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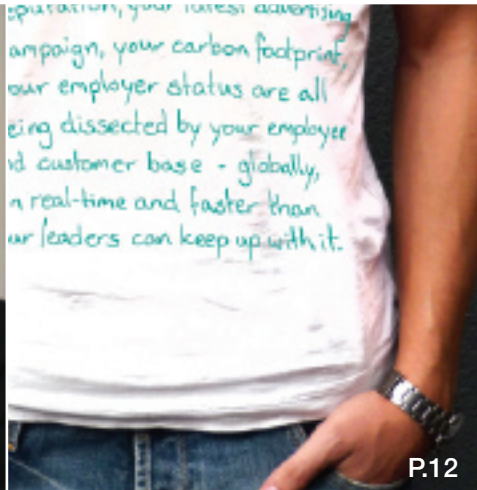
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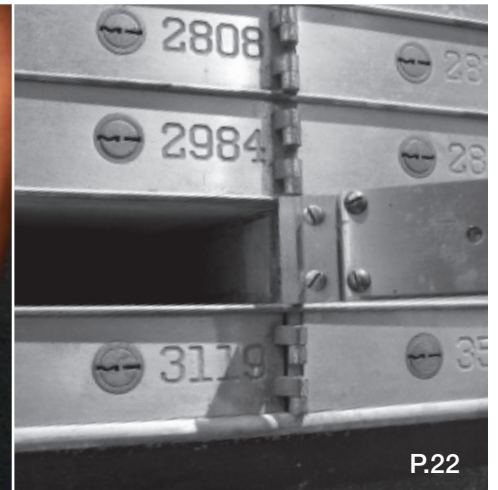
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A WORD From the Chairman...



Dear Colleagues and Friends,

Welcome to the Summer issue of the AMCHAM Luxembourg Connexion magazine!

In this issue we place a special focus on honoring some of our women members and discussing some of the business challenges from their perspective. I am sure you will find this focused content to be both interesting and enlightening.

This is the second issue brought to you under the leadership of our new Director of Communications, Iris Ovadiya. We hope you are as pleased with the slight revisions of format and content as we are. Iris is off to a great start on her AMCHAM career and we are delighted to have her as part of our team. If you have not yet had the opportunity to make her acquaintance, please do so. She is smart, high energy, classy and has a terrific personality. You will be glad to know her!

At the same time, I take this opportunity to say goodbye to Margot Parra who is leaving us to join the staff at the International School of Luxembourg. While we are sad to see Margot go, we are excited for her to assume the fundraising responsibilities for the new ISL building project. At AMCHAM, we have always been strong supporters of education and have been pleased to partner with the ISL, St George's, Miami University, Sacred Heart University and the University of Luxembourg. We sincerely believe that Education holds the keys for our future prosperity, both as individuals, but also as companies and as a society. So, Margot leaves with our best wishes and most sincere thanks for all she has done to help AMCHAM grow and prosper. However, since the ISL is an AMCHAM member company, we do not expect she will leave us completely and we look forward to her continued association with us and participation in our events.

I also want to express my thanks to the members of AMCHAM for sticking with and supporting our organization during this current period of economic difficulty. Our membership numbers remain strong, attendance at our events is solid and, although we are having to work harder to meet our targets, our advertising and sponsorship targets are being met as well. Thank you for your support and thank you for continuing to recommend AMCHAM as the premier English language international networking, information resource and problem solving organization in Luxembourg!

I extend to all of you and your families our best wishes for the Summer. Have good holidays, get good exercise, spend quality time with family and friends. And when you come back after the Summer holiday period renewed and filled with energy and new ideas, you will find us here ready to support and partner with you to bring profits to your company and to continue to develop Luxembourg as the best international business location for English speaking expats (and their families) in all of Europe!

With my very best wishes,

Paul Michael Schonenberg
Chairman and CEO

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Is There a Crisis Behind the "Crisis"?

Lucien Thiel, speaking at an AMCHAM event sees ways out of the crisis, but warns that things may never match the pre-2008 golden age.



Lucien Thiel and Paul Schonenberg

This article written by Brian Power appeared in April issue of paperJam with a different title.

Has Luxembourg genuinely not felt the crisis as badly as it could have? "It is true that the first affected by the situation have been the commuters," says Lucien Thiel, MP, President of the Special Commission on the Financial Crisis and Announcer of the Budget for 2010. He believes the Grand Duchy is entering a time of change that is not as simple as seeing out the crisis, jumping back onto a growth bandwagon and riding off into the sunset. Yet because it has affected the commuters in its first wave, and the effect on residents has generally been less of a body blow, this does not mean it is over, or that the illusion that Luxembourg "is a peaceful island in the middle of a rough sea" can be upheld.

"The next five years will be rather difficult," Thiel continues, "first of all, the overall effects of the crisis have applied an abrupt brake to our long-lasting economic success. Secondly, it is not written in stone anywhere that we will ever return to former growth rates. Thirdly, the main engine of our economy, the financial sector, has come under serious pressure from our neighbours. Because of these, it seems unlikely that we will reach the cruise altitude of economic growth we saw in the 25 years prior to the crisis." It must be pointed out that those "golden years" managed to offset the current situation as the government had the opportunity to accumulate reserves, while the "special configuration" of the financial services sector also played a part. These cannot last forever, just as recent policies cannot. Where is the exit?

"The crisis behind the Crisis"

The situation facing this country is a delicate one: short-term anti-cyclical policies are required, yet ultimately it would be reckless to live by them. Timing is a key issue, according to Thiel, with state revenues forecast to fall by 9% in 2010, and expenditure expected to rise 6%. "This will see public debt rise to 20% of GDP, and such levels will cause problems, so it is vital that we control expenditure." How can this be done? "It will not be easy," suggests Thiel. "We are facing tough savings on every corner, selective cuts in the social budget and tax increases that have to be formulated so as not to further damage or impede export activities." This delicate balancing act is what is facing the Tripartite over the coming months, but there are more clouds on the horizon, what Thiel terms as "the crisis behind the Crisis."

These concern structural deficiencies in the national economy which have been masked by three decades of progress and "a more than comfortable standard of living." Increased international competition when it comes to the financial sector, not to mention the readjustment of the Grand Duchy's national framework to common market standards, mean that figures for GDP growth, which were normally around 5% in the golden years, will drop down to between 2 and 3%. And this marginal drop will have major repercussions on the prosperity enjoyed in this country. As Thiel states, "we will have to earn money before we can spend it, but also look at the way it is earned."

The dependence on the financial sector could become dangerous going forward, and it is often repeated that this country's economy needs diversification, but the threat of changing demographics in the population is also one that will need to be addressed. Accepting a debt burden to maintain a standard of living, especially in a time of reduced economic growth, is risky in the short term, but the burden of upholding the current pension system will be unbearable to future generations. According to the Social Services Authority in Luxembourg, employment in the country will need to triple by 2060 to maintain pension equilibrium, an annual average increase of 2.6% against the current 0.5%.

"This would mean we would need 250,000 resident workers and 930,000 foreign ones!" stresses Thiel, of a situation that is clearly unrealistic and highlights the urgent need for pension reform. "This alone will not be enough, however, and as well as reforms, diversification of the economy and consolidation of the financial services sector, we need to explore new growth models."

It is no longer sufficient to look at GDP in terms of production, despite what the final letter signifies, but environmental and social aspects must be given equal consideration. This is "the GDP of well-being" according to Thiel, and the pillars of economy, sustainability and good social practice make it a model which will "ideally respond to the aspirations of our national community, focusing on the human condition and putting the human being at the centre." There is much to be done, but it is surely worth the effort.

Future of the Air Freight Industry

Speaking at a recent AMCHAM event, Cargolux CEO Ulrich Ogiermann pondered the future of the air freight industry and his company.



This article written by Brian Power appeared in May issue of paperJam with a different title.

"2009 was the worst year ever for Cargolux," admits Ulrich Ogiermann, CEO of the air freight company, eighth largest in the world by freight tonne kilometre according to figures from the International Air Transport Association (IATA). Having previously developed fairly consistently, overall capacity and demand for air freight began to see a widening gap towards the beginning of 2008, a situation which reached a nadir in the first half of last year, when demand was down over 20% in year on year evolution figures. "We had months when we had a drop of 35% in revenues." Capacity also suffered as airlines struggled and businesses, ever more mindful of costs, explored other avenues when it came to logistics. And yet air freight remains vitally important: as Ogiermann states, "only two percent of international trade moves by air in terms of volume, but when it comes to value, this increases to 35%." And as has been pointed out since the eruption in Iceland grounded flights across Europe for several days, many high-tech, vital and niche products make use of air freight, among them medical supplies.

