



CONNEXION

amcham NEWS REPORT 3rd quarter 2008

special features:

1. interview with
viviane Reding
EU Telecoms Commissioner

2. education in
LUXEMBOURG



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THE AMERICAN CHAMBER OF COMMERCE IN LUXEMBOURG A.S.B.L.

CONNEXION

3RD QUARTER 2008



6, rue Antoine de Saint-Exupéry
L-1432 Luxembourg

Phone : (+352) 43 17 56
Fax : (+352) 26 09 47 04

E-mail : ayaydin@amcham.lu
E-mail : dudsak@amcham.lu
E-mail : parra@amcham.lu
E-mail : schaefer@amcham.lu

Website : www.amcham.lu



Chairman and CEO :
Paul-Michael Schonenberg

Marketing Director :
Margot Parra

Communications Director :
Tatjana Schaefer

Editorial Committee :
Tatjana Schaefer
Paul-Michael Schonenberg
Ian Whitecourt

Layout Conception :
Colorbox SA

Cover photo of Viviane Reding :
Michele Jamrozik

Printer :
Imprimerie Centrale SA Luxembourg

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INTERVIEW

With Viviane Reding

EU Telecoms Commissioner Viviane Reding answers our questions on the European telecoms market, limits of market liberalization and challenges she faces in Brussels...



LUXEMBOURG INVESTS IN BIOMEDICAL RESEARCH

The Government of the Grand Duchy of Luxembourg announced the implementation of a strategic partnership initiative with three U.S. research institutions. As part of the initiative, the Government will invest approximately EUR 140 million over the next five years as it aims to develop a center of expertise in the area of molecular medicine...



[SPECIAL FEATURE] EDUCATION IN LUXEMBOURG

Back to school! This applies not only to the numerous school children in the Grand Duchy, but is increasingly an issue for adults as well as life long learning is becoming a crucial factor in personal and corporate development. We therefore traditionally focus on education in our magazine's fall issue and invite you to find out more about the fabulous options Luxembourg has to offer...

[12-25]



A WORD FROM THE CHAIRMAN...

Dear AMCHAM members and friends,

Welcome to the fall 2008 issue of your AMCHAM Luxembourg news magazine! We hope you had a great summer break and we are looking forward to seeing and engaging with you during this fall season.

Our first AMCHAM event has been a workshop presentation and evening networking to explain what companies need to do to organize the employee representation elections which will take place in Luxembourg on 12 November to select the Staff Delegations for every company in Luxembourg. As these elections only take place every five years, this is not a weekly HR activity for companies and since it is crucial that companies get this right, we arranged a first-class presentation by the responsible government representative and two excellent labor lawyers to answer all your questions. Please join us for this event.

We have a full agenda of additional subjects for the fall: great ABAL speakers; interesting committee activities and our annual Thanksgiving Dinner. We look forward to seeing you at all these events.

We are honored to offer to you an exclusive interview with EU Commissioner Viviane Reding in this issue of the news magazine. Madame Reding is an exceptional, dynamic and visionary leader at the European level. She is a credit to Luxembourg and a role model worth emulating.

Also this issue of the magazine is dedicated to the educational resources in Luxembourg. For us, the education of our children and life long learning are extremely important. So, we devote every fall issue to this subject to make sure you know what is going on at the International School, St. Georges, the Luxembourg University, Sacred Heart University and other organizations. Since we think learning should always be fun, we even cover the excellent photo, Tai Chi, cooking and other interesting course offerings of the terrific Second Degree program!

As always, we welcome your feedback, suggestions and advice. Write or call us and let us know what you like and don't like, what you want and what you think.

Have a great fall!

With my best regards,

A handwritten signature in black ink that reads "Paul Michael Schonenberg".

Paul Michael Schonenberg
Chairman and CEO

NEW MEMBERS

A



AGILE PARTNER S.A.

Representative: Sylvain Chery
Title: Associated Director
20a, rue du Puits Romain
Z.A.I. Bourmicht
L-8070 Bertrange
Phone: (+352) 26 37 00 30
Fax: (+352) 26 37 00 31
E-mail: schery@agilepartner.net
Website: www.agilepartner.net

IT Development - IT Training Center
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"We are uncovering better ways of developing software by doing it and helping others do it. Through this work we have come to value: Individuals and interactions over processes and tools, working software over comprehensive documentation, customer collaboration over contract negotiation, responding to change over following a plan. That is, while there is value in the items on the right, we value the items on the left more." The Agile Manifesto

This is our Code of Ethics, our Guideline for never forgetting who has to trust us: our client.

The "Division des Postes" of P&T Luxembourg is the leading operator of postal services in Luxembourg. Its network of 104 post offices across the country processes an average of 600.000 mails per day. The "Support Department" is in charge of maintaining the postal counter system and supporting the users.

In 2007, the "Division des Postes" aimed to implement an Operational Datastore in order to facilitate the analysis of information about the activity of postal counters and ATMs (visits, operations, volumes...). The data source is provided daily by the postal counter system (WebRiposte) in a proprietary XML format.

In collaboration with the "Support Department", Agile Partner designed and implemented, in less than 6 months, an end-to-end business intelligence solution built with Microsoft SQL Server 2005:

- Design and implementation of the technical architecture,
- Data analysis, Datastore modeling, and ETL development,
- Reporting needs analysis, and reports development,
- Design and implementation of multidimensional model (OLAP cube),
- Database optimization and data archiving,
- Documentation and knowledge transfer.

This architecture enables to analyze 16 million visits and 60 million operations with a good performance level. The "Division des Postes" now benefits from a robust and evolutionary solution to meet its needs for analysis and management of its sales activity.

They always trust us: Deloitte, P&T, Denemeyer, CACEIS, Vanksen Group...

Since June 19th, Agile Partner represents Valtech IT Training Programs in Luxembourg.



AHREND

Representative: Emmanuel Charlier
Title: Senior Project Advisor
89f, rue Pafebruch
L-8308 Capellen
Phone: (+352) 359 125-26
Fax: (+352) 359 185
E-mail: echarlier@ahrend.com
Website: www.ahrend.com

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Ahrend's field of activity includes the Benelux countries, Central and Eastern Europe, Germany, the United Kingdom, Spain, Russia, the United States and the United Arab Emirates. Ahrend has more than a century's experience in the furnishing of the business environment. For further information, please visit www.ahrend.com.

B



BOHEMIA BOURG

Representative: Jiri Vojta
12, rue Jean l'Aveugle
L-1148 Luxembourg
Phone: (+352) 621 752 991
E-mail: bohemiabourg@hotmail.com
Website: www.bohemiabourg.eu

Bohemia Bourg S.à r.l. offers a wide range of services and uses the advantage of its dual nationality (Czech - Luxembourg).

It offers the services of marketing, research studies, mediation of contacts and contracts, services of commercial representation and long-time professional skills in the field of organization of cultural (artistic exhibitions, concerts, etc.) and social (corporate parties, commercial presentations of companies, their products or services etc) events.

A new line of business has started in October 2007 - the wine business. Bohemia Bourg became an exclusive importer of Luxembourg wines from the Domaines de Vinsmoselle to the Czech Republic.

E



ELITE RELOCATION SERVICES

Representative: Ipek Akalin-Ayral
Title: Managing Director / Partner
41, Op Bierg
L-8217 Mamer
Phone: (+352) 24 83 69 21
Fax: (+352) 24 83 69 22
E-mail: ipek@eliterelocation.lu
Website: www.eliterelocation.lu

elite Relocation Services is a privately-owned and managed relocation company, founded by a former relocated executive and a local relocation expert with 10 years of experience.

Our main mission is to deliver fully integrated relocation services with unique customer-tailored solutions, to treat every relocation with equal importance and quality standard and to ensure all transferees and their family members a smooth and stress-less integration to Luxembourg and the Grand Region.

We aim to become Your Trusted Partner, as we guarantee cost-effective relocation solutions to service levels that exceed transferee expectations.

elite's wide and comprehensive services scope range from: Orientation and Pre-Visit Programs, Immigration Services (Work and Residency permit applications or extensions), Home Search and Settling-In, School Search, Continuous Administrative Assistance, etc.

For more information please consult our website: www.eliterelocation.lu

I



IMMO-CONTACT

Representative: Nelia Godinho
Title: President / Founder
421A, route de Thionville
L-5887 Luxembourg-Hesperange
Phone: (+352) 26 19 67 52
Fax: (+352) 26 29 65 83
E-mail: info@immocontact.lu
Website: www.immocontact.lu

Based on the experience of its founder, IMMOCONTACT opened its doors in June 2005 and started with a real-estate agency in Luxembourg Center. At the agency, President and Founder Nelia Godinho, has gathered a group of experienced colleagues around her in order to guarantee swift operations of the enterprise.

Since 2008, the real estate network of IMMOCONTACT has been expanded by the creation of IMMOCONTACT NORD, headed by Kozeta Morana.

