Cámara
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SFF spanish financial forum in Luxembourg

The Magazine of the Spanish Financial Forum in Luxembourg

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» Interview

José Luis Riera
CFO & COO
BEKA CREDIT S.L.

» Opinion

News on tax topics impacting the financial industry

» Meet the team

Arendt & Medernach SA

» Dossier

Spanish presence in the Luxembourg financial services industry

» Articles

» Luxembourg Life Insurance: A must-have for your LatAm HNW clients

» Flash News

Lastest news and events

New SFF Website

Find all the publications of the SFF Magazine in digital format

https://sff-camara.com

The first publication connecting professionals of the financial sector from Spain and Luxembourg

Editorial

The **SFF Magazine** reaches its seventh edition. Since its launch in April 2021, the official publication of the Spanish Financial Forum has served as a communication tool for the **more than 50 companies and 100 professionals** that are part of this committee. With almost a hundred specialized articles published, the Chamber continues working to position the SFF Magazine as a reference publication in the financial sector for bilateral relations between Spain and Luxembourg.

This issue is released at the same time as the **new website of the Spanish Financial Forum** is launched: https://sff-camara.com. With this new website, we offer our SFF members an additional **platform** that contributes to enhance their visibility in a professional environment and, ultimately, to generate business opportunities.

Among the features available on the website, the **new format of the SFF Magazine** stands out. A 100% digital format, which allows a better ranking of the contents in a digital framework, **boosting the publication's communication strategy**. The SFF Magazine thus becomes an interactive tool, in which readers can easily search for content of interest by subject area, authors and editions, among other criteria. It also facilitates access to contact information about the **authors of the publications**, which contributes to giving more visibility to the professionals involved in the SFF.

With this update, the Chamber continues its commitment to digitalization and continuous improvement of services to our members.

We invite you to visit the new website, and to discover all the utilities.

Best regards,
The team of the Official Spanish Chamber of Commerce in Belgium and Luxembourg

Read and share the
Digital version of the
SFF Magazine

Contents

About the **SFF**

The **Spanish Financial Forum in Luxembourg** (SFF) is a Committee of the **Official Spanish Chamber of Commerce in Belgium and Luxembourg.** It was launched in 2019 at the initiative of professionals linked to the Luxembourg financial services industry.

Through the SFF, the Chamber aims **to create both in Luxembourg and in Spain, a space for opinion and debate on economic and financial issues**, where professionals working in companies related to the provision of financial services can share experiences, establish collaborations, exchange information on sector trends and develop business opportunities.

Organizational structure

More than **50 companies and over 100 professionals** are involved in the SFF. Its organizational structure is composed of **a President and four coordinators** who lead respectively the following sub-sectors:

- Banking
- Asset Management
- Tax
- Insurance

Join the SFF

All financial services providers that are members of the Official Spanish Chamber of Commerce in Belgium and Luxembourg can apply for free to join the SFF.

Access **HERE** for more information about membership application and benefits offered by the Chamber to its members.

SFF Magazine

THE OFFICIAL PUBLICATION OF THE
SPANISH FINANCIAL FORUM IN LUXEMBOURG

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The SFF Magazine is a **quarterly and digital publication** addressed to financial professionals linked to the Spanish, Luxembourg and Latin American markets. It is published in **bilingual**, Spanish and English edition.

Most of the content is provided by SFF members and financial stakeholders. If you are interested in participating in the next future editions providing contents, do not hesitate to contact us by sending an email to publicacioneslux.ext@e-camara.com. The Chamber also offers the possibility of advertising and sponsoring contents.

MEET THE TEAM

Arendt & Medernach SA

One Arendt in a nutshell

The **Arendt group** is unique in Luxembourg as **we offer a combination of legal, regulatory, tax and business services support to our clients**. We bridge the gap between legal advice and its implementation by taking an integrated approach to solving our clients' business needs.

Arendt & Medernach is the **leading independent business law firm in Luxembourg**. We have an international team of more than 400 legal professionals and assist clients in all areas of Luxembourg business law, with representative offices in London, New York, Paris and Hong Kong.

We work hand in hand with **Arendt Services, our branch specialised in corporate and investor services**. Arendt Services offers a full range of services to asset managers, asset servicers and corporations for the setting up and management of their operations in Luxembourg. It specialises in services related to **business creation, accountancy, central administration and investment funds**, as well as the comprehensive management of tax returns and regulatory reporting. These activities are supported by a team of 185 employees. Arendt Services is certified as **Professional of the Financial Sector (PFS) practicing** under the supervision of the CSSF (Luxembourg's supervisory authority for the financial sector) and is authorised to act as central administration and transfer agent for regulated and non-regulated investment funds.

Our regulatory consulting expertise is driven by **Arendt Regulatory & Consulting** and is composed of experienced professionals with a strong background in regulatory and business consultancy. It offers a range of services from the classic regulatory consulting, working with funds, their asset managers and asset servicers on the practical implementation of rules and regulations, to topics such as risk management, fund distribution, fund governance and compliance of Luxembourg regulated entities, responding to the growing needs of clients for a practical, yet legally effective approach to regulatory change management and other regulatory issues.

Arendt has over **1,050 professionals** including lawyers, regulatory consultants, business advisors, tax, corporate and funds services experts. Our team comprises over **45 different nationalities** and more than **40 languages are spoken**, enabling us to offer comprehensive legal services to clients from diverse cultural backgrounds.

Our Spanish-speaking workforce

Leveraging the diversity of our workforce, we have established a **specialised team comprised of our over 50 Spanish-speaking professionals who have a deep understanding of the Spanish-speaking business and legal environment.**

Our team is dedicated to providing our Spanish-speaking clients with legal, regulatory and tax services that are tailored to their specific needs, ensuring that they receive the highest quality advice and assistance throughout all their business ventures. Our team members are spread across all practice areas and domains of expertise, allowing us to provide a full range of services to our Spanish-speaking clients.

Notably, we have **extensive experience in advising private equity and real estate asset managers**, retail (UCITS) fund managers, multinational companies, banking and finance, insurance companies, capital markets, and private wealth clients. In that context, we regularly assist Spanish asset managers, Spanish groups seeking to expand internationally and attract joint-venture partners, Spanish players wanting to list debt instruments on the market to re-finance their group entities, investment funds with a geographical focus in Spain and Latin America, banks and insurance companies with Luxembourg presence as well as high net worth individuals.

Further, Arendt is a member of several professional associations (ABBL, ALFI, LPEA, LuxCMA, CAA), which allows us to anticipate and relay the needs and expectations of our Spanish-speaking clients. By staying informed about the latest industry developments, we are better able to serve our clients. These associations also provide us with **a platform to advocate for the interests of our clients and to relay their concerns or feedback to other industry professionals or regulatory bodies.** Ultimately, being a member of these professional associations enables Arendt to stay at the forefront of the industry and better serve the needs of our Spanish-speaking clients.

Speaking the same language

We strongly believe that speaking the same language as our clients is crucial to building long-standing relationships and is a key part of our business strategy. Language is not just a means of communication, but it is also an important part of cultural identity and can shape the way people think and behave. **We communicate more effectively as we understand the cultural norms, values, and expectations of our clients.** By demonstrating our understanding of our clients' language and culture, we can establish ourselves as their trusted partners.

Meeting our clients in Spain and Latin America

We often participate in **roadshows in Spain and Latin America**, which provides us with an opportunity to meet with potential and existing clients face-to-face, as well as to better understand their business needs and objectives. By participating in these roadshows, we gain valuable insights into the Spanish-speaking market and are able to showcase our expertise.

Our team members organise and participate in various events, such as conferences/webinars and networking events, where we engage with clients and **share our knowledge and insights on relevant Luxembourg legal, regulatory and tax matters**.

Overall, by maintaining a strong presence in the Spanish-speaking market, we are well positioned to assist our clients to achieve their business objectives in Luxembourg and beyond.

