

# Discover Luxembourg





# **Luxembourg, THE european hub for financial services**

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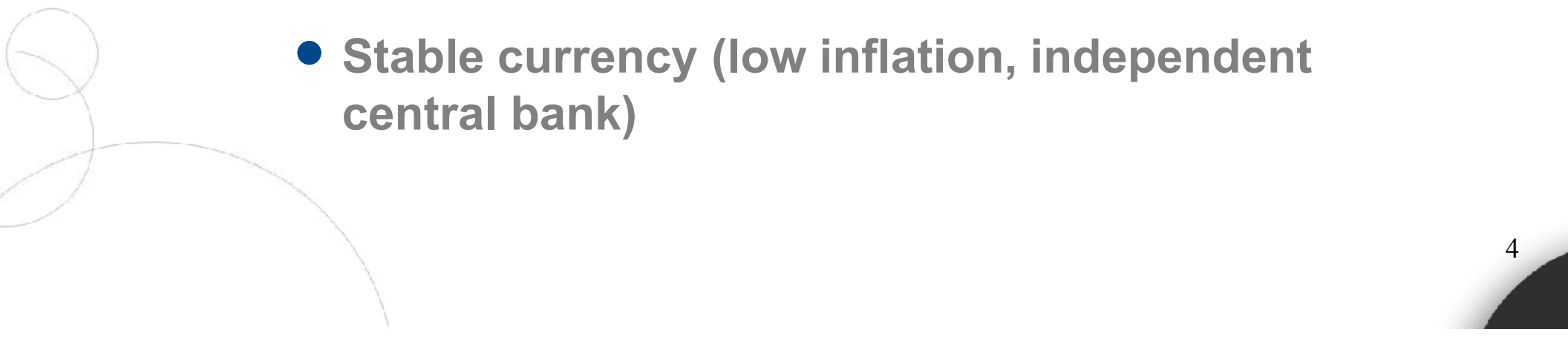


# Key success factors for an international financial centre

- Offering trust & confidence environment to international customers & investors
- Promoting research & development in finance
- Offering the appropriate infrastructure and «pipelines»
- Good know-how in cross-border finance



# **Trust & confidence for international customers & investors**

- **Free flow of capital**
  - **Political, legal and social stability**
  - **Rule of law and guarantee for law enforcement**
  - **Sound public finances, high sovereign rating (AAA)**
  - **High regulatory standards and care for investor protection**
  - **Stable currency (low inflation, independent central bank)**
- 




# Research & development in finance

- **University of Luxembourg**
- **Luxembourg School of Finance**  
(partners with Stern, NY)
- **More than 20 of the best universities and polytechs of Europe within 250 km**
- **Bank and finance training**



## **Offer the appropriate infrastructure and « pipelines »**

- **State of the art payment systems (RTGS + Netting)**
  - **Access to effective and cheap trading platforms**
  - **Access to effective and cheap securities clearing and settlement**
- 



# Know-how in cross-border finance

- The Luxembourg domestic market in finance represents less than 1%
- It's all about doing business with Europe...
- ...and the world

# The Luxembourg financial centre



- ... at a glance:

