based in Geneva and has since moved to Luxembourg. EFG In Luxembourg does not have a banking license, which means that Luxembourg does not report this company's consolidated foreign exposure to the Bank for International Settlements.

28 April:

The Swiss Federal Council says the insolvency of a systemically important bank should be averted by using preventive measures.

The European Commission sent a thinly-veiled warning to rating agencies urging them to act "in a responsible way" after Standard & Poor's downgraded Greece and Portuguese debt, spreading widespread gloom across EU markets. This represents a U-turn for Brussels after its harsh attacks on rating agencies for having been too "mild" prior to the financial crisis.

27 April:

Australia is to undertake a review of the country's tax law to ensure it doesn't inhibit the expansion of Islamic finance, banking and insurance products.

Belgian newspapers l'Echo & Tijd publish a special edition on Luxembourg's financial centre.

EU Commission launches an online public consultation to ask individuals, companies and tax advisers for information on double taxation problems that they have encountered when operating across borders within the EU.

26 April:

Singapore proposes tighter rules for hedge funds managing assets below \$183 mn, requiring them to have a minimum capital and 2 representatives residing in the same state.

US Financial reform plans to tighten regulation of derivatives: Republicans block Senate debate on financial regulation.

Swiss Bankers Association publishes a 2015 Center Strategy Paper.

25 April:

G20 announces review of controversial bank tax in June. IMF told the G20 that this solution should provide enough money to be prepared to face a crisis.

23 April:

According to diplomats, London and Paris face a showdown over new rules for hedge funds within weeks of British elections, with both sides refusing to budge on a controversial law to control the secretive industry.

RELEVANT NEWS FOR THE LUX FINANCIAL CENTRE

22 April:

Liechtenstein approves 11 OECD tax information exchange agreements.

The Alternative Investment Manager Association (AIMA) advises EU not to diverge from G20 path on hedge fund regulation.

Singapore Central Bank to review regulatory regime of fund management industries.

21 April:

IMF recommends Luxembourg authorities to adapt two policy post-crisis actions : Assess and contain liquidity risks originating from large intra-group exposures and interconnections with the investment fund industry. They should step up efforts in assessing banks' credit risk management practices and, if needed, take action to ensure adequacy of bank capital.

Internal Market Commissioner Michel Barnier presents a plan on financial services: Europe needs to close the regulatory loopholes and should take action against non-cooperative jurisdictions.

IMF proposes double bank tax: a flat tax for "the fiscal cost of any future government support to the sector", and another tax imposed on profits and compensation.

Swiss tighten liquidity rules for biggest banks (UBS, Credit Suisse).

Luxembourg unveils details for tax plan to maintain public debt at a manageable level.

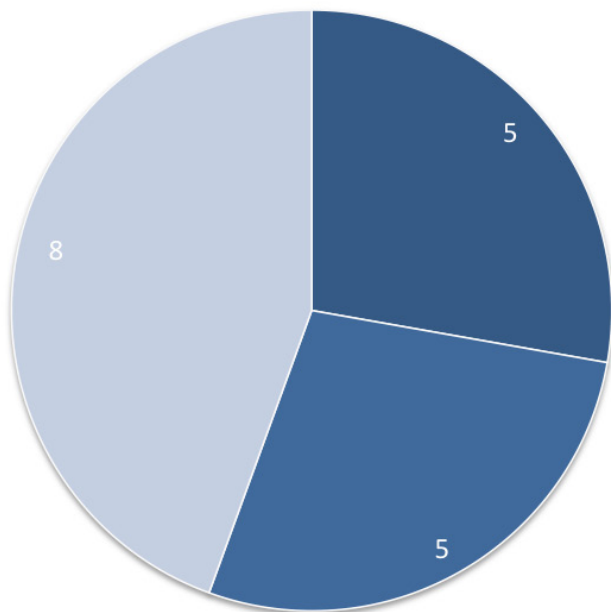
19 April:

French banks urge watered down Basel reform. Basel III would lead to a €360 bn (\$503.3 bn) core capital deficit for eurozone banks. French Banking Federation proposal seeks changes to capital and leverage guidelines.

Liechtenstein and Germany in tax talks in Berlin focusing on bilateral cooperation.