Whether buying or renting, you will benefit from a competent service, an easy, direct and personal-

NEWMEMBERS

ized contact with a true professional, specialized in the market and always ready to listen to you, to keep you informed and to advise you.

Just call and without any obligation, a consultant from IMMO-CONTACT and IMMO-CONTACT NORD will assess your property free of charge. An "estimate" file which reflects all the characteristics of your property will be opened, assessing the property's value based on the consultant's perfect knowledge of the quarter, town or village.



INVEST IN FRANCE AGENCY BELGIUM / LUXEMBOURG

Representative: Dominique Frachon
Title: CEO

475, avenue Louise
B-1050 Brussels / Belgium
Phone: (+32) 2 646 59 40
Fax : (+32) 2 646 60 90
E-mail: belux@investinfrance.org
Website: www.investinfrance.org/belux

Invest in France Agency is the French Government Institution in charge of accompanying foreign corporations in the framework of the development of their activities in France.

Our missions are implemented on a very strict confidentiality basis and are free of charge.

Concretely, the scope of our mission covers: development of "greenfield" activities, extensions as well as acquisitions.

In this respect, our services include the following issues:

- fiscal (corporate as well as for foreign executives)
- social
- land/real-estate
- human resources

- R&D (identification of the best partnerships and/or advice regarding development of R&D centers)
- subsidies (European/national/regional)
- administrative (advice concerning relationship with the French Administration)

The Invest in France Agency works closely with the French ministries and public institutions concerned by foreign investments as well as with the Economic Development Agencies of the French regions.

The Invest in France Agency Belgium & Luxembourg team is at your disposal for any question you may have regarding the development of your activities in France.



ISA - INTERNATIONAL STRATEGIC ANALYSIS

Representative: Michael Weidokal
Title: Director

22, rue Nic Welter
L-5256 Sandweiler
Phone: (+352) 2670-1386
Fax: (+352) 2670-1387
E-mail: info@isa-world.com
Website: www.isa-world.com

ISA (International Strategic Analysis) is a leading provider of international market analysis, economic forecasting and country intelligence for many of the world's leading companies, organizations and governments.

ISA's range of international research reports and forecasts are utilized by these organizations to help them further their understanding of international markets and to allow them to have a single, consistent source of international information, data and analysis. In addition, ISA provides clients throughout the world with customized research support,

allowing them to draw upon ISA's vast experience in international markets.

V



VIVA INTERNATIONAL MARKETING

Representative: Didrik Eiriksson
Title: Founder & Owner

19, rue de Schoos
L-7410 Angelsberg
Phone: (+352) 317 711
Fax: (+352) 317 346
E-mail: Service@ViValM.com
Website: www.ViValM.com
& www.ViVaForever.com

Viva International Marketing has several business, social and charity involvements,

inspired by the founders entrepreneurial characteristics and mindset.

One of Viva's activities is to provide its clients with expertise in international marketing,

sourcing and supplying of supportive products for campaigns and initiatives. Another being the growth of a health and beauty service and performance based sales organization, with thousands of independent representatives in over 40 countries.

Our guiding business philosophy has always been: To earn customers and their lifetime loyalty, one at a time. By focusing on doing this well, our business experience the last 25+ years has resulted in profitable long term business relationships and healthy operation.

In the future as in the past, Viva International Marketing will continue to prove itself as a reliable business partner offering our clients valuable services and creative ideas.

AGENDA & EVENTS

Forthcoming events organized by the American Chamber of Commerce in Luxembourg include:

Tuesday, September 23, 2008

18:30 – 20:30, Luxembourg Chamber of Commerce
Seminar on Social Elections

Speakers include: Pierre Lorang, Inspection du Travail et des Mines (ITM); Steve Koenig, Allen & Overy; and François Warken, Arendt & Medernach.

Thursday, September 25, 2008

18:30 – 20:30, NH Hotel

ComIT event on Outsourcing vs. Insourcing

Speakers include: Gary Cywie, Noble & Scheidecker; Chandru Acharya, Radical Group; Pierre Henin, Sun Microsystems Luxembourg.

Thursday, October 2, 2008

18:30 – 20:30, Oostvogels Pfister Feyten

Hidden Champions of the 21st Century: The Success Strategies of Unknown Market Leaders

With special guest speaker, Prof. Hermann Simon, Simon, Kucher&Partners.

Monday, October 6, 2008

12:00 – 14:00, Sofitel Luxembourg Europe – Plateau de Kirchberg
ABAL Luncheon

With special guest speaker Paul Taylor, European Affairs Editor for Reuters.

Tuesday, October 21, 2008

18:30 – 20:30, Banque de Luxembourg

FinCom and ALCO Seminar on the Cost of Compliance

Thursday, November 13, 2008

18:00 – 20:00, La Provençale, Leudelange

Joint networking event with the CLC

Thursday, November 27, 2008

18:30 – 20:30, Siemens IT Solutions and Services, Luxembourg-Hamm

ComIT event on Virtualization

FINCOM: CREDIT RATINGS EVENT

CREDIT RATINGS AGENCIES – MEETING THE NEEDS OF THE MARKET?

“The strong growth in the credit ratings industry enjoyed by just a few CRAs (credit ratings agencies), combined with recent corporate scandals of a global nature not foreseen by CRAs, as well as the U.S. sub-prime market crisis has stimulated demands for greater security and regulation of CRAs work,” said Professor Angus Duff of the University of West Scotland.

Speaking at a panel discussion co-organised on the 4th June by AMCHAM (the American Chamber of Commerce in Luxembourg), PRiM (the Luxembourg Association of Risk Management Professionals) and ICAS (the Institute of Chartered Accountants of Scotland), Professor Duff was joined by a distinguished panel including; Professor Avinash Persaud, Chairman Intelligence Capital Ltd., Blaise Ganguin, Managing Director & Chief Credit Officer Europe with Standard & Poors, Maurizio Trenti, Vice President Treasury Operations with SES, Hélène Séré, Head of Credit Research, Global Markets at Fortis and Henri Reiter, Director of Fund Market.



Left to right: Avinash Persaud, Henk van Eldik, Romain Muller

CRAS: SCAPEGOAT FOR CURRENT TROUBLES?

The financial sector is in the grips of a credit crisis, with a lack of liquidity and a great deal of uncertainty about the future, where the role of CRAs has been called into question; does an oligopoly exist or are CRAs being made scapegoat in a crisis where all players need to shoulder their share of the blame? It was to address these questions that the panel was brought together before a packed audience at Fortis Bank on Boulevard JFK.

Duff provided a summary of research carried out entitled, “Credit ratings agencies – meeting the needs of the market?” Undertaken for the ICAS Research Committee and published last year, the survey of 2400 interested parties found that, “The items rated most highly by all stakeholder groups related to the integrity of the CRA, their ethical standards and credibility. Rated almost as highly were those items related to the competence of CRA output such as accuracy of ratings and associated reports as well as the education and qualification of staff,” almost exactly what is being called into question now.

ROBOTIC BANKING

Persaud, however, called the banking model itself into question. “The rapid growth in the CRA business coincided with a change in the banking model to the Originate, Rate & Relocate model,” (referring to the number of off balance sheet transactions that took place). He said that it was everyone blindly following the ORR model which has led to today’s systemic crisis. “Everyone was thinking and doing the same thing; it was like robotic banking. We ended up with only one view; that of the CRAs.”

Henri Reiter agreed that there was/is an over dependency on CRAs, adding that, “It is important not to depend on ratings, but to fully understand the product.” He believes that today’s situation has come about thanks to the fact that, “We still believe in, and are still teaching, the Efficient Markets Theory, despite the fact that the markets clearly show that it doesn’t work.” Reiter said that CRAs had been relying on this, but that, in his view, “It is too backwards looking.” What happened then was that, “Products were being developed based on inefficient analysis, then leveraged on. A lot of banks finished up using SIVs that were well over-leveraged.”

CONFLICTS OF INTEREST?

Reiter continued that a more qualitative basis for credit rating is better, but that this can lead to conflicts of interests as, “Who pays for this qualitative assessment? The issuer; and this means that only those reasonably certain of their status will ask for a rating.”



Left to right: Bill Lockwood, Paul-Michael Schonenberg, Blaise Ganguin

Blaise Ganguin came to the defence of CRAs. “Credit ratings are an opinion on fundamental credit risk and I still believe them good indicators of the probability of default.” He explained that CRAs’ activities are regulated in two ways; the US CRA Reform Act of 2007 and, in Europe, by Basle II. “The first looks at the processes but not the content of our analytics, and the second contains some very serious triggers that regulate the content.” Ganguin agreed that, “We need to take our responsibility very seriously,” but, referring to the US sub prime crisis, added, “Don’t forget that, of those products rated AAA, around 80% still are.”

A USEFUL DECISION MAKING TOOL...

Maurizio Trenti and H el ene S er e presented the point of view of CRA “users”. S er e (as an investor) said, “Credit ratings maybe incomplete but they are, nevertheless, a decisive tool in investment decisions. They can be a barrier to investment and used to calculate capital requirement, which has legal implications.” Having said that, she admitted that, although credit ratings are a decisive tool, “they are not the only one; investors also have many other issues to consider.”



