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Welcome!

Dear readers,

This month, Turkish Minister for EU Affairs Egemen Bağış paid an official visit to Luxembourg. The visit was yet another manifestation of the excellent quality of our bilateral relations, as stressed by Jean Asselborn, Deputy Prime Minister and Minister of Foreign Affairs. Mr Asselborn took this opportunity to renew Luxembourg's full support for Turkey's EU candidacy and reform process.

Luxembourg financial centre has improved its standing in the Global Financial Centres Index 2013. Luxembourg has always offered both flexibility and safety to investors. In light of recent international developments, the government decided to introduce the automatic exchange of information for all interest payments made by Luxembourg financial operators to individuals residing in another EU Member State. The new implementation will be an additional strength for Luxembourg financial centre. You will find more on these in our newsletter.

In this issue, we decided to give special focus to the investment funds since the financial centre is a prime asset of the country's economy and collective investment management is a pillar of it. Today, Luxembourg is the world leader in the cross-border distribution of investment funds. 72% of investment funds distributed internationally are domiciled in Luxembourg. We would like Turkish investors to explore and benefit from the advantages that Luxembourg offers.

Enjoy our newsletter!

Please visit our website at: <http://ankara.mae.lu>

Contact us at: Ankara.amb@mae.etat.lu



NEWS



Minister Bağış visited Luxembourg

Turkish Minister for EU Affairs Egemen Bağış paid an official visit to Luxembourg on 11 April 2013. He was received by Jean Asselborn, Deputy Prime Minister and Minister of Foreign Affairs, Etienne Schneider, Minister of the Economy and Laurent Mosar, President of the Chamber. Mr Asselborn stressed the excellent quality of the bilateral relations, characterized by numerous bilateral meetings at every level. Both ministers expressed their willingness to strengthen existing political, economic, and cultural ties. Mr Asselborn recalled that the Grand Duchy fully supports Turkey's EU candidacy and called on Turkey to actively pursue the implementation of reforms that will enable it to fulfil the Copenhagen criteria for accession. For its part, Luxembourg will continue to facilitate the emission of long-stay and multiple-entry visas for certain categories of Turkish citizens, in particular business people, students and artists.



The two ministers also dwelt on Syria and the Middle East, Minister Asselborn praising the substantial efforts implemented by Turkey for hundreds of thousands of Syrian refugees and commending the normalisation of ties between Turkey and Israel, an "example" for the whole region.

Meeting organised with UTIKAD and working lunch with BALO



The meeting organised with UTIKAD at TOBB premises in Istanbul on 3 April brought prominent Turkish business people and a delegation from Luxembourg together. Following the opening remarks of the Ambassador and Turgut Erkeskin (Chairperson of UTIKAD), Jeannot Erpelding from Société de Promotion de l'Aéroport and Alain Krecke from Cluster for Logistics Luxembourg made presentations about logistics advantages offered by Luxembourg. UTIKAD Board and other members attended the meeting, where B2B opportunities were created with the representatives from CFL Cargo, Luxair Cargo, Cargolux, Transalliance Europe, Société de Promotion de l'Aéroport and Cluster for Logistics Luxembourg.



After the meeting, a working lunch was organised with BALO (Buyuk Anadolu Lojistik Organizasyonlar Inc). Ambassador Conzemius, Fernand Rippinger and Sven Mertes from CFL Cargo and Alain Krecke had the opportunity to meet with Hüseyin İsteermiş, Erkan Aksoy and Selda Yilmazoğlu from BALO, who had also attended the meeting at TOBB Plaza. Parties discussed ways to develop cooperation and BALO was invited to Luxembourg to visit the logistics facilities.

Luxembourg climbs the ladder in Global Financial Centres Index

The Luxembourg financial centre has improved its standing in the Global Financial Centres Index 2013 and now ranks 18th (up six places from 24th in 2012). Of the 79 financial centres analysed, it is considered to be one of the rare financial centres that will grow in importance in the near future, together with Singapore, Shanghai, Hong Kong, Seoul, Toronto and Sao Paulo. At the European level, Luxembourg ranks 5th, behind London, Zurich, Geneva and Frankfurt.

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Luxembourg: Automatic exchange of information as from 1 January 2015

The Luxembourg financial centre is a prime asset of the country's economy. Key factors of success are the dynamism of its actors, the diversity of its financial products, its international character as well as its regulatory framework which ensures the solidity of its financial operators and the compliance with international standards to fight money laundering, tax fraud and tax evasion, established by the European Union, the Organization for Economic Cooperation and Development (OECD), the Global Forum on transparency and exchange of information for tax purposes as well as the International Monetary Fund (IMF).

In light of recent international developments, such as FATCA and the failure of the Rubik agreement between Germany and Switzerland, as well as ten years after the adoption of the EU 2003 Savings Directive (2003/48/EC), time has come to revisit the transitional coexistence of automatic exchange of information and withholding tax. Whereas Luxembourg still considers the withholding tax to be a most effective instrument to ensure tax compliance and guarantee data protection, it also acknowledges that international developments point to a broader use of automatic exchange of information in tax matters.

The Government has therefore decided to introduce on 1 January 2015 and within the scope of the 2003 EU Savings Directive, the automatic exchange of information for all interest payments made by Luxembourg financial operators to individuals resident in another EU Member State, so as to ensure taxation according to the laws of the latter Member State while safeguarding protection of fiscally non relevant data.

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Luxembourg Government: European financial markets need strong international financial sectors

Luxembourg is convinced of the importance of the smooth and unhampered functioning of the single market, including for financial services, as well as of the necessity of sound public finances in order to foster prosperity and stability of the euro area as a whole. Luxembourg will therefore not adhere to policies that intend to renationalize elements of the single market, nor introduce criteria that are contrary to the spirit of the Treaties and detrimental to the economies. The spirit is and must remain European.

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Luxembourg 3rd country in the world for Foreign Direct Investments

The Grand Duchy is the world's 3rd most important country in terms of Foreign direct investments (FDI) after the Netherlands and the US, its stock of inward FDI reaching EUR 1,451 billion and its stock of outward FDI EUR 1,496 billion in 2010, according to the latest study of Statec, the National institute of statistics. Statec explains this large volume by the presence of Special purpose entities (SPE), which are focused on activities of transmission of non-residents' assets to other non-residents. These activities represent 94.1 % of Luxembourg FDI. The remaining 5.9 % (Amazon, ArcelorMittal, BGL BNP Paribas, Delphi Automotive, Dupont de Nemours, etc.) confirm the importance of international groups for the national economy.



Luxair CARGO

New Pharma & Healthcare Centre at Luxembourg airport

LuxairCARGO (LuxairGroup) inaugurated in March 2013 its new facilities at Findel airport (Luxembourg) dedicated to a leading-edge sector: the transport of medicines. The «Pharma & Healthcare Hub» covers an area of 3.000 m² and is made of two storage spaces with different temperatures. LuxairCARGO aims to process the goods in 6-10 minutes from their arrival at the airport to their storage, which would place the airport at a high competitive level. "We noticed that transport related to the health sector continues to grow, even during the crisis", Hjoerdis Stahl, executive vice-president of LuxairCARGO, declared. According to Minister of Health Mars di Bartolomeo, "the health sector, a pillar of solidarity, is also becoming an important drive of the economy".

LU-CIX The Smart Alternative

LU-CIX and IX Reach open up connectivity to major Internet exchanges

LU-CIX, Luxembourg's Commercial Internet Exchange, is moving a step forward in its evolution since its foundation in 2009, by launching the "Central European Peering Hub" concept and announcing international connectivity solutions provider, IX Reach, as its first partner connecting LU-CIX members to other European IXs through their respective reseller programmes.

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Business Portal Luxembourg – all you need in one place

The new online brochure on the Business Portal, available in French and English, presents all the information that you can find on the Business Portal on Guichet.lu. The Business Portal is the official website of the Luxembourg Government for businesses, employees and the self-employed. It also serves as a virtual, single point of contact which offers the possibility to complete administrative procedures and formalities online, whether you are a business manager, an employee or a self-employed worker. Please visit: <http://www.guichet.public.lu/entreprises/en/index.html>

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Luxembourg: a very multicultural country

61.2% of Luxembourg residents have an immigrant background, either directly or through their parents, according to the results of a study by Statec, the National institute of statistics, based on the 2011 census. People who were born outside of the country made up 40.1% of the population. The study also shows that 57% of residents had the Luxembourgish citizenship in February 2011. The 43% remaining are composed of 168 different nationalities, including Portuguese (16.1% of the total population), French (6.1%), Italians (3.5%), Belgians (3.3%), Germans (2.3%), Brits (1.1%), Dutch (0.8%), Spaniards (0.7%) and Poles (0.5%).



Luxembourg investment funds keep growing

The total net assets of Luxembourg's undertakings for collective investment and specialised investment funds have been continually increasing for the last six months, establishing a new record of EUR 2,468.070 billion on 28 February. Over the last twelve months, the growth has been 12.02%. "This shows investors' trust in Luxembourg funds and, more generally, Luxembourg financial centre, even in a grim European context", Marc Saluzzi, President of the Luxembourg association of investment funds (ALFI), stated.



SPECIAL FOCUS: INVESTMENT FUNDS



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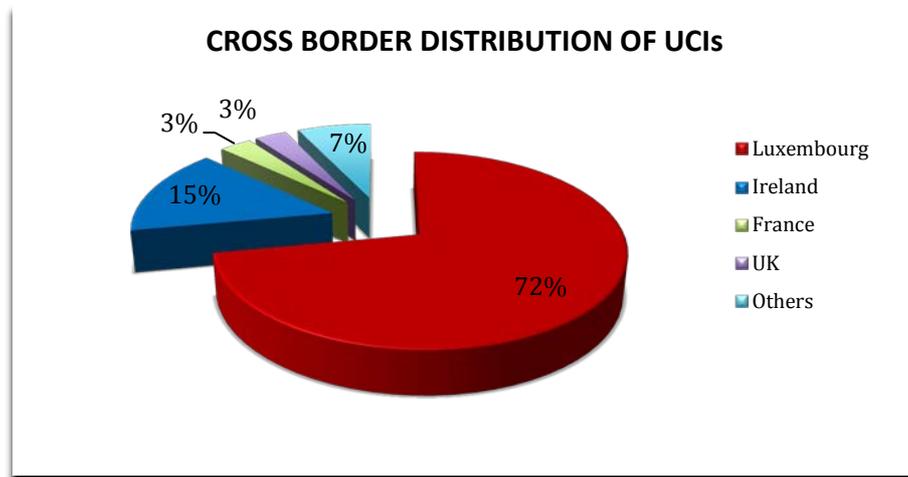
Collective investment management is a pillar of the Luxembourg financial centre. Luxembourg is today by far the largest domicile in the world for undertakings for collective investment in transferable securities (UCITS), a sector that has been developing since the mid-1980s. The UCITS label, which is granted to funds that comply with rules laid down in European directives on this subject, is recognised well beyond the frontiers of the European Community. The **“European passport”** granted to UCITS enables them to be sold cross-border into any EU Member State. Since Luxembourg was the first country to offer this passport, most of the large asset management companies chose Luxembourg as the platform from which to distribute their investment funds worldwide.

At the same time Luxembourg has developed a strong track record in alternative investment products and bespoke investment structures such as hedge funds and funds of hedge funds, private equity vehicles and real estate funds. In 2004 and 2007 respectively, Luxembourg created the Investment Company in Risk Capital (SICAR) and the Specialised Investment Fund (SIF) in anticipation of a changing regulatory environment for alternative investment funds. An Undertaking for Collective Investment (UCI) established under Part II of the Law of 2010 is an investment fund that does not invest in transferable securities.

Luxembourg is the world leader in the cross-border distribution of investment funds. 72% of investment funds distributed internationally are domiciled in Luxembourg.



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Alternative investment funds



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CONSULAR AFFAIRS



Visas for residents in Turkey

Visas for residents in Turkey are currently issued by the Embassy of Luxembourg in Ankara, in cooperation with the external service provider IKS located in Istanbul.

Applicants for a Schengen visa or residence permit in Luxembourg can directly contact the consular offices in Ankara or IKS in Istanbul (Tel: 0212 340 56 52) in order to fix an appointment.

Details regarding the application procedures can be found at:

<http://ankara.mae.lu/tr/VIZE-Konsolosluk-Hizmetleri/Tuerk-Vatandaslari-VIZE>

CULTURE



Luxembourg, truly good.

Luxembourg launches a new charm offensive. The objective of this international campaign focusing on Luxembourg's quality of life consists in promoting the brand image of the country and the Luxembourg business and investment environment through a set of advertising spots. These spots will run on international TV channels and will be accompanied with various print, web and event efforts. The first spot in Turkish can be viewed at: <http://www.youmake.tv/users/dt-ufa/watch?id=20922>



Open-air exhibition in Luxembourg: "Istanbul: The City of Light and Shadows"

Organised by the Turkey/Luxembourg Business Club (TLBC), an open-air exhibition of the world-renowned photographer Timurtaş Oran was opened on Guillaume Square/Luxembourg on 15 March. Inhabitants of Luxembourg will have an opportunity to experience Istanbul "up close" with the "Istanbul: The City of Light and Shadows" exhibition, which will last three and a half months until 26 June 2013.

TOURISM



Discover the capital city!

Capital of a small country, Luxembourg-city is nevertheless a lively and bustling town. A real cultural platform, it abounds in venues for artistic expression, such as museums, theatres and concert halls. The cultural program that makes up Luxembourg is made in the image of its city dwellers: multilingual, multicultural, creative and eclectic. The Old City of Luxembourg has long been part of the UNESCO World Heritage. High-tech buildings run alongside historic monuments reflecting a rich tapestry of urban experience. In short: Luxembourg is a modern city with deep roots. On top of this, one third of the surface of the city of Luxembourg is covered with beautifully landscaped green spaces.

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FUTURE EVENTS



ALFI Global Distribution Conference

The Annual ALFI (Association of the Luxembourg Fund Industry) Global Distribution Conference will take place in September 2013 in Luxembourg.

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Greater Region Business Days-2013, 12 and 13 June 2013

The GR Business Days is a professional trade fair dedicated to SMEs and innovative start-ups of the Greater Region and beyond. Especially in today's critical economic environment, this b2b meeting platform is a unique opportunity.

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ICT Spring in Luxembourg on 19 and 20 June 2013

ICT Spring is a 2 day event that brings together the latest ICT technologies and solutions available on the market. It will take place in Luxexpo in Luxembourg-city on 19 and 20 June 2013. The event will gather more than 3200 professionals from all over the world, including CEOs, CIOs, start-ups, e-marketers, tech decision-makers, VCs, economic and technology press, government, cities, etc. It represents a great opportunity to improve your international network, your brand awareness, be at the very heart of business trends and generate new leads.

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LINKS: For more information on business in Luxembourg, please visit:

Luxembourg for Business:
www.luxembourgforbusiness.lu/

Luxembourg for Finance:
www.luxembourgforfinance.lu/

Why Luxembourg?

www.luxembourgforfinance.lu/why-luxembourg