



LUXEMBOURG

# Activity Report

Luxembourg for Finance 2014

# CONTENTS

1	FOREWORD
	NICOLAS MACKEL, CEO, LUXEMBOURG FOR FINANCE
3	MESSAGE FROM THE PRESIDENT
	PIERRE GRAMEGNA, MINISTER OF FINANCE
6	FINANCIAL CENTRE TIME LINE
8	FINANCIAL CENTRE ACTIVITIES AND ECOSYSTEM
12	RANKINGS
13	PUTTING LUXEMBOURG ON THE MAP
18	REACHING OUT TO THE WORLD
23	SPREADING THE WORD
30	ADMINISTRATION
32	STAFF
33	ORGANISATION CHART 2014



**Nicolas Mackel,**  
CEO, Luxembourg for Finance

## FOREWORD

**2014 was the first full year  
in office for me and the first  
year in which an action plan  
devised under my helm was  
put into action.**

The priority set in this action plan was substantive and comprehensive communication on the financial center Luxembourg and this became the core of our activity throughout the year. The flagship video launched in May received very positive reviews and so did our various magazines published throughout the year. Of course, the media hype around Luxleaks deviated some attention from the more general communication of the financial center Luxembourg but it also allowed us to explain what Luxembourg's economy more broadly is.

My personal highlights for 2014 were the very successful first edition of the Luxembourg Renminbi Forum, a high-level conference on the internationalisation of the Chinese currency that we organised in Luxembourg, as well as the financial mission led by Minister Gramegna to China in June (complete with my birthday cake surprise from the Chairman of Bank of China) with an impressive array of announcements made that bolstered our business ties with the Middle Kingdom.

Another highlight was the work done in facilitating a working group on virtual currencies as it afforded me the opportunity to learn enormously and prepare the ground for work started in the second half of the year in another working group on the development of the FinTech industry in Luxembourg. On both occasions, I thoroughly

appreciated the valuable input of some of Luxembourg's best experts on these issues. Both issues were part of the aim of a memorable visit to the Bay area with Minister Gramegna where we all came away deeply impressed by the rapid developments of the industry.

LFF's shareholders (government and financial industry) acknowledged the need to intensify the efforts deployed by Luxembourg for Finance and approved the hiring of two new colleagues: Tom Theobald joined us as my new Deputy CEO and Tatjana Schäfer reinforced our event management team. They both quickly proved to be very valuable assets. We are now 15 in total.

I trust the present annual report will give you a clear picture of our activities throughout the year and all the efforts deployed by the Luxembourg for Finance team to contribute to our mandate of developing Luxembourg's financial center.

In closing, please allow me to express my deepest gratitude to the entire team for performing with remarkable dedication and competence and for being such fabulous colleagues to work with.



Pierre Gramegna,  
Luxembourg Minister of Finance

## MESSAGE FROM THE PRESIDENT

**2014 marked an important year for our country. After having taken office in December 2013, the government started extensive work on the national budget. A thorough spending review was initiated, and a multiannual budget plan laid out. While investments will be kept at a high level, the central state budget deficit will progressively be brought back into equilibrium by 2018.**

Indeed, our low national debt of roughly 23% of GDP is one of the reasons Luxembourg is amongst the few countries left in Europe with a AAA rating, confirmed by the three major rating agencies. As this rating is a major argument for foreign financial institutions to settle in Luxembourg, I am fully committed to maintain this stand.

2014 was a historic year for one of the key pillars of the financial centre: assets under management in Luxembourg domiciled investment funds broke through the 3000 billion euros threshold for the first time. We thus strengthened our position as the second largest investment fund centre in the world, attracting more than 42% of the net sales of European regulated funds in 2014.

The banking sector continued to grow: with over 770 billion euros, the banks' balance sheet increased more than 5.5% over the year. At the same time, nine new banks settled down in Luxembourg, amongst them institutions from non-EU countries such as Brazil and Switzerland.

2014 was also a year marked by the trend towards global tax transparency, which Luxembourg fully supports. Concrete steps underline the government's ongoing commitment:

- On a bilateral level, Luxembourg signed an agreement with the US on Model 1 of FATCA, announcing an automatic exchange of data between the two countries as from 30 September 2015.
- On the OECD level, Luxembourg became an early adopter of the Common Reporting Standard as of 2017, endorsing the automatic exchange of information amongst the OECD Member States through a simplified reporting procedure.
- On a European level, after having announced, in 2013, that Luxembourg will apply the automatic exchange of information as foreseen under the EU Savings Directive as of 1 January 2015, the government also agreed to the extension of the scope of the exchange to include account balances, interest, dividend, capital gains and all types of income derived from financial assets. This extended automatic exchange of information will take place under the amended European directive on administrative

cooperation which implements the OECD's Common Reporting Standard in the EU. Data collection will start on 1 January 2016 with the first reporting taking place in 2017.

- At the national level, significant steps were taken to comply with the standards of the Global Forum on Transparency and Exchange of Information. Mention must be made of the law of 26 May 2014 approving the Convention on Mutual Administrative Assistance in Tax Matters and its protocol of amendment, the law of 28 July 2014 introducing the immobilisation of bearer shares, as well as the law establishing the procedure for the exchange of information for tax purposes upon request, approved by Parliament on 4 November 2014.

In the field of taxation of multinationals, the issue of double non-taxation must be resolved through a coordinated effort by the international community. Last year in early October, the government underlined its commitment to transparency by submitting to parliament a draft law providing an enhanced framework for advance tax decisions, which makes the procedure clearer and more transparent. Besides being an active participant in the OECD BEPS (base erosion and profit shifting) initiative, Luxembourg has supported, on a European level, the addition of new provisions to the parent-subsidiary directive, which aim at preventing the double non taxation of companies through hybrid mismatches, including the introduction of a generalised anti-abuse clause.

## FOSTERING INNOVATION

I am convinced that in order to ensure a sustainable development of the financial industry, innovation remains key. This is why, in 2014, the focus was put on 3 specific areas: FinTech, Islamic Finance and the international Renminbi business.

### FINTECH

With the launch of the "Digital Lëtzebuerg" initiative in October 2014, the government has made the development of the ICT sector one of the priorities for the years to come. In this context, FinTech was identified as a key sector to be developed. I have asked Luxembourg for Finance to head two working groups specifically looking at the potential of the FinTech sector and virtual currencies. With the sectors of e-commerce and e-payments already well developed, the presence of an established financial and IT community, and access to one of

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Europe's best data centre and Internet hubs, Luxembourg has all the right ingredients to be at the forefront of the FinTech revolution in Europe. Indeed, Luxembourg FinTech companies are present in all segments of the financial industry, where they benefit from the proximity to clients as well as from the necessary talent pools, both in finance and technology, to grow their business and expand into the EU market.

## ISLAMIC FINANCE

Islamic finance continues to be a fast-growing industry, and Luxembourg is ideally positioned to help this particular sector to develop in Europe. Luxembourg is currently the third largest Islamic fund centre in the world, and the leading centre in Europe. In October 2014, Luxembourg issued a 200 million EUR, 5 year sukuk, underlining the country's commitment to develop the burgeoning Islamic finance industry. It was the world's first Euro-denominated sovereign sukuk and was well oversubscribed. Beyond Luxembourg's own sukuk, 2014 also saw a number of high profile listings on the Luxembourg Stock Exchange, including the debut sovereign sukuk of South Africa and those of major private issuers.

## INTERNATIONALISATION OF THE RENMINBI

The international Renminbi business represents another growth sector for Luxembourg's financial centre, which has been able to leverage on its existing cross-border strengths, whether in developing investment fund products or in its long-standing expertise in international securities listings. Today, Luxembourg is the Eurozone's largest RMB centre. In 2014, the development of Renminbi business in Luxembourg continued at an impressive pace, peaking in the designation of ICBC Luxembourg as an RMB clearing bank.

In order to make Luxembourg's public finances more sustainable, a diversified economy is key. As Minister of Finance, I will make sure the same holds true for the financial centre as well. In that sense, while the sectors of FinTech, Islamic Finance and Renminbi business will certainly remain top priorities in 2015 and beyond, we will also not stop exploring additional opportunities.