Advantages and opportunities

On top of volcanic activity, as well as the financial crisis, Ogiermann points out that the air freight industry was already under pressure from several quarters. "Monopolies of fuel, aircraft and airport suppliers and restriction of traffic rights due to protectionist systems in certain countries all have a significant effect on us. For example, there are really only two aircraft suppliers left, which puts stress on their flexibility, not to mention pricing models," he says, "while increased fuel prices mean that there has been a certain shift to sea freight." There is more to it than that, as increased security threats, differing security regimes from one region to another, and regulation all hamper industry growth, as well as the blaze of largely unwarranted negative publicity surrounding CO2 emissions in the airline industry which sways public opinion against it. "Comparing the emissions coming from flowers grown in greenhouses in the Netherlands and then distributed over Europe, versus the emissions from flowers flown in from Kenya, the ones in the Netherlands actually cause more emissions by a factor of five..."

In the meantime, the way the markets are should actually support the development of air freight as time-to-market becomes more important, and consumers and distributors want products more and more quickly, while producers are reluctant to see too much capital tied up in stock. Furthermore, product life-cycles play a key role between air and sea freight, whereby they can dovetail, depending on how new a product is: "when a new product is released with a high cost, the first customers are willing to pay it, but the requirement on the part of the provider is to create a market presence as rapidly as possible." This entails getting the product out there quickly, for which air freight is the best option. As competition forces a move to lower pricing, distribution must become wider in a mature market, which is when sea freight is better because of lower costs.

So what makes for a successful air freight company? "A modern fuel efficient fleet is essential," says Ogiermann, and to that end Cargolux will be launching the Boeing 747-8F, with 13 firm orders, two options and ten purchase rights. The aircraft sees an expected reduction of 15% per tonne-kilometre of cargo, and 17% lower fuel costs and emissions when compared to the current 747-400F, and took its maiden flight on 8 February. Delivery of the first two aircraft is expected in December of this year. Luxembourg also has Europe's fifth largest cargo airport and a useful location, according to Ogiermann, "a radius of 500 kilometres around Luxembourg contains 40% of Europe's GDP. At 800 kilometres, that rises to 69%. These are easy trucking distances." Beyond that, Ogiermann believes transportation companies need the market to become more liberalised, and he anticipates fuel prices to continue to rise. The future? "This current context could be beneficial to us after difficult times, but we are still seeking strategic investors after our restructuring last year. We are performing strongly in growth areas like China and in the United States." There are still many challenges on the horizon. Ogiermann sees ways out, but he stops short of guaranteeing them.

Are You Ready for FAIR VALUE



By Karine Thil & Jean-Philippe Foury - Deloitte

The obligation to prepare consolidated accounts versus the obligation to report investments at fair value is a highly controversial topic for private equity and venture capital houses, at both international and Luxembourg levels. Consolidated accounts and fair value reporting are alternatives of providing investors with enhanced transparency of investment performance and value. In an ideal world, both would be provided. In the real world, at least one should be provided.

From a European perspective, discussions focus mainly around interpretations of article 13.3.c) of the 7th E.U. directive. This article states that an undertaking needs not be included in the consolidated accounts when the shares of that undertaking are held exclusively with a view to their subsequent resale. This article of the 7th E.U. directive was strictly implemented into Luxembourg commercial law in July 1988, together with the whole section 16 of the Luxembourg law of August 10, 1915, section related to consolidation requirements. However, such article has been subject to various interpretations in our neighboring countries, including more detailed guidance on the maximum expected duration of ownership and on the required documentation of exit policy.

In Luxembourg, the general rule based on the requirements of the 7th directive is that any parent company (i.e. having the control of at least one subsidiary) should prepare and file consolidated accounts. Some derogation can apply, mainly to “small groups” or “sub-groups”, subject to certain conditions. In practice, a lot of holding companies forming part of European or U.S. groups benefit from the “sub-group” derogation. They are accordingly not required to prepare a separate set of consolidated accounts at the level of the Luxembourg holding entities, provided they agree to publish the consolidated accounts of the Group at the Luxembourg Register of Commerce.

Specialized Investment Fund (SIF) and Société d’Investissement en Capital à Risque (SICAR) vehicles, which are commonly used for private equity or venture capital structures, enjoy a specific derogation from the preparation of consolidated accounts, thus liberating such structures of the related administrative and cost burdens.

Similarly, those private equity houses which use a traditional SOPARFI structure for their investments, rather than the regulated SIF or SICAR structures, have requested similar privileges. However, a major difference between SIF and SICAR vehicles on one hand and SOPARFI vehicles on the other hand is that former are required to account for their investments at fair value, while the latter are not (under Lux Gaaps).

Another point to consider is which accounting principles (or “Gaaps”) should be used. When an unlisted SOPARFI is



Karine Thil

required to prepare consolidated accounts, these should be drawn up in accordance with Lux Gaaps. However, a specific derogation can also be asked to the Minister of Justice in order to use other Gaaps such as IFRS or U.S. Gaaps. Furthermore, once the draft law implementing the European Fair Value directive and IFRS regulation into the Luxembourg commercial law is adopted, SOPARFI and commercial companies will have the choice between the following 3 frameworks: IFRS, LUX Gaaps, or Lux Gaaps plus some fair value options.

For groups reporting under IFRS, the IASB had already provided some specific guidance for “venture capital organizations”, clearly distinguishing controlled entities versus joint ventures or associates, and the rule remains as of today a systematic approach to consolidate all controlled entities, for all industries. Accordingly, under IFRS, private equity groups can measure their non-controlling interests at fair value in accordance with IAS 39, whereas controlled entities (i.e. the ones generally owned at more than 50%) must be consolidated line by line. Further discussions are ongoing in the framework of the overall convergence project with U.S. Gaaps as well as of the new draft standard on consolidation issued in December 2008 (ED10). Indeed, under U.S. Gaaps, private equity structures generally fall into the scope of investment companies which are required to fair value their investments rather than to prepare consolidated financial statements.

The interpretation of the Commission des Normes Comptables of December 18, 2009

In the context of this debate, the Minister of Justice has requested the Commission des Normes Comptables (C.N.C.) to issue an interpretation of Article 317 (3) c) of the law of August 10, 1915 on commercial companies (transposed from article 13.3c of the 7th E.U. directive), as amended. Said interpretation focuses on the specific case of investment companies in risk capital (venture capital / private equity).

In practice, the interpretation defines 6 conditions to be fulfilled for private equity groups which want to be exempted from the requirements to prepare consolidated accounts on the basis of temporary ownership as defined in article 317 (3) c):

1. The Luxembourg company must be held by one or several “well-informed investors”, in accordance with article 2 of the SICAR law of June 15, 2004.
2. The company’s exclusive object is to invest in one or several securities representing risk capital, meaning the direct or indirect contribution of assets to entities in view of their launch, development or listing on a stock exchange.
3. The governance or management body of the company formally defines ex ante an exit strategy, whereby the intention to dispose of the investment(s) in the medium term is communicated in writing to the investors, and generally vary between 3 to 8 years.
4. The objective of the company is to provide its investors with the benefit of the result of the management of its investment(s) in return for the risk which they incur.
5. The investment(s) should be recorded at fair value in the balance sheet, or alternatively the fair value should be disclosed in the notes to the annual accounts.



Jean-Philippe Foury

6. Any event, commitment or uncertainty which may have a significant impact on the company’s ability to continue its activities as an ongoing concern, on its cash flows, its liquidity, or its solvency must be appropriately disclosed in the notes to the annual accounts.

The interpretation is applicable for financial periods starting on or after January 1, 2009.

This interpretation has removed some uncertainties around this topic of consolidation requirements for private equity groups. This shall also have an impact on future decisions of private equity houses which envisage setting up their activities in Luxembourg through unregulated vehicles. However, notwithstanding this interpretation, some uncertainty still remains, for instance; as regards how to measure fair value and which level of disclosures a company should consider when preparing its annual accounts. Ultimately, the responsibility of the preparation of annual accounts in accordance with Luxembourg law rests with the Board of Directors of the company, including any decision based on the interpretation issued by the C.N.C.

“Small groups” are the ones which do not exceed 2 out of the 3 following criteria for 2 consecutive years:

	Threshold
Balance Sheet Total	12,5 mios Euros
Net Turnover	25 mios Euros
Average number of full time staff employed during the year	250

Source: Grand Ducal Regulation of December 22, 2000

NB: the derogation for small groups does not apply where one of the undertakings to be consolidated is listed in the EU.