Your key contacts

- Michèle Eisenhuth (Partner, Investment Management)
- Rodrigo Delcourt (Partner, Investment Management)
- Yves Philippart de Foy (Counsel, Tax Law)
- Tomás Jódar Cobo (Senior Associate, Finance & Capital Markets)
- Florent Denys (Counsel, Investment Management)
- Alexandre Gobert (Counsel, Corporate Law, Mergers & Acquisitions and Private Clients)
- Caroline Bresciano (Associate, Corporate Law, Mergers & Acquisitions, and Private Clients)
- Felipe Vargas Domínguez (Associate, Investment Management)
- Antoine Peter (Manager, Arendt Regulatory & Consulting)
- Daniel Hector Lorca (Senior Manager, Arendt Services)

Contact our team for more information: spain@arendt.com.

Opinion

News on tax topics impacting the financial industry

EU tax reforms: Storm ahead or just a drizzle?

Luis Muñoz
Tax Partner
DLA Piper

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The Organisation for Economic Co-Operation and Development ("**OECD**") and the G20 countries adopted in 2013 an action plan composed of 15 points to address base erosion and profit shifting (so-called "**BEPS**"), partly as a response to the 2008 financial crisis. This action plan was consolidated into the issuance of a report in 2015 and each action has been progressively transposed into the domestic legislation of each EU Member State mainly via the different iterations of the Anti-Tax Avoidance Directive ("**ATAD**").

Although ATAD heavily impacted Luxembourg's domestic fiscal legislation, the same cannot be said about the Luxembourg financial market. While the most defeatist voices predicted the doom of Luxembourg, the latter has continued to bloom in particular in the investment fund sector, which has further on grown to an all-time high of EUR 5.9 trillion assets under management as of 31 December 2022.

This text does not purpose to analyse those past initiatives, but rather to provide a sneak-peak into the main changes that are to come with a particular focus on those that may impact the Luxembourg market.

The Unshell ("**ATAD 3**") directive aims at providing tax authorities with the most suitable options to ensure that legal entities and legal structures in the EU without a substantial business presence will not benefit from tax advantages contained in double tax treaties or EU directives. This directive is probably the biggest headache of Luxembourg players at the moment, in particular of those in the domiciliation and corporate services sector. The consequences of not passing the different substance tests foreseen by the directive, the contents of said tests and the different carve-outs available are still being discussed at EU Council level, but considering the heavy role these actors play in the Luxembourg market, close monitoring of any developments in this regard is advised.

The directive implementing pillar 2 of the so-called BEPS Inclusive Framework ("**Pillar 2**") was unanimously adopted by EU Member States in 2022. Pillar 2 aims to reduce the scope for tax base erosion and profit shifting by ensuring that large multinationals with an annual turnover of at least EUR 750 million pay an effective minimum global corporate tax rate of 15%. In a nutshell, Pillar 2 imposes a tax surcharge if an in-scope company's effective tax rate on its covered income is less than 15%. While we would expect the largest multinationals (those exceeding the aforementioned revenue threshold) present in Luxembourg to be impacted at a global level by this initiative, most players in the investment fund space should be kept harmless thanks to the different carve-outs foreseen by the directive.

The Business in Europe: Framework for Income Taxation ("**BEFIT**") initiative aims at introducing a common set of rules for EU companies to calculate, based on a formula, their taxable base while ensuring a more effective allocation of profits between EU countries. It will also aim to reduce compliance costs and create a coherent approach to corporate taxation in the EU. The success of this initiative is being largely questioned, as it aims to be the replacement of the Common Consolidated Corporate Tax Base ("**CCCTB**"), with a lot of the weaknesses that condemned its existence.

The Debt-Equity Bias Reduction Allowance ("**DEBRA**") initiative aims at introducing an allowance for equity-financed new investments, to mitigate debt bias. The future of this initiative is also unclear; the examination of this proposal was suspended and will only be reassessed within a broader context only after proposals considered as more relevant by both the EU Council and the EU Commission have been put forward.

Lastly, the initiative on Securing the activity framework of enablers ("**SAFE**") aims to tackle the role of enablers involved in facilitating tax evasion and/or aggressive tax planning in the EU. SAFE will interact and build upon existing initiatives, notably the mandatory reporting regime of cross-border arrangements known as DAC 6, ATAD and the Anti-Money Laundering ("**AML**") Directive. The stakeholder consultation for SAFE resulted in almost unanimous negative feedback and its expected efficiency has become questionable since the Court of Justice of the European Union issued its Judgment of December 8, 2022 (case C-694/20), in which the DAC 6 obligation of lawyers to communicate reportable cross-border tax planning arrangements to other intermediaries was declared contrary to EU Law due to the legal professional secrecy.

In conclusion, a whole set of new rules, some with a brighter foreseeable future than others, are expected to hit the Luxembourg fiscal codes in the time to come. Whatever those might be, we would expect the Luxembourg financial market to navigate any changes with the same resilience and bravura it has historically shown.

AED AML-CFT communication:

NON-REGULATED FUNDS & AML-CFT OBLIGATIONS

Elisa Da Silva
Managing Director
DS Compliance SARL

View professional profile www

In order to follow-up previous communication done in October 2022: https://dscompliance.lu/communication-on-new-aml-cft-regulatory-requirements-applicable-to-all-non-regulated-aif-deadline-on-12-november-2022/

Please be aware that the Administration de l'Enregistrement et des Domaines (AED), i.e., VAT Authority, is the supervisory authority on AML/CFT purposes for non-regulated funds: RAIF, and other non-regulated vehicles (SCSp and SCS):

For the RAIF, communication in February 2023:

In order to comply with your regulatory obligations in compliance with the law of 12 November 2004 on the fight against money laundering and terrorist financing as amended (« AML Law »):

- You need to provide to AED a RC report in accordance with article 4(1) of the AML law provided by the "Responsable du contrôle" or "RC" of the RAIF on the activity of the RAIF for the financial year ending in 2022. Deadline: 31 May 2023.

Additionally, it means that you need to implement the following measures:

- Formalization of the appointment of the RR and a RC.
- Ensuring you have completed and transmitted the AML-CFT questionnaire.
- Designing an AML-CTF framework: AML-CTF Policy and procedures, risk assessment and risk appetite statement and due diligence measures.
- AML-CTF training as required by the legal framework.

More information and instructions can be found on the AED website under the following LINK

For all other non-regulated vehicles (SCSp and SCS):

Please be ready and comply with your AML-CFT obligations:

- Draft your RC report in accordance with article 4(1) of the AML provided by the "Responsable du contrôle" or "RC" of on the activity of the non-regulated vehicle, for the financial year ending in 2022.
- Formalization of the appointment of the RR and the RC.
- Completion and transmission the AML-CFT questionnaire.
- Designing your AML-CTF framework: AML-CTF Policy and procedures, risk assessment and risk appetite statement and due diligence measures.
- AML-CTF training as required by the legal framework.

NEXT EDITIONS OF THE SFF MAGAZINE

JUNE 2023

Dossier:
Finance and the European space industry

SEPTEMBER 2023

Dossier:
Trends in the fund industry: infrastructure and energy investments

DECEMBER 2023

Dossier:
Corporate governance and the best practices in the banking sector

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"Global trends in the financial sector"

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José Luis Riera
CFO & COO
BEKA CREDIT SL

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bekacredit

First of all, to introduce SFF Magazine readers to Beka Credit, what is it?

We are the private debt consulting division of Beka Finance specialized in providing alternative financing solutions to small and medium-sized companies. Our objective is to contribute to the growth of companies by offering structured financing solutions tailored to their needs, complementing the offer of financial institutions.

Beka Credit is Beka Finance's credit platform specialized in providing alternative financing solutions to European companies. Our objective is to contribute to the growth of companies by offering structured financing solutions tailored to their needs, complementing the offer of financial institutions.

Beka Credit's philosophy and credit management capabilities allow us to offer our investors an optimal risk-adjusted return.