# FINANCIAL CENTRE TIME LINE

| FEBRUARY |

- 1<sup>st</sup> Luxembourg Renminbi Forum

| MARCH |

- Luxembourg and the USA sign FATCA intergovernmental agreement
- Agreement to the extension of the scope of the Savings Directive

| MAY |

- First listing of an offshore yuan bond in the Eurozone on the Luxembourg Stock Exchange by Bank of China (Schengen Bond)
- Launch of first European ESG label by LuxFLAG
- Luxembourg and Ireland sign Protocol to amend double taxation agreement

| JUNE |

- Luxembourg Stock Exchange signs MoU with Bank of China
- Luxembourg Central Bank signs MoU with People's Bank of China

| JULY |

- Announcement of Agricultural Bank of China and China Merchants Bank to set up in Luxembourg

## SEPTEMBER

- People's Bank of China designates ICBC as renminbi clearing bank in Luxembourg
- Announcement of Bank of Communications to set up in Luxembourg
- Opening of the Luxembourg Freeport
- Goldman Sachs and South Africa choose Luxembourg to list debut sukuk
- The Luxembourg fund industry surpasses EUR 3000 billion assets under management for the first time

## OCTOBER

- Luxembourg issues the first Euro-denominated Sovereign Sukuk
- Luxembourg amongst the early adopters applying the OECD Common Reporting Standard as of 2017
- EU - ECOFIN agreement on automatic exchange of tax information

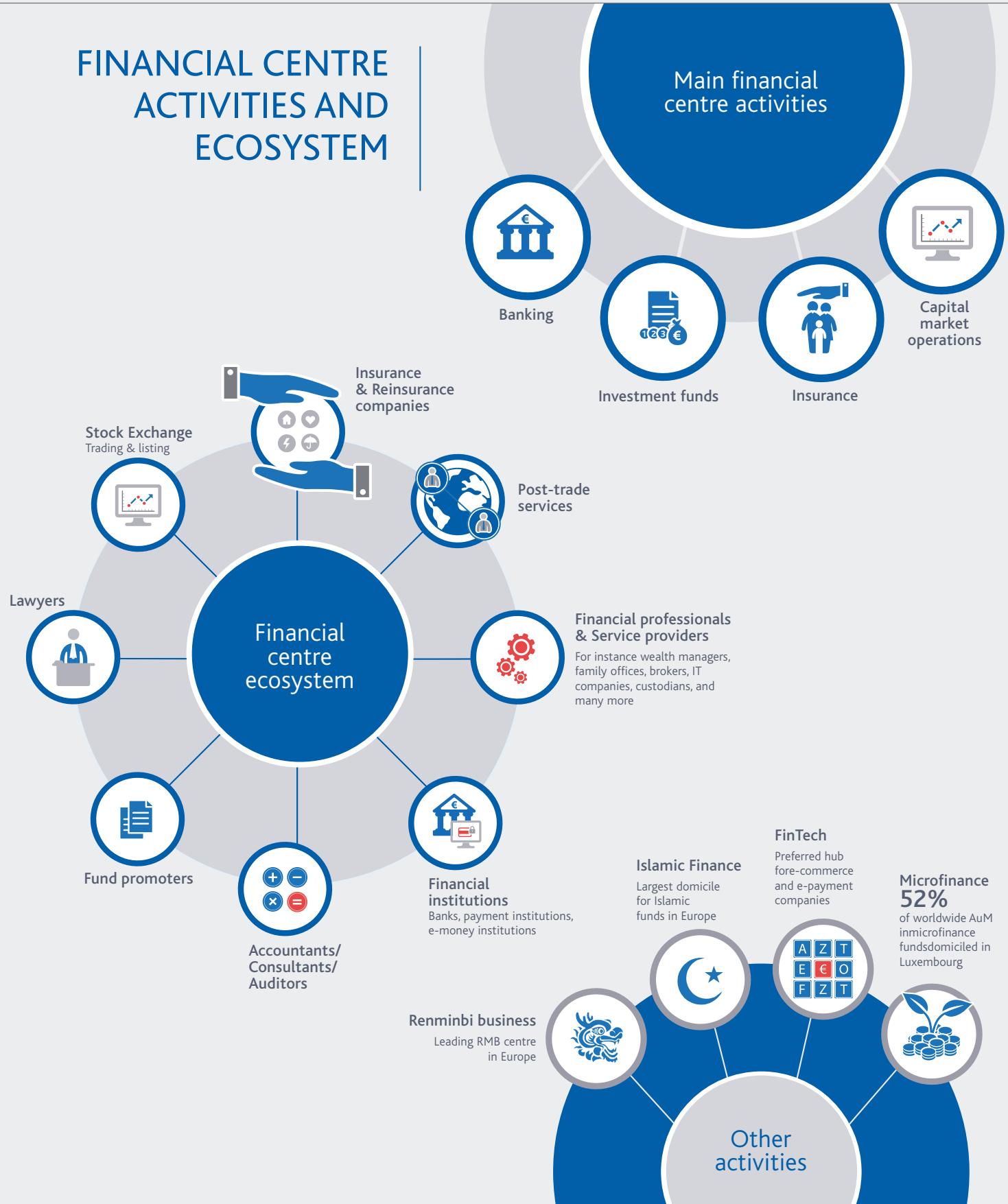
## NOVEMBER

- Entry into force of new law on an enhanced framework and greater transparency with regard to advanced tax decisions

## DECEMBER

- Launch of ICBC RMB clearing services in Luxembourg

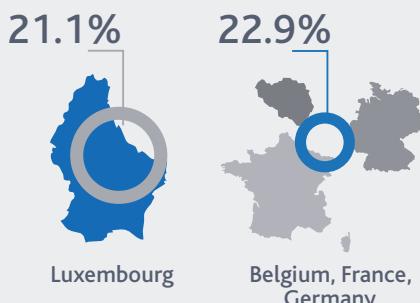
# FINANCIAL CENTRE ACTIVITIES AND ECOSYSTEM



## BANKING

### GEOGRAPHIC ORIGIN OF PRIVATE BANKING CLIENTS

Geographic origin of Luxembourg Private banking clients assets (%)

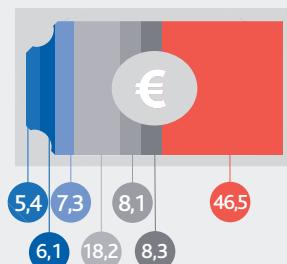


Updated on: 06/2014

### PRIVATE BANKING



Wealth bands in terms of assets (%)



- > 20 000 001 €
- 10 000 001 - 20 000 000 €
- 5 000 001 - 10 000 000 €
- 1 000 001 - 5 000 000 €
- 500 001 - 1 000 000 €
- 250 001 - 500 000 €
- 100 000 - 250 000 €

CSSF/ABBL Private Banking Survey 2014

### NUMBER OF BANKS AND TOTAL ASSETS



CSSF, December 2014

### LIQUIDITY RATIO



### SOLVENCY RATIO



### COUNTRY OF ORIGIN OF BANKS

CSSF, December 2014



## INVESTMENT FUNDS



FIRST IN CROSS-BORDER FUND DISTRIBUTION



SECOND LARGEST INVESTMENT FUND CENTRE IN THE WORLD AFTER THE US



### FUNDS, FUND UNITS AND NET ASSETS



123

Number of funds



123

Number of Units

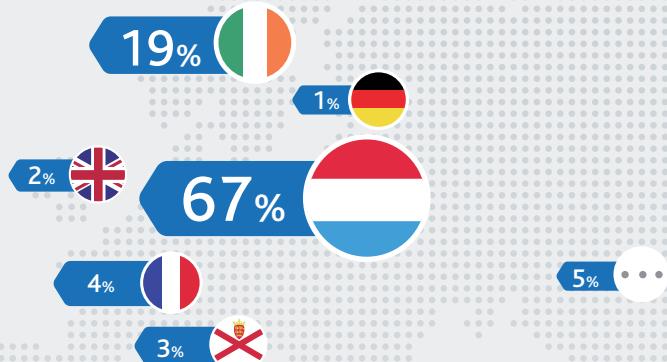


Net assets

	2014 full year	2013 full year	
Number of funds	3,905	3,902	
Net assets billion EUR	3,095	2,615	billion EUR

CSSF, December 2014

### MARKET SHARES IN GLOBAL CROSS-BORDER FUND DISTRIBUTION



### PROMOTERS OF LUXEMBOURG DOMICILED FUNDS BY COUNTRY OF ORIGIN

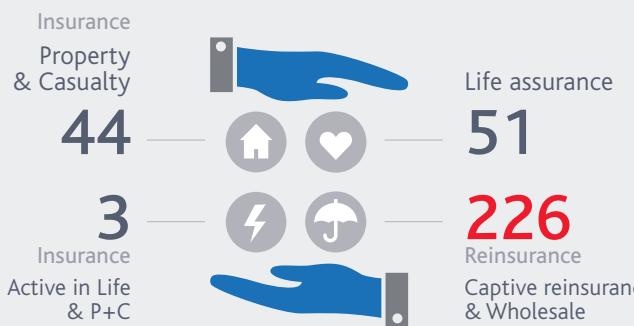
Number of registrations during 2013: 76,500  
Compound annual growth rate over 10 years: 11.4%  
PwC Global Fund Distribution, March 2014

CSSF, December 2014

## INSURANCE

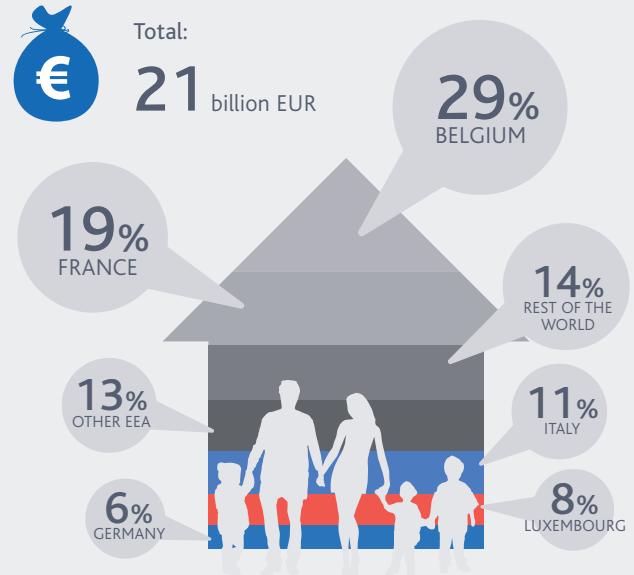
### NUMBER OF COMPANIES

Commissariat aux Assurances (2013/14)



### LIFE ASSURANCE

Origin of premiums

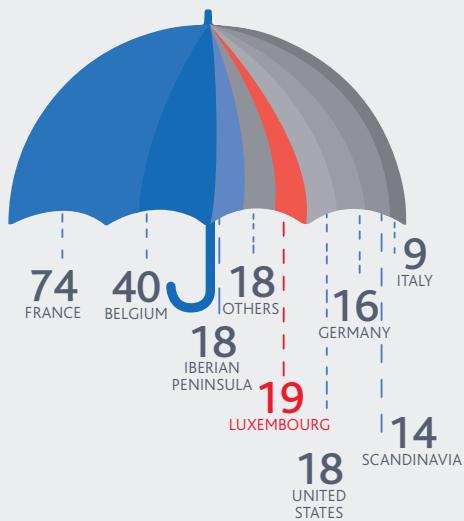


Commissariat aux Assurances (2013/14)

### CAPTIVE REINSURANCE

Number of captives licensed

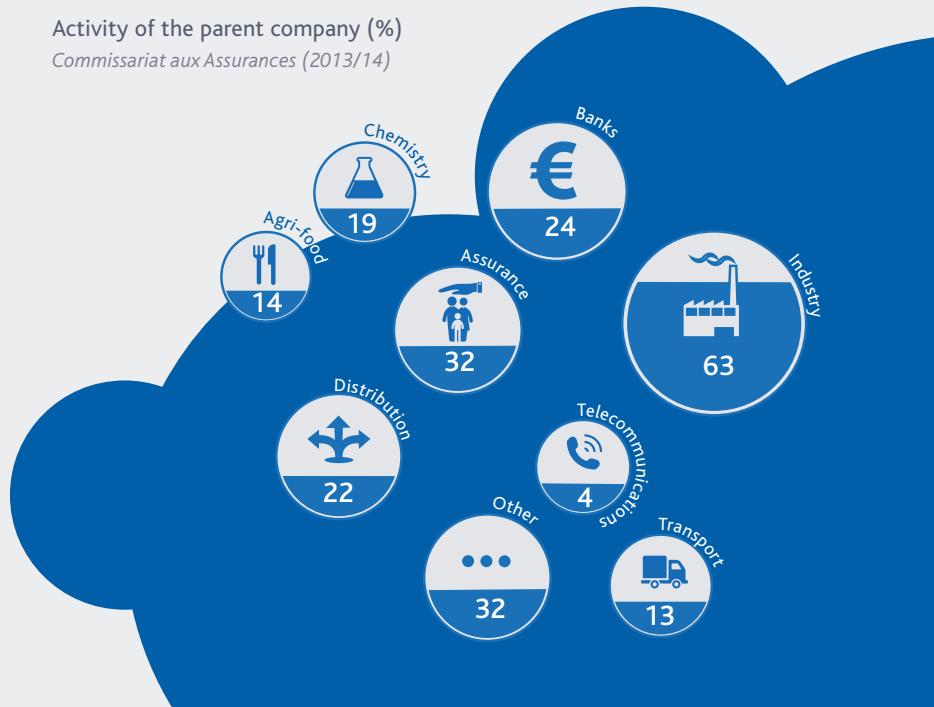
Commissariat aux Assurances (2013/14)



### CAPTIVE REINSURANCE

Activity of the parent company (%)

Commissariat aux Assurances (2013/14)



# RANKINGS

	INDEX	2014 RANKING	OUT OF	2013 RANKING
JANUARY	Global Talent Competitiveness Index (GTCI) 2013	3	103	First edition in 2014
FEBRUARY	European Cities and Regions of the Future 2014/15 Index	1 <sup>st</sup> for economic potential in the categories "micro" and infrastructure	10	1 <sup>st</sup> micro city with the highest economic potential
MARCH	Global Financial Centres Index 15	12	83	13
MAY	IMD World Competitiveness Yearbook 2014	11	60	13
JULY	Global Innovation Index	9	143	12
SEPTEMBER	Global Financial Centres Index 16	15	83	12

## PUTTING LUXEMBOURG ON THE MAP

Luxembourg for Finance contributes to identifying target markets and business areas to develop and monitor, with the overall aim of fostering and further diversifying Luxembourg's financial industry. In-house produced country reports and company factsheets, with a particular focus on the potential opportunities in a given market or sector, serve as a valuable source for the preparation prior to missions or meetings. LFF also identifies relevant international events and fairs where financial centre participation is deemed to be of added value.

LFF aims to adapt its communication and events to the different markets, which often require a different thematic focus and thus also different experts to represent the financial centre. Consequently, key messages and communication channels also need to be adapted.

Though the destinations of LFF missions change from year to year, a number of key markets are visited on a regular basis. In Europe, events are often of a more focused nature, since Luxembourg's traditional financial centre activities – wealth management, insurance and investment funds – are well known to financial professionals in markets such as Belgium, France, Germany, the UK, Italy or Switzerland.

However, in many of those established markets, it has also become increasingly important to highlight the fact

that Luxembourg is a fully-diversified and innovative financial centre that is active well beyond these traditional areas. Consequently, LFF events also focus on introducing the broad range of expertise available in Luxembourg, including in alternative investments, socially responsible investments and capital markets as well as more recent industries such as FinTech. Unlike the majority of European financial centres, Luxembourg's added value lies in its specialisation in cross-border financial services and its extensive know-how in serving private and corporate clients that are active in multijurisdictional environments.

Within Europe, Germany was given particular attention in 2014: LFF was present at several fairs and organised roundtables in Frankfurt, Berlin and Munich. German banks represent the largest group of foreign banks in Luxembourg. With Frankfurt being the main banking and trade finance centre and Munich being the insurance centre, the ties with Luxembourg are close. Many German banking and insurance groups operate European competence centres out of Luxembourg to benefit from the financial centre's expertise in cross-border business.

Milan is another European financial centre closely monitored by LFF. The Minister of Finance led a financial delegation to Milan in December 2014. 11 Italian banks are represented in Luxembourg, of which seven belong to the top ten groups in Italy. Ties are also strong in

the asset management sector. Of more than 4,200 foreign funds registered for distribution in Italy, 64% are domiciled in Luxembourg.

Moreover, Italy is Luxembourg's 3rd largest life assurance market. Around 175 life assurance companies are licensed to carry on business in Italy under the European Passport; most have their headquarters in Luxembourg.

In Poland, a country visited in the context of a state mission in 2014, the banking sector accounts for 70% of the financial industry. Thanks to a good educational system and strong political support, entrepreneurship is flourishing: key sectors include telecoms, aerospace and manufacturing. A particularity of the Polish market is that 50% of investment funds are held in pension funds. With its globally recognised expertise in the fund industry, Luxembourg is particularly well placed to serve such institutional investors.

## THE GATEWAY TO EUROPE

Outside Europe, LFF targets key growth regions for the financial centre, such as Latin America, the Middle East and Asia.