Left to right: Henri Reiter, H el ene S er e, Angus Duff, Bill Lockwood

Trenti (from a corporate point of view) explained that, “We tap into the global capital markets and therefore, credit ratings are a very useful tool in our decision making. We rely on strong brands like S&P and Moody’s, but in the long run I would like to see more CRAs to encourage competition.” He felt, as did several other members of the panel, that the market would be better served by increased competition as this could reduce the possibility of conflicts of interest like that mentioned earlier by Reiter.

...BUT NOT A GUARANTEE

Avinash Persaud finished by making a very important point, “We mustn’t forget that credit ratings are research on the likelihood to default. They are not, and have never pretended to be a guarantee of performance.”

www.amcham.lu, www.prim.lu, www.wicas.org.uk

Margaret Ferns

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Left to right: Maurizio Trenti, Katharina Sachse

INDEPENDENCE DAY 2008

On July 5, 2008, AMCHAM, in collaboration with the American Luxembourg Society, the American Embassy, the American Women's Club and NAMSA held the 2008 Independence Day Celebration at Parc Merveilleux in Bettembourg.

Many volunteers from AMCHAM member companies as well as other companies, the Luxembourg Army, the U.S. Airbase Spangdahlem, Service de Santé au Travail Multisectoriel (STM) dedicated their time to support the organizational efforts. Parc Merveilleux, represented by Mr. Guy Feidt and Mr. Romain Reinhard from the American Luxembourg Society along with his family went the extra mile to make sure that the park would be the perfect setting for the Independence Day Celebration.

Over 4500 individuals from the international community enjoyed the evening. 3000 hot dogs, 3000 chicken wings, hundreds of pizzas and brownies, countless servings of beverages gave participants the necessary energy to celebrate 4th of July appropriately. Attendees were treated to music from Steve Pitman who presented an Elvis Presley Live Multimedia Tribute Show, the Little Blues Band as well as performances by the Line Dance Friendship Luxembourg. A car show by the American Roadrunners and the Corvette Club, a fabulous display of motorcycles by the Harley Davidson Club and last but not least, the ever popular bull riding well-rounded the program.

The evening would not have been possible without the generous donations from our sponsors including: Airtech Europe, AOL, Brinks, Caterpillar, Citigroup, Deloitte, Delphi Corporation, DuPont de Nemours, Ernst & Young, Goodyear, Guardian Europe, John Deere Bank, JP Morgan Bank Luxembourg, KPMG, Pfizer, PricewaterhouseCoopers, Covidien, Viking.

Further supporters include: Munhowen, Vinsmoselle, Happy Snacks, Sofitel Luxembourg Europe, Luxembourg Army, Victor Buck and the Bitburg Commissary.

We'd like to thank everyone for a truly collaborative and successful evening! We encourage you to watch the 2008 Independence Day video on AMCHAM's website at www.amcham.lu.



An interesting side note on Fourth of July:

On this day in 1776, the Declaration of Independence was approved by the Continental Congress, setting the 13 colonies on the road to freedom as a sovereign nation.

2.5 million

In July 1776, the estimated number of people living in the newly independent nation. Source: Historical Statistics of the United States: Colonial Times to 1970 www.census.gov/prod/www/abs/statab.html

304 million

The nation's population on this July Fourth.

Source: Population clock www.census.gov/main/www/popclock.html

Tatjana Schaefer
Communications Director





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SD Worx SA

89 f, Pafebruch
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Tel.: +352 269 29-1 Fax: +352 269 29 3206
infolux@sdworx.com
www.sdworx.com



ISL

MEETING THE CHALLENGES OF THE 21ST CENTURY AT THE INTERNATIONAL SCHOOL OF LUXEMBOURG

Founded in 1963, the International School of Luxembourg has earned its outstanding reputation through the engagement and successes of its students, its rich and rigorous educational program, its dedicated world class staff, its stimulating learning environment, its international and multi-cultural perspective, and its dedication to genuine engagement in global issues and responsibility.

INSPIRING STUDENTS IN A CARING, INTERNATIONAL ENVIRONMENT

At ISL we inspire and encourage our students to become engaged in enriching programs, both academic and extra-curricular. We set high expectations for students and we are constantly rewarded by their achievements and successes, great and small. Our student body is made up of more than 40 nationalities and our staff members come from 20 different countries. In this marvelously rich multi-cultural setting, understanding, acceptance and friendship are a way of life. We work in partnership with our parent community, offering a welcoming environment and numerous opportunities for parents to share in their children's learning. We are strongly supported by a proactive Board of Governors and we benefit from a dynamic Parent Teacher Organization.

Our international curriculum is under constant review ensuring our place at the forefront of current educational best practice. The curriculum progressively develops student learning, understanding, curiosity and reflection, and culminates with the International Baccalaureate Diploma in the final two years. The IB Diploma program is a rigorous and comprehensive course of study recognized worldwide for its high academic standards. This year's ISL graduates achieved a 97% pass rate for the Diploma, continuing a trend of excellent results in recent years: the Class of 2007 achieved a 100% pass rate. The world-wide pass rate for the IB Diploma is 79%.

In addition to academics, ISL offers an extensive extra-curricular program, providing further opportunities for students to reach the very highest levels of achievement and performance. Our athletic department offers a wide scope of competitive and non-competitive sports activities for all ages. In the performing arts, students can polish their talents and become involved with band, choir and theatrical productions, both onstage and behind the scenes. A number of our students regularly qualify to participate and perform in prestigious international music festivals. School-based organizations such as the Global Issues Network, Mérite Jeunesse, Student Council, Environment Club, and the ISL Honor Society allow students to raise their global awareness and social consciousness while developing life skills and becoming contributors to the world.

GROWTH AND EXPANSION

The Grand Duchy of Luxembourg demonstrates its generous support for ISL through the provision of our facilities on the Geesseknäppchen Campus in Merl and through significant assistance with the expansion necessitated by continued strong growth in our student numbers. Evidence of this support can be seen on the ISL campus which opened to a record enrolment of 910 on the 27th of August: an increase of 10% over the opening enrolment for 2007. Students entering ISL for the first time this autumn account for 20% of the total enrolment. The new Hillside facility, which added 21 classrooms to the school and opened in August 2007, filled to 98% capacity in its first year.

In response to the increasing demand for an ISL education, the school has initiated an ambitious expansion project which will ultimately



increase enrolment potential to approximately 1500 students. The first phase can already be seen in the ISL courtyard which will host four temporary classrooms for the next 18 months. During this time the main ISL building, which fronts the entrance to the Esch motorway across from the Bouillon Park and Ride, will be extended. Sixteen new classrooms, including science and design laboratories as well as art and drama studios, will be added to the Upper School. The second phase of expansion, scheduled for completion in four to five years time, will comprise the construction of a dedicated, state-of-the-art Lower School building, just west of the Hillside building and south of the Luxembourg Conservatoire de Musique. Upon completion of this expansion project, ISL's infrastructure will encompass two high-quality learning environments dedicated to serving students from pre-school through grade 12.

Chris Bowman

Director

International School of Luxembourg

Marian Aldred

Communications Coordinator

International School of Luxembourg

CONTACT DETAILS :

**International School of Luxembourg
Campus Geesseknäppchen**

36, Boulevard Pierre Dupong

L-1430 Luxembourg

Phone: (+352) 26 04 40

Fax: (+352) 26 04 47 04

Email: info@islux.lu

Website: www.islux.lu

ST. GEORGE'S INTERNATIONAL SCHOOL LUXEMBOURG

St. George's International School was opened in 1990 in response to demand here in Luxembourg for a school teaching in English using a UK-based curriculum. It started with only 12 children. From its inception it has enjoyed the patronage of the British Ambassador.



The School now has over 400 students aged 3 to 16 years. To accommodate rising demand we moved to a brand new purpose-built site in Hamm in April this year. Our buildings offer fully equipped classrooms, state of the art ICT facilities, landscaped grounds and dedicated teaching resources such as a high specification science laboratory. We will also be opening a new student canteen this autumn.

What has been the secret of this success and why would parents choose the school?

As we say in our advertising: we aim to give every child the care they deserve and the challenge they require. In practice this means that instead of looking at a "one size fits all" curriculum, we have a core curriculum for each subject which is then differentiated: extended to fit the gifted and talented, and supported for the students who find learning a challenge. Our extended curriculum puts great emphasis on the Fine Arts - just imagine the satisfaction of publicly exhibiting your paintings at the age of 3.

Our students come from many different countries and during their time in Luxembourg we encourage them to explore the country in which they now live and understand its history, culture and customs. We aim to make the most of everything the region has to offer through international trips as well visits to museums, galleries, theatres and local institutions.

Languages are a key component of the curriculum, we offer French from the age of 3 and German at the age of 11, although it can be studied after school from the age of 6. In keeping with our international status some of our students will study their home language out of school hours.