Beka Credit is founded and managed by a team of professionals with a long experience in alternative debt management and domestic and international banking. The team includes a unique combination of vast expertise in credit management with a deep understanding of the dynamics and financial needs of companies.

Triana SME Leading is your first senior debt fund. What are the main features of this investment vehicle?

This vehicle invests in long-term loans for small and medium-sized Spanish, Portuguese and German companies, under the umbrella of the European Investment Fund guarantee programs. These long-term financing solutions are tailored to each company, taking into account its repayment capacity and the needs to fulfill its business plans. The average amount of each operation is €4.4Mn and the Fund can invest in operations with a minimum of €1Mn and a maximum amount of €10Mn.

The vehicle invests on a **multi-sector basis**, with the exception of those sectors excluded by the European Investment Fund.

What is its differential value in relation to other funds that at first sight may seem similar?

The structuring and credit analysis capabilities that Beka Credit makes available to this Fund are unique. These are **long-term financing operations for SMEs and medium-sized companies**, structured and analyzed by an investment team highly specialized in structured finance, providing the flexibility and benefits of injecting long-term financial support as an essential component for the fulfillment of the business and investment plans of the target companies.

The fund is registered in Luxembourg. What led you to make this decision?

Luxembourg has become an important European financial center that attracts international capital seeking alternative investment strategies. This large asset class benefits from a favorable regulatory environment in Luxembourg, including the **European passporting** mechanism, so that the Fund may be of interest to different investors domiciled in different EU countries. In this way we aim to make the Fund **multi-jurisdictional** both in its available resources, contributed by investors, and in its asset portfolio.

In general, how is alternative funding performing in Spain?

Alternative funding is a complement to bank loans, and its appropriate use by companies can and should have a positive impact, providing a diversified and specialized funding mix to meet the different needs of companies (short and long term, transactional, etc.).

In Spain, this type of funding represents a great opportunity for both investors and companies, since alternative funding still represents a very small percentage of the total funding available to companies. Financial innovation tends to be applied first to large companies, whose financing mix is much more balanced, with the share of investors and markets accounting for approximately 50% of their total financing. Small and medium-sized companies must also move towards this diversification, which will contribute to deconcentrate the stock of credit in the Spanish economy and make it more **diversified**. This will contribute to a better price structure in the market, and to a correct distribution of risk among the different players in the credit market.

How does Beka Credit face the challenge of sustainable finance?

We are very active in promoting sustainability from the credit investment side. This is a major issue for investors interested in alternative financing and we are including **ESG eligibility criteria**, tailored to each credit strategy, in the funds we advise.

In particular, the Triana Fund will have a specific **investment focus on sustainable companies, or companies with sustainability investment plans.**

What are the next projects that Beka Credit faces in the medium and long term?

We are designing new lending strategies to complement bank loans, both in the short and long term, which will provide optimized solutions for companies and attractive investment opportunities in terms of risk and return for investors.

In particular, the Triana Fund will have a specific investment focus on sustainable companies, or companies with sustainability investment plans.

Dossier

Spanish presence in the Luxembourg financial services industry

Luxembourg's financial center boomed in the 1970s, taking over from the steel industry as the driving force of the country's economy until then. The country's strategic location at the heart of Europe and its traditional openness towards cross-border integration established it very early on as a major **international financial centre.**

It currently **ranks sixth in Europe** in the ranking of the world's most important financial centers, according to "The Global Financial Centers Index 31" (March 2022 edition).

Luxembourg is proud to have a state-of-the-art legal and regulatory framework, to lead the way in investor protection and to have a highly experienced regulator. **Political, economic and social stability are the fundamental pillars** on which the country has managed to develop and consolidate an attractive and strategic ecosystem for the sector, achieving sustained growth over time. Private banking, insurance and investment fund management are the pillars of its financial services industry.

This dossier addresses the Spanish presence in Luxembourg with special attention to the private banking, insurance industry, investment fund distribution, professionals of the financial sector (FSPs) and capital markets areas.

Bilateral relations between Spain and Luxembourg are excellent and are mainly framed within the scope of the EU. In the context of the financial sector, t**he Spanish presence has increased progressively since the financial crisis of 2008**. However, this representation is still far behind other European members such as Germany, France, Ireland or Italy, or other countries such as Switzerland and the United Kingdom.

Spanish entities present in the Grand Duchy have different motivations, entry strategies and products. However, most of them share a common factor: they see Luxembourg as a way to grow and diversify their offer.

This dossier addresses the Spanish presence in Luxembourg with special attention to the private banking, insurance industry, investment fund distribution, professionals of the financial sector (PSF) and capital markets areas.

First, and in order to place ourselves in the current context of Luxembourg's financial center, the main figures for the sector as of December 31, 2022 are presented in the following table, with a yearly comparison that allows us to analyze the latest trends in the national ecosystem.

Luxembourg Financial Centre

Main figures regarding the financial centre

Data as of December 31, 2022. Source: CSSF

			Annual comparison
Banks	Number (31/01/2023)	120	- 3 entities
	Banlance sheet total (30/09/2022)	EUR 998.720 bn	+ EUR 77.283 bn
	Profit before provisions and taxes (30/09/2022)	EUR 4.705 bn	+ 829 m
Payment institutions	Number (31/01/2023)	17	+ 2 entities
Electronic money institutions	Number (31/01/2023)	11	+ 1 entity
UCIs	Number (31/01/2023)	Part I 2021 Law: 1,622	- 32 entities
		Part II 2021 Law: 229	- 5 entities
		SIFs: 1,297	-71 entities
		TOTAL: 3,148	- 108 entities
	Number (31/01/2023)	SICARs: 205	-13 entities
	Total net assets (31/12/2022)	EUR 5,028.456 bn	- EUR 831.029 bn
Authorised Investment Fund Managers	Number (31/01/2023)	301	-3 entities
	Balance sheet total (31/12/2022)	EUR 23.796 bn	- EUR 1.453 bn
Pension funds	Number (31/01/2023)	13	+ 1 entity
Authorised securitation undertakings	Number (31/01/2023)	29	+ 1 entity
Investment firms	Number (31/01/2023)	95 (7 branches)	no variation
	Balance sheet total (31/12/2022)	EUR 975.121 m	- EUR 109.879 m
	Provisional net profit (31/12/2022)	EUR 77.35 m	- EUR 46.75 m
Specialised PFS	Number (31/01/2023)	100	+ 2 entities
	Balance sheet total (31/12/2022)	EUR 6.238 bn	+ EUR 47 m
	Provisional net profit (31/12/2022)	EUR 255.233 m	+ EUR 161.123 m
Support PFS	Number (31/01/2023)	65	- 4 entities
	Balance sheet total (31/12/2022)	EUR 1.680 bn	+EUR 51 m
	Provisional net profit (31/12/2022)	EUR 89.9 m	EUR 19,5 m
Issuers of securities whose home Member State is Luxembourg pursuant to the Transparency Law	Number (31/01/2023)	421	-39 entities
Public oversight of the audit profession	Number (31/01/2023)	54 cabinets de révision agréés	+2 entities
		361 réviseurs d'entreprises agréés	+20 people
		21 third-country auditors and audit firms	+1 entity

Employment (31/01/2023)	Banks	26,012 people	+ 47 people
	Authorised Investment Fund Managers	6,940 people	+ 393 people
	Investment firms	1,958 people	+ 55 people
	Specialised PFS	6,856 people	+ 907 people
	Support PFS	8,704 people	- 907 people
	Payment institutions/electronic money institutions	809 people	- 907 people
	Total	**51,279 people**	**+ 1,283 people**

Private banking and wealth management

At the end of 2022, the banking sector in Luxembourg was composed of **120 credit institutions from a total of 27 different countries**. Among them, **4 are from Spain**, according to data provided by the Commission de Surveillance du Secteur Financier (CSSF).