New Brand Tribalism

By David Scott, founder of NBT, Excerpt from Badenoch & Clark's Connections, Winter 2010 issue



The changing environment

In the 20th Century knowledge was power, generated and coveted in secret codes and bound within the minds, hard drives and safes of corporations and organizations. It was used as a weapon for gaining advantage. If you had it, it was yours. Not only were you obliged and entrusted to keep it that way by your employers – you instinctively knew it was the lifeblood of your career survival or success.

Today, trends in society, the global economy and natural environment are leading many businesses to reassess their purpose, structure and organization. The arrival of the 21st Century has seen an emergence of global tribes with access to information, data and real time communication sweeping aside the governing notion of knowledge being power. This force for openness and sharing of information at a social, economic, consumption and even political level shifts forever the paradigm of knowledge as a currency for exclusivity and hegemony into a currency for democracy, enlightenment and connectivity.

Tribes

Within every company there are tribes - groups more powerful than teams or even the CEO - that are responsible for an organization's success or failure. Vibrant tribes can pull in the best talent, create effective strategies and result in improved performance.

Tribalism is also a huge positive force. It is important in marketing and leadership: it can be harnessed to build strong teams, corporate identity, people movements and product lines.

So, where's your tribe at?

As your board meets to discuss their latest strategic options; in corridors, blogs, bars, cafes and multiple internet and media channels, your products, services, leaders' capabilities, CSR policies, your corporate reputation, latest advertising campaign, carbon footprint and employer status are all being dissected by your employee and customer base globally, in real-time and faster than your leaders can keep up with it.

"Command and control is dead. Location and time is dead. Management in the classical sense is dead. It has to be on different notions. That will be appealing to many people but also scary, very scary for boards" Ben Verwaayen, CEO Alcatel-Lucent and Former CEO BT.

The winners in the next decade are those brands that are able to dynamically fuse the engagement of their tribes to the fast-flowing challenges of the 21st Century. This means creating new belief structures, new ways of working and new business models which transcend much of the previous century's wisdom.

New Brand Tribalism is a phenomenon developed by The Alternative and Rambutan, growing in relevance and accepted by many in academic and business circles as being the critical factor for unlocking growth, sustainability and business survival.

Within every company there are tribes - groups more powerful than teams or even the CEO - that are responsible for an organization's success or failure.

What is 'brand tribalism'?

"A brand is a person's gut feeling about a product, service or company. When enough individuals arrive at the same gut feeling, a company can be said to have a brand. A brand is not what you say it is. It's what they say it is." –Neumeier.

Brand is no longer so much about features and benefits or even experiences. It's about identity – a statement about who we are and how we want to be seen. People don't want to be sold to, they want to buy – and buy into – a "big idea" that reinforces their sense of self.

As fast as the forces of globalisation are knocking down national, economic and cultural barriers, people are using brands to build new ones. Brand tribalism is fundamentally a way of creating smaller worlds in which people can assert their identity and feel a sense of belonging to a community with common values and beliefs.

Brand tribalism is fundamentally a way of creating smaller worlds in which people can assert identity and feel a sense of belonging to a community with common values and beliefs.

This 'new creationism' is merely the latest manifestation of tribal behaviour that's replacing the 'rational tribalism' of science, nationhood, industry and technology of the last millennium – just as that era replaced ancient 'irrational tribalism' based on fear and superstition.

What characterises the whole journey – and what defines ours as an era of 'ethereal tribalism' – is how it mirrors Maslow's hierarchy. We've moved from a primary concern for safety and freedom from fear; to desire for competition, affiliation, knowledge and understanding; to today's concerns of freedom of expression and self-actualisation.

The sweet spot

Artificial divides between customers, employees, investors and media generators are disappearing with the advent of greater social mobility, social networking and the internet. At different times of the day, the same person could occupy any one or all of these states.

With this blurring of audience boundaries, the more progressive brands have sought to merge the touch points between brand, customer and employee and in doing so have intuitively created a 'sweet spot' of holistic brand engagement, creating ideal conditions for brand tribalism to flourish.

The future may be bright, but it is not going to sit around long enough for anyone to draw out a perfect template which can be passed around and copied.

What does this all mean?

These forces acting in concert suggest perfect storm conditions for New Brand Tribalism. It's clear that managing within these highly complex, subtle and mercurial dynamics will require new ways of working. This means that the relevance and influence of tribalism now extends far beyond the relationship between a company and its customers to a more fundamental re-evaluation of how businesses function at the strategic, operational and

Figure 1: Relationship between Consumer, Brand and Employees

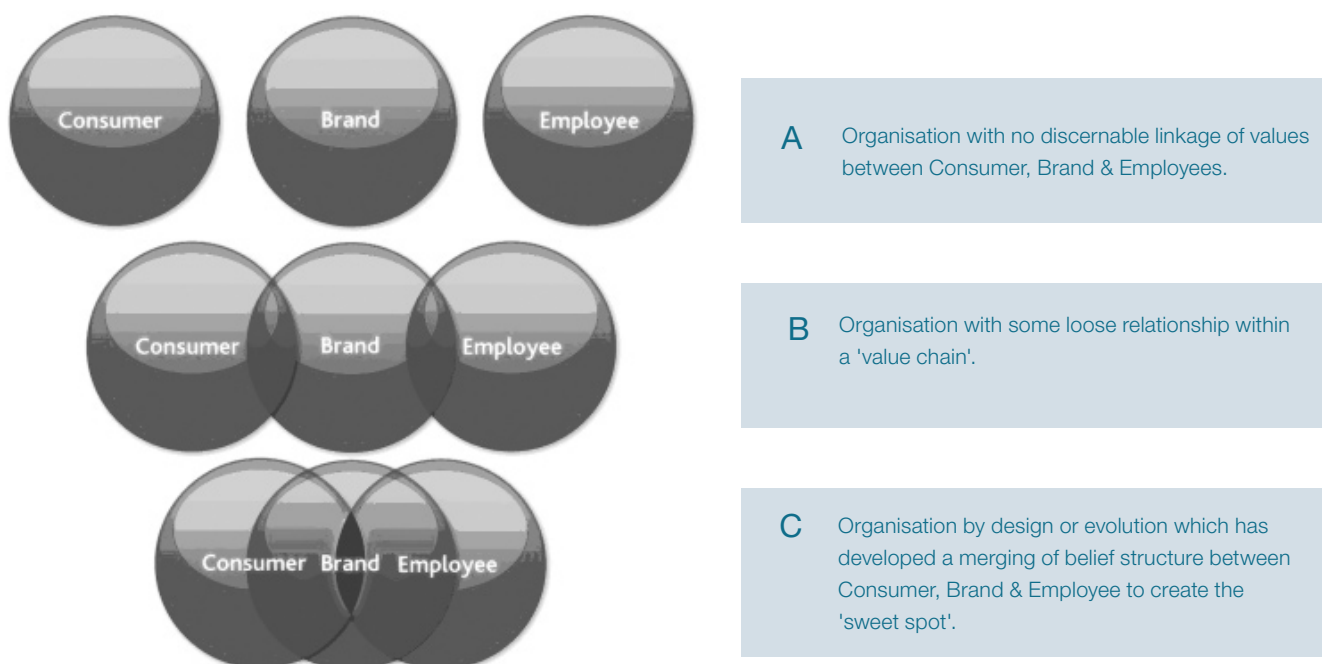
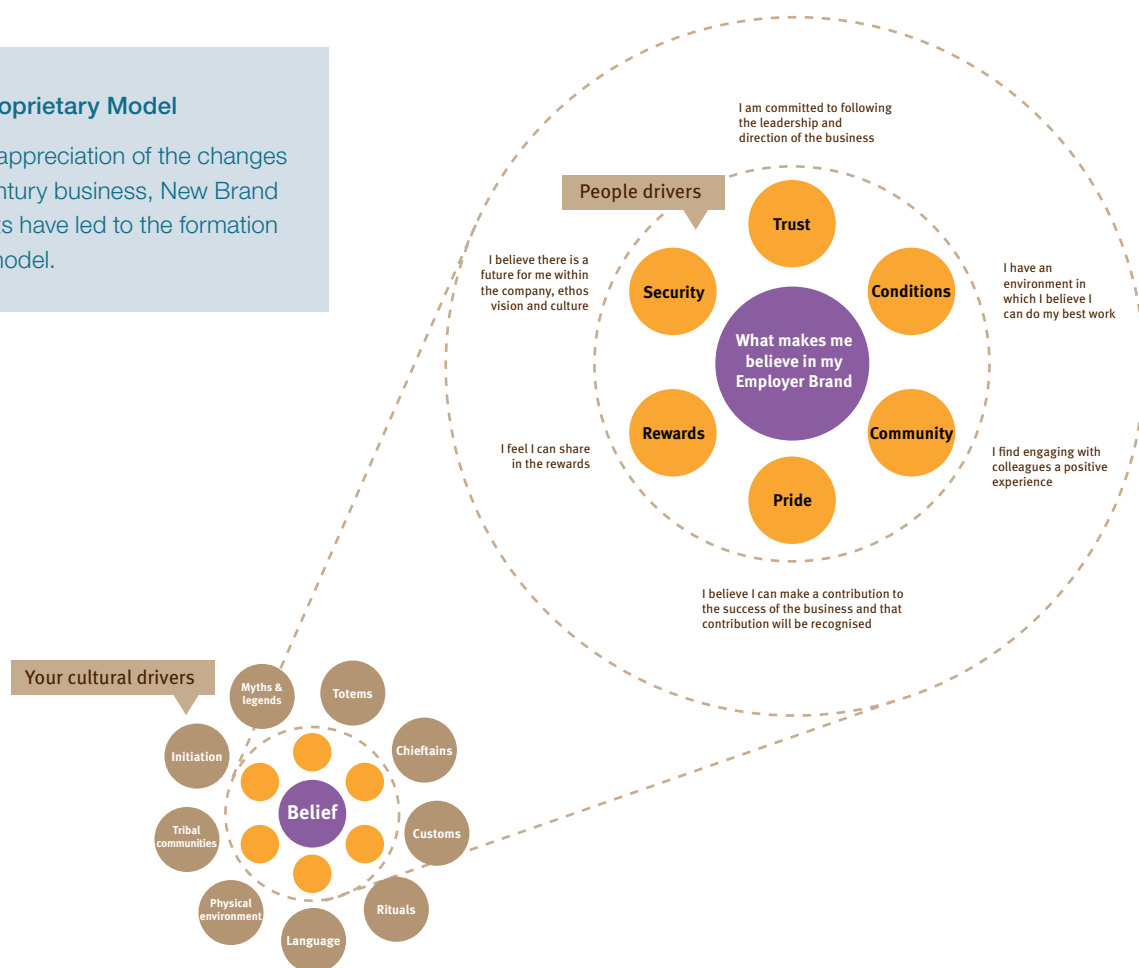