The interest of the students is further stimulated by the various special days in the calendar: for example St George's day, science day, book week, bad hair day, pyjama day. We also aim to host various touring theatre groups throughout the year. Our pupils are encouraged to become active citizens and at the Secondary level we offer a School Council. Adults

are not forgotten in all of this as we have a vibrant evening choir for parents and friends.

14 to 16 year olds have the opportunity to take IGCSE exams in up to ten subjects. In line with our aim of a differentiated programme, some of the students who are proficient in foreign languages will be prepared for the IGCSE exams in these subjects up to 2 years early. These Cambridge IGCSE exams are the world's most popular international qualification for 14–16 year olds and are recognised by universities and employers worldwide. They develop successful students, giving them excellent preparation for their next steps in education, and equip them with skills for future employment.

We are not a School to rest on our laurels! Our new buildings allow for an expansion of the numbers and should also allow us to offer a wider choice of IGCSE subjects. This will allow us to continue to offer an excellent education service to support the needs of Luxembourg's international community.

If you would like to find out more about the St. George's International School, please come and visit us!

Heather Duxbury
Primary Head Teacher

Nigel Fossey
Secondary Head Teacher



CONTACT DETAILS :

St. George's International School Luxembourg A.S.B.L.
11 rue des Peupliers
L - 2328 Luxembourg
Phone: (+352) 42 32 24
Fax: (+352) 42 32 34
E-Mail: info@st-georges.lu
Website: www.st-georges.lu

ATHÉNÉE

THE INTERNATIONAL CLASSES AT THE ATHÉNÉE DE LUXEMBOURG

Being located at the heart of Europe, Luxembourg has always benefited from a whole wealth of international and multicultural influences. Yet, even though glossy tourist brochures vividly celebrate diversity and local politicians solemnly acclaim the country's leading role within the European integration process, the Luxembourgish education system still does not always manage to turn the country's truly international vocation into a clear advantage for its youngsters. Although young Luxembourgers are raised as fluent speakers of three or more modern languages, international students newly arriving within the system often feel overwhelmed when faced with the daunting prospect of having to learn two or even three new languages simultaneously.

With the introduction of an English language secondary study program (grade 9-13), the Athénée de Luxembourg has taken a leading role in facing the challenges brought about by the growing number of international pupils in the country. The project thus represents a small but decisive step towards a better integration of international students within local school communities and the country as a whole.

Although the Athénée recently celebrated its 400 years, the school is constantly eager to balance tradition with a strong sense of commitment and openness to new developments in the field of education. The school is currently making a sustained effort to exploit the benefits of new information technologies and digital media across different subjects. Furthermore, the newly established international study program neatly fits in with the school's longstanding involvement in numerous European school partnership programs and its participation in several renowned European and international exchange schemes such as the Model European Parliament and Comenius.

THE PROGRAMME OFFERED AT THE ATHÉNÉE

The high-level secondary studies program of international education offered at the Athénée is designed to help motivated English-speaking students who have recently moved to Luxembourg and are not familiar with the three languages commonly spoken in the country develop the knowledge, understanding, attitudes and skills necessary to go on to higher education (university).

The Athénée will ultimately offer a 5-year study program which will encompass three different levels. In September 2007 we started offering for the first time an initiation year (grade 9) during which the aim is to familiarize students with the Luxembourgish school system, to strengthen their English language skills and to introduce them to French and German. Following the initiation year, students are going to enter two preparation years (grade 10 and 11) before starting the actual International Baccalaureate (IB) Diploma Program (grade 12 and 13, first exams in 2011).

SUBJECTS TAUGHT

The lingua franca used throughout the program is English, and French is taught as a second language. Although no previous knowledge of French is required for students joining the initiation year, they will ultimately be expected to reach an advanced level in their final year (grade 13). Students will additionally be familiarized with German. Although languages will form an essential constituent of the syllabus, the programme will also put a strong focus on mathematics, social sciences, experimental sciences and the arts. Besides the more academic aspects, the IB program (grade 12 and 13) will also put a strong emphasis on creativity, action and community service in an effort to raise students as responsible and freethinking individuals.



ENTRY REQUIREMENTS

In order to be admitted to one of our international classes, students will need to have an excellent command of the English language. All applications will be treated individually, on the basis of each student's portfolio. In addition, each applicant will have to sit an admission test (English and Mathematics for grade 9; English, French and Mathematics for grade 10 and 11). The application forms can be downloaded from our website (www.al.lu/tele.html). The admission exams will be taken place at the Athénée in May (first session), July (second session) and September (third session, unless there are no longer any vacancies by that time).



Charles Meder
Pit Sylvestrie
Athénée de Luxembourg

FOR FURTHER INFORMATION, PLEASE CONTACT:

Charles Meder
Athénée de Luxembourg
24, Bd. Pierre Dupong L-1430 LUXEMBOURG
Phone: (+352) 2604 6116
Fax: (+352) 2604 6104
E-mail: charles.meder@education.lu
Website: www.al.lu/international.html

MUDEC

1968 MIAMI UNIVERSITY - LUXEMBOURG 2008 A SUCCESS STORY IN INTERNATIONAL EDUCATION AND IN INTERNATIONAL EDUCATIONAL PARTNERSHIP.



Miami University of Oxford, Ohio; named for the Miami Indian Tribe that inhabited the area now known as the Miami Valley region of when it was founded in 1809, has become one of the United States' premier public universities. Its strong commitment to high quality undergraduate programs,

offered in the context of interdisciplinary and liberal arts education and a select group of graduate degree programs places it in an elite group of American universities. This unique combination of attributes establishes Miami as a "university of the third kind," one that offers the excitement and opportunities of a major university, while providing the personalized learning environment found at much smaller colleges.

Miami has a rich history as one of the United States' oldest and most distinguished public universities. It maintains its classic beauty and sense of great tradition amid the energy spurred by discovery and imagination. In its almost two hundred years of successful education delivery in the State of Ohio, it has established an outstanding national recognition and ranking in terms of the students and faculty it attracts, its various academic programs, its beautiful campus and its commitment to international education. In fact, Miami University has been named a "public ivy league" university.

In 1968 Miami University decided to establish a European campus in Luxembourg, a truly visionary and wise decision at a time when many European and American universities were in turmoil and the brutal Soviet repression of the development of socialist democracy in Czechoslovakia challenged East-West relations. More than 10,000 Miami students, the very best from a select group of university students, have already studied at the Luxembourg campus. A challenging, relevant and European-focused curriculum, taught by distinguished European and American faculty, offers an exciting learning experience and gives its program the excellent academic reputation it enjoys. Courses are offered in business administration, the social sciences and the humanities.

Center-sponsored and independent weekend travels enable Miami students to explore Europe, to reinforce formal classroom learning and to observe, experience, and feel comfortable in Europe's various cultural settings. In fact, the combination of an exciting and rigorous curriculum, host family life and travel turns Luxembourg and Europe into our students' classroom and laboratory. A distinguished speaker series and organized visits to concerts, museums and other cultural and educational events provide additional venues for academic, personal and cultural enrichment and growth.

What others say about us:

The 2008 U.S. News & World Report college rankings lists Miami University 27th among the top public universities in the nation, recognizing Miami for providing "outstanding examples of academic programs that are believed to lead to student success."

Kiplinger's annual list of the "100 Best Values in Public Colleges" ranks Miami University as the top bargain in Ohio and 31st nationally. (2008)

The Fiske Guide to Colleges 2007 praises Miami as "one of the rising stars among state universities" for its "strong emphasis on liberal arts and its opportunities for research, travel abroad, and leadership."

Miami's undergraduate and master's degree programs in accountancy were ranked 11th and 18th in the nation, respectively, by Public Accounting Report. The rankings climb to third and fifth, respectively, among universities without a doctoral program. (2007)

In an Institute for International Education report on the number of students studying abroad, Miami remains among the top universities in the nation, ranking 24th among doctoral/research institutions.

So far, more than 160 Luxembourgers have received generous scholarships to study at Miami University. They enjoyed their studies and university life on our main campus and returned to Luxembourg to become successful members of Luxembourg's business, education and public sector.

Miami University, Luxembourg looks at its past forty years with gratitude and pride and at its future with great confidence, with excitement and a dynamic and energetic commitment. The closer collaboration between the University of Luxembourg and Miami University's John E. Dolbois European campus at the new Esch/Belval campus will create a truly international community and will generate marvelous new synergies and exceptional opportunities and possibilities for students, faculty and staff of both universities and will further enrich Luxembourg's intellectual life.

We would be delighted to establish a Connexion with you if:

- you are interested in joining our very successful paid host family program,
- you are interested in participating in our special lecture and speaker series,
- you are interested in hosting one or some of our bright students in unpaid internships,
- or if you simply want to connect with us at Miami University's Luxembourg campus.