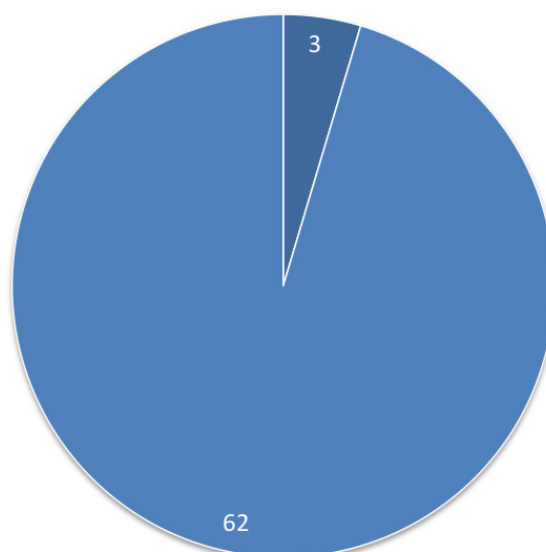
FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

Luxembourg



- SEC and Finra sued in Luxembourg over Madoff fund losses
- IMF calls for taxes on bank balance sheets
- Deutsche Bank CEO Ernst-Wilhelm Contzen elected new chairman of the ABBL

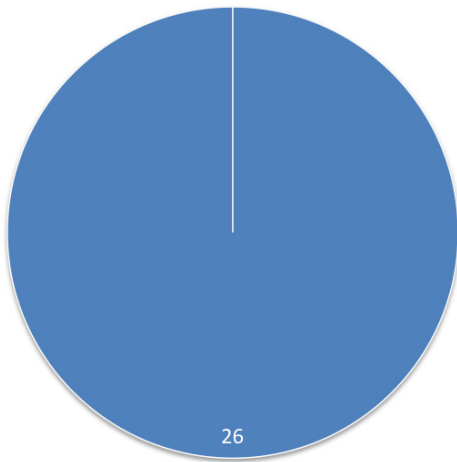
Germany



- SEC and Finra sued in Luxembourg over Madoff fund losses
- IMF recommends Luxembourg to adapt post-crisis policies

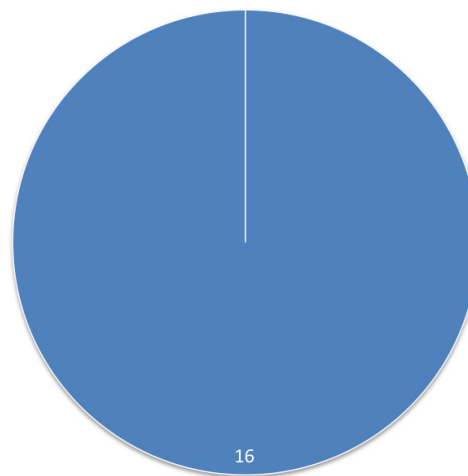
FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

Switzerland/Austria



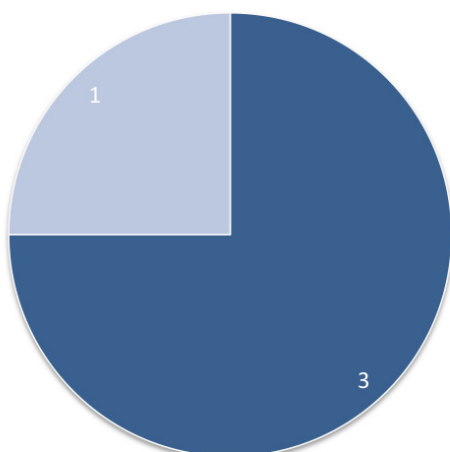
■ IMF calls for taxes on bank balance sheets