Luxembourg is well established in key Asian markets such as Hong Kong and Singapore, where roughly 70% of registered investment funds are domiciled in Luxembourg. Returning to these markets on a regular basis provides an opportunity to exchange best practices and views on the

latest industry trends. The internationalisation of the renminbi has brought with it increased potential for collaboration with China, and other leading Asian financial hubs. Business opportunities continue to grow, particularly given that Luxembourg is the leading RMB hub in Europe and home to the European headquarters of major Chinese banks. The successful financial mission to China in 2014 is an example:

- Closer cooperation between the two asset management associations AMAC (Asset Management Association of China) and Alfi (Luxembourg's Investment Fund Association) was agreed.
- China Merchants Bank announced the setting up of its European headquarters in Luxembourg.
- Agricultural Bank of China announced the same strategic step.
- The mission concluded in Singapore, where Minister Gramegna highlighted the similarities between the two financial centres and the opportunities arising therefrom.

With South America identified as a key developing region, it is not surprising that Brazil was once again a destination for a financial mission in 2014. Luxembourg and Brazil enjoy long-established economic ties (steel company ARBED, now Arcelor Mittal, has been present since 1921, for instance).

The first Brazilian bank in Luxembourg was established in 1981 and today has its European headquarter in the Grand Duchy. Three of Brazil's top banks use Luxembourg as a hub for setting up and distributing funds in Europe and beyond. 189 Brazilian securities and bonds issued by

more than 40 Brazilian entities are listed on the Luxembourg Stock Exchange. Opportunities for increased collaboration can take different forms, e.g. in wealth management, where Luxembourg can offer sophisticated products for the growing HNWI population, or creating a gateway for Brazilian fund managers to distribute and invest worldwide via Luxembourg. As South America's largest economy, the funding of infrastructure projects in Brazil is another highly relevant topic.

LFF also aims to take advantage of the Finance Minister's twice yearly attendance of IMF and World Bank meetings in Washington DC. In April 2014, LFF and the Luxembourg Trade and Investment Office in New-York co-organised a breakfast seminar for Private Equity professionals as well as a lunch seminar on Luxembourg's role in renminbi business. This topic was again featured at a seminar held on the occasion of the October visit. Furthermore, LFF co-organised a reception with Alfi and LPEA.

In the Middle East, LFF was represented in Bahrain at the World Islamic Banking Conference. The Gulf region is a growth market with a high density of UHNWIs and

an increasing appetite for investment opportunities in Europe. Luxembourg investment vehicles, and its wealth management "toolbox" are highly appreciated in the region. In October, LFF accompanied Prime Minister Xavier Bettel and Minister of Finance Pierre Gramegna on a mission to the United Arab Emirates, where they met with government officials and representatives of the economic sector. The Prime Minister gave an inaugural speech at the World Islamic Economic Forum (WIFE) in Dubai, a gathering of more than 2500 high-level guests from politics and the business world. The Minister of Finance also signed an MoU on cooperation in the field of Islamic finance between Luxembourg and the UAE.

For non-European investors, Luxembourg is an ideal entry gate into Europe, due to its location at the centre of Europe and the Eurozone, its multilingual and multicultural workforce and expertise in cross-border financial services.

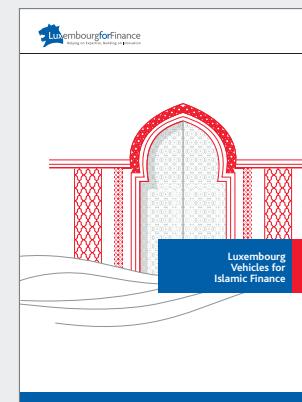
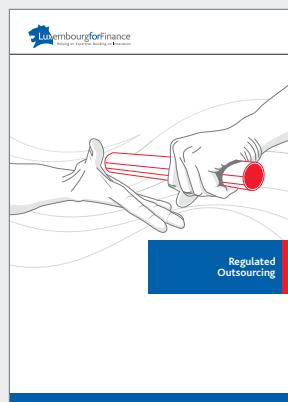
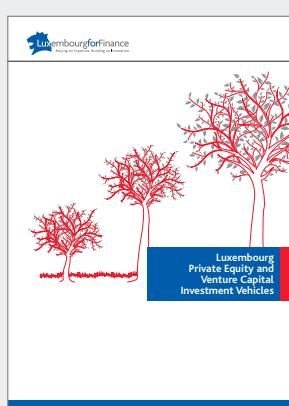
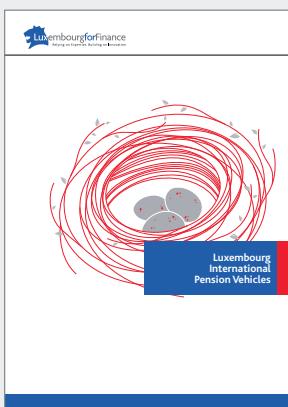
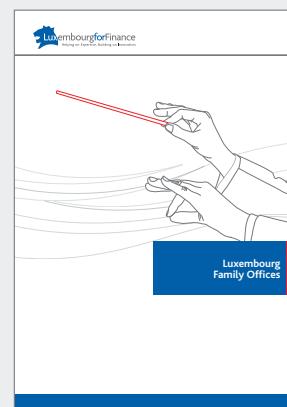
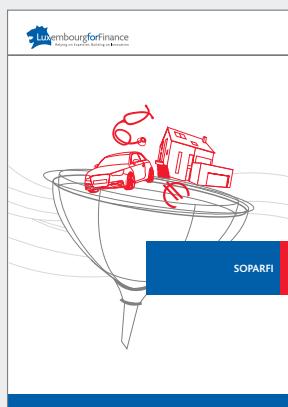
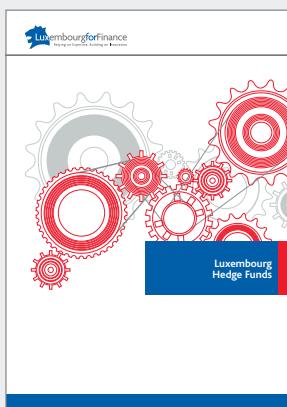
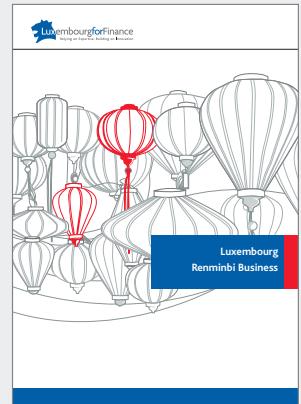
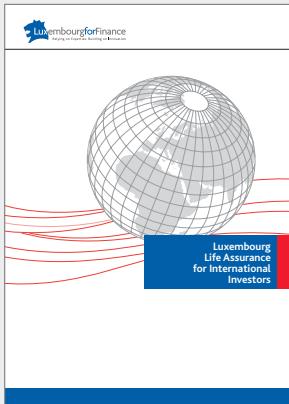
On all these missions, LFF helped set up and prepare investor promotion meetings with financial actors.

## SOME STATISTICS

The market intelligence team has produced overall 26 country reports and, for the jurisdictions visited in 2014, 45 company factsheets, with the aim to prepare missions and meetings in depth.



## TECHNICAL BROCHURES



## RESPONSIBLE FINANCE

In light of Luxembourg's commitment to responsible finance, a dedicated brochure was developed listing the broad choice of opportunities Luxembourg offers in terms of responsible investment. The Grand Duchy is the leading domicile for responsible investing: nearly 30% of all European responsible investment funds are managed out of Luxembourg, while over 50% of assets under management in microfinance investment vehicles worldwide are domiciled in Luxembourg. The European Microfinance Platform, which is located in Luxembourg, holds its annual conference in Luxembourg.



## DEVELOPMENTS IN RMB BUSINESS

- In January, a Specialised Investment Fund (SIF) with QFII quota was launched.
- In the same month, the Province of British Columbia issued the first government bond on the Luxembourg Stock Exchange.
- In April, the Luxembourg regulator CSSF allowed asset managers to invest into the China Interbond Market (CIBM).
- In May, Bank of China Luxembourg listed its first offshore-RMB "Schengen" bond on the Luxembourg Stock Exchange. BoC was thus the first Mainland China company to launch its RMB bonds in the Eurozone.
- In June, Ashmore Investment Management Limited received approval from the Luxembourg regulator CSSF for a Luxembourg R-QFII UCITS managed by a R-QFII manager based outside Greater China.
- In July, the choice of Luxembourg as the European headquarters of Bank of China and China Merchants Bank was announced.
- In September, the People's Bank of China designated ICBC Luxembourg as RMB clearing bank.
- In October, ICBC Luxembourg launched its China Concept Fund. ICBC is the first EU-registered Chinese Bank to launch a UCITS RMB-denominated China Concept Fund in Europe.
- In December, ICBC RMB clearing services were officially launched.
- Also in December, the first Luxembourg UCITS received authorisation to use the Shanghai Hong Kong Stock Connect program.