You will find us enthusiastically receptive to new ideas, impulses or initiatives. Please contact:

Ekkehard (Ekkie) Stiller, Dean: (+352) 58 22 22 201 or stiller@mudec.lu
Raymond Manes, Ass't. Dean: (+352) 58 22 22 202 or rmanes@mudec.lu

Dr. Ekkehard Stiller

Dean - Miami University Dolibois European Center

CONTACT DETAILS :

Miami University Dolibois European Center

Château de Differdange

Impasse du Château

L-4524 Differdange

Phone : (+352) 58 22 22-1

Fax : (+352) 58 22 22-204

E-mail : luxembourg@muohio.edu

Website: <http://www.muohio.edu/luxembourg/>

STUDYING AT THE UNIVERSITY OF LUXEMBOURG

90 NATIONALITIES. THREE LANGUAGES. ONE UNIVERSITY.

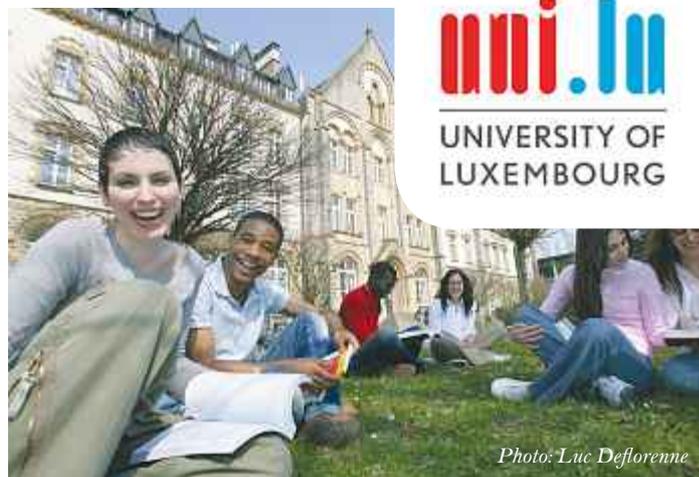


Photo: Luc Deflorenne

Many Luxembourg school-leavers traditionally go to study abroad. But now the University of Luxembourg, founded in 2003, offers the opportunity for an education at home. Above all, the new institution wants to attract foreign students to the country, to offer researchers attractive terms of employment and thereby attract intellectual potential back to the country.

The University understands itself as a modern research institution, offering Bachelor, Master and Ph.D. degrees as well as other programs. As Luxembourg is the headquarters of many European institutions and renowned for its financial center, the young University makes use of these connections: about five hundred financial experts, legal experts and other practitioners support the 150 professors and lecturers in their teaching.

With 4000 students from ninety countries, lecturers from 20 countries and partnerships in Europe and overseas, the University is consistently international and multilingual. The majority of the degrees are taught in at least two of our three languages (French, English, German), however some Masters degrees are given purely in English. Furthermore, all undergraduates have to spend at least one semester abroad. In addition the University cooperates with partners in Europe, Asia and North America.

In 2008, the U.S. Embassy, the University and Luxembourg-based American firms have worked together to establish the U.S. Embassy-Enterprise Scholarship program. This program offers travel and subsistence grants for exceptional Bachelor students who wish to study for a semester in the United States. The first scholarships have been formally awarded during a celebration in July 2008, at which sponsors, U.S. Ambassador Ann L. Wagner and Rector Rolf Tarrach were present.

OFFERS FOR EVERYONE

The University of Luxembourg organizes various public conference series for a wide public, for example the inaugural lectures "new@uni.lu" or the scientific series "Les Jeudis des Sciences". For anyone who wants to expand their intellectual horizon, attending lectures as an auditor is bound to be enriching. In principle every citizen can attend lectures, regardless of qualifications and conditions of admission. The University library can also be used free of charge by external readers. Moreover, the University choir and the instrumental ensemble also accept external participants.

NEWS FROM RESEARCH

The University of Luxembourg wants to serve the society and economy of the Grand Duchy as a place of reflection, and to develop into a motor of economic diversification. Special attention is given to research which focuses on particularly promising areas, as for example Life Sciences.

In June 2008 the government of the Grand Duchy announced the implementation of a strategic partnership initiative with three U.S. research institutions. The government aims to develop a center of expertise in the area of molecular medicine, to help diversify the Luxembourg economic fabric. The centerpiece of the project is the creation of a Luxembourg "biobank", to be founded by the three Public Research Centers and the University. Another part of the project deals with a partnership between the Institute for Systems Biology in Seattle and the University of Luxembourg.

OUTLOOK

The University is currently divided across three sites: Kirchberg, Limpertsberg and Walferdange. But in a few years, the University administration, the Science Faculty as well as the Humanities Faculty will find a new home on the Belval-West site in the future "Cité des Sciences", about 20 kilometers south of the capital. A decision has yet to be taken over the final location of the Law Faculty.

Belval-West is the most ambitious urban development project of the Grand Duchy. A modern blend of research and teaching, work and leisure, industry and trade, homes and culture is due to arise on the roughly 120 hectare site of the erstwhile largest steelworks of Luxembourg.

The "Cité des Sciences" with the central auditorium building, the "Maison du savoir", is Belval's foremost project. With a budget of EUR 550 million, the project will in the medium term accommodate about 8.000 students, scientists and administrators from the University of Luxembourg.

Nearby, the University's research buildings and the Public Research Centers will be grouped in thematic "poles", directly next to a start-up center. Those whose work has something in common should work closely together – that is the concept for science, research and development in the 21st Century.

Britta Schlüter

Responsable du Service de Communication

CONTACT DETAILS:

University of Luxembourg
162a, avenue de la Faïencerie
L-1511 Luxembourg
Website: www.uni.lu

Student information: Service des Études et de la Vie Étudiante (SEVE)
Phone: (+352) 46 66 44-6610
E-mail: seve.infos@uni.lu

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SACRED HEART UNIVERSITY

CORPORATE ENTREPRENEURSHIP – A PROMISING MANAGEMENT CONCEPT FOR COMPANIES IN LUXEMBOURG?

Being in Luxembourg as the Director of the Sacred Heart University Campus for more than 18 months now, I have the opportunity to get a better understanding of the several initiatives to encourage and support start ups in Luxembourg. This has no direct link to our MBA program or the certificates offered, but are due to my personal research interest in entrepreneurial personalities. I am captivated about the entrepreneurial ability to identify changes in markets and environments, to create new ideas and convert these into successful products. The Luxembourg business community can be proud of its famous start ups and entrepreneurs which enacted changes across markets and simultaneously created not only new products but also new business models. But apart from the fascinating stories, is there anything to be learned for companies from these successful start ups and entrepreneurs?

ENTREPRENEURIAL PERSONALITY

The entrepreneurial personality differs from the norm population by being more proactive, having a higher need for achievement and more tolerance for ambiguity, but moderate risk taking. As early as the teenage age years differences regarding the entrepreneurial personality can be observed, but we also have evidence that entrepreneurs are not born but trained. An entrepreneurial personality is a mixture of genes and upbringing; however, developing entrepreneurial behavior is a lifelong learning experience which can be supported by an entrepreneurial working environment. Creating a work environment which encourages entrepreneurial behavior is the core idea of the management concept called Corporate Entrepreneurship.

CORPORATE ENTREPRENEURSHIP

Research results from the U.S. prove that companies facilitating entrepreneurship in its various forms are more competitive and perform better than those that do not. But what does entrepreneurship in the context of corporations mean? It means high competencies in opportunity recognition and organizational flexibility. Further the ability to measure, encourage and reward innovative behavior. These competencies and abilities are already known as “strategic orientation combined with an adequate reward philosophy” in other management concepts. However, the second pillar of Corporate Entrepreneurship is fairly new. It can be described as the organizational version of being proactive and taking risks – the “entrepreneurial orientation” of a company.

But what indicates a high level of “entrepreneurial orientation” on a company level? If organizations rarely market new products/services and implement only minor changes in current products/services, it signals a low level of innovativeness. However, entrepreneurial orientation is more than being innovative. It is in the way customers and markets are treated: acting instead of reacting. Regarding risk taking behavior on an organizational level, being the first mover is not always the best way and no guarantee for high performance. However, avoiding any kind of risk by a wait-and-see policy will reduce the number of market opportunities dramatically.

HOW TO IMPROVE THE LEVEL OF ENTREPRENEURSHIP WITHIN CORPORATIONS

How can corporations improve their level of “entrepreneurial orientation”? One option is to move towards a strategic orientation which is opportunity rather than resource driven. Most companies emphasize budgets and HR constraints when they are involved in a strategic planning process. In doing so might imply a missed opportunity for development and growth. Another way of implementing entrepreneurial orientation is to gather information and ideas on perceived limitations in order to identify patterns of haltered action to pursue opportunities. In

addition it is also crucial to recognize that organizational and personal risks are driven by cognitive biases and perceived intensity of threat based on financial and emotional reputation or implications. In order to support the willingness to take risks, a risk award for individuals or groups will help to accept uncertainty and ambiguity.