The geographical diversity of the origin of banks established in Luxembourg is very representative of the international attractiveness of its financial sector. Although European banks have always had a significant influence on the evolution of the sector, the number of Chinese banks has almost tripled in recent years to 14 institutions. Luxembourg-based banks specialize mainly in private banking, life insurance and investment fund management. Only a small proportion of banks in Luxembourg are involved in retail banking for individuals. The banking sector has successfully adapted and diversified to respond to a growing demand for personalized management services and financial optimization.
In 2022, approximately 68% of private banking clients in Luxembourg came from other EU countries.

The banking sector in Luxembourg reached a balance sheet of €998 billion at the end of 2022, employing more than 26,000 professionals.

The **Luxembourg wealth management industry** is adapting to global trends, particularly in terms of the type of wealth: the client profile is now younger and more international, with an increasing percentage of **entrepreneurs or family businesses** that have passed on the business to the next generation. To serve this more versatile client profile, the industry is diversifying its services and adapting to a more innovative ecosystem. With its legislation, Luxembourg boasts a competitive advantage for the development of this industry. With more regulation and compliance requirements worldwide, Luxembourg is becoming an **operational center for wealth banking clients.** This target can receive personalized wealth management advice in Luxembourg, using investment vehicles that offer clients flexibility in their structure and organization, thus taking advantage of its consolidated financial sector and the commitment that Luxembourg has demonstrated in the development of such instruments. The private banking industry combines this new offering with its traditional fund and insurance services, with Luxembourg being a global platform for the distribution of investment funds and life insurance products.

The four Spanish banks operating in Luxembourg have developed their private banking and wealth banking divisions, opening up a range of solutions for both the banks and their clients.

Banca March, S.A., Luxembourg Branch

Constitution date: 31/05/2012
Group (CSSF): Branches of credit institutions originating from a Member State of the European Union and assimilated authorised in Luxembourg according to Article 30 of the Law of 5 April 1993

Banca March Luxembourg branch is supported by the Banca March balance sheet:

- Wealth Custody/Depositary in Luxembourg.
- Unique management for portfolios deposited in Spain and Luxembourg.
- Single point of contact for portfolios deposited in Spain and Luxembourg.

The relationship model involves a local manager, close to the customer, with access to Luxembourg specialists.
They have a wide range of products and services, from forex current accounts to the pledging of positions in Luxembourg or Unit Linked in Luxembourg. For portfolios deposited in Luxembourg, we offer the order receipt and transfer service for customers looking to make their own decisions. They operate at our own initiative, managing our customers' assets through securities, CIS and other products. They also offer value-added services, such as Discretionary Portfolio Management and Consultancy.

Source: https://www.bancamarch.es/es/asesoramiento/luxemburgo/

Bankinter Luxembourg S.A.

Constitution date: 14/05/2013
Group (CSSF): Banks authorised to carry on their activities pursuant to Article 2 of the Law of 5 April 1993 / Public limited companies under Luxembourg law (S.A.)

Bankinter, as part of its strategy to transform its private banking model towards a new model more oriented to asset management and specialized advice to clients, acquired the infrastructure and banking license of the Luxembourg subsidiary of the Dutch bank Van Lanschot in 2013. This Luxembourg transaction was part of the bank's strategic commitment to the high-net-worth client segment. The aim of this measure was to make Bankinter a leading reference in the market as a wealth manager and advisory services provider, and consequently to attract and retain more clients and more business.

From the Grand Duchy, they have been able to offer a global and clearly differentiated financial proposal to our high-net-worth clients, as well as having a much deeper perspective of the international financial markets. According to Héctor Esteban, CEO of Bankinter Luxembourg, "*Our intention is to continue to strengthen our presence with increased investments, specialized teams and a value proposition of the highest quality.*"

CaixaBank Wealth Management Luxembourg

Constitution date: 19/02/2020
Group (CSSF): Banks authorised to carry on their activities pursuant to Article 2 of the Law of 5 April 1993 / Public limited companies under Luxembourg law (S.A.)

Caixabank opened its private banking subsidiary in Luxembourg in 2020. Its CEO, Álvaro Hermida, was interviewed in the October 2021 issue of SFF Magazine. In this interview, he stated that " There is a global trend that leads investors to apply jurisdictional diversification in the country where they deposit their wealth. In this environment, our objective is to offer a solution to this need through proximity, i.e. to bring the bank that is in another country or jurisdiction closer to the customer's location, providing them with a banker who has a presence in Spain for their relationship with CaixaBank Wealth Management Luxembourg." Regarding the added value that its Luxembourg subsidiary brings to Caixabank's clients, he added: "Our value proposition is based on independent advice. We can say that we are the first bank in Luxembourg to declare itself with 100% independent advice, with all the advantages that this brings to the investor."

Thus, Caixabank Wealth Management aspires to consolidate its position as an alternative for investors when it comes to managing their wealth outside their country of origin, and to become a benchmark in independent advice in Luxembourg.

Allfunds Bank S.A.U., Luxembourg Branch

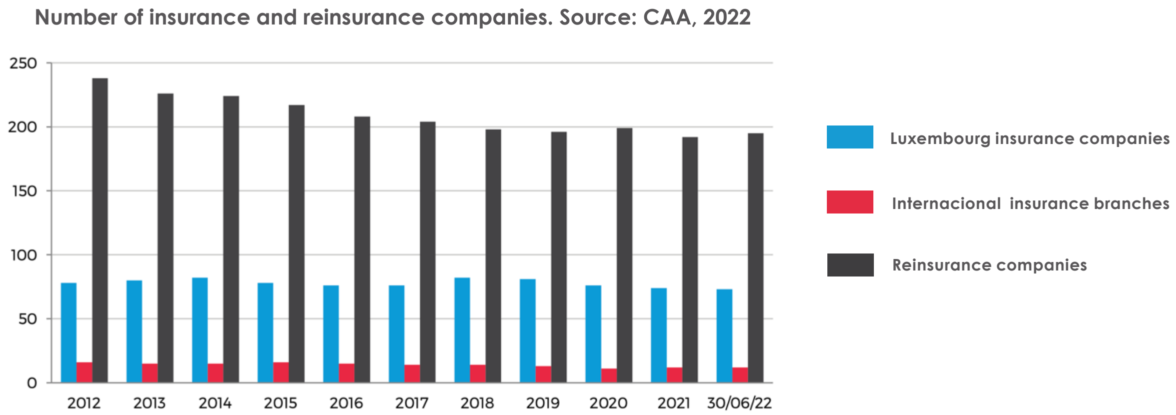
Constitution date: 15/12/2021
Group (CSSF): Branches of credit institutions originating from a Member State of the European Union and assimilated authorised in Luxembourg according to Article 30 of the Law of 5 April 1993

Allfunds Bank is an internationally focused financial technology company that provides efficient technologies to enable manufacturers of mutual funds to effectively distribute their products to fund distributors and their investor clients. It does so while managing the complex administrative burden of transacting mutual funds in a compliant manner and providing significant volumes of important regulatory and commercial management information to the parties involved. Created in 2000, Allfunds Bank now has more than €250 Billion assets under administration and offers close to 52,000 funds from 540 fund managers. Allfunds Bank International S.A. is present in Luxembourg since 2008 as PFS and from 2014 with a banking license fully regulated by the CSSF.

Insurance sector

Luxembourg leads the insurance industry in Europe, with **280 insurance and reinsurance companies established in the Grand Duchy** (data June 2022, CAA). Among the factors for success in this sector, its regulatory environment is particularly well adapted to market requirements along with the quality of supervision by the Commissariat aux Assurances (CAA), the public authority that regulates Luxembourg's insurance market.

Unlike some of its neighboring countries such as Switzerland, Luxembourg has a strong international orientation in this sector.



Freedom of Services (LPS) regime

The EU has been working since the early 1990s to create a Single Market for insurance. Thanks to the Freedom of Services (LPS) regime, any licensed insurance company established in an EU member country can benefit from a European passport that allows it to operate in all other EU countries without having to be physically established there.