# REACHING OUT TO THE WORLD



-  Financial mission organised by LFF
-  LFF Events
-  State visits
-  Third-party conferences
-  Fairs
-  Business development visits

13-14 JANUARY	<b>7<sup>TH</sup> ASIAN FINANCIAL FORUM - HONG KONG</b>
	 FINANCIAL SERVICES - BOOTH
26 FEBRUARY	<b>THE LUXEMBOURG RENMINBI FORUM - LUXEMBOURG</b>
	 CONFERENCE ON THE INTERNATIONALISATION OF RMB
12 MARCH	<b>25<sup>TH</sup> MIPIM (11-14 MARCH 2014) - CANNES</b>
	 SEMINAR ON REAL ESTATE
24-26 MARCH	<b>BUSINESS DEVELOPMENT VISIT TO SAN FRANCISCO</b>
	 BUSINESS MEETINGS
27-30 MARCH	<b>ACI WORLD CONGRESS 2014 - BERLIN</b>
	 FINANCIAL MARKETS - BOOTH
31 MARCH	<b>CITY WEEK - LONDON</b>
	 FINANCIAL SERVICES - BOOTH
9-10 APRIL	<b>BUSINESS DEVELOPMENT VISIT TO NEW YORK</b>
	SEMINARS ON PRIVATE EQUITY + RENMINBI
23-25 APRIL	<b>12<sup>TH</sup> INTERNATIONAL CIAF FORUM - MONACO</b>
	 PANEL ON INSURANCE
8 MAY	<b>FINANCIAL MISSION TO POLAND</b>
	 SEMINARS ON WEALTH + ASSET MANAGEMENT
13 MAY	<b>PRIVATE WEALTH BRAZIL FORUM - SÃO PAULO</b>
	 PANEL ON WEALTH MANAGEMENT + INSURANCE
15-16 MAY	<b>12<sup>TH</sup> INTERNATIONAL FIAP SEMINAR - CUSCO</b>
	 ASSET MANAGEMENT - BOOTH

20-22 MAY	<b>65<sup>TH</sup> FIABCI WORLD CONGRESS - LUXEMBOURG</b>
	 REAL ESTATE - BOOTH/SPEAKING SLOT
12 JUNE	<b>FAMILY OFFICE SYMPOSIUM IN PARTNERSHIP WITH BLOOMBERG - LUXEMBOURG</b>
	 CONFERENCE
26 JUNE	<b>IFN EUROPE FORUM - LUXEMBOURG</b>
	 ISLAMIC FINANCE - BOOTH + HALF DAY WORKSHOP
30-4 JULY	<b>FINANCIAL MISSION TO ASIA LED BY THE MINISTER OF FINANCE - BEIJING, SHANGHAI, SINGAPORE</b>
	SEMINARS ON WEALTH + ASSET MANAGEMENT
3-4 JULY	<b>ICT SPRING EUROPE - LUXEMBOURG</b>
	 ICT - BOOTH
9 JULY	<b>VIRTUAL CURRENCIES CONFERENCE - LUXEMBOURG</b>
	 CONFERENCE
3-4 SEPTEMBER	<b>19. HANDELSBLATT JAHESTAGUNG: BANKEN IM UMBRUCH - FRANKFURT</b>
	 FINANCIAL SERVICES - BOOTH/SPEAKING SLOT
18 SEPTEMBER	<b>7<sup>TH</sup> ART &amp; FINANCE CONFERENCE - LUXEMBOURG</b>
	 PANEL



29 SEPTEMBER	 REALITÄTEN UND HERAUSFORDERUNGEN DER FINANZPLÄTZE LUXEMBURG UND FRANKFURT IN PARTNERSHIP WITH BÖRSEN-ZEITUNG - FRANKFURT CONFERENCE
6-8 OCTOBER	 EXPO REAL – MUNICH SEMINAR ON REAL ESTATE
8 OCTOBER	 US ROADSHOW - NEW YORK SEMINAR ON RMB
26-28 OCTOBER	 BUSINESS DEVELOPMENT VISIT TO THE UAE BUSINESS MEETINGS
11 NOVEMBER	 FINANZPLATZ LUXEMBURG IN PARTNERSHIP WITH HANDELSBLATT - MUNICH CONFERENCE
11-12 NOVEMBER	 EUROPEAN CAPTIVE FORUM 2014 - LUXEMBOURG REINSURANCE - BOOTH
15 NOVEMBER	 FINANCE AVENUE 2014 - BRUSSELS WEALTH MANAGEMENT - BOOTH/SPEAKING SLOT
16-21 NOVEMBER	 FINANCIAL MISSION TO BRAZIL LED BY THE MINISTER OF FINANCE SÃO PAULO, RIO DE JANEIRO SEMINARS ON WEALTH + ASSET MANAGEMENT
1-3 DECEMBER	 21. THE WORLD ISLAMIC BANKING CONFERENCE BAHRAIN ISLAMIC FINANCE - BOOTH
2 DECEMBER	 FINANCIAL MISSION TO MILANO SEMINARS ON WEALTH + ASSET MANAGEMENT, INSURANCE

## PHOTO GALLERY



*LFF mission to Asia*  
Minister of Finance Pierre Gramegna





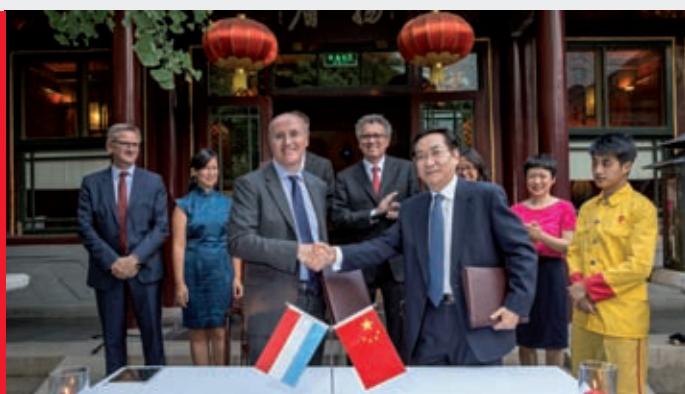
Asia mission



Brazil mission



Brazil mission



Asia mission



Brazil mission

## THE 1<sup>ST</sup> LUXEMBOURG RENMINBI FORUM

Held on February 26, the Luxembourg Renminbi Forum was the first major European conference on the internationalisation of the renminbi. It gathered more than 300 participants from around the world.

Panelists from Mainland China, Hong Kong, London, Paris, Frankfurt and Luxembourg elaborated on a number of aspects around the Chinese yuan. The conference started off with a speech by Luxembourg Minister of Finance Pierre Gramegna, who highlighted the development of the RMB from a trade to an investment currency and Luxembourg's role in this field. Following the introduction, China's economic outlook, the expected reforms and their impact on Europe were discussed by several experts from China. A main topic of the Forum was the role of European financial centres in the internationalisation of the renminbi. Panelists agreed that every financial centre can play out its strengths in internationalizing the Chinese currency.

Liquidity and RMB products were in the focus of the afternoon panels, where, Luxembourg, with its large fund industry, is an important driver especially in RMB product development



## ATTENDANCE STATISTICS

	Locals	Luxembourg delegation
MIPIM Cannes	84	43
Warsaw mission	120	26
Asia	472	87
Beijing	131	
Shanghai	128	
Singapore	213	
Börsen-Zeitung conference Frankfurt	117	28
Expo Real Munich	23	5
RMB conference New York	83	
Handelsblatt conference in Munich	72	13
Brazil mission	512	70
Sao Paulo	361	
Rio de Janeiro	151	
Milan mission	194	105

## SPREADING THE WORD

A comprehensive communication and press relation strategy was launched in the summer of 2014 with the overall goal of promoting Luxembourg as an attracting financial centre and raising the profile of a number of spokespeople. This was addressed through a series of activities with select media in the UK, Belgium, France and Germany as well as the monitoring and tracking of issues of interest to LFF.

The aim has been to build up a strong press relations network and to explain that the core strengths of the Luxembourg financial centre are its diversity, its international dimension, its capacity to innovate and its stability.

With the help of agencies, LFF developed a media relations programme whereby representatives of LFF, the fund association ALFI, the banking association ABBL and the insurance association ACA met senior journalists and opinion makers at key national and international publications in targeted countries. Some press meetings took place jointly, in order to offer a holistic view of the financial centre, or individually, especially when industry magazines were involved.

The agencies also undertook day-to-day press relations activities to engage with the local media on various announcements and events throughout the course of the project, and arranged several press trips of foreign journalists to Luxembourg to promote the country as a financial hub.

As part of LFF's on-going work, press meetings or press conferences were organised in the context of overseas financial missions, including in China, Singapore, Brazil and Italy.

Moreover, LFF partnered with key media to organise panel discussions on the Luxembourg financial centre. This approach was tested in Frankfurt and Munich last year and proved to be very successful, so that the aim is to replicate this format in other European countries.

## STATISTICS

Press meetings took place in the following countries: France, Belgium, Germany, UK, Italy, USA, China / Hong Kong, Japan, Sweden and Brazil.

Press delegation visits to Luxembourg:	3
LFF visits abroad that included press meetings:	17
International journalists that visited LFF offices:	40
Press conferences for LFF or stakeholders:	6
Background briefings and meetings:	85
TV interviews for LFF or stakeholders:	10

## LUXLEAKS

In November, the ICIJ consortium published the so-called LuxLeaks, focusing on tax rulings granted to multinational companies in Luxembourg. While LuxLeaks merely revealed a global practice and underlined the fact that the taxation of companies operating globally is indeed a complex matter, the fact that the leaks originated in Luxembourg gave the wrong impression that this is a specific Luxembourg issue. LuxLeaks thus caused significant media attention that impacted the perception of Luxembourg and its financial centre negatively, especially in the European press.

In terms of communication, towards the end of the year LFF resources were thus focused on dealing with the LuxLeaks issue, with a particular focus on explaining the practice of advanced tax decisions, which is a common feature of most national tax systems, and underlining the fact that the issue of the fair taxation of multinational companies can only be addressed as part of a concerted effort by the international community, where Luxembourg plays a positive and constructive role, notably in the BEPS initiative launched in 2013.



## PUBLICATIONS

The topics of LFF's Magazine, which is published quarterly, were chosen to support LFF events and to provide insights into key industry segments and growth areas identified in the financial sector.

In 2014, LFF Magazines covered:

- Private Equity
- Internationalisation of RMB
- E-payments
- Opportunities and challenges in the banking sector
- Innovation in regulation and first-mover advantage
- The PFS ecosystem
- Opportunities arising from the Alternative Investment Funds Managers Directive (AIFMD)
- Special magazine dedicated to Latin America - Luxembourg relations
- Special magazine dedicated to Asia - Luxembourg relations



In order to provide a broad picture of the respective sectors, several key actors in the respective industries were interviewed, while also focusing on a number of concrete case studies demonstrating the value added by Luxembourg.

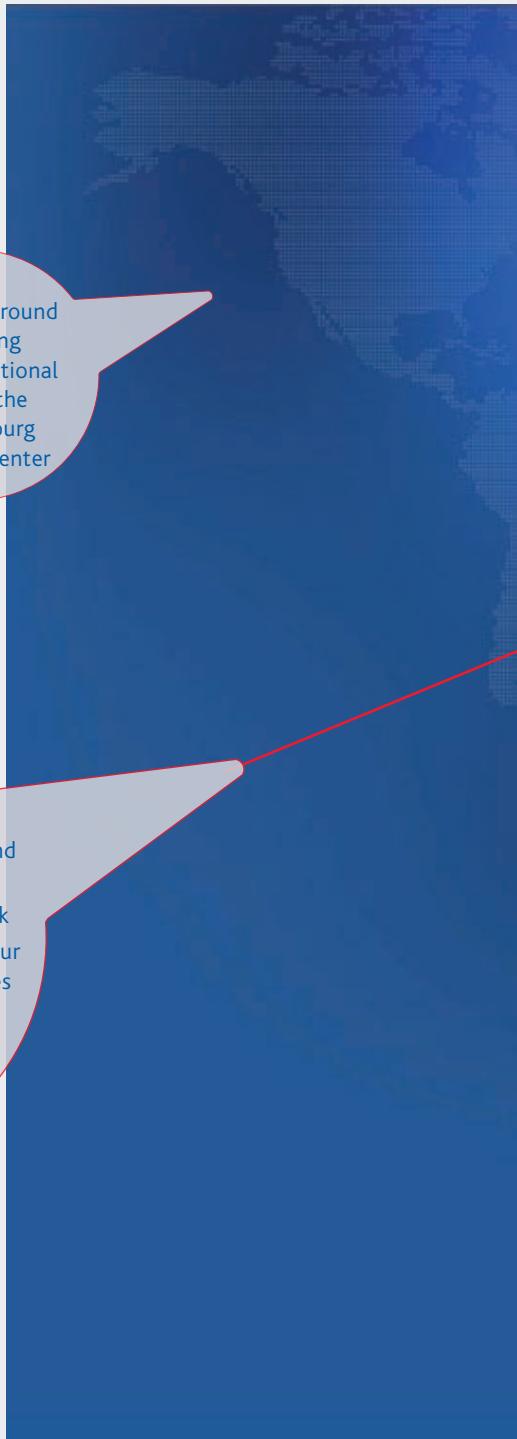
Country specific magazines published on the occasion of financial missions complement LFF's communication strategy in the various markets by providing information on the expertise Luxembourg can offer local actors.

Finally, LFF's general brochure provides a useful overview of Luxembourg's financial centre and its various pillars of activity. It is updated whenever necessary.



## NEW WEBSITE

As a central communication tool for the agency, the design of the Luxembourg for Finance website was revamped and improved in 2014 in order to convey key messages more efficiently. The new website enables LFF to make advantage of the latest technological developments.



New background reflecting the international vibe of the Luxembourg financial center

Rework of the design of the events and publications sections:

- Redesign for a more modern look
- Creation of picture galleries of our mission and conferences. Pictures can be downloaded, shared on social media and sent by email

General improvement of the design of the menu and key boxes to bring a modern look and feel and provide a more user-friendly web environment for visitors

The screenshot shows the homepage of LuxembourgforFinance. At the top, there is a navigation bar with links for EN, FR, DE, E-magazine subscription, Links, About Us, Contact, and a search icon. Below the navigation is the agency's logo and name. The main content area features several sections: a 'NEWS' section with a large image of Luxembourg's Grundtvig district; a 'FACTS & FIGURES' section with a link to 'RENMINBI BUSINESS LUXEMBOURG'; a 'Save the Date' section for 'THE LUXEMBOURG RENMINBI FORUM 2015' on Wednesday, 3 June 2015; an 'AGENDA' section listing events from 13 April to 04 May; a 'TWITTER FEED' section with tweets from various accounts; a 'FACEBOOK FEED' section with posts from LuxembourgForFinance; a 'DISCOVER OUR NEW VIDEO BLOG' section with a video thumbnail; and two links at the bottom: 'PUBLICATIONS' and 'E-MAGAZINE SUBSCRIPTION'.

Integration of a social media bar to facilitate the access to our social networks and a Twitter and Facebook feed to enable visitors to read the content in real time

Re-arrangement of key sections to give them more visibility (videos, events calendar, publications)

Make it easier to subscribe to our E-Magazine and news

## MONTHLY NEWSLETTER

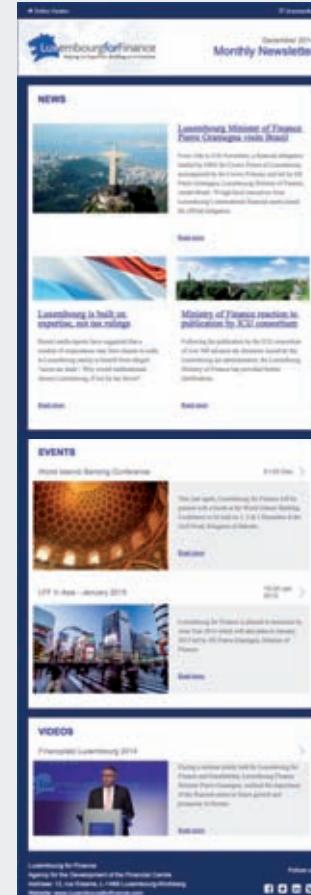
In October, LFF introduced its monthly electronic newsletter, informing LFF's global audience about latest developments in the Luxembourg financial centre. In order to make emailing campaigns more user-friendly, new emailing templates were produced.