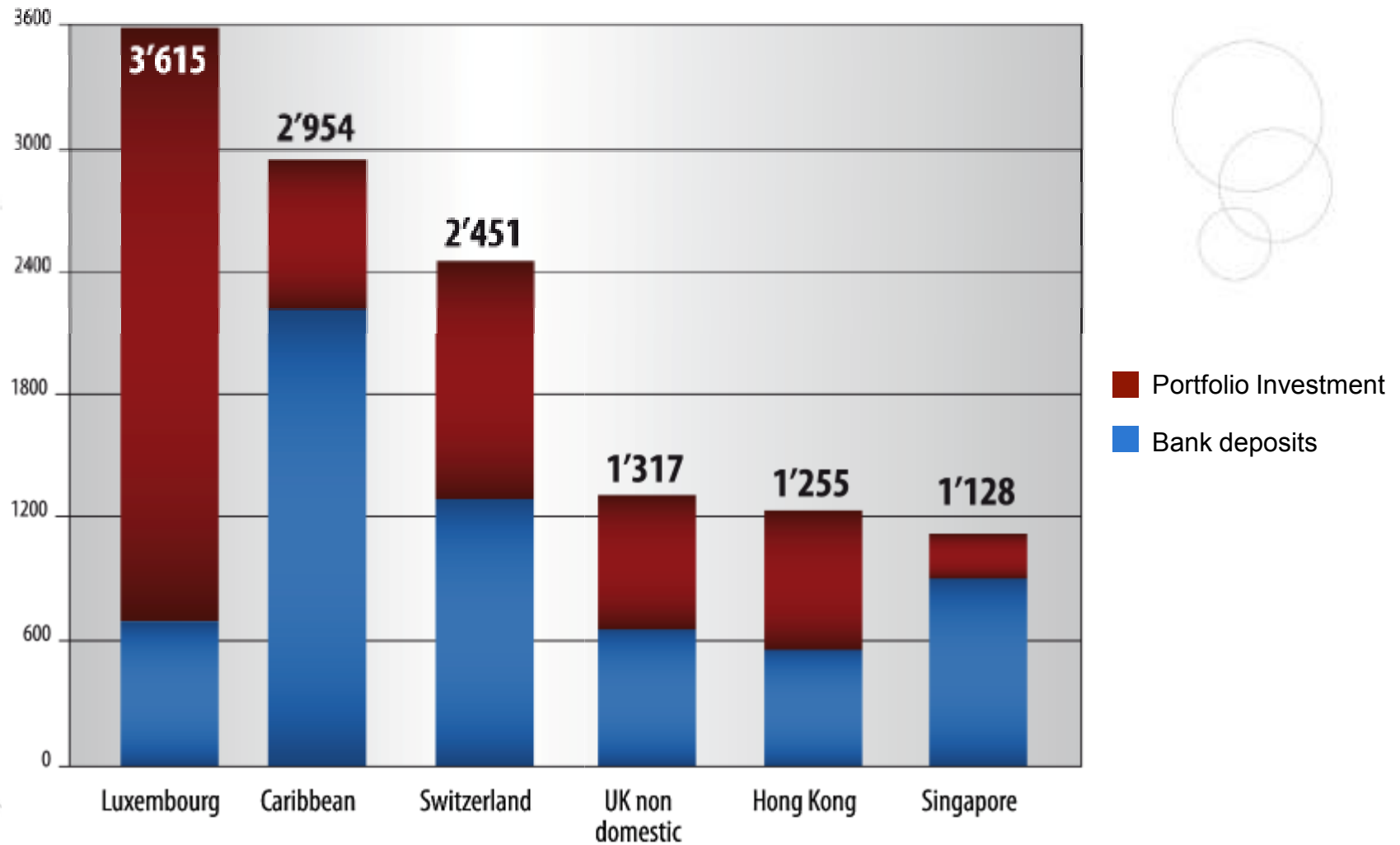
- ➔ Europe's number one investment fund centre (number 2 worldwide behind the US)
- ➔ N° 1 wealth management centre in the Eurozone
- ➔ Europe's leading domicile for captive reinsurance companies



# International financial centres

Investments managed in international centres

\$bn, end 2007



Source: Bank for International Settlements, International Monetary Fund

# The Luxembourg financial centre



**Banks**  
**149**

**Investment  
funds**  
**> 3,516**  
**(12'513 units)**

**Insurance**  
**Life: 53**  
**P&C: 40**  
**Reinsurance: 261**

**Professional  
Intermediaries**  
**(asset managers,  
brokers,  
transfer agents...)**  
**± 290**



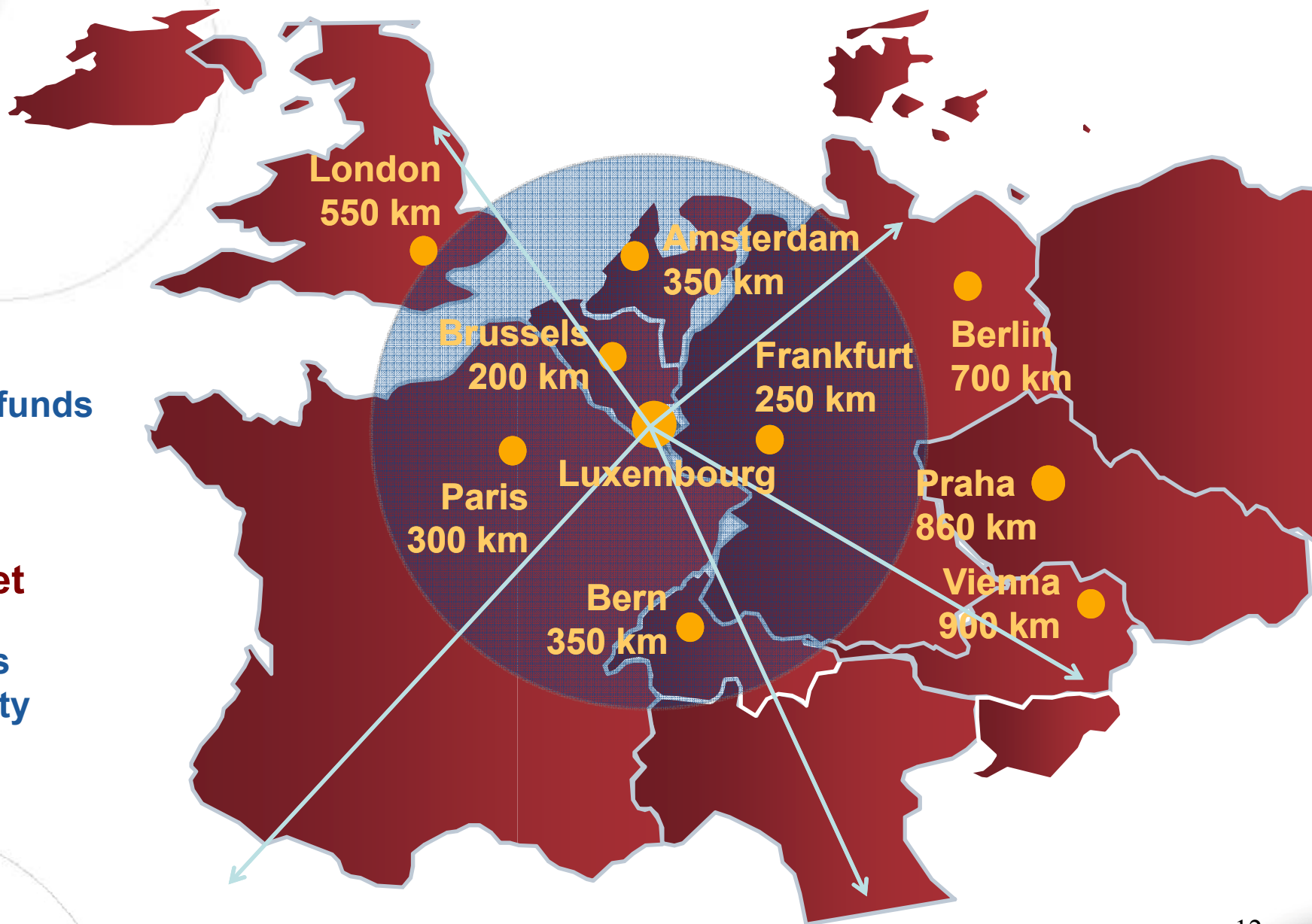
**What do  
all these financial intermediaries  
do  
in Luxembourg ?**

# The principle of the european passport

- banking
- insurance
- reinsurance
- securities
- investment funds

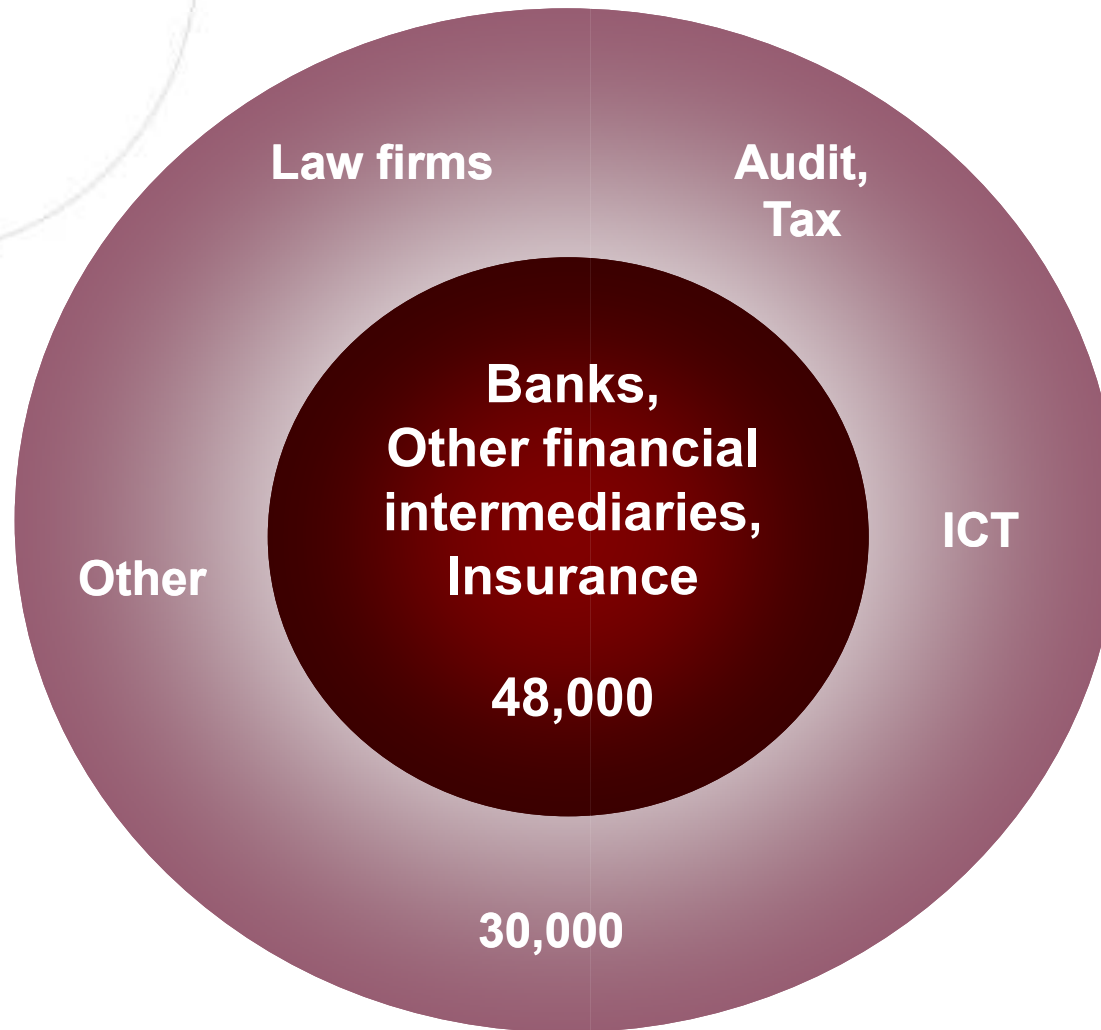
**No EU  
passport yet**

- hedge funds
- private equity
- real estate



# The Luxembourg financial centre

- Employment



45'000 are university graduates

# Luxembourg: well regulated

## Minister of Finance

### Luxembourg central bank

- Macro supervision
- Systemic risk
- Liquidity
- Payment systems

### Commission for the supervision of the financial sector

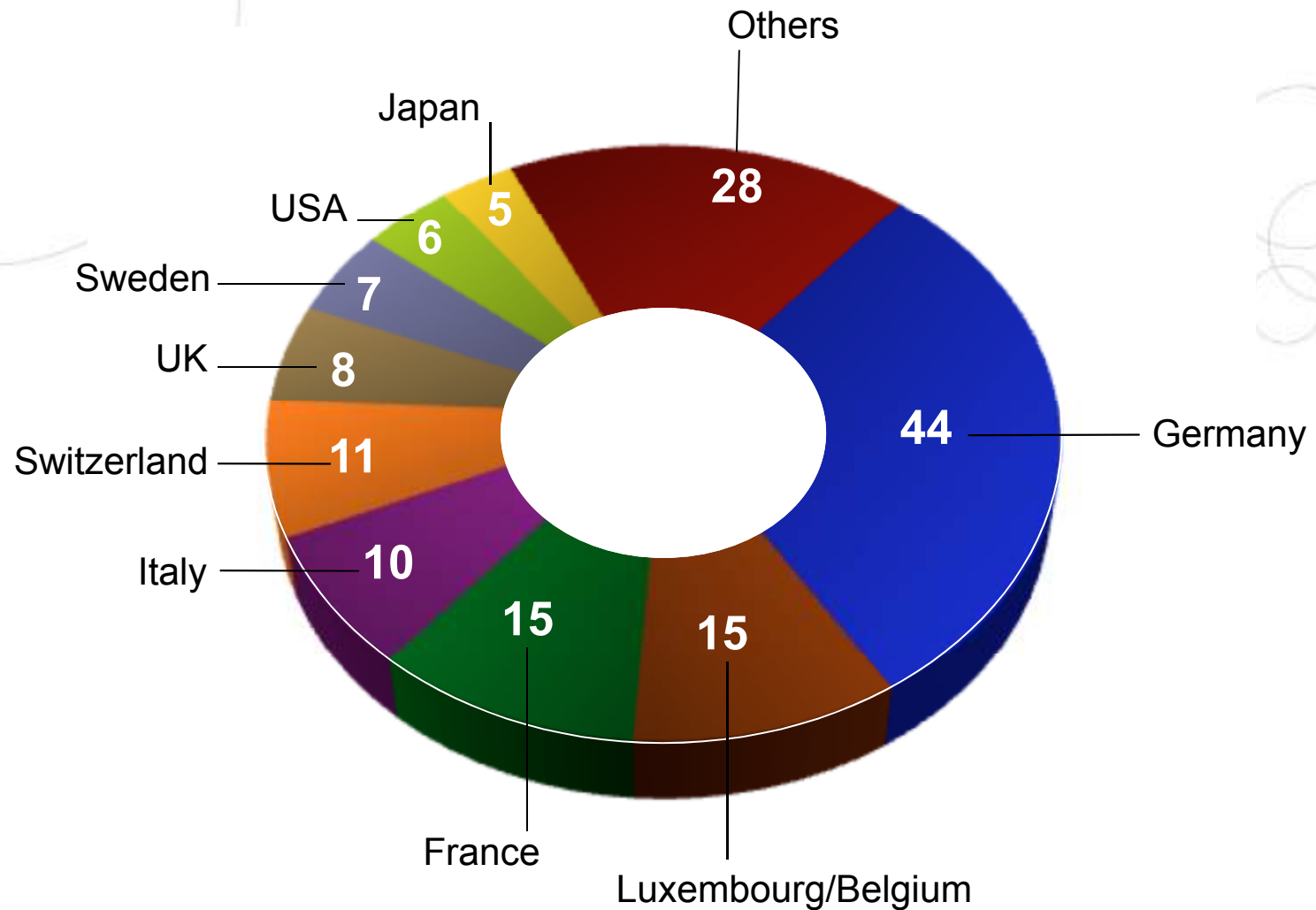
- Banks  
Financial intermediaries
- Securities markets
- Investment funds  
Pension funds  
Other vehicles

### Insurance Commission

- Life insurance  
P & C insurance
- Reinsurance  
Captives

# Luxembourg: highly international

● ... in terms of origin of banks

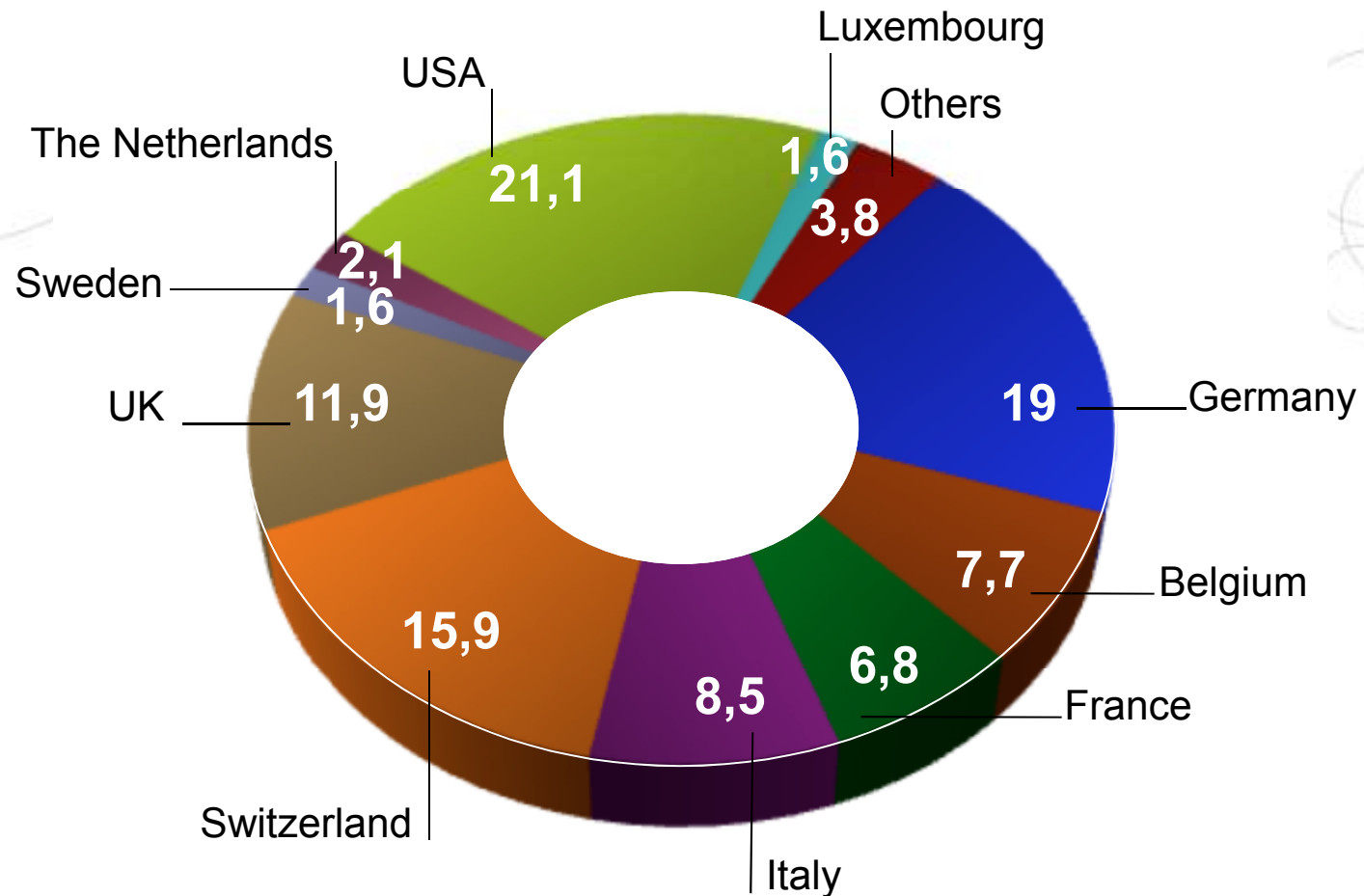


Source: CSSF, figures as at June 30, 2010,



# Luxembourg: highly international

- ... in terms of origin of fund promoters



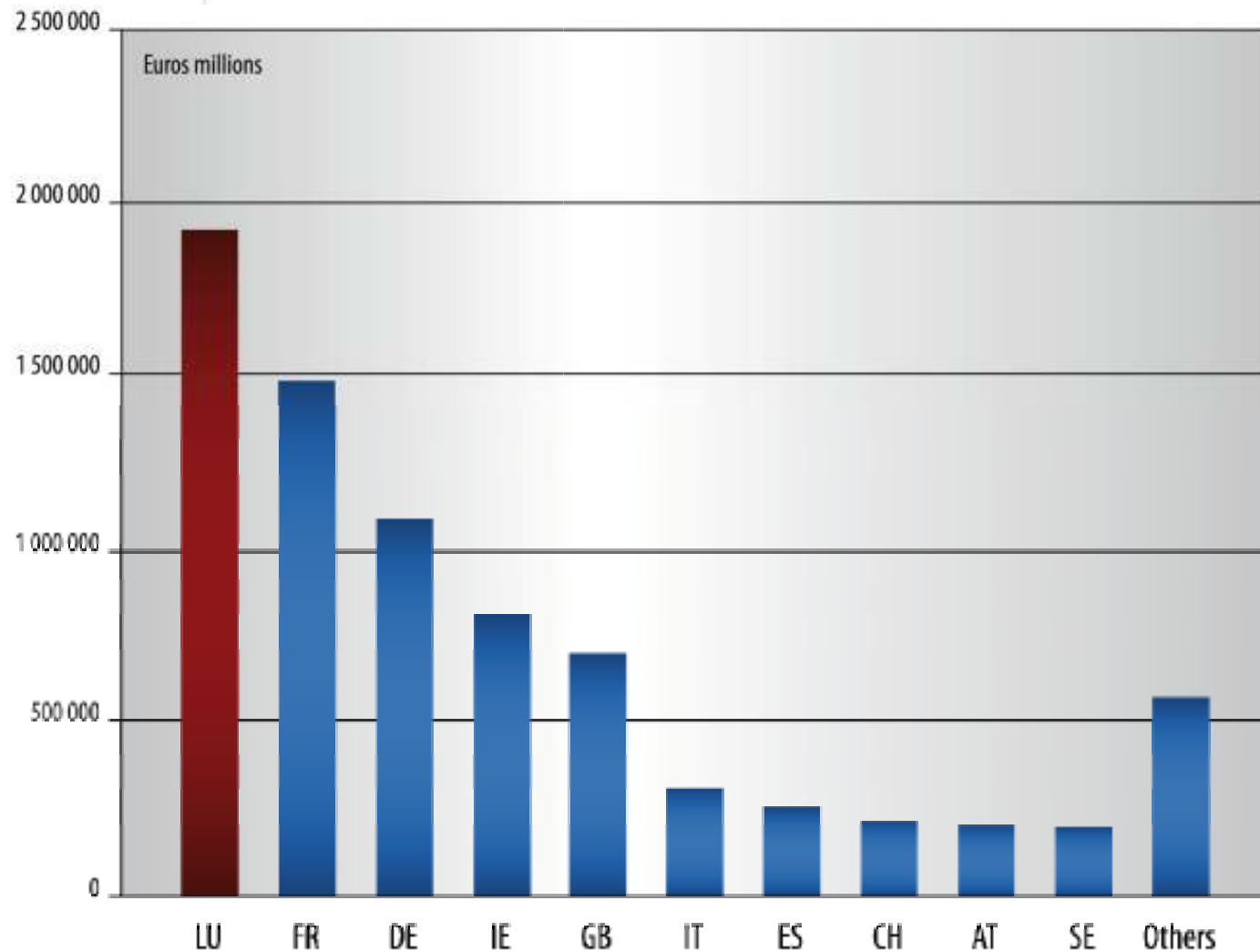


# We are connected to the world: tax treaty network



# European Fund industry

## Luxembourg – largest fund centre in Europe



Source: EFAMA, figures as at December 31, 2009

# Cross-border fund groups

- 80% of top 50 top 50 cross-border groups use a Luxembourg platform





# Luxembourg: key success factors

- **Complies with all international rules (not offshore)**
- **Expertise of more than 40 years in international financial transactions**
- **Stable political, legal & social environment  
AAA country**
- **Strong support from Government for financial services**



# THANK YOU

[www.luxembourgforfinance.lu](http://www.luxembourgforfinance.lu)