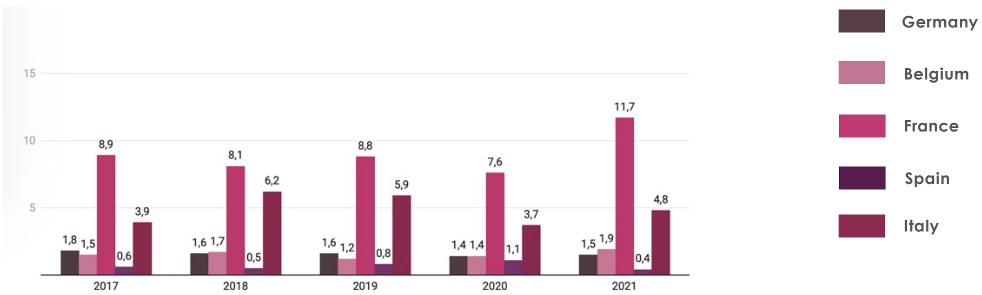
Luxembourg has been chosen by a large number of insurers as a gateway for the distribution of their products under the LPS regime throughout the European Union, which is a clear **proof of its competence in this field and its highly favorable framework**. Today, Freedom of Services regime represents the majority of the Luxembourg insurance market; more than 80% of insurance premiums in the Luxembourg market are written under this regime. Thus, Luxembourg life insurance companies offer solutions adapted to meet the problems arising from the mobility of European citizens and thus provide them with effective support when they change their country of residence.

Currently, **there is no subsidiary or branch of Spanish origin focused on life and non-life insurance in Luxembourg.**

However, **Spain is among the top 5 most relevant markets in the international life insurance business of Luxembourg-based insurance companies.**

In 2021, the 5 main markets of international life insurers represented 81% of the insurance products distributed in LPS. Over the last 5 years, the French market has remained the dominant market representing 45% of the global market in 2021. The main developments over the last 5 years are :

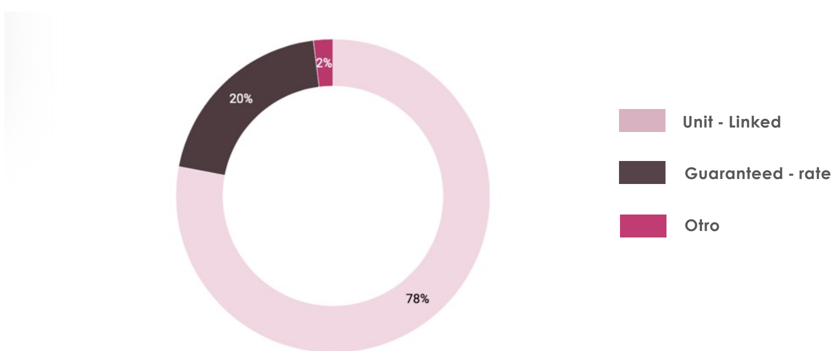
International Life Business Premiums €bn. Fuente: CAA, 2021



Despite a strong recovery of the Spanish market in 2020 (+48% to €1.1bn), we observe a sharp decline in 2021 with a drop of 62% to €0.4bn.

On the other hand, **unit-linked contracts** have seen their collection increase and now represent 78% of invested assets as of December 31, 2021.

Type of investment. Source: CAA, 2021



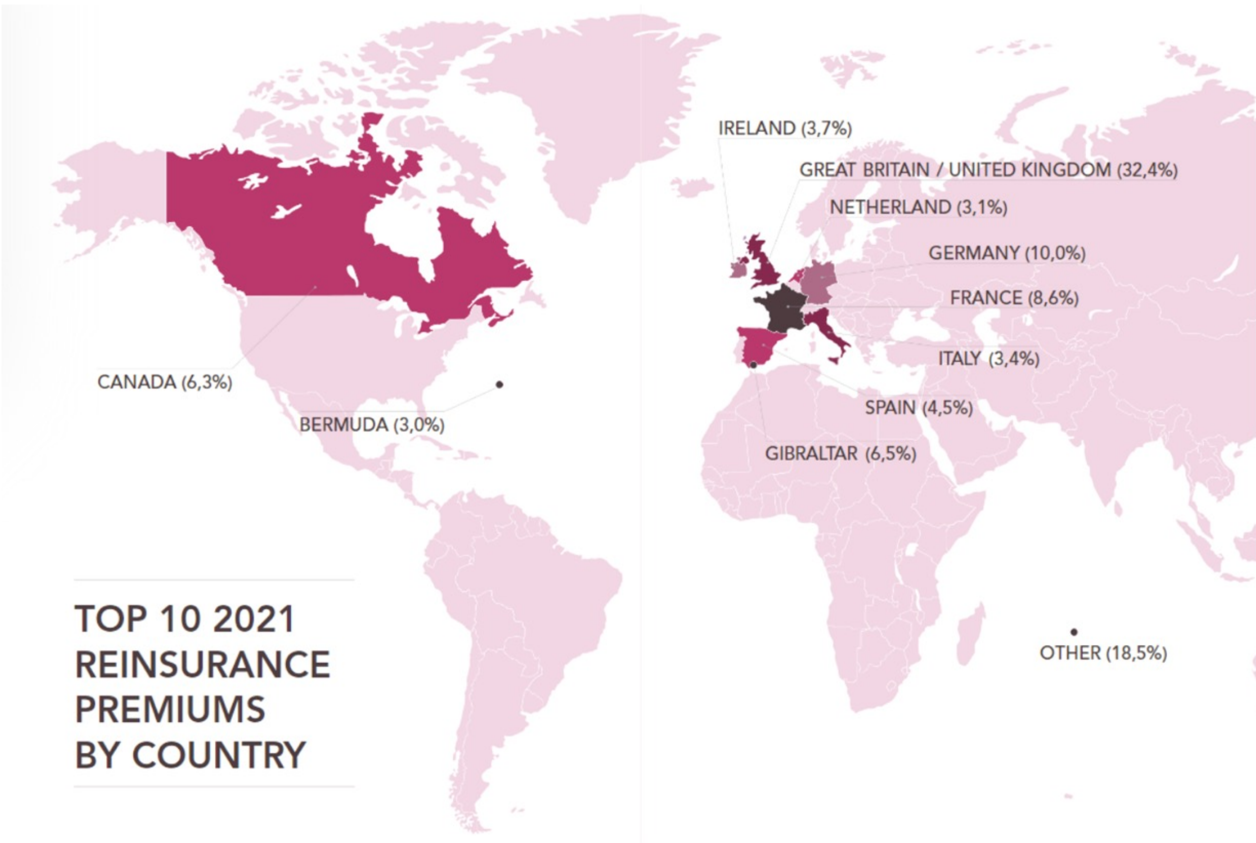
The opinion section of the July 2021 issue of SFF Magazine, focused on unit-linked life insurance as a wealth planning solution tool, talks about the benefits of this type of product.

Reinsurance captive business

Several Spanish companies (Telefónica, Repsol, Naturgy...) have captive insurance companies in Luxembourg.

Captive insurance companies are insurance companies established with the specific objective of **financing risks emanating from their parent group or groups,** but they often also insure risks of the group's customers as well. Using a captive insurer is a risk management technique, by which a business forms its own insurance company subsidiary to finance its retained losses in a formal structure.

A captive can present commercial, economic and fiscal advantages to their owners resulting from the reduction in risk management costs. This will enable a business to provide a cover more suited to their needs than policies available on the traditional insurance market or alternatively not available on the market whatsoever – essentially bespoke Risk Management. Couple with this the ability to build up and set reserves assists in risk transfer management.