## VIDEOS

LFF videos have become an important element of our communication activity and aim to support LFF's key messages, events and missions. Since 1 January 2014, LFF has produced 42 videos featuring leading experts from the Luxembourg financial centre, as well as speakers at LFF events and other key events in the financial centre. LFF also created videos for third-party associations.

As part of its general strategy, LFF launched a new flagship video "Be part of the future" to communicate the entrepreneurial spirit and international vibe of the Luxembourg Financial Centre. Featuring Luxembourg Prime Minister Xavier Bettel as well as a wide range of people from the financial sector, the video highlights the diversity of professionals that make up Luxembourg's DNA.

The video was widely watched with more than 4,850 plays so far. Subtitled versions in Chinese and Japanese were also produced to support promotion overseas.



## SOCIAL MEDIA

Social media have become a widespread and increasingly important communication platform, including in the financial sector. LFF is using social media to communicate efficiently and rapidly with its community, share general news about the Luxembourg financial center and tweet live during events and missions abroad.

However, some events require special communication efforts. During the Asia mission, communication activities had to be adapted to the specificities of the Asian market, which uses different social media platforms. Therefore, a Weibo account, the Chinese equivalent of Twitter, was set up with the help of the Luxembourg Embassy in Beijing, who managed the Chinese version.

| Follow Us |



## TWITTER - @LUXFINANCE

LFF was one of the first institutions in Luxembourg to be active on Twitter and today counts more than 2,400 followers (approximately 1400 in January 2014), among which are international journalists, financial companies and other financial experts.

LFF uses Twitter to actively share news about the financial center in a timely manner and live tweet exclusive quotes during events and missions abroad.

During events and missions abroad organized in 2014, LFF created specific hashtags for each mission to enable the audience of professionals and journalists to ask questions, join the conversation and enable those who didn't attend to get all the exclusive quotes: #LFFasia, #LFFBrazil, #LFFmilano.

## LINKEDIN

Created in 2009, by 2014 the LFF LinkedIn Group counted more than 9,160 high-level members and contributors from the financial sector. The aim of this group is to share the expertise of Luxembourg in international finance.

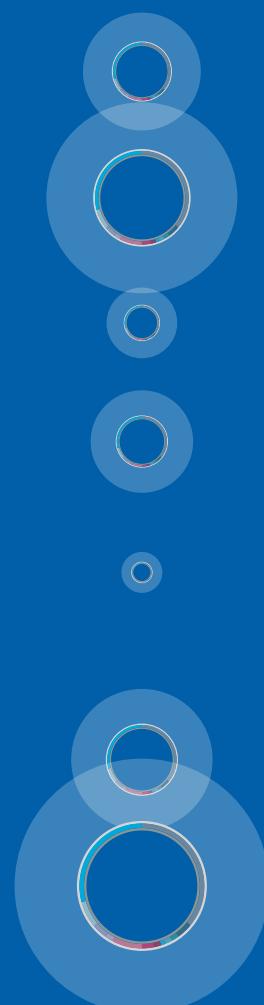
## FACEBOOK

Created in 2008, the LFF Facebook page counted more than 76,000 likes in 2014 and is used to share the international vibe.

## ADMINISTRATION

In order to reach a targeted audience, LFF's database is fed and kept up-to-date on a daily basis. Each contact is equipped with tags defining personal areas of interest.

IN 2014



**4 717** contacts have been added

**9 462** contacts have been updated

**2 035** new accounts have been created

**4 478** accounts have been updated

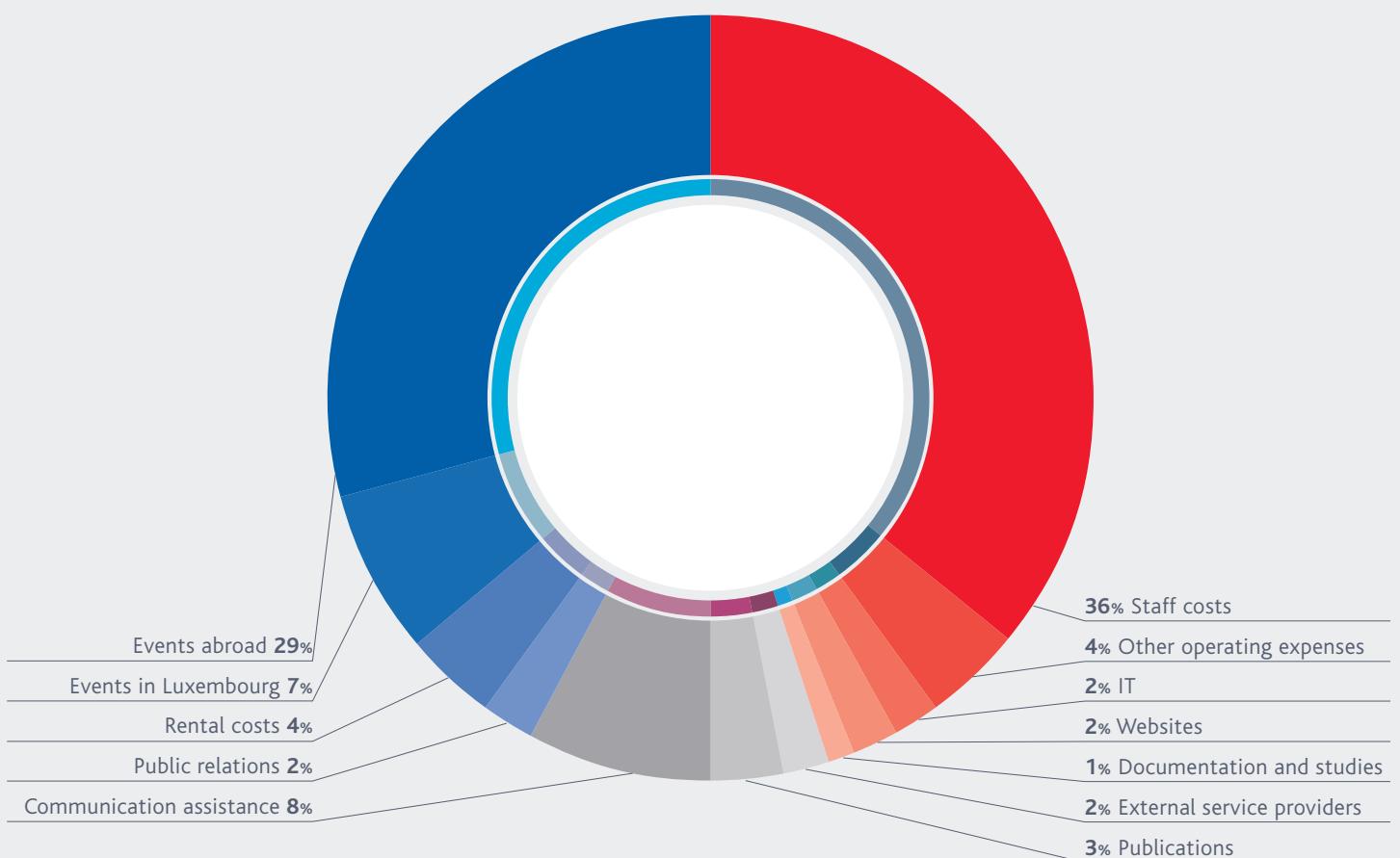
**955** people subscribed online to events

*As of 31 December 2014:*

**22 266** overall accounts

**44 149** overall contacts

## ANNUAL ACCOUNTS



EXPENSES 2014

Total EUR 3.635.096,21

# STAFF

F.L.T.R.:

**Ophélie Binet,**  
Communications Officer

**Frédéric Théate,**  
Market Intelligence Advisor

**Lynn Robbroeckx,**  
Communications Manager

**Elisabeth Adams,**  
Executive Assistant to the CEO

**Gilly Mathieson,**  
Communications Manager

**Nicolas Mackel,**  
CEO

**Nathalie Heinil,**  
Database Administrator  
and Administrative Assistant

**Benoît Cerfontaine,**  
Market Intelligence Advisor

**Caroline Hoeltgen,**  
Event Manager

**Sophie Henry,**  
Event Manager

**Eleanor de Rosmorduc,**  
Market Intelligence  
Senior Advisor

**Viviane Thiefels,**  
Assistant to the Management

*Photo on the right:  
Giovanna Bassani,  
Head of Administration*

## NEW STAFF

**Tom Theobald,**  
Deputy CEO

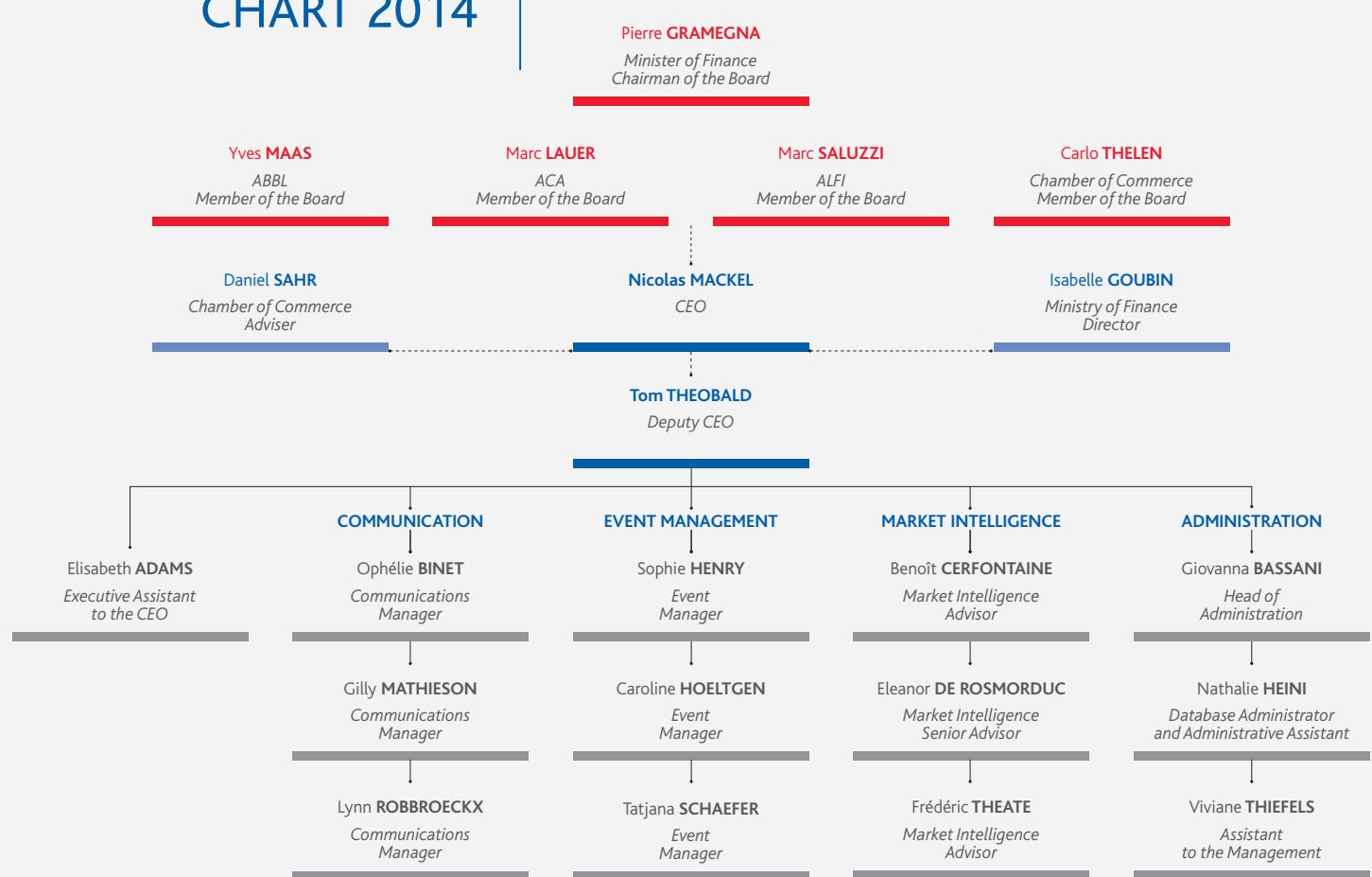
**Tatjana Schäfer,**  
Event Manager

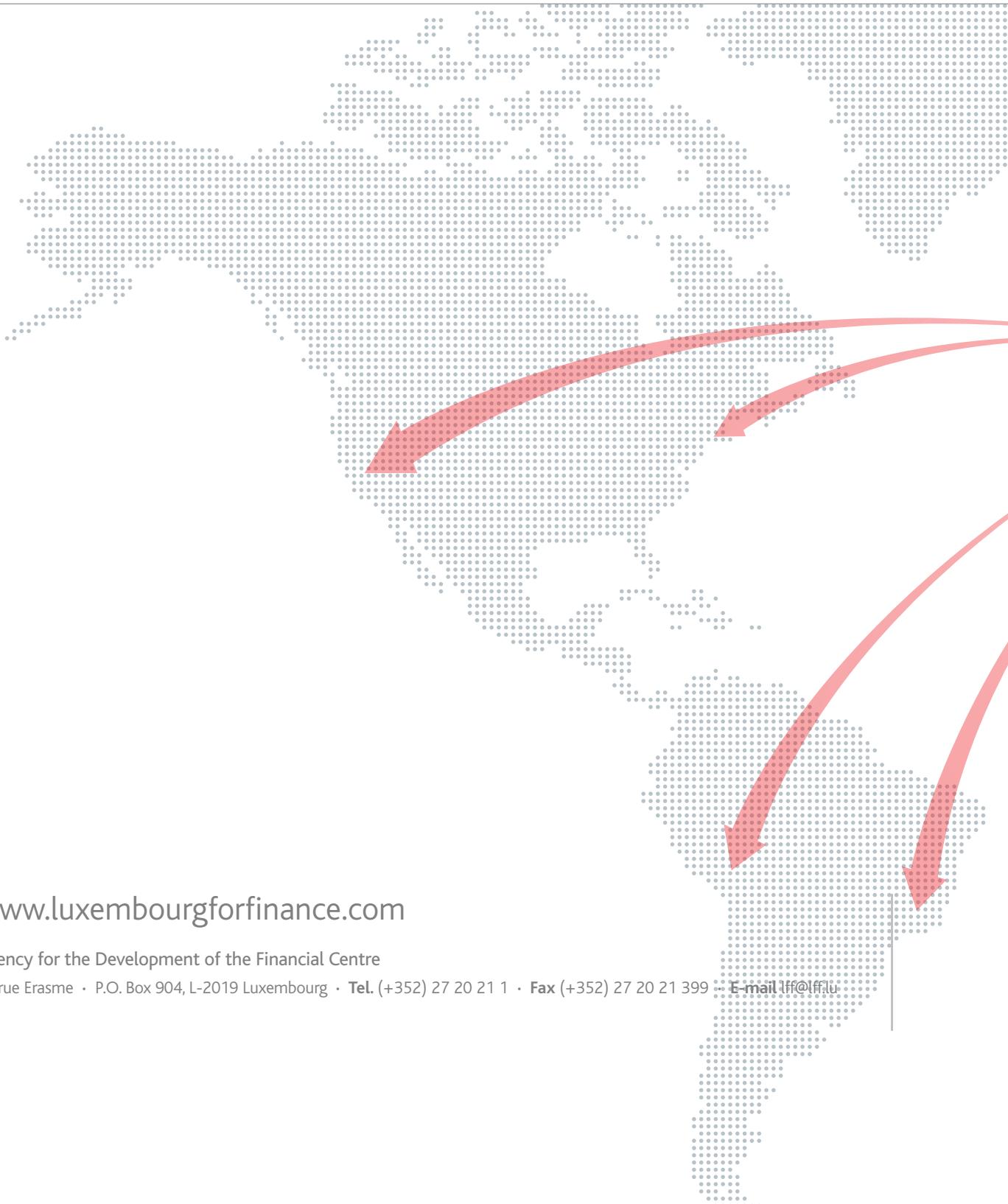


Luxembourg for Finance is a public-private partnership between the Luxembourg Government and the Luxembourg Financial Industry Federation (PROFIL), under the Presidency of the Minister of Finance Pierre Gramegna. The agency is jointly financed by these two bodies. PROFIL's members are:

- *Institute of Registered Auditors (IRE)*
- *Association of Chartered Accountants (OEC)*
- *Association of Professional Wealth Managers (ALPP)*
- *Association of Support PFS (APSFS)*
- *Association of the Luxembourg Fund Industry (ALFI)*
- *CETREL S.A.*
- *Chamber of Commerce Luxembourg*
- *Clearstream International S.A.*
- *Luxembourg Association of Insurance and Reinsurance Companies (ACA)*
- *Luxembourg Bar*
- *Luxembourg International Management Services Association (LIMSA)*
- *Luxembourg Private Equity and Venture Capital Association (LPEA)*
- *Luxembourg Stock Exchange*
- *The Luxembourg Bankers' Association (ABBL)*

## ORGANISATION CHART 2014





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

Agency for the Development of the Financial Centre

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