Figure 2: The Proprietary Model

In developing an appreciation of the changes affecting 21st Century business, New Brand Tribalism's insights have led to the formation of a proprietary model.



behavioural levels. There is a need for all business professionals to reflect on these defining new characteristics, and for brand managers and functional heads of department to do so collaboratively.

These changes touch every facet of business strategy and operations, demanding fresh thinking and an integrated approach to mapping, adapting, motivating and leading organizations.

Building brand tribes from the inside out

The key insight behind the “sweet spot” is that, ultimately, it is culture that creates and binds tribes, both inside organizations (gut feeling of its employees) and outside (gut feeling of customers). Only when external branding efforts are a true reflection of internal culture do you have the making of an authentic and charismatic brand – the cornerstone of building a loyal tribe.

Whether intuitively or deliberately, brands that get this point (e.g. Google, Virgin, Apple) have proven that creating an integrated brand community offers significant protection through difficult times and generates substantial returns in terms of brand equity, reputation and performance.

In essence, these companies have built their tribes from the inside out, ensuring that what they stand for is embodied in the very fabric of the organization – its culture, strategy, systems and processes.

In summary

“Every successful product creates a tribe and every successful organization is one. Tribalism is important in marketing and leadership, it can be harnessed to build strong teams, corporate identity, people movements and product lines.” Says Dr Patrick Dixon, a leading global business thinker and futurist.

As 2010 begins, we are arguably entering not just a new year and new decade, but an entirely new era. History has shown us that, following any major recession, the world is a profoundly different place. As always there will be winners and losers and we believe the winners will be those businesses that grasp the value and importance of New Brand Tribalism, harnessing its power to build strong communities both inside and outside the organization.

Whether you believe the upturn is imminent or still some way ahead is largely irrelevant. More important is the understanding that when the tide does eventually turn, it will turn fast. So, the big questions for business leaders are these: how fit are your business models to capture the next wave of economic opportunity; will you be ready to catch that wave, or will you be left searching (too late) for your surf board as the wave crashes onto the beach?

... how fit are your business models to capture the next wave of economic opportunity; will you be ready to catch that wave, or will you be left searching (too late) for your surf board as the wave crashes onto the beach?



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CSSF Circular 10/437: GUIDELINES FOR REMUNERATION

By Marielle Stevenot & Bénédicte Schmeer-Noble & Scheidecker

Policies in the Financial Sector

Among the efforts made from an international point of view in order to stabilize the economic and financial environment, particular attention has been paid to remuneration policies in the financial sector, which is regarded as an element likely to encourage excessive risk-taking.

Consequently, international and European initiatives have been taken up (e.g. G20, European Commission, etc.) to define good remuneration practices and policies and make them applicable at a worldwide level.

In this context, the “Commission de Surveillance du Secteur Financier” (CSSF) released on February 1, 2010 Circular 10/437 on guidelines for remuneration policies in the financial sector, which transposes into Luxembourg regulation the European Commission Recommendation of April 30, 2009 on remuneration policies in the financial services sector.

Scope of the Circular

The Circular applies to all entities supervised by the CSSF, notably banks, investment firms, pension funds managers and UCITS, provided that they are based on the territory of the Grand-Duchy of Luxembourg.

It also applies to subsidiaries of such entities, which are located abroad and subsidiaries of similar entities located in the Grand-Duchy of Luxembourg whose statutory seat or effective place of management is located out of the European Economic Area.

The Circular aims at members of corporate bodies (e.g. board of directors, managing board, supervisory board, etc.) as well as employees whose professional activities have a material impact on the risk profile of the financial entity as far as their remuneration includes variable components.

Policy on directors’ remuneration and structure of this policy

Financial entities should adopt a remuneration policy which is consistent, promotes sound and effective risk management and which does not induce excessive risk-taking.

Where the remuneration policy includes variable components of remuneration, an appropriate balance between fixed and variable remuneration, setting out a maximum limit for the

variable component should be structured. The fixed component should represent a sufficiently high proportion of the total remuneration component, allowing the firm to operate a fully flexible bonus policy. Where a significant bonus is awarded, the major part of the bonus should be deferred with a minimum deferment period.

Termination payments, so called “golden parachutes”, paid in the case of an anticipated termination of the contract, shall also be determined in accordance with effective performance in order that failure is not rewarded.

Performance measures

Entities should base performance related remuneration on a multi-year combination of the individual’s performance, the business unit performance and the performance of the overall firm. The measurement should include an adjustment for current and future risks related to the underlying performance and take into account the cost of the capital employed and the liquidity required. Non-financial criteria, such as compliance with internal rules and procedures, as well as compliance with the standards governing the relationship with clients and investors should also be taken into account.

Governance

The remuneration policy should include measures to avoid conflicts of interests. The board should determine the remuneration of directors and establish the general principles of the remuneration policy of the firm. These general principles should be clear and easily understandable. They should be communicated to the members of staff concerned.



Bénédicte Schmeer

Banks and investments firms are specifically required to communicate their remuneration policy to the CSSF by September 30, 2010, indicating its compliance with the principles set out in the Circular.

The board should require the assistance of a remuneration committee (including other directors than those in charge of daily management or representing the staff) in designing a company's remuneration policy.

The control functions and, where appropriate, human resources departments and external experts should also be involved in the design of the remuneration policy.

Disclosure of the policy on directors' remuneration

The policy should be disclosed to stakeholders either in the form of an independent remuneration policy statement, a periodic disclosure in annual financial statements or in any other form. The precise information to be mentioned in this disclosure is contained in the Circular (e.g. an explanation on how the choice of performance criteria contributes to the long-term interests of the company, an explanation of the methods applied in order to determine whether performance criteria have been fulfilled, sufficient information on the policy regarding termination payments, etc.).

Supervision

Banks and investments firms are specifically required to communicate their remuneration policy to the CSSF



Marielle Stevenot

by September 30, 2010, indicating its compliance with the principles set out in the Circular.

The CSSF will also require their external auditor to include an assessment of the compliance level with this Circular for financial year ends, starting from December 31, 2010.

