

## Headlines

### • De Larosière Group Recommendations

In November 2008, the European Commission set up an independent High Level Expert Group on financial supervision chaired by Jacques de Larosière.

The Group was requested to make proposals to strengthen European supervisory arrangements covering all financial sectors, with the objective to establish a more efficient, integrated and sustainable European system of supervision.

The participants examined the allocation of tasks and responsibilities between the national and European levels.

The Group presented its report to President Barroso and to the European Commission in view of the European Council of Spring 2009 (19-20 March). The Commission will on 4 March 2009 set out its view of the way forward. This contribution will also cover an initial process on the EU position for the G20 summit in London on 2 April 2009.

Please [click here](#) for the report.

### • CESR call for evidence on UCITS level 2 measures

Following a request from the European Commission, CESR, the Committee of European Securities Regulators published on 17 February 2009 a call for evidence on possible implementing measures concerning the future UCITS Directive. As the Directive imposes a strict deadline for adoption of certain so called level 2 measures (1 July 2010), the Commission feels it is important for CESR to start its work as soon as possible.

The request for assistance is split into three parts:

- part I: request for technical advice on the level 2 measures related to the management company passport;
- part II: request for technical advice on the level 2 measures related to key investor information;
- part III: request for technical advice on the level 2 measures related to fund mergers, master-feeder structures and the notification procedure.

CESR has been asked to deliver its advice on these issues by 30 October 2009. CESR invites all interested parties to submit their views on what CESR should consider in its advice to the Commission. All contributions can be submitted online via CESR's website ([www.cesr.eu](http://www.cesr.eu)) under the heading 'Consultations' by 31 March 2009.

Please [click here](#) for the call for evidence.

## Headlines (cont.)

### • **CESR updates its Q&A on the Prospectus Directive**

CESR has published an updated version of its document entitled “Frequently asked questions regarding Prospectuses: Common positions agreed by CESR Members”

This document provides market participants with responses in a quick and efficient manner, to ‘everyday’ questions which are commonly posed to the CESR secretariat or CESR Members in relation to issues with regard to the Prospectus Directive (2003/71/EC) and the European Commission’s Regulation on Prospectuses (EC 809/2004).

Please [click here](#) for the full updated document.

### • **Valuation of money market funds**

ALFI has been seeking guidance from the CSSF concerning the use of amortised cost as a valuation basis primarily for open-ended money market funds domiciled in Luxembourg.

Please [click here](#) for a memo highlighting the recommendations in case the Board of Directors of Management companies and Investment Companies wish to apply this method.

### • **CESR statement on the Madoff affair**

On 4 February, CESR published a statement providing information for investors affected by the Madoff collapse, highlighting potential actions they can take, or that can possibly be taken on their behalf. The document details how investors can initiate claims against Bernard L. Madoff Investment Securities LLC for monies or securities owed.

CESR also calls on investment firms to communicate effectively with their clients and gives guidance to investors who may be indirectly affected by the affair.

CESR further intends to foster “regular contact between its members (EU securities regulators), to establish the extent of potential losses of European investors, to coordinate the Members’ actions and to ensure a coordinated dialogue with the SEC”.

Please [click here](#) for the statement.

## Headlines (cont.)

### • Latest CSSF press releases on the Madoff affair

Since 3 February 2009, Luxembourg's financial regulator the CSSF has published five press releases related to the Madoff fraud case. On 3 February the CSSF announced that the LUXALPHA SICAV was to be withdrawn from the official list and an application for its judicial winding-up was to be made ([click here](#) for the press release).

On 6 February, the CSSF announced that it had met with UBS to discuss two Luxembourg funds which had been hit by the Madoff scandal and agreed to cooperate to determine the relevant facts and define the way forward ([click here](#)). A second press release was published on the same day stating that UBS had been sent the results of the CSSF's enquiry into the responsibilities of UBS as a depository ([click here](#)). On 11 February the CSSF announced the withdrawal and winding up of the SICAV HERALD (LUX) ([click here](#)).

Finally, on 25 February the CSSF announced that it had taken a decision with regard to the role of UBS Luxembourg as depository bank of the fund LUXALPHA SICAV ([click here](#)).

### • European Commission call for evidence on Investor Compensation Schemes Directive

The European Commission launched on 9 February a call for evidence on the review of the application of the Investor Compensation Schemes Directive (Directive 1997/9/EC). This Directive aims to protect investors against the risk of losses in the event of an investment firm's inability to repay money or return assets held on behalf of their clients. The Commission now wishes to gather information about the application of the Directive. All interested stakeholders, in particular businesses, investors and consumers, and public authorities are invited to participate. The closing date for replies is 8 April 2009.

This call for evidence focuses on the following issues:

- the scope of the Directive in terms of services covered, also in the light of the implementation of MiFID (Directive 2004/39/EC);
- the amount of compensation;
- the funding of the compensation schemes which represents a crucial part of the functioning of the mechanism;
- technical aspects which may hamper the functioning of the scheme.

Please [click here](#) for the full consultation document.

## Headlines (cont.)

- **Double Tax Treaty between Luxembourg and Hong Kong**

Following its adoption in the Luxembourg parliament on 10 December 2008, the new double tax convention concluded with the Hong Kong Special Administrative Region came into effect on 20 January 2009.

In the Hong Kong Special Administrative Region, the convention is applicable for taxes due in fiscal years beginning on 1 April 2008 or later.

In Luxembourg, the convention is applicable:

For withholding taxes on income attributed on or after 1 January 2008;

For other income taxes and property taxes due for every fiscal year beginning on 1 January 2008 or later.

Please [click here](#) to go to the document (in French) as published in the Memorial A – N° 202 of 24 December 2008, page 3084.

- **Luxembourg Real Estate Investment Vehicles (LuxembourgforFinance Brochure)**

Luxembourg for Finance (LFF) and the Association of the Luxembourg Fund Industry (ALFI) have jointly prepared an update of the brochure on Luxembourg Real Estate Investment Vehicles. This brochure, dated February 2009, provides general background information on the legal and tax aspects of unregulated and regulated real estate vehicles domiciled in the Grand Duchy of Luxembourg.

Please [click here](#) for the full document.

- **Conference: Islamic finance and funds in Luxembourg: Opportunities and Challenges**

On 5 & 6 May, IFBL, the Luxembourg Banking Training Institute is organising a conference on Islamic finance in collaboration with ALFI and with the support of the Luxembourg Ministry of Finance.

The Luxembourg financial centre is positioning itself as a domicile of choice for Islamic finance and, in particular, Shariah-compliant funds. A steadily growing community of professionals is actively collaborating to develop a world class service in a stable and well regulated environment. This conference, with a focus on Luxembourg as a jurisdiction, is an ideal opportunity for anybody wishing to become familiar with Islamic finance or to network with practitioners and experts in the field.

Further information is available on the IFBL website ([www.ifbl.lu](http://www.ifbl.lu)).

## Recent events review.

- **23 February - CESR Conference: “Preparing for the future: where to now for regulation in the field of securities?”**

ALFI was represented at this high level event in Paris. The conference sought to explore what regulatory changes securities supervisors may need to consider in the light of recent events. Debate focused on an analysis of what more needs to be done to create an integrated Single Market which addresses the needs of retail investors in the investment fund sector.

## ALFI Upcoming Events

- **17 & 18 March – ALFI Spring Conference**

Please [click here](#) to register and appear in the registered list of participants in the event brochure. Some exhibition spaces still available, [click here](#) for details.

Please [click here](#) for the programme and other details.

*Highlights of the programme include:* Fund industry post credit crunch; Shaping the future of regulation; Safety of Assets – a view from the sell side; Implementing UCITS IV.

- **14 & 15 May – ALFI Roadshow USA**

The ALFI roadshow will visit New York and Boston this year. These events are open for sponsorship. Details will soon be available. For queries contact [events@alfi.lu](mailto:events@alfi.lu).

## ALFI Upcoming Events (cont.)

### • **22 & 23 September – ALFI-NICSA Conference**

This conference will take place at the new conference centre in Luxembourg-Kirchberg. It will be preceded, on 21 September, by the now-traditional ALFI golf tournament.

For ALFI's 2009 events agenda, [click here](#).

## LuxembourgforFinance Events

### • **30 March – Roadshow to Hamburg**

Please [click here](#) for the invitation. Potential participants should complete the input form ([click here](#)). For further information and registration, please contact

Ms Bettina Milewski (Tel: +352 27 20 21 1; fax: +352 27 20 21 399; [Bettina.milewski@lff.lu](mailto:Bettina.milewski@lff.lu)).

### • **17 – 20 May – Roadshow to Vienna, Warsaw and Prague**

Please [click here](#) for the invitation. Potential participants should complete the input form ([click here](#)).

For further information and registration, please contact Violaine Mathurin, (Fax: +352 27 20 21 399, e-mail: [violaine.mathurin@lff.lu](mailto:violaine.mathurin@lff.lu))

For LFF's 2009 events agenda, [click here](#).

### Impressum

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