Source: CAA, 2021

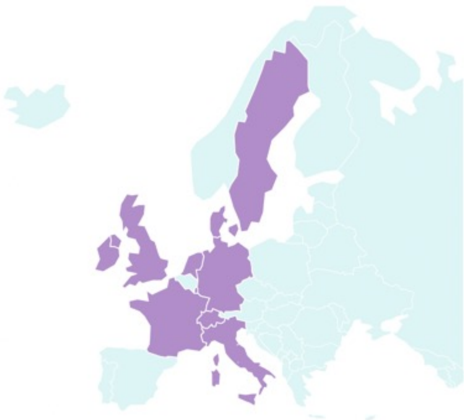
For more information on reinsurance captive companies in Luxembourg, we invite you to read the article published in the October 2021 issue of SFF Magazine.

Fund distribution

Luxembourg is **the largest investment fund centre in Europe and the second largest in the world** after the US. The country has created a modern and competitive legal and regulatory framework by rapidly adopting the European Directive on Undertakings for Collective Investment in Transferable Securities (UCITS I), which attributes a European passport to investment funds. It is the largest global distribution centre for investment funds, with its funds offered in more than 70 countries around the world, being the leader, for example, among Spanish asset managers in terms of cross-border fund distribution.

The 10 largest investment fund domiciles in Europe

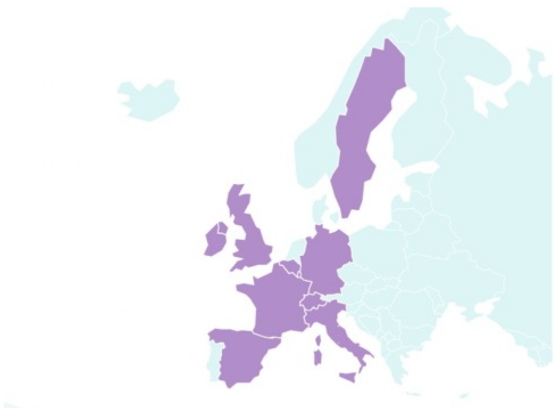
Source: EFAMA, ALFI. 2021



UCITS | UCITS and AIFs

Country	Total AuM (in bn)	Market share
Luxembourg	5,859,485	26.8%
Ireland	4,067,836	18.6%
Germany	2,912,611	13.3%
France	2,231,487	10.2%
United Kingdom	2,135,500	9.8%
Netherlands	1,036,099	4.7%
Switzerland	892,261	4.1%
Sweden	610,384	2.8%
Denmark	366,984	1.7%
Italy	358,333	1.6%
Others	1,427,882	6.5%

As at 31 December 2021



UCITS | UCITS and AIFs

Country	Total AuM (in EUR bn)	Market share
Luxembourg	4,924,510	35.5%
Ireland	3,095,760	22.3%
United Kingdom	1,538,679	11.1%
France	936,043	6.7%
Switzerland	718,377	5.2%
Sweden	579,783	4.2%
Germany	527,629	3.8%
Spain	303,961	2.2%
Italy	258,455	1.9%
Belgium	199,644	1.4%
Others	807,445	5.8%

As at 31 December 2021

The number of Spanish asset managers that choose Luxembourg as a favorable ecosystem for the asset management industry has increased significantly. This decision is motivated by different factors: from attracting a more international and often institutional type of client to having products that are more likely to be included in Spanish discretionary management or private banking portfolios.

According to Morningstar data compiled by Fundspeople, **the volume of Luxembourg-domiciled funds of Spanish management firms reached €15,363 million in February 2022**. This figure represents an additional 9.3% over the previous year, and although the percentage in relation to the total business of the domestic industry remains very low, it confirms a trend in this industry. Most of the funds registered in Luxembourg with a Spanish label are equity and mixed products.

Specifically, they account for 37% and 31% of the offer, respectively, followed by fixed income, which accounts for 23% (Fundspeople data, 2022).

The ranking of Spanish fund managers with the largest assets in Luxembourg is led by Santander, Arcano, Mapfre, Bankinter, Grupo Banca March, Caixabank and Andbank España.

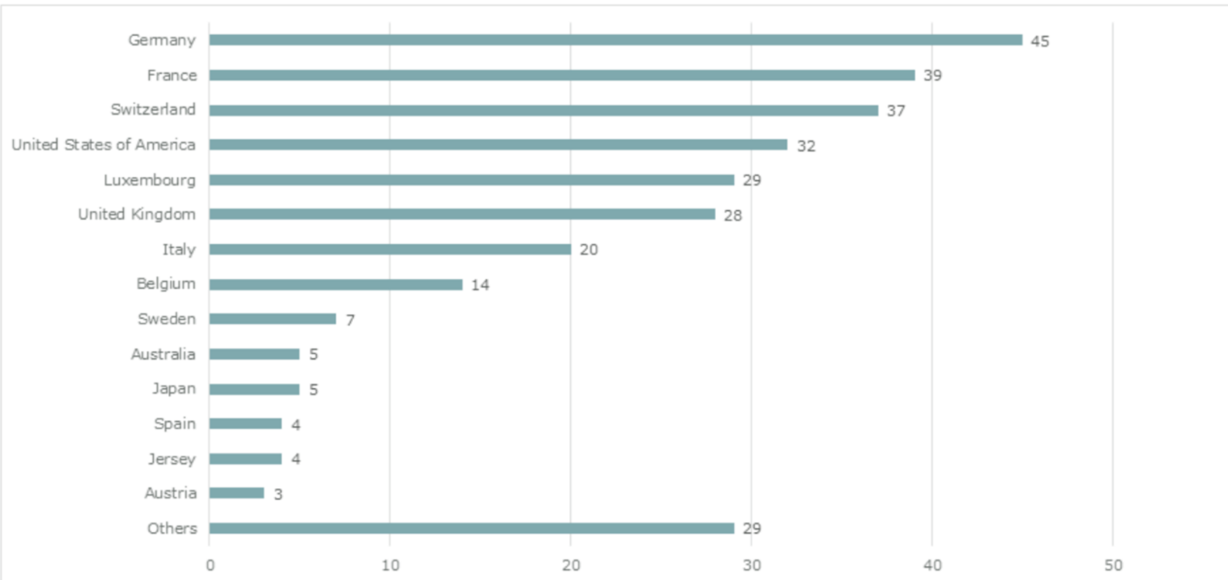
The number of Investment Fund Managers (IFM) authorized in Luxembourg in 2022 was 301, of which 4 are of Spanish origin.

According to the CSSF specifications, authorised investment fund managers (authorised IFMs) comprise the following types of fund managers:

- Management companies subject to Chapter 15 (CH15 ManCo) of the Law of 17 December 2010 relating to undertakings for collective investment (hereinafter 2010 Law);
- Authorised alternative investment fund managers (AIFMs) subject to the Law of 12 July 2013 on alternative investment fund managers (hereinafter 2013 Law).

Geographical origin of authorised IFMs

Source: CSSF. 2022



Santander Asset Management Luxembourg S.A.

Group (CSSF): Management companies whose authorisation exclusively covers the activity of collective management according to Article 101(2) of the law of 17 December 2010 relating to UCIs

In the October 2021 issue of SFF Magazine, Emilio Garcia de la Sierra, Business and Member of the Board of Directors of SAM Luxembourg and Global COO at Santander Asset Management Luxembourg, in the article " Luxembourg, the platform for access to global distribution", said: "*In the last three years, the asset management company's turnover in the Grand Duchy has practically quadrupled, from EUR 3,000 million at the end of 2018 to just over EUR 11,000 million today*". From the Luxembourg hub, Santander Asset Management exports global investment strategies, such as the Santander GO range (funds mandated to third parties with strategies such as US Equities, Global Equities or Flexible Fixed Income), the Santander Future Wealth fund (a fund that invests in megatrends) or systematic management products such as Santander MultiAsset Low Volatility. "*The figures reflect the good reception by investors, with close to EUR 4,000 million captured in the Santander GO range and more than EUR 1,000 million in the thematic Future Wealth fund*", added García de la Sierra.

More information: https://www.santanderassetmanagement.lu/

Renta 4 Luxembourg

Group (CSSF): Management companies whose authorisation exclusively covers the activity of collective management according to Article 101(2) of the law of 17 December 2010 relating to UCIs

More information: https://www.renta4.lu/

A&G Luxembourg AM S.A.

Group (CSSF): Alternative investment fund managers authorized / Alternative investment fund managers whose authorisation under Article 5 of the law of 12 July 2013 relating to AIFMs exclusively covers the activities referred to in Annex I of the aforementioned law

More information: https://www.renta4.lu/

Caixabank Asset Management Luxembourg S.A.

Grupo (CSSF): Management companies whose authorisation exclusively covers the activity of collective management according to Article 101(2) of the law of 17 December 2010 relating to UCIs

CaixaBank Asset Management operates in five locations: Madrid, Barcelona, Lisbon, Oporto and Luxembourg. Its mission is to offer investment vehicles in the different regions that provide solutions to the needs of investors in both the local and international markets. CaixaBank Asset Management Luxembourg, S.A., entirely owned by CaixaBank Asset Management, SGIIC, S.A., is the manager of two SICAVs registered in 2013 and one FCP registered in 1994: CaixaBank Global SICAV CaixaBank Wealth SICAV, and BPI Global Investment Fund (fonds commun de placement).

Both the SICAVs and the FCP are vehicles established in Luxembourg in accordance with the UCITS Directive and managed under delegation by CaixaBank Asset Management, which as the investment manager is empowered to take investment decisions in line with the investment policies contained in each of the respective prospectus of these vehicles and prevailing regulations. The three vehicles have an umbrella structure encompassing different compartments which offer different investment policies. Together they provide a full offer with a high volume of assets under management, while guaranteeing the flexibility to provide "tailored" investment solutions.

Source: article "MEET THE TEAM Caixabank Asset Management Luxembourg SA"

"*Both investors and asset managers based in Iberia are also becoming increasingly comfortable allocating their resources in Luxembourg. Such appeal for Luxembourg-registered funds in the Iberian market has been essentially underpinned by the wide and efficient network of legal, accounting and banking services; the country's strong economic and political stability; and the highly qualified financial workforce*", said Ignacio Nájera-Alesón Sáez, General Manager of Caixabank Asset Management Luxembourg, in the article published in the October 2021 issue of SFF Magazine.

More information: https://www.caixabankwealthmanagement.lu/

Professionals of the financial sector (PSF)

This denomination includes all professionals in the financial sector who, although they do not constitute credit institutions, **must be supervised by the CSSF due to the nature of their activities**.
These may be:

- Investment companies (investment advisors, securities agencies, commission agents, asset managers, etc).
- Specialized PSF (registration agents, professional custodians of financial instruments, operators of a regulated market authorized in Luxembourg, foreign exchange operators, etc.).
- Support PSF (customer communication agents, administrative agents in the financial sector, IT system operators, etc.).

This category of companies specialized in non-banking financial operations is growing in volume of business in Luxembourg, as outsourcing of functions within the financial sector is becoming more and more important.

Currently, we can find many PSF focused on the Spanish market. Likewise, the number of Spanish professionals present in this type of entities is increasing steadily.

Capital markets

Luxembourg was a pioneer in the **incorporation of sustainable finance into capital markets**. In 2007, the Luxembourg Stock Echange listed the world's first green bond which was issued by the European Investment Bank. Green bonds have their own platform since the launch of the Luxembourg Green Exchange (LGX) in 2016, dedicated exclusively to green, social and sustainable bonds. With more than 900 sustainable bonds totalling EUR 440 billion, LGX plays a crucial role in facilitating sustainable investment across the world. LGX is the world's leading platform for sustainable securities and helps reorient capital flows towards investment projects with positive social and environmental outcomes.

As of March 2022, **9 Spanish companies and entities** are using this platform to issue securities and social bonds:

- Iberdrola Finanzas, S.A.U
- Instituto de Crédito Oficial
- Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal
- Merlin Properties, SOCIMI, SA
- Caja Rural de Navarra Sociedad Cooperativa de Crédito
- Red Eléctrica Corporación, S.A.
- CBC Bottling Holdco, S.L.
- LAR España Real Estate SOCIMI, SA
- BELIV HOLDCO, S.L.

More information: https://www.luxse.com/search?dataType=issuers&lgxOnly=true&country=SPAIN

This dossier has presented the general context of Spain's current presence in the Luxembourg financial sector. Although, as mentioned at the beginning, Spain is not one of the European countries with the greatest presence in this financial market, its representation has been increasing progressively over the years due to the favorable framework that the country presents, and it is expected that this trend will continue over time.

But the Luxembourg market is not all advantages. Although many international players have opted for Luxembourg as a distribution hub, setting up in the country is no easy task. Adaptation and planning are required.

Another important factor to take into account is the dynamism of the Luxembourg labor market, a reality that makes it difficult to retain talent due to excessive staff turnover.

In short, organizations considering a presence in the Grand Duchy should analyze the potential benefits and strategic opportunities, such as approaching new clients, institutional audiences or international investors, while meeting the challenges of adaptation and planning in an ever-growing industry.

Articles

- Luxembourg Life Insurance: A must-have tool for your LatAm HNW clients

Pablo Pecina
Associate Director - Wealth Planning
Lombard International Assurance

View professional profile

Luxembourg Life Insurance: A must-have tool for your LatAm HNW clients

The ever-changing legal and tax environment in Latin America is forcing High Net Worth Individuals (HNWIs) to review their investment structures to remain compliant with new regulations. Savings insurance, private placement life insurance (PPLI) or unit-link life policies are proven instruments, internationally recognised, firmly embedded in the legal systems of Europe, North America and the vast majority of Latin American countries.

Carriers of various jurisdictions offer these solutions. But Luxembourg life insurance policies are particularly suitable for clients wishing to access a range of tailor-made solutions. Furthermore, Luxembourg life policies benefit from the Luxembourg "Triangle of Security" which protects policyholders' assets and ensures they can be recovered, under one of the most secure asset protection systems in the world.

Advisors around the world enjoy the open-architecture approach carriers have to these contracts. Policies can be adapted to meet the particular circumstances of the clients and to fulfil any legal and tax requirements of the countries where the client and his/her heirs live.

Colombia

After the implementation of international tax transparency rules in 2017, life insurance became an outstanding solution for Colombian tax-resident HNWIs, fully compliant with Colombian tax law for provision of Income Tax deferral and accumulation of income generated within the life policy until the policyholder decides to surrender from the life insurance contract.

Additionally at the end of 2018 the tax treatment of life insurance indemnities (including PPLI or unit-link life policies) was clarified. According to the newly created Article 303-1 of the Colombian Tax Code, life insurance indemnities – including the savings component – received by Colombian-resident beneficiaries shall be considered as "occasional gains".

Furthermore, with the increase in last year's tax reform of dividends and capital gains tax rates from 10% to 15%, taxation of savings and investments in general has experienced a significant increase. As a consequence, wealth planning solutions such as life insurance which defer Income Tax exposure and allow accumulation of unrealised gains have become even more attractive.

Last but not least, changes in the Colombian political landscape in the past few years have led Colombian HNWIs to re-asses how well their wealth is protected. Luxembourg life insurance protects clients against potential seizure of wealth by future creditors, including the State, in Colombia. Article 114 of the Luxembourg Law on the Insurance Contract clearly establishes that the right to partially or fully surrender a life policy is exclusively of the policyholder; and creditors cannot possibly force a policyholder to exercise it.

Mexico

With the Preferential Tax Regime Rules and the Tax Reform of 2020, Mexican resident clients may be taxed on an accrual basis on passive income generated by their offshore structures and/or the offshore structures themselves may be subject to Mexican tax. Additionally, holding offshore corporate structures (since 2016 regardless of the jurisdiction where they are based) involves some burdensome reporting obligations. In this context, life insurance solutions have become a secure and tax efficient planning tool for Mexican residents as the referred tax and disclosure rules do not apply to them.

Life insurance provides Mexican resident HNWIs with full tax deferral on the income accrued under the policy until partial or full surrender. Payments made upon the death of the client to beneficiaries are subject to Income Tax, but the life contract can be structured to address this specific point by insuring several lives and establishing post-mortem assignments or using holding structures.

Peru

Controlled Foreign Corporation Rules were implemented back in 2013 under which passive income generated by offshore holding vehicles is imputable to their Peruvian ultimate owners. Moreover, Peru continues building up a modern tax framework and expanding its network of countries with whom it automatically exchanges information under the Common Reporting Standard (CRS), with Bahamas joining last year and to send data collected since 2019.

International life insurance results in an increasingly interesting wealth planning solution which provides with the necessary substance required for tax efficiency and simplicity for wealthy Peruvian clients. The payment of the premium to the insurer is subject to 2.1% tax but income accrued under the policy is accumulated – not subject to tax in Peru – until partial or full surrender from the life policy.

Furthermore, the Peruvian tax authorities confirmed in April 2018 that payments made by foreign life insurance companies upon the death of the life assured to beneficiaries resident in Peru shall also be tax exempt. Similar to Colombia, the recent political changes and social instability in Peru have led HNWIs to consider wealth planning solutions to protect their wealth. As said above, Luxembourg life insurance is a tool which serves to protect the clients' wealth against potential seizure of wealth by future creditors and can prove to be very valuable to provide the peace-of-mind clients seek in this regard.

Brazil

Although initially included in the Brazilian Tax Reform Bill currently in the making, the introduction of anti-deferral rules for wealth held by Brazilian individuals through offshore entities and trusts was finally abandoned in July 2021. Yet for those of your Brazilian resident clients having their wealth structured through private investment offshore companies, life insurance will always remain an interesting wealth planning vehicle providing tax deferral until partial or total withdrawals are made and this very likely even if CFC Rules for individuals are introduced in the future.

In June 2022 the Brazilian Supreme Court established a period of 12 months in which the National Congress will have to issue a Complementary Law regulating how states might tax inheritance and gifts of wealth held abroad. Nevertheless, even if in the future some States finally establish wealth abroad is also subject to Inheritance and Gift Tax, payments made out of life insurance policies to Brazilian-resident beneficiaries upon death will most likely remain tax exempt. This is thanks to some autonomous legal provisions regarding life insurance which would in principle not be affected by the reform.

Moreover, life insurance proceeds are kept out of the probate procedure ensuring that beneficiaries appointed under the contract have quick access to liquidity without need to wait the end of the probate procedure which can take very long in Brazil in some instances.

Other Latin American countries

Luxembourg carriers are often flexible to adapt their insurance contracts to meet the requirements of most other countries in the region, with just some few exceptions.

Some examples are Panama, Venezuela or Ecuador where, if properly designed, life insurance provides with an integrated wealth planning solution which offers full tax deferral on the income accrued under the life policy until it is partially or fully surrendered. At the same time the contract allows for flexible succession planning options and does not give rise in most cases to any reporting obligation for policyholder individuals. Additionally, in many jurisdictions, proceeds of life insurance paid to beneficiaries upon the policyholder's death are Income and/or Inheritance Tax exempt.

Portability and international families

Taking into account that under current globalization families are becoming more and more international, life insurance is also an outstanding option for those who consider relocation as a possibility or whose family members spread across multiple jurisdictions.
Life insurance solutions, if properly structured, allow the maintenance of the tax benefits across different jurisdictions.
These are examples of destination countries which work well for Latin American clients:

Spain
In Spain life insurance will provide Income Tax deferral until maturity and/or withdrawal/surrender; the possibility to defer Inheritance and Gift Tax liability and to minimise Wealth Tax impact in some cases. In order to ensure tax efficiency life insurance policies must comply with Spanish requirements since inception.

Portugal
Life insurance in Portugal provides deferred taxation until maturity and/or withdrawal/surrender, and there are strong tax advantages to keep the policy over 5 years and over 8 years (taxable base is reduced by 1/5 and by 3/5).

On the contrary, capital gains realised outside a life policy are annually taxed in full at an autonomous tax rate of 28% (or 35% in case of investments held in tax havens). And as from 2023 short-term capital gains (i.e. relating to investments held for less than a year) realised by Portuguese HNWI taxpayers will be subject to progressive rates up to 48%.

United Kingdom
The policy will also provide deferral on taxation on income and capital gains and tax-deferred annual withdrawals of up 5% of the initial investment for UK resident holders. For UK Resident Non-Domiciled persons, a life insurance policy can provide an alternative to paying UK tax on income and gains as they arise or electing for the remittance basis of taxation and paying the remittance basis charge.

Wealth Planning

On top of the above-mentioned country-specific advantages, the main benefits of international unit-linked life insurance are the following:

(a) access to international assets and institutional investments,
(b) possibility to tailor the solution for each client and select the investment advisor/manager and the custodian bank to be linked to the life policy,
(c) protection with the Luxembourg "Triangle of Security" which is one of the most secure asset protection systems in the world and
(d) great flexibility to properly plan the client's succession and the transfer of the wealth to future generations.

* * * *

For all the above reasons, savings life insurance, private placement life insurance (PPLI) or unit-link life policies solutions are proved to be the ideal choice for Latin American HNWIs looking for a legal, secure, tax-efficient and adaptable wealth structuring solution.

Flash News

Lastest news and events

2022 COMPANY OF THE YEAR AWARD
VIII EDITION

Bankinter Luxembourg, chosen as "Company of the year 2022"

The Official Spanish Chamber of Commerce in Belgium and Luxembourg recognizes, in the VIII Edition of its "Company of the Year" awards, the great trajectory of Bankinter Luxembourg, which landed ten years ago in the Grand Duchy to complement its private banking strategy.

Through this award, the Chamber aims to contribute one more year to the promotion of Spanish economic and business development in Belgium and Luxembourg, rewarding the experience and demonstration of leadership and competitiveness of companies in their sector of activity.

The Chamber of Commerce honors, with this award, the international presence of a company that has been the first Spanish bank with a banking license to operate in Luxembourg, the country with the highest credit rating by the three rating agencies and that holds, among other achievements, the second place in the world ranking in terms of both the volume of investment funds deposited and the highest GDP per capita ratio.

Bankinter chose Luxembourg as a country that fosters a strong culture of investor protection, based on its political, economic and regulatory stability. The regulatory environment and the quality of supervision are two of the main reasons why companies continue to choose Luxembourg as their EU headquarters.

For Héctor Esteban, general manager of Bankinter Luxembourg, this award is "**a recognition of our activity in this country, where we were the first Spanish entity to establish our own banking account. From this jurisdiction we have been able to offer a global and clearly differentiated financial proposal to our high-net-worth clients, as well as having a much deeper perspective of the international financial markets, which has been extremely useful for us. Our intention is to continue to strengthen our presence with increased investments, specialized teams and a value proposition of the highest quality.**"

Banking supervisory statistics for the fourth quarter of 2021 from the European Central Bank report Bankinter Luxembourg with a solvency ratio of 22.14% compared to 12.80% for the Spanish average and 18.67% for the Luxembourg average.

bankinter.
Banking in Luxembourg

About Bankinter

Bankinter is the sixth largest bank in the Spanish financial system, the fourth in terms of market capitalization and the first in terms of profitability and asset quality. It has more than 110,800 million euros in total assets, a loan portfolio of 72,870 million euros and controlled funds of 116,600 million euros. With a presence in Spain, Portugal, Ireland and Luxembourg, Bankinter bases its strategy on different business lines that complement each other, including the corporate business, with a special focus on the medium and large segments; the high net worth customer segment, where the bank has a market share much higher than what would correspond to its size; the insurance business; consumer finance, through its subsidiary Bankinter Consumer Finance; and digital activity through its subsidiary EVO Bank.

Bankinter Luxembourg has around 5,000 million euros in assets under management.

With the collaboration of our sponsor and benefactor members that are part of the SFF :

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