Entry into force

Companies should elaborate a remuneration policy by June 30, 2010 and apply the policy as of 2011. The CSSF recommends that existing employment contracts be renegotiated as soon as possible.

In accordance with the Labour Code, employees' representatives should also be informed and consulted on the new remuneration policy and special attention should be paid to the legal conditions allowing the new policy to replace or amend any existing non-discretionary remuneration scheme.

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WOMEN BUSINESS LEADERS in Luxembourg

Luxembourg is home to numerous companies run by successful women. We asked a few prominent businesswomen about the opportunities and challenges for women in business.



H  lo  se Bock



Katia Scheidecker



Marie-Brigitte Bissen

The participants in this interview were:

Marie-Brigitte Bissen (MBB), Managing Director of Evolution Plus, and an Executive Coach & HR Development Consultant; H  lo  se Bock (HB), Partner at the law firm Arendt & Medernach; Rita Knott (RK), Managing Partner at Coaching Mentoring Consulting & Executive Coach at HR Services S.A.; Marie-B  atrice Noble (MBN), Katia Scheidecker (KS), and Marielle Stevenot (MS), Partners at Noble & Scheidecker.

Q: Women represent the minority in leadership roles, at Fortune 500 companies, only 3% of CEOs are women. In board rooms, only 15% of members are women. How can women leaders inspire and lead the way for the next generations?

KS: Women leaders have to share their stories as well as their wisdom, to inspire the next generation. They must also remember the challenges and obstacles that face younger women in their careers and encourage them that these difficulties are not insurmountable.

MBB: "Engagement, authentic communication, and trust in oneself and others" are, according to me, the key words. This simply means that the next generations will benefit from the role models who will not only demonstrate their passion and

their engagement but also their willingness to openly share their experience.

RK: In my opinion, women leaders can inspire younger potential female leaders best by being role models and sharing experiences and strategies. This can, for example, be done very well by informal or formal mentoring.

Q: Recent research shows that although women make up more than half of the students in law schools, only 18% of them become equity partners of law firms. What are the issues that women lawyers face which might prevent them from advancing their careers?

"Women leaders have to share their stories as well as their wisdom, to inspire the next generation."

— Katia Scheidecker



Marielle Stevenot



Rita Knott



Marie-Béatrice Noble

HB: I believe that the fact that there is a minority of women equity partners is likely to change in the future. The trend for women to study law in greater numbers than men is quite recent and, to some extent, this explains why the number of women equity partners is still rather low. If any gender stereotypes linger in the management of some law firms, such barriers are not specific to the legal industry, which appears to be embracing gender equality quicker than other professions.

MBN: Today, the business world is opened to the female presence and diversity is seen as an asset in a firm. The main difficulties remain work-life balance conflicts, mainly linked to maternity and parenting responsibilities. Women lawyers also face barriers to advancement due to the lack of informal networks and of mentoring opportunities and role models.

Q: Do women leadership challenges differ from men?

HB: Leadership qualities, such as the capacity for decision-making, team-building, the definition of future strategies, are independent of gender.

MS: It generally doesn't matter whether you're male or female, executive job performance is gauged by results. Today, in these turbulent times, a leader has to demonstrate certain qualities such as courage, determination, strength, leadership and, more than in a growth period, providing a vision to employees and giving them a sense of purpose.

MBB: In a more and more competitive and complex world, organizations have understood that the first challenge for a leader, man or woman, is the ability to engage others towards a common goal: more than ever "one plus one must equal three". This can only be reached by involving people in the decision-making process.

Q: Are there any trends or policies that are impacting women in business today?

MBB: Women have understood that networking is a key factor to develop self-confidence and for sharing best practices. A lot of high-level women's associations are very active nowadays.

RK: The awareness that a company has better financial results through more diverse teams is increasing, but only very slowly.

Q: Some countries are ahead of others in terms of including women in leadership positions. Norway passed a law two years ago requiring that women comprise 40 percent of the board members of public companies. Spain and the Netherlands have passed similar laws. How essential are these measures to promote women in business?

HB: Quotas should only be envisaged as an essentially temporary measure in very specific circumstances which would require external intervention to sort of “kick-start” the equality process where other measures (such as education and training) have failed. I could for instance imagine that more pro-active measures may be required to bridge the persistent (and shocking) remuneration gap between men and women.

MS: While we would have reservations about these measures and believe that they need further reflection, their implementation would bring about greater balance to the board room. By improving the condition for female entrepreneurs, making women a vigorous part of business and trade, it should contribute to enhance economic diversity and increase job opportunities for women and economic growth.

Q: Can you name one or two women leaders who inspire you?

“The woman executive of the future will be a successful businesswoman that encourages innovation and enhanced leadership and motivational skills. She will launch new strategies for creating environments that foster and sustain innovation, inspire colleagues, while acting with confidence, and leading with lasting impact.”

HB: To name but a few, the following leaders have had extraordinary careers: Simone Veil, French lawyer and politician; Indra Nooyi, Chairperson and CEO of PepsiCo Incorporated; Zhang Yin, a Chinese entrepreneur who is said to be the richest self-made woman; and the women who have been awarded the Nobel Peace Prize such as, Shirin Ebadi, an Iranian lawyer and human rights activist.

KS: Catherine de Medici due to her capacity to adapt and succeed in a hostile environment, using these abilities she successfully rose to the challenge and led the monarchy out of a period of steep decline through her policy of conciliation and her spectacular patronage of the arts.

MBN: Nikita, the heroine of Luc Besson's movie, for her rebelliousness, femininity, logic and effectiveness.

Q: What would your profession be if you did not have your current role?

HB: When I had to decide which studies to pursue, I hesitated between medicine and law. I do not regret the choice I made. Being a lawyer has given me great satisfaction so far.

KS: I would have been a pure-race Spanish horse breeder.

MBN: A consultant in company organization or a psychologist.

MBB: When I was an HR Director, I would have answered: create my own company and become an Executive Coach. This is why I took the required steps and actions to be, for more than 5 years now, Managing Director of Evolution Plus and Executive Coach.

Q: How do you see the women executive of the future?

MS: The woman executive of the future will be a successful businesswoman that encourages innovation and enhanced leadership and motivational skills. She will launch new strategies for creating environments that foster and sustain innovation, inspire colleagues, while acting with confidence, and leading with lasting impact.

MBB: I trust that the women executive of the future will have the right amount of drive, self-esteem, care for others, humility, adaptation skills, managerial courage, creativity and intuition to find the answer by themselves.

RK: I see the capable women executive of the future most successful by building up a strategic career plan and getting inspired by capable leaders as role models – both male and female.

Thank you for being a part of this interview.

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BANKING SECRECY

some historical context

By Bill Lockwood

A recent article in the popular and widely-read French history magazine, *Historia*, provides some useful background on the origins of banking secrecy.

The Revocation of the Edict of Nantes in 1685 by Louis XIV is often considered to be one of the key dates in the development of banking secrecy. It led more than 250,000 Protestants to flee France with many transferring their wealth to Switzerland. From there, they discretely continued to finance the French monarchy with Louis XIV as principal borrower. (Discretion was assured - it would never have been done for anyone to know that the French King was borrowing from "Protestant heretics"). Louis XIV even had a Swiss banker, Jacques Necker, as director general of French finances.

To reinforce this discretion, in 1713, the Great Council of Geneva decreed that its bankers must keep a register of their clients and their transactions. It forbade client information to be divulged to anyone other than the client in question without the express consent of the Municipal Council. Thus began two centuries of an implicit contractual duty whereby each bank client had the right to demand the strictest confidence from the bank in the business affairs with which it was entrusted and equally, and conversely, the bank's duty to keep completely quiet about those affairs.

The first step was thus taken in 1713. Whenever, thereafter, Europe succumbed to revolutionary fervour, more wealth was transferred to Switzerland. Even Napoleon is believed to have had a Swiss bank account.

A step change of course occurred in the 1930s. Switzerland became more and more of a safe haven as political pressures increased. Hitler threatened to execute (and actually did) anyone who failed to declare their wealth outside Germany. France too, albeit in a less barbaric manner, sought to restrain its citizens from concealing their wealth abroad. In 1932, the French police raided the Paris headquarters of the Commercial Bank of Basel, and froze the assets of two other institutions. This led to a major scandal implicating key political figures and even some church dignitaries at a time of deep economic austerity.

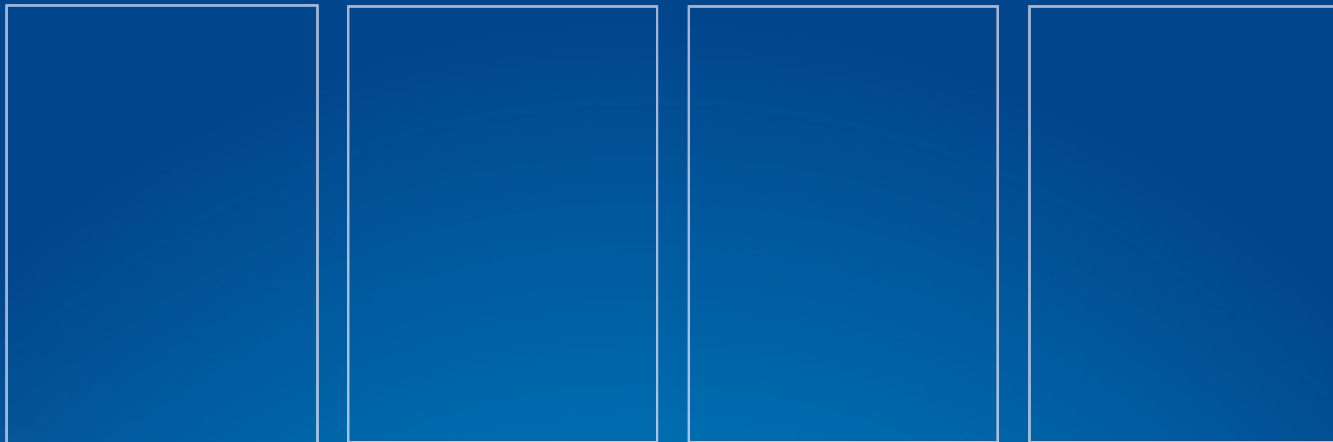
Whenever, thereafter, Europe succumbed to revolutionary fervour, more wealth was transferred to Switzerland. Even Napoleon is believed to have had a Swiss bank account.

Switzerland responded by a new banking law - the Swiss Banking Act of 1934 - criminally penalising anyone who violated banking secrecy. Recent events with UBS and the U.S. authorities and the activities of various tax authorities in the U.K., France, Germany and Italy have made headlines.

I believe, however, that it is important to keep in mind the historical context. Swiss bank secrecy has protected funds deposited in Swiss banks for over 300 years. It has often protected investors from unscrupulous and undemocratic regimes.

Continued on p. 24

It's not about doing different things ...



... it's about doing things differently



Times have, however, changed. Progress has been made. While there is still, unfortunately, a place in our world for the investor protection described above, it is one which clearly needs to be distinguished from the illegitimate use of such protection for tax evasion purposes.

The next chapter in the history of banking secrecy is clearly being written.

Luxembourg

Similar to Switzerland, although with not quite such an old or colourful tradition, banking secrecy or confidentiality has developed over many years in Luxembourg to protect the privacy of its banking clients. This confidentiality is, however, challenged if there are suspicions of criminal activities such as terrorism, crime, money laundering or tax fraud when the authorities are given full access to banking information.

Based on recently concluded double taxation agreements, Luxembourg will also exchange information in individual cases with partner states following a specific and justified request including cases of tax evasion.

Based on recently concluded double taxation agreements, Luxembourg will also exchange information in individual cases with partner states following a specific and justified request including cases of tax evasion. Luxembourg has thus fully adopted and implemented the OECD standard with regard to administrative assistance in fiscal matters in accordance with Article 26 of the OECD Model Convention.

Luxembourg also fully complies with the European Union Directive on the taxation of savings interest. This imposes a tax retention (currently 20%) on all interest income from foreign sources accruing to natural persons resident for tax purposes in an E.U. member state.

While still striving to protect the privacy of its bank depositors from unwelcome intrusion, it is actually now very arguable whether Luxembourg could even be called a banking secrecy jurisdiction in the traditional sense of the term.

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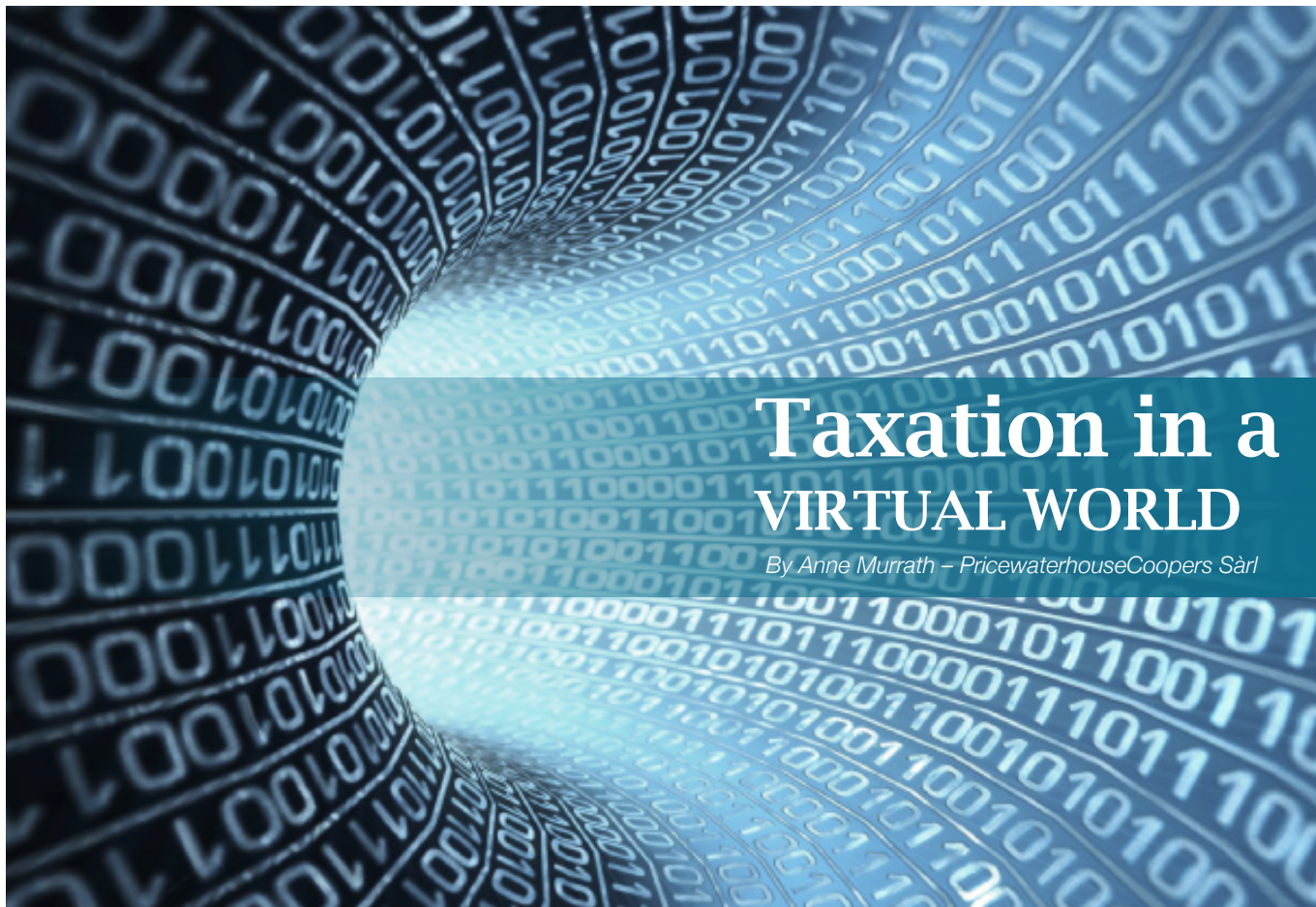
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Taxation in a VIRTUAL WORLD

By Anne Murrath – PricewaterhouseCoopers Sàrl

A virtual business environment

Over the last months, at the occasion of events like the ComIT meeting organised by AMCHAM, the workshops organised by Teralink and the recent ICT Spring conference, the spotlight was put on developments in technology and on new offerings and trends in the field of telecommunication and entertainment.

No surprises: we (the consumers) are getting increasingly demanding: we expect to access the internet, share and communicate and be entertained when we want, where we want and how we want. We want it all and we want it now.

And, listening to the experts, we will get what we want: the technology is there, the infrastructure is there and the providers are there. Thanks to the speed and quality of internet traffic, we are able to access and receive data and interact and communicate via the television screen, the computer or the mobile phone or any other device made available to us.

The trend is also for businesses to share hardware and software solutions instead of buying or renting them (e.g. through virtualisation and cloud computing solutions). Consequently, outsourcing and relocation of tasks and functions on a global scale becomes more and more feasible and attractive from a business and operational perspective.

The new technologies and IT-offerings are further changing the way we live and conduct our businesses. Above all, they make us more mobile, less attached to a particular physical place and more flexible.

Place of taxation

The tax rules define the place of taxation for business profits by reference to the business' establishment or a permanent /fixed establishment.

Business establishment

Multinational corporations try and achieve tax benefits by setting-up holding companies or subsidiaries in a low-tax jurisdiction. To ensure that the targeted tax treatment is achieved, the company will need to have sufficient 'substance'. This means, that it needs to meet the test that it is truly resident in the country where it has set-up.

In many countries, the place of incorporation is treated as the first criterion to define the place of establishment, but most countries apply additional criteria such as the place of central management and control or the place of effective management to determine the real (as opposed to artificial) residence. This approach is generally applied in matters of international direct taxation and consumption taxation.

The new technologies and IT-offerings are further changing the way we live and conduct our businesses. Above all, they make us more mobile, less attached to a particular physical place and more flexible.

For European VAT purposes, the Proposal for a Council Regulation laying down implementing measures for Directive 2006/112/EC on the common system of value added tax (Recast) (COM/2009/0672 final), provides that "the place where the business of a taxable person is established (...) shall be the place where essential decisions concerning the general management of that business are adopted, and where the functions of its central administration are carried out(...). In order to determine the place of establishment of a business, account shall be taken of factors such as the registered office of the

business, the place of the business's central administration, the place where the business's management meets and the place where general policy is determined. Other factors may also be considered, such as the place of residence of the managers of the business, the place where general meetings are held, the place where administrative and accounting documents are held, the place where the business has its main bank accounts and other factors."

Where technologies offer a flexible and affordable environment that disconnects management and control from a physical location (e.g. meetings via visio-conference), the identification of the place of establishment as defined above, becomes increasingly difficult. Especially where the product itself is digital and the whole sales and distribution process is automated, the mobile communication and the virtualised technological environment make it as good as impossible to know the place where the business is effectively managed and controlled from: decision makers do not need to convene in a single place to make a decision; tasks of administration do not need to be in one single place and accounting documents are often filed electronically.

Permanent establishment

Article 5 of the OECD Model Tax Convention defines a permanent establishment (PE) as 'a fixed place of business through which the business of an enterprise is wholly or partly carried on'. In VAT matters, the above mentioned Proposal for a Council Regulation defines a fixed establishment as any establishment of a minimum size with sufficient human and technical resources present (...). Here again, in an environment where distribution of products is automated, managers are mobile and working online and servers are

shared, it appears harder and harder to demonstrate where the resources are, and especially, which human and technical resources are actually used where, in carrying-on the business.

A major challenge

At a time when business is conducted more and more electronically and in more and more industries (for example, the increased use of e-banking) and where the commerce in digitized products such as e-books and e-entertainment becomes an increasingly important part of our economy, there is little doubt that the matter of 'substance and residence' is one of the most fascinating tax challenges for the (near) future for both businesses, which are looking for legal certainty about their tax position and for governments, who rely on tax income to finance their budgets.

The author wishes to thank Micael Weber of Teralink.



Left to Right: Frank Weiler - P&T, Jorge Marques - voipGATE, Anne Murrath - PwC, Gilles Vanderweylen - PwC



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AMCHAM Tax Seminar 2010: US & Luxembourg Developements

By James O'Neal & Uljana Molitor, KPMG

The AMCHAM Tax Committee held its annual seminar at the KPMG Offices in Strassen. A panel of 5 distinguished speakers and 50 attendees braved an expected snow blizzard to attend the event on U.S. and Luxembourg tax updates. The seminar featured a presentation by Aziz Benbrahim, the IRS Attaché to the U.S. Embassy Paris and was hosted by Louis Thomas, the Chairman of the Tax Committee. Additional speakers included Laurent Grencon, ATOZ VAT Partner discussing the new European "VAT Package", Grit Fischer of PricewaterhouseCoopers highlighting 2010 changes to Luxembourg individual taxation, and Gerard Laures, KPMG Partner, analyzing the U.S. proposed law "Foreign Account Tax Compliance Act of 2009" and its impact on the Luxembourg financial services industry.

The seminar began with Louis Thomas (AMCHAM Tax Com Chair and KPMG Partner) highlighting Luxembourg tax developments over the past year – particularly in light of the financial crisis. Louis Thomas reviewed the decline in anticipated tax revenue forecast for 2010 when compared to 2009's budget and revenue. On a positive note, Mr. Thomas noted that Luxembourg continues to expand its tax treaty network - now 57 tax treaties in force, 19 tax treaties in process, and more than 70 investment protection treaties. Mr. Thomas also mentioned the progress the Luxembourg government has made in re-negotiating over 20 of the existing treaty protocols, notably focusing on the exchange of information, with many of Luxembourg's key treaty partners including the U.S. and EU Member States. This is particularly relevant in light of the increased pressure from both Brussels and Washington on Luxembourg's bank secrecy.

The featured speaker Aziz Benbrahim (IRS Attaché, Paris) provided an informative session on the priorities and efforts of the IRS's "Large and Mid-Size Business" Division or "LMSB" in today's complex global environment.

Mr. Benbrahim highlighted the challenges the IRS faces including aggressive tax planning by certain U.S. multinationals and the rising complexities in today's cross border business activities.

Mr. Benbrahim also focused on the IRS's success in greater cooperation with European Member States in resolving double taxation disputes and managing the challenges in auditing U.S. multinational groups with revenues on both sides of the Atlantic.

On a positive note, the IRS Attaché discussed the success the IRS is having with its "Compliance Assurance Process" or "CAP" program which helps businesses to obtain faster certainty on IRS audits of their tax returns. Participating companies generally gave positive reviews on the CAP program.

Mr. Benbrahim also outlined the IRS LMSB's international priorities for 2010 including increased focus on cross border intangible property transfers, transfer pricing, and U.S. withholding tax compliance. The IRS will also continue its multi-lateral approach on information exchange with its OECD and European treaty partners. He highlighted the continued success the IRS and partner countries are having with the Joint International Tax Shelter Information Center, which focuses on abusive offshore planning, high net worth individuals, transfer pricing, and the impact of the financial crisis.

Mr. Benbrahim ended with a friendly reminder to U.S. citizens on their continuing U.S. tax filing obligations as ex-patriots working and living abroad.

Next, Gerard Laures (KPMG) presented a review of the proposed "Foreign Account Tax Compliance Act of 2009" ("FATCA"). This bill could dramatically increase the compliance burdens and other regulatory aspects for Luxembourg banks and other financial institutions – particularly relevant vis-à-vis U.S. investors/customers and U.S. investment flows.

FATCA principal objective is to detect and dissuade Americans from using foreign bank accounts for the purposes of avoiding U.S. income taxes. Particularly, FATCA imposes a 30% withholding tax on any U.S. source interest, dividends and other types of income unless the foreign financial institution ("FFI") enters into an agreement with the IRS promising rather complex reporting and compliance requirements including the identification of which accounts are held directly, or indirectly through intermediate entities, by U.S. persons, and other annual information reporting on these U.S. persons.

Under FATCA, Luxembourg investment funds could be considered within the broadly defined FFIs and thus fall under the regulatory scope of the bill. Mr. Laures queried whether FATCA heavy compliance burden might adversely impact investors decisions to consider the U.S. for their future investments.

Luxembourg continues to expand its tax treaty network - now 57 tax treaties in force, 19 tax treaties in process, and more than 70 investment protection treaties.

For her presentation, Grit Fischer (PwC) highlighted the 2010 changes impacting Luxembourg individual tax. Notably, under the "RELIBI" law, effective as of January 2009, qualifying interest payments made to a Luxembourg resident by a paying agent located in either the EU, European Economic Area or in a country that has an international agreement related to the EU savings directive can opt for a 10% flat rate taxation.

As of May 2010, the new EU regulation on social security rights of persons moving within the European Union systems will be updated. Other changes include an extension of the initial assignment period from 12 to 24 month for employees assigned by their employer to work in another member state. Secondly, the new regulation defines a unified concept of substantial activity that will apply across Member States as a condition to insurance to the residence State social security scheme in case of multiple states of employment. A transitional period of 10 years should be considered and applicability should be checked for each individual case.

The seminar ended with Laurent Grençon (ATOZ) presenting the so-called European "VAT Package" which entered into force on January 1, 2010. Mr. Grençon focused on the three

principal changes, i.e. the new place of supply rules for services, the new Intra-EU reporting obligation for services, and a new electronic VAT refund procedure.

As per the VAT rules, business-to-business (i.e., B2B) services are taxable in the country where the recipient is established. In practice, the reverse charge mechanism applies more extensively for cross-border services. Business-to-consumer (i.e., B2C) services remain in principle taxable where the supplier is established. Both for B2B and B2C services, a few exceptions remain, most importantly for services connected to immovable property.

The VAT package includes also the introduction of a new intra-EU reporting obligation for services. In Luxembourg, the filing of Electronic Sales Lists ("ESLs") for services occurs either on a monthly or quarterly basis.

Finally, the new package modernizes the procedure for the refund of foreign VAT. Applications for VAT refunds must be submitted via the electronic gate of the Member State of establishment, i.e., www.VATrefund.lu for Luxembourg businesses.



Left to Right: Louis Thomas–KPMG, Aziz Benbrahim–US Embassy Paris, Grit Frischer–PwC, Laurent Grençon–ATOZ, Gerard Laures–KPMG



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IncentiveMED International AG

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IncentiveMED staff with the Dalai Lama

At incentiveMED International AG we have visions– and we truly intend them to become reality!

The headquarters of incentiveMED International AG is located in Wittlich, Germany, which is 80 kilometers from Luxembourg. It is an international private limited holding company which represents substantial services and systems in many countries of the world. All services fulfill the highest standards and we are known for professionalism and enthusiasm.

Our company is divided into three areas, all working hand-in-hand:

FIRST, we provide aviation services, such as air surveillance, sales and flight education.

SECOND, we handle crisis management, risk analysis, crisis communication, and VIP medical safety for companies around the world.

THIRD, we provide consultation and services in the Emergency Medical Services sector including state of the art training for EMS Personal, developing academies, and establishing QA-systems while educating the trainers.

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Different aviation projects provided by incentiveMED International AG led to the founding of Incentive Aviation, which offers flight training for private and professional purposes and other services in the aviation sector.

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Air Surveillance: The importance of aerial surveillance in the area of disaster prevention and management, as well as in police operations and security missions has increased considerably. Therefore, we have developed an innovative and alternative aerial surveillance concept that is very cost-effective.

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Life is...

Connectivity



All Wednesdays and Fridays from 7:00 pm to 1:00 am, the *Coco Mango* bar hosts his resident DJs and their "class and trendy" programming. *Coco Mango* also offers live music every last Friday of the month, starting from 7:00 pm. Unique skyline view, ambience, service and cocktails are the hallmarks of *Coco Mango* in order to create **connectivity** between you and us!

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The "*Top Floor*" restaurant offers a spectacular panorama of the city. The setting does justice to the refined and creative menu of the Chef, Sébastien Perrot. The restaurant is opened from Monday to Saturday, from noon till midnight, for the **pleasure** of enjoying a pleasant and sophisticated menu, according to the hour and the envy. From the light snack until the dinner accompanied with vintage wines, one thousand and one happinesses served by a team ready to answer the slightest of your wishes, seven days a week, as if you were at home!



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Second: Crisis Management and Communication

To highlight one of the above-mentioned services, let us outline "Crisis Management and Communication" in more detail: Crises can be experienced in the most developed environments and often take those afflicted unexpectedly. In many cases, the media reports cover a crisis situation in great length on a daily basis. Little by little, a simple mistake becomes a newsworthy event and eventually, even a scandal. The consequences for a company are often not foreseeable which is quite different for individuals.

Small and medium enterprises are often caught up while in large enterprises, it is not a question of "if" or "how" - but only "when". There is hardly any group which is prepared for crisis headlines such as, product recalls, corruption in the company, criminal prosecution followed by great public interest, economic espionage - or simply a minor accident.

The product, the brand, and the company's good reputation is harmed, the customers are already whispering, the reporters investigate even more deeply. In order to make the best of a bad situation, you will need support. Allow us to support you!

incentiveMED International has specialists who have been involved in crisis management for many years. We know how to handle the media and how to use the company's internal communications to put out a fire. Or, even better: why not do what you have to do in order to avoid all these kinds of problems in the first place?

From the development of the requisite crisis management structures to a professional appearance in front of the camera of investigative journalists - our consultants and trainers know how to handle these situations and can assist with the following:

- Conceptual management consultancy for crisis prevention in companies
- Risk analysis
- Implementation of crisis management
- Preparation of a crisis manual
- Crisis training in groups or individually
- Communication training
- Crisis simulation and penetration tests
- Consulting in case of crisis
- Crisis intervention

Third: Emergency Medical Services

One of our areas of expertise is to provide professional care and emergency services when survival from an accident or a serious illness may still be a matter of pure luck. For this reason, we have many challenging projects in various countries around the world from Ukraine to the United Arab Emirates, and to wherever there is a need to set up an emergency service at the international level in an unexpected location across Europe. We combine our long-term experience from different fields to provide preclinical medical and emergency services up to German standards.

In the past, the company medically supervised several major events with up to 20,000 visitors and set up paramedic and emergency services. A highlight was the Dalai Lama visit which took place in Frankfurt, Germany in 2009.

The services offered cover the following areas:

- Emergency Services
- Consulting
- Seminars / Education
- Research
- Distribution
- Medical Care

Luxembourg:

In January 2008, with the founding of incentiveMED International Sarl in Luxembourg, we laid the fundamental stone for further involvement in our European neighborhood.

Unlike in many other countries, where it is extremely difficult to implement modern European thinking, Luxembourg is very open and relaxed dealing with these complex matters. Here, one feels really welcome.

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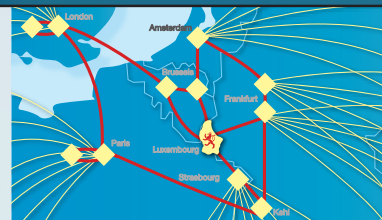
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ALLEN & OVERY LUXEMBOURG

Named BEST LAW FIRM by IFLR

For the second year running, Allen & Overy has been awarded the title of Best Luxembourg Law Firm by the International Financial Law Review (IFLR). The firm received this award both in 2007 and 2009. The annual IFLR Awards ceremony and dinner took place on March 18 at the Dorchester Hotel in London. Henri Wagner (Managing Partner) was present to represent Allen & Overy Luxembourg and receive the Award.

The IFLR Europe Awards recognise the best law firms in each European jurisdiction. They particularly reward cross-border activity in the following domains: business law, mergers and acquisitions, finance and the capital markets. Factors influencing IFLR's choice include recommendations by clients, innovation and the complexity of transactions.

The restructuring lawyers at the Luxembourg office have used the financial crisis as a time for innovation. Over the past year the capital markets team has looked beyond well-established products as Luxembourg continues to be a platform for asset classes that are unaffected by the crisis, and a number of banks have restructured their affected assets through securitisation undertakings. The team has continued to work on investment funds investing in unusual assets such as containers, wine and art.

Commenting on winning the Best Luxembourg Law Firm Award, Luxembourg Managing Partner Henri Wagner said: "At a time when the financial sector and the real economy are suffering from an unprecedented crisis, the need for high-quality legal advice is more important than ever. It is a great honour for Allen & Overy Luxembourg to have been selected as best law firm in Luxembourg. This prestigious IFLR award is recognition of the quality of all members of Allen & Overy Luxembourg and of the excellence of the service our legal practice provides. It also encourages us to pursue our strategy of placing the client at the centre of our efforts in the future."

Marc Feider (Senior Partner) said: "2009 was an extremely tough year for all the economic stakeholders including law firms. If, in the end, we are rewarded once more, it's double bonus. Allen & Overy Luxembourg concentrated on deepening its relations with clients, forming partnerships, being creative and innovative and delivering exceptional expertise and results. We are very pleased that our hard work and continued dedication is recognised by IFLR."

Imprimerie Centrale's

Environmentally Friendly Printing

Imprimerie Centrale strongly believes that it is possible to respect the environment while engaging in print-based communication.

Many elements have to be taken into account for an environmentally friendly printing: the origin of the paper, of course, but also the composition of the ink, the nature and the toxicity of the chemical products, the power consumption, the amount of waste, the recycling or the elimination of the waste, the emissions of CO₂ resulting from the activity, and many more.

At Imprimerie Centrale, all these elements have been studied and are regularly monitored to always find the most environmentally friendly solution.

Imprimerie Centrale was the first printing company in Luxembourg to show an open concern for the environment, and intends to remain a leader in this field, searching and obtaining more and more demanding environmental certifications.



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