France



■ IMF calls for taxes on bank balance sheets

BE / NL

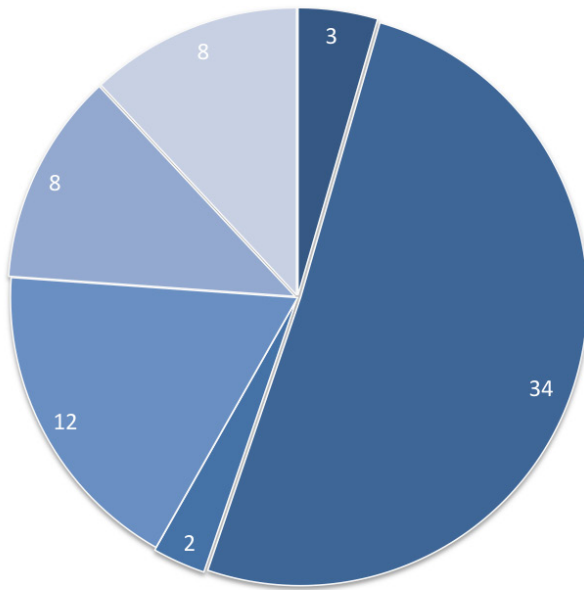


■ IMF calls for taxes on bank balance sheets

■ Michael Bloomberg foundation moved millions into offshore accounts

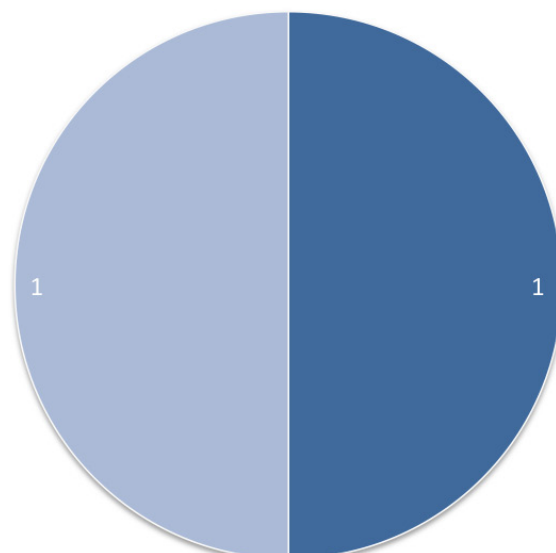
FINANCIAL CENTRE: COVERAGE BY COUNTRY (by number of articles)

UK / US



- SEC and Finra sued in Luxembourg over Madoff fund losses
- IMF calls for taxes on bank balance sheets
- IMF recommends Luxembourg to adapt post-crisis policies
- Bahrain inks aviation deal with Luxembourg
- JP Morgan adds new Luxembourg funds chief
- Michael Bloomberg foundation moved millions into offshore accounts
- Luxembourg regulator approves Argentina debt-swap prospectus

Middle East



- IMF calls for taxes on bank balance sheets
- Bahrain inks aviation deal with Luxembourg

STATEMENTS ABOUT LUXEMBOURG

	Name	Position	Organisation	Source	Date
Fund Industry	Alison Swersky	Journalist	Global Pensions	Global Pensions	26/04/10
	Specialist European jurisdictions such as Luxembourg and Ireland offer the potential to support regulated hedge fund products and many within these centres hope that significant business can be attracted away from traditionally popular Caribbean jurisdictions.				
	David Ricketts	Journalist	Ignites Europe	Ignites Europe	21/04/10
	According to a recent report by Lipper FMI, the Grand Duchy experienced an estimated future growth rate of 10.4 per cent which, if it continues, will result in assets reaching €2.6 trillion by 2014. On this basis, the Grand Duchy can expect to increase its share of European assets from 32 to 38 per cent in 2014, Lipper predicts.				
	David Ricketts	Journalist	Ignites Europe	Ignites Europe	21/04/10
	Luxembourg will have to fend off competition from Dublin. The Irish capital is currently the largest administration centre for hedge fund and alternative managers, with over 40 per cent of global hedge fund assets serviced there. Statistics show that both jurisdictions registered an increase in hedge funds choosing the locations as domiciles during the first quarter of 2010. Dublin saw an increase of just over 2 per cent to 5.29 per cent. Luxembourg managed only a slight increase from 1.57 per cent to 2.04 per cent during the same period. Ireland is unlikely to take the threat of competition from Luxembourg lightly. (...) Nevertheless, the Grand Duchy has been buoyed by figures showing around 540 funds, totalling €140bn in assets under management, have re-domiciled to Luxembourg over the last five years. According to Alfi, Luxembourg's fund association, the figures take into account a handful of hedge funds re-domiciling in search of more regulated havens. The alternative investment fund managers (AIFM) directive is also an opportunity, it says.				
	Ed Moisson	Director of Fiduciary Operations	Lipper	International Adviser	20/04/10
	With cross-border fund groups enjoying the greatest sales flows in 2009, the Luxembourg industry as a whole has benefited. While the ripple effects from the financial crisis are still being felt, there are a range of issues that the cross-border industry, and Luxembourg at its heart, will need to address as it re-builds for the future.				
	Martin Thommen	President	Swiss Funds Association	CNBC	16/04/10
	Switzerland has a global share of 25 percent of alternative asset managers, behind the United States, home to 50 per cent of all managers, but ahead of Britain's 15 per cent share. Contrary to Luxembourg, Europe's No.1 mutual funds centre, Switzerland is trying to focus on the high-end segment. Its quality of life and low taxes could lure fund managers. "We are not looking to take away the plain vanilla fund business from Luxembourg," Thommen said. "That business is well established there and we can distribute our funds in the European Union via Luxembourg."				
Taxation	Eva Joly	MEP	Nouvel Observateur	Nouvel Observateur	21/04/10
	Au Parlement européen, certains députés refusent systématiquement toutes les mesures qui permettraient de s'attaquer à la question. Bien sûr, aucun ne dit explicitement être opposé à la lutte contre les paradis fiscaux ; leur argumentation s'articule autour de trois éléments principaux, l'un des plus classiques, les deux autres peut-être un peu plus surprenants. Le premier argument, c'est celui de la « compétitivité ». L'idée est que le monde entier est en compétition, et que les Etats eux-mêmes ne sauraient échapper à cela. Aussi est-il inconcevable, pour les députés en question, d'adopter des règles qui pénaliseraient des régions ou des pays européens (la City, le Luxembourg) dont ils sont souvent originaires. Restreindre le secret bancaire et mettre en place un échange automatique d'informations en la matière constitue pour beaucoup un premier pas indispensable pour diminuer le caractère néfaste des places financières off shore. Mais pour ces parlementaires et plus largement pour tous ceux qui se refusent à véritablement transformer le système économique et financier mondial, il s'agit d'un projet parfaitement insensé et complètement farfelu.				
	David Brown	CEO	Flagstone	Paperjam	15/04/10
	Luxembourg has always looked to us as an attractive centre, with a sophisticated financial and regulatory environment. It has an extensive network of commercial and tax treaties, particularly with the US and EU. It's the preferred jurisdiction to where we are today. Nothing negative about Bermuda, but it seems like a better one for where we are at the moment as a company. With places like the EU and the US, where we do major amounts of trade, the Luxembourg treaties are much more specific and give much clearer protection than other treaties (...) You don't have long established treaties in Bermuda and you do in Luxembourg.				
Banking Secrecy	Jean Pruvost	Professor	Université de Cergy-Pontoise	Canal Académie	18/04/10

FINANCIAL CENTRES MONITORING

Luxembourg:

Russian Asset Manager Moves Assets to Luxembourg

Wealth Briefing, 16/04/10

<http://www.wealthbriefing.com/html/article.php?id=29495>

Gazprombank Asset Management, the Russian-based subsidiary of Gazprombank, plans to move its assets from Ireland to Luxembourg, Prime-Tass reports, citing Anatoly Milyukov, the firm's vice-president.

Milyukov reportedly said that the firm plans to transfer around €90 million (\$122 million) of assets under management to the tiny principality (sic!).

"We have clients who want to open accounts in Luxembourg. We hope to finish 2010 with over €200 million of assets under management," Milyukov is reported to have said.

The transfer to Luxembourg is driven by the jurisdiction's responsiveness to clients' needs in terms of law and finance, he said.

Switzerland:

Secret bancaire : une stratégie pour la Suisse

Le Temps, 30/04/10

http://m.letemps.ch/Page/Uuid/568f5d5e-53cf-11df-8dcb-75ec5496a186/Secret_bancaire_une_strat%C3%A9gie_pour_la_Suisse

Le 13 mars 2009, le Conseil fédéral a décidé de passer à l'échange d'informations à la demande avec les Etats avec lesquels la Suisse signera une convention de double imposition allant dans ce sens et de renoncer à la distinction entre la fraude et l'évasion fiscale. Vu les circonstances, il s'agissait d'une bonne décision dans la mesure où elle ne changeait en rien la situation du client prudent.

Malheureusement, un très grand chemin a été parcouru dans le mauvais sens depuis cette date sans qu'aucune pression extérieure ne force notre gouvernement à agir de la sorte et, surtout, sans que la Suisse n'obtienne la moindre contrepartie de la part de la communauté internationale, et plus particulièrement de l'UE. En effet, le Conseil fédéral a ni plus, ni moins, déclaré le 25 février 2010 qu'il ne voulait plus que les banques suisses acceptent de l'argent non déclaré à l'avenir et qu'il souhaitait également régulariser le passé, c'est-à-dire la situation de l'argent se trouvant déjà dans les établissements bancaires helvétiques.

Download study:

http://www.swissbanking.org/20100409-5000-finanzplatzstrategie_clean-nzw.pdf

Auf mittlerer Distanz zur Bankenwelt

NZZ Online, 26/04/10

http://www.nzz.ch/nachrichten/schweiz/auf_mittlerer_distanz_zur_bankenwelt_1.5556433.html

Eine Selbstdeklarationspflicht für ausländische Bankkunden und Verhaltensregeln für die Banken sollen garantieren, dass kein Schwarzgeld mehr in die Schweiz fließt. Die Delegierten der FDP haben diese Linie nach intensiver Diskussion festgelegt.

Genf bleibt Private Banking-Zentrum für Araber

Finance News, 20/04/10

<http://moneycab.presscab.com/de/templates/?a=78223&z=64>

Hassan El-Nahas, Head of Private Banking Middle East bei ABN Amro Private Banking in Dubai, glaubt nicht, dass die Rhône-Stadt Genf an Attraktivität für vermögende arabische Privatkunden eingebüsst hat, auch wenn Dubai seine Rolle als Finanzzentrum am Golf immer weiter ausbaut.

FINANCIAL CENTRES MONITORING

UK:

HSBC chief: London and New York are 'yesterday's news' in the new world of finance

Telegraph.co.uk, 27/04/10

<http://www.telegraph.co.uk/finance/china-business/7640125/HSBC-chief-London-and-New-York-are-yesterdays-news-in-the-new-world-of-finance.html>

The head of Britain's biggest bank has declared the end of the "Western-centric mindset" and urged businesses to look to emerging markets for their future.

In a speech to the American Chamber of Commerce in Hong Kong, Mike Geoghegan, HSBC chief executive, forecasts the rapid rise of Hong Kong and Shanghai as financial markets, the soaring influence of emerging market currencies and the dominance of their economies.

Taxing banks would threaten the UK's role as a financial centre

guardian.co.uk, 21/04/10

<http://www.guardian.co.uk/business/2010/apr/21/imf-bank-tax-proposal>

So the International Monetary Fund did what the G20 asked it to do: it looked at options for additional taxes on banks. No surprises there. But what is new is that it has proposed two types of taxes – one for stability and one on financial activity. And they would be levied on financial institutions beyond the banking industry.

When they met last week, some of Europe's finance ministers wanted an additional levy or tax on financial services to pay for an intervention fund against future crises. Others wanted the same to fill their national budget shortfalls. The IMF has cleverly covered both options.

Germany:

Deutschland ist Top-Standort für US-Firmen

Handelsblatt, 20/04/10

<http://www.handelsblatt.com/politik/konjunktur-nachrichten/amcham-barometer-deutschland-ist-top-standort-fuer-us-firmen;2565139>

Deutschland bleibt für US-Investoren der attraktivste Standort in Europa. Im Krisenjahr 2009 konnte die Bundesrepublik ihren Vorsprung als Top-Investitionsstandort sogar deutlich ausbauen. Damit führt Deutschland die Rangliste der europäischen Wirtschaftsstandorte weiterhin vor Osteuropa an, das bereits im vergangenen Jahr seine Spitzenposition abgeben musste.

Ein Lob auf den Finanzplatz Frankfurt

Börsen-Zeitung, 28/04/10

<http://www.boersen-zeitung.de/index.php?li=1&artid=2010080056>

Was bringt die Zukunft für den Finanzplatz Frankfurt? Wird der Stadt am Main zugutekommen, dass die dort ansässigen Banken nicht dieselben Risiken eingingen wie mancher Spieler in New York und London? Oder kann sie ihre Position gar nicht verbessern wegen des Sogs, den Asien entwickelt? Frankfurt dürfte gestärkt aus der Finanzkrise hervorgehen, allerdings müssen dazu alle Akteure am Finanzplatz an einem Strang ziehen. Einig darüber waren sich auf einer Podiumsdiskussion Lutz Raettig, Verwaltungsratsvorsitzender der Morgan Stanley Bank AG sowie Sprecher der Initiative Frankfurt Main Finance, Reinhard Schmidt, Professor für Finanzen an Frankfurts Goethe-Universität, Frankfurts Stadtkämmerer Uwe Becker sowie Wolfram Wrabetz, CEO Helvetia Deutschland und Beauftragter der Hessischen Landesregierung für den Versichererbereich. Einhellig gelobt wurden die kurzen Wege, die einzigartige Verkehrsinfrastruktur, aber auch das hohe Niveau von Ausbildung und Hochschulen.

FINANCIAL CENTRES MONITORING

France:

Michel Barnier souhaite créer une agence de notation européenne

lepoint.fr, 30/04/10

<http://www.lepoint.fr/actualites-economie/2010-04-30/michel-barnier-veut-creer-une-agence-de-notation-europeenne/916/0/449739>

Le commissaire européen au Marché intérieur, Michel Barnier, envisage la création d'une agence de notation supplémentaire, européenne, qui viendrait s'ajouter aux trois agences qui existent dans le monde.

Dans plusieurs médias français, il a prôné vendredi plus de transparence dans le fonctionnement des trois agences d'origine anglo-saxonnes (Standard & Poor's, Moody's et Fitch), dont le rôle est critiqué dans la crise de la dette grecque.

UAE:

Dubai seizes transparency initiative

Emirates Business, 19/04/10

<http://www.business24-7.ae/banking-finance/finance/dubai-seizes-transparency-initiative-2010-04-19-1.136389>

The global financial crisis has underscored the need for stronger fiscal transparency in the Gulf and Dubai is spearheading regional efforts in this regard, a Saudi investment firm said yesterday.

"Dubai has in many ways been the regional focal point of the global crisis. Perhaps, not surprisingly, the Government of Dubai has now seized the initiative in the area of fiscal management and transparency," NCB Capital, an affiliate of the Saudi National Commercial Bank, said in its weekly bulletin.

The study referred to a recent announcement by Dubai to create a dedicated team tasked with drawing up a financial plan for 2011-2014. The group will seek to improve efficiency of government expenditure, both operational and capital, as well as to identify new sources of revenue.

Dubai Companies Look to Qatar

The Wall Street Journal, 19/04/10

http://online.wsj.com/article/SB10001424052748704671904575193723417786254.html?mod=WSJ_Markets_section_Deals

The head of Qatar's financial watchdog said Monday the Gulf Arab state has seen a rise in interest from Dubai companies in the last six months as firms look to a safer regulatory environment in the wake of the emirate's debt crisis.

"We have seen an increasing number of entries from Dubai [in the last six months]," Phillip Thorpe, chief executive officer of the Qatar Financial Center Regulatory Authority told Zawya Dow Jones in an interview Monday.

FINANCIAL CENTRES MONITORING

Singapore:

European Hedge Funds Plan Singapore, Hong Kong Move

Bloomberg Businessweek, 29/04/10

<http://www.businessweek.com/news/2010-04-29/european-hedge-funds-plan-singapore-hong-kong-move-update1-.html?dbk>

Hedge-fund managers in London and other European cities are considering offices in Hong Kong, Singapore or Switzerland as European regulators work on tougher rules, said a member of the industry's largest trade group.

The managers could base part of their business in another city, without closing their European offices, said Christopher Fawcett, a member of the council of the London-based Alternative Investment Management Association.

Singapore Says Tighter Policy Appropriate for Rebound

Bloomberg Businessweek, 26/04/10

<http://www.businessweek.com/news/2010-04-26/singapore-says-tighter-policy-appropriate-for-rebound-update1-.html>

Singapore's tighter monetary policy is "appropriate" as the island's economic recovery is becoming more entrenched, Trade Minister Lim Hng Kiang said today.

"We expect some inflationary pressures to emerge as the economy recovers," Lim, who is also deputy chairman of the Monetary Authority of Singapore, said in response to questions in parliament today. "Wage pressures will build as the labor market tightens, while asset values could rise in tandem with the improvement in economic fundamentals," and rising commodity prices could push up producer and consumer prices, he said.