CONCLUSION

Entrepreneurship is not an all or nothing phenomenon whether neither for individuals nor for corporations. No matter how strong the managerial entrepreneurship and entrepreneurial orientation of your company is at the moment – the level of corporate entrepreneurship can always be increased. Act as an entrepreneur – create your internal and external environment and do not wait until you are forced to react.



Dr. Petra Garnjost

Director

John F. Welch College of Business
Sacred Heart University Luxembourg

At the John F. Welch College of Business, Sacred Heart University, we measure our success by the achievements of our students.



Dr. Petra Garnjost

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The John F. Welch College of Business is accredited by AACSB and ranks among the best Business Schools according to The Princeton Review Guide, 2008.” – www.shu.lu

CONTACT DETAILS:

**John F. Welch College of Business
Sacred Heart University Luxembourg**

7, rue Alcide de Gasperi
c/o Chambre de Commerce - Bâtiment B, 1er étage
L-2981 Luxembourg
Phone: (+352) 22 76 13
Fax: (+352) 22 76 23

Website: www.shu.lu and www.sacredheart.edu

SITEC® , LIFELONG LEARNING AT THE HEART OF PERFORMANCE



SITec® is the service in charge of lifelong learning for technological innovation at the Public Research Center Henri Tudor. Founded in 1987, SITec® organizes nowadays more than 200 continuous and qualifying trainings per year, around 100 conferences and professional events, 15 e-learning training courses and three Masters degrees in partnership with prestigious European and North-American universities for about 4,600 participants. The core purpose of its continuous vocational training and dissemination activities is to support private and public sectors in the implementation of their training strategy by creating solutions adapted to the development of their human capital. From this perspective, our first priority is to offer to the engineers and executives of Luxembourg and the Greater Region continuous post-graduate training at both qualifying and academic levels in different key sectors like information technologies, industrial and material technologies, business organization and management, environmental technologies and health care technologies.

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Regina Carreira-López
Gestionnaire formation diplômante SITec

CONTACT DETAILS :

SITec®
 29, avenue John F. Kennedy
 L-1855 Luxembourg
 Phone: (+352) 42 59 91 300
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	Intensive course	07 October 2008	QUAPITAL-HERMES : gérez vos projets TIC avec l'administration luxembourgeoise (510 euros VAT excl.)
Services governance	Intensive course	22, 23, 27, 29, 30 & 31 October 2008	Evaluez la gestion des risques opérationnels (sur base de Bâle II et ISO/CEI 15504) (1620 euros VAT excl.)
Strategical steering	Specialized cycle	07 & 08 October 2008	Le Customer Relationship Management (750 euros VAT excl.)
	Intensive course	30 October 2008	La gestion de la clientèle pour le commerce et l'artisanat : vos clients et leurs besoins (460 euros VAT excl.)
Production and logistics	Specialized cycle	From June 2008 to January 2009	Certificate in Global Logistics and Supply Chain Management (980, 1,450 or 6,500 VAT excl. depending on the number and type of module(s))
Technology Watch and Information	Blended learning training	01, 08, 15, 22 October 2008 (2.00 pm – 4.00 pm)	Recherche d'information professionnelle sur Internet (500 euros HTVA)

MASTERS DEGREES

Master professionnel en Informatique et Innovation	10th promotion
Master en Management de la Sécurité des Systèmes d'Information	3rd promotion
Master en Sciences du Management spécialisation Qualité	4th promotion

CONFERENCES

One event per month	6-10 workshop on Supply Chain Management
15 October 2008	Congrès annuel sur la Gestion de Projet
21 & 22 October 2008	Logiciels pour l'analyse de données qualitative : innovations techniques et sociales
06 & 07 November 2008	ImageJ User & Developer Conference
November 008	Conférence AGID (Analyse et gestion intégrée et durable des flux de matières et d'énergie en entreprise)
04 & 05 December.2008	En route vers Lisbonne : colloque sur l'économie de la connaissance

TRAINING INSTITUTE OF THE LUXEMBOURG CHAMBER OF COMMERCE

INSTITUT DE FORMATION DE LA CHAMBRE DE COMMERCE (IFCC)

The IFCC is the training institute of the Luxembourg Chamber of Commerce. Its task is to respond to the expectations and needs of companies regarding training via a high-quality and value added training program. The IFCC's training system is characterized by two principal axes, namely: "IFCC - Business Creation" and "IFCC - Continued Vocational Training".

"IFCC - Business Creation" consists of a broad range of training options addressing those founding or taking over a company. Initial training on business administration comprises a program raising the awareness of issues relevant for setting up a business, a business plan workshop as well as three training courses allowing accelerated access to the profession of merchant, coffee shop owner or transporter of goods and people by road. They allow the future business owner to gain competences in marketing, finance, law, accounting and HR, which are necessary to found, take over or further develop a company.

"IFCC - Continued Vocational Training" addresses employees, private persons as well as entrepreneurs who want to further their professional competence via life long learning.

This training axis regroups 4 types of activity:

- "IFCC - Actual": conferences on timely political, economic and legal issues in Luxembourg, which allow interested parties to be informed on various subjects in short meetings,

- "IFCC - After Work Training Program": these training sessions are scheduled after working hours. Their goal is to support the participants to achieve their personal training project in the perspective of improving their career or to enhance their chances on the job market, especially for those looking forward for a change in profession or assignment,

- "IFCC - Entreprises": seminars, training cycles, job- and craft-specific training as well as sectorial training mainly target small and medium sized companies,

- "IFCC - Executive Education": the training cycle "Management d'entreprise pour cadres et dirigeants" will start in November 2008 in partnership with l'Institut Universitaire International Luxembourg the Chamber of crafts and HEC-Ecole de Gestion de l'Université de Liège. The objective of this 21-day training is to improve the managerial qualities of high-potential employees.

Beside its high-quality and value-added training program, the IFCC offers companies tailor-made advice regarding all questions of continued professional training. The IFCC is working in a network of companies via a club of managers responsible for training in order to be in touch with companies and at the same time to keep them informed and offer continued education. The IFCC contributes to the promotion of life long learning on the national level and to the legal environment by issuing advice and recommendations on any law regarding continued professional training.

The client's best interest is at the center of all endeavors the IFCC undertakes. The IFCC follows a "bottom-up" approach, which is, the



attempt to understand the training needs of companies and to turn these requirements into value-added training offers. The educational approach aims at the acquisition of knowledge, the know-how of the participant. Hand-outs, role plays, the execution of case studies, company projects or classic tests as well as coaching sessions allow to surpass the level of mere knowledge transfer and to apply the concepts presented to the professional activities of the participants.

The four rooms at the Conference Center and the 36 rooms at the Training Center of the Luxembourg Chamber of Commerce are the ideal facility for the activities offered by the IFCC. Equipped with state-of-the-art learning material, the rooms offer all the necessary comfort on 6.200m² and can host groups of varying sizes.

The IFCC also offers French, English and Luxembourg language courses.

CONTACT DETAILS:

Institut de Formation de la Chambre de Commerce

7, rue Alcide de Gasperi

L-2981 Luxembourg

Phone : (+352) 42 39 39 - 220

E-mail : info@ifcc.lu

Web : www.ifcc.lu

THE LUXEMBOURG LIFELONG LEARNING CENTER EXPANDS ITS RANGE OF FURTHER TRAINING

The Chambre des employés privés (CEP•L) is a public institution and was created in 1924. Its primary mission is to represent the interests of its members and to give advice on legislation projects in the fields of economics, education, social policy, etc. It is also involved in the organization of vocational education and training. With the creation of the "statut unique" for all employees and workers having a statute of private law, the CEP•L will merge with the Chambre de Travail in January 2009 and operate under the name of "Chambre des salariés".

The Chambre des employés privés has been offering evening courses covering a wide range of work-related topics since 1971. With more than 80.000 registrations over the past 37 years, it is one of the largest providers of continuous professional development in Luxembourg. In 2003, it created the Luxembourg Lifelong Learning Center (LLLC) in order to promote its training activities under a more modern and dynamic banner.

The Luxembourg Lifelong Learning Center offers over 330 evening courses and seminars in the fields of IT, accounting, law, marketing, management, economy and finance, personal and professional development and HR management. The working language is mostly French, yet several courses are held in English, German and Luxembourgish. The LLLC also offers in-house seminars which can be tailored to companies' individual needs upon request.

The Luxembourg Lifelong Learning Center has recently teamed up with four accounting firms in order to offer a comprehensive evening course on Luxembourg taxation starting in October 2008. The program is specifically designed for newly recruited employees of accounting firms and for prospective accountants. The aim of the course is to provide participants with both a theoretical knowledge of the Luxembourg system of taxation as well as an insight into its practical application.



The LLLC also cooperates with several prestigious universities in order to allow full-time professionals to gain a university qualification through continuous training. In collaboration with the Open University, it offers bachelors and masters degrees in various fields by distance learning. It also provides several higher education programmes taught in French:

- a Master "Administration des affaires" (Université Nancy 2)
- a Master "Gestion des ressources humaines & Organisations" (Université Nancy 2)
- a Master "Marketing et Communication des entreprises" (Université Panthéon-ASSAS, Paris II)
- a Bachelor "Psychologie du Travail" (CNAM)
- and a "Diplôme universitaire - Audit social et Audit de la RSE" (Université de Toulouse).

The CEP•L recently signed three new cooperation agreements with French universities in order to offer the following degree programmes in January 2009:

- Master "Banque, Finance, Assurance, parcours Fonds et gestion privée" (Université Paris Ouest - Nanterre La Défense)
- Bachelor "Management Logistique et Transport" (Université Montesquieu - Bordeaux IV)
- Bachelor "Sciences de Gestion" (Université Nancy 2).

The LLLC further organizes a wide range of specialized training courses:

- "Formation - Risk management" and "Formation - Gestion financière" (ICHEC-Entreprises)
- "Formation - Droit appliqué pour les salariés des services juridiques" (Institut Universitaire International Luxembourg)
- "Formation - Sophrologie"
- "Formation - Coaching"
- "Formation - Réseaux informatiques Cisco" (Cisco Certified Networking Associate)

The LLLC is an authorized Pearson VUE Center and offers testing for various IT certification and professional licensing exams. Tests are provided for Adobe, Cisco Systems, Novell, Siemens and many others.

The Luxembourg Lifelong Learning Center also offers testing for the European Computer Driving Licence (ECDL).

CONTACT DETAILS:

CEP•L

13, rue de Bragance
L-1255 Luxembourg
Phone: (+352) 44 40 91 600
Fax: (+352) 44 40 91 650
E-mail: formation@lllc.lu
Website : www.lllc.lu

HIGH-LEVEL VOCATIONAL TRAINING FOR THE FINANCIAL SECTOR

IFBL – THE LUXEMBOURG INSTITUTE FOR TRAINING IN BANKING



Established in its current form in 1990 as the Training Institute of the Luxembourg Bankers' Association (ABBL), the IFBL is today recognized as the premiere training partner within the Luxembourg financial sector. It offers a very broad range of programs that are constantly evolving and range from industry basics to state-of-the-art highly specialized courses, training sessions, seminars, conferences and workshops.

With currently more than 11,000 registrations per year, the IFBL is fully aware of its mission to enhance the professionalism of a financial center that has to rely on well trained and open minded staff.

The IFBL has developed, over the years, an innovative, modular training approach with a particular emphasis on practical aspects. IFBL courses are designed to perfectly graft the professional everyday of the participants and to provide an immediate benefit.

Participants can choose courses related to their jobs in order to deepen their knowledge. Upon the successful passing of an optional examination, they are granted certificates of proficiency allowing them to prove their competence in certain fields.

To ensure that the offered training programs match the real needs of the financial center, the IFBL has formed "Quality Circles", composed of acknowledged experts in their respective fields. Concurrently, strong partnerships were built up with most of the representative professional organizations in Luxembourg such as ALCO (Luxembourg Association of Compliance Officers), ALFI (Association of the Luxembourg Fund Industry), ALGAFI (Luxembourg Association of Portfolio Managers and Financial Analysts), ICMA (International Capital Market Association), Luxembourg Chamber of Commerce and PRIM (Luxembourg Association for Risk Management Professionals).

Regarding the upcoming training courses, the IFBL will offer in October a high level International Training in Financial Risk Management, aiming at preparing candidates for the worldwide recognized GARP examination. For the Investment Fund Industry, a very broad



*The IFBL Management
Werner Eckes, Director; Fouad E. Rathle, President; Serge de Cillia, Managing Director.*

offer, designed to meet the needs of all the functions represented in Luxembourg, is organized jointly with ALFI. In the private banking field, another pillar of major importance for the financial center, a new session of the high-level program "IFBL Certified Private Banker" will start in October. To those, not less than 100 different other individual course modules will be offered from September to December.

CONTACT DETAILS:

Centre de Formation IFBL/Chambre de Commerce
7, rue Alcide de Gasperi
L-1615 Luxembourg
Website: www.ifbl.lu

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SCOTLAND (ICAS)

THE
INSTITUTE OF
CHARTERED
ACCOUNTANTS
OF SCOTLAND



As international standards in accounting and auditing make national differences between finance professionals less profound, so opportunities are created for demand to be met by supply. I'm delighted to say that at The Institute of Chartered Accountants of Scotland (ICAS), we have managed to develop a successful partnership in Luxembourg, training the business leaders of the future.

Luxembourg is the first place outside the UK to offer our CA qualification. ICAS, the world's first professional body of accountants and the provider of globally renowned accountancy training, moved into Europe after demand from major employers in the Grand Duchy for high quality accountants.

The course was launched in January 2008 and the first classes began in earnest in June this year. The students illustrate the fact that the financial services market in Luxembourg is a 'honey pot' for global talent! The class has 19 students covering 11 nationalities; Luxembourgish, French, German, Italian, Austrian, South African, Polish, Swedish, Greek, English and Irish.

There is also a real mix of business backgrounds amongst the new trainees, ranging from financial analysts working in the banking industry to managers in accountancy practices. Reflecting the success and importance of Luxembourg as a centre for fund management, most students come from a fund/banking background. Firms involved include Deloitte, PWC, KPMG, State Street, BBH, Schroders and SES Astra.

The co-operation and enthusiasm for setting up the training from the authorities, regulator and from qualified CAs based in Luxembourg has been tremendous. The classes are held in the beautiful Chambre de Commerce in the heart of the financial district – it's a place where I recently enjoyed lecturing and the students also seem to enjoy the splendid surroundings.

The big picture for the students is to train to improve their technical knowledge whilst being supported by their firms. The firms also view the CA route in Luxembourg as an opportunity to attract high quality UK graduates to the country. For me, as Chief Executive of ICAS, the success of our first move outside the UK has been evident not only in the attainment of the students – who performed exceptionally well in the first set of exams – but also by the support that we have had from the authorities and employers here.

What then of the future? As far as ICAS is concerned, we hope to become a permanent fixture in Luxembourg and grow our recognition as providing an unrivalled quality of professional accountancy education to an extremely talented pool of students. I believe that our classes will grow in size and frequency and our strong bonds with regulators and employers will grow. So far, the CA course has been a fantastic experience for ICAS and for the students – and long may it continue.



Anton Colella
*Chief Executive
The Institute of
Chartered Accountants of Scotland*

CONTACT DETAILS:

The Institute of Chartered Accountants of Scotland

CA House
21 Haymarket Yards
Edinburgh
EH12 5BH
United Kingdom

Phone: (+44) (0) 131 347 0100

Fax: (+44) (0) 131 347 0105

Website: www.icas.org.uk

ARCELORMITTAL UNIVERSITY

A CAMPUS FOR ARCELORMITTAL UNIVERSITY

Transforming Tomorrow... ArcelorMittal's brand vision can sometimes be taken literally. The headquarters of ArcelorMittal in Luxembourg, the prestigious building at 19, Avenue de la Liberté, is being 'transformed' into a brand new campus for its corporate university and a visitor's center. The first phase is scheduled to be opened in November 2008. Brian Callaghan, Vice-President Leadership Development, is really enthusiastic: "When you see the investment that ArcelorMittal is putting into the reconstruction and development of this building, it sends an amazing message that the organization is really serious about the professional and personal development of our people."

This is yet another milestone in the fast development and deployment of ArcelorMittal University. Its mission is clearly aligned to the brand vision: "Transforming Tomorrow through the development of all ArcelorMittal's employees".

In less than two years, a full portfolio of training and development programs has been designed and implemented. The offer is structured into 'academies' and comprises a Leadership and Management Academy and several 'Functional Academies', such as Steel and Mining Academy, Human Resources Academy, Finance Academy, Purchasing Academy, etc, thus offering a comprehensive, structured curriculum for every person in the organization.

All academies offer a mix of classroom and online learning. The e-Academy is putting a huge effort into developing online learning and the organization is taking its first steps into distant learning through virtual classrooms. The new campus in Luxembourg will offer not only state of the art classrooms, but will have the technology for a 21st century learning organization. This includes a small studio and video equipment to react quickly to new learning needs.



The challenge is huge. The size of the organization, the number of different countries, all with their respective cultures and often own language, and last but not least, the broad span of activities, from mining to steelmaking up to the final transformation of steel into high value

added products. Hence a lot of the ArcelorMittal University's trainings are delivered in local languages, adapted to the local context. "With over 10,000 people registered for our programs in 27 countries, all getting the same message, with consistent frameworks and philosophy, we are truly building an ArcelorMittal culture", says Brian.

Language is of course a challenge. A major initiative has been implemented to offer English language training to people all over the world, an effort that has recently been recognized with the awarding of the Optimas Award of U.S. based Workforce Management magazine.

Christian Standaert, General Manager of ArcelorMittal University, doesn't hesitate to call the building of the ArcelorMittal University a unique project. "Having our own corporate university is not in itself unique. This has, for many years, been the response of big companies in growing its own leaders, offering focused training adapted to the context of the company. Here at ArcelorMittal we have benchmarked with other companies and have taken that learning on board. It is not unique either to have a 'brick and mortar' campus. But what makes this a unique project in my eyes, is the pace by which the corporate university is being put in place for all employees, wherever they are in the company, and this for a company with a truly worldwide footprint. ArcelorMittal itself makes that it is a truly unique project."

But for Luxembourg it is of course a project that will honor the heritage of the building. Having been dedicated since the 1920s to manage the steel business, growing from local to global, the building at 19, Avenue de la Liberté is now transformed into a center where managers from around the world will exchange directly with the senior management of the company and lay the foundations for further transformational growth. Not only in training and development actions. The campus will also offer meeting rooms for strategic events, including the meetings of the Board of Directors.

It is a pity that for the immediate future, the campus is dedicated to ArcelorMittal in house training only. However, studies are ongoing to find ways in which to open up the campus for specific events to the wider public after the completion of phase two of the reconstruction, scheduled in June 2009. Christian remarks: "The visitor's center will allow all stakeholders of the company to get an insight into the steel heritage, the organization and processes of ArcelorMittal and the way the number one steel and mining company is Transforming Tomorrow in a sustainable way. We can hardly wait to see it with our own eyes."

CONTACT DETAILS:

ArcelorMittal University

19, avenue de la Liberté

L-2930 Luxembourg

Website : www.arcelormittal.com

THE SECOND DEGREE

TRY SOMETHING DIFFERENT

Now in its tenth year, The Second Degree offers you over an alternative way to spend your free time in the evenings. Instead of just going home, why not try something different? Whether it be sports or arts or self improvement we are sure to have something to suit you. All our courses are taught in English, and provide opportunities for people from a broad variety of backgrounds and nationalities to relax, enjoy themselves after work and meet other people with similar interests. Classes are held at various locations within Luxembourg city center.

The Second Degree is the inspiration of Elisa Jenson who 10 years ago realized that there were no evening courses on offer in English, so in order to fill this need she founded The Second Degree offering a small number of courses. Over the past 10 years The Second Degree has grown and this term we are offering 30 courses, some old favorites like photography and oil painting but also new courses on offer for the first time, E-bay for Beginners, Dress for Success- fashion and style advice, Chinese Cookery, Aqua Aerobics, Eurhythm, Pilates, Scrap-booking, Parchment Crafts, and for the first time in Luxembourg, Bollywood Dancing.



The next term starts the week beginning September 29, 2008. For a full prospectus and further information please see the following contact details:

CONTACT DETAILS:

The Second Degree

Phone: (+352) 621 260 882

E-mail: vanessa@theseconddegree.com,

Website: www.theseconddegree.com

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INTERVIEW WITH

VIVIANE REDING, EU TELECOMS COMMISSIONER

Q: Regulation authority at EU level: What is the alternative ("B plan") of the EU Commission after the member countries have in one voice refused the "super EU telco regulator"?

R: I do not share your reading of the situation. I see a lot of agreement both in the EU Council of the 27 Telecoms Ministers and in the European Parliament – which has an equal say with ministers on the matter – with my objective of creating a single Telecoms Market in Europe without regulatory borders for businesses and consumers. The European Parliament, which always has the citizens' interests in mind, has even come forward with its own proposal for a European telecoms authority called BERT (Body of European Regulators for Telecommunications). We are therefore just at the beginning of a very important debate, at the end of which I expect Europe as a whole to be stronger and more efficient as regards telecommunications and new high-speed Internet services. In this debate, we should not forget that the reform of the EU's telecoms rules is not about institutions and procedures in the first place, but in creating a level playing field for telecoms companies with cross-border activities and an open, innovative and border-less telecoms market for Europe's 500 million consumers.

We are living in a world where communication technologies unite people across borders and where we therefore need to deal more effectively with regulatory issues on a European level. We need quick and effective decisions in the name of consumers. Of course in the U.S. where you have only one telecoms authority – the Federal Telecommunications Commission – decisions will be taken much quicker than in the EU where we work according to a '27+1' model: we have 27 national regulators, plus the loose European Regulators Group, which is for the time being not at its best in terms of efficiency as it is bound by the consensus rule and therefore often only arrives at slow, lowest common denominator decisions. This is not good news for European telecoms companies, which suffer, as a result of this system, under substantially higher regulatory costs and long procedures and therefore lose competitiveness vis-à-vis US and Asian companies. What we therefore need in Europe is to end regulatory fragmentation where we do not need 27 or 28 set of rules any more, but only one. We need a "one stop shop" for European companies that want to invest into telecoms and build new networks.

There appears to be more and more agreement on my policy objective of a single European telecoms market. Just some weeks ago, we achieved an exemplary breakthrough in the area of mobile satellite services: the European Commission, in close cooperation with the European Parliament and the Council of Ministers, set up, in a record time of only ten months, a single EU procedure for selecting interested operators of mobile satellite services. Just a week ago we launched the first competition for providers of communication services via satellite which is based on only European selection criteria. So instead of having 27 different national systems, there is now only one system advancing the creation of a single market for mobile satellite services. Operators have not to submit 27 applications, but only one: to the European Commission, which thus will serve in this context as single European telecoms regulator. This will allow economies of scale to be created by operators; and it will allow citizens to benefit from mobile satellite services from the North of Sweden to the South of Spain. As you can see from this, there is certainly no need for a plan B, as plan A is already in full implementation.

Q: What is the regulatory and compliance framework to apply for digital contents (IP rights in triple play: TV-telephonie-internet)? Who should pay for the content? The consumer, the network provider (telco or cable provider) or the content distributor (pay TV channel)? What are the new revenue generation models?

R: This is the truly great thing about the Information Society: there are hundreds of new technological developments every day, and thousands of new business opportunities. In such a dynamic context, politicians are well advised to focus on creating a sound, open and pro-competitive regulatory framework for Europe, but then to leave the choice of business models to the companies. This applies especially to the different degrees of cooperation between right holders, infrastructure companies and service providers when it comes to offering access to content in a digital "triple play" environment. Nevertheless, the EU can sometimes, as "honest broker", bring the different sides of the game to a single table. We have done this, for example, with the "European Film Online Talks" in 2005 which led to the endorsement of a "European Film Online Charter" in May 2006 at the occasion of the Cannes Film Festival by major representatives of the film and content industry, by Internet service providers and by telecom operators from the EU and the U.S. This voluntary Charter which is the first of its kind in the world lays down the preconditions for enabling content and infrastructure providers to make film online services a commercial success. It represents a consensus for online sales and distribution of films while making sure that copyrighted works are protected and that the online availability of the films is at the same time related to the possibility of financing the high costs of their production. Bringing together all actors involved and laying the foundation for commercial agreements between them



is most helpful because as I always say: a cable without content is worth nothing and vice versa a content will remain meaningless if it does not reach the consumer.

Q : *What are the limits of market liberalization?*

R : Market liberalisation should never be just an end in itself. It should serve a general economic and societal purpose: access to better and more affordable services for more and more citizens from wherever they are in Europe and beyond. Especially in the network industries –telecoms and energy – we are just at the beginning of the required market opening. European consumers have already benefited tremendously from more choice and lower communication services over the past years. However, the real breakthrough will only come when there will be broadband Internet coverage everywhere in Europe; and when everybody will be able to use Internet telephony from every device. To achieve this, Europe still has a lot to do. Still too often incumbent operators with a market share of up to 90, 100 per cent dominate crucial market segments. Still too often, these dominant operators benefit in addition from the protection of their national government. As a Luxembourger, I am particularly concerned about these competition bottlenecks, as they almost automatically mean that the bigger countries and their companies will win over the smaller companies from smaller Member States. This is why I favour further progressive market opening in the telecoms markets, and especially more cross-border-competition. I note that one of Europe's champions in telecoms is Denmark, which, even though one of the smallest Member States, has one of the most open and most competitive markets in the EU, and its consumers are profiting from one of the highest broadband penetrations and the lowest prices for communication services across Europe.

Q : *Do you have enough time to achieve all your planned objectives before your mandate expires?*

R : Hold on a moment: there is more than one year to go – it is only in November 2009 that the mandate of this Commission ends – and you should know by now that I like to get things done quickly. Just think of the EU Roaming Regulation that was adopted in only 11 months and brought roaming prices down by 70 per cent for European travellers; or think of the recent mobile satellite EU Decision, which I steered through the legislative process in only 10 months to give investors legal certainty for launching new satellites for Europe. Therefore, one year gives me ample time to make a lot of progress. Watch me!

Q : *Apart from the EU achieving Market Liberalization what does it need to do to retain the global lead in the Telecom business?*

R : For Europe's international competitiveness and global economic success, standardisation is the key to success. Our GSM standard is an outstanding example of how this can work: used by 2 billion people across more than 212 countries and territories, this European-developed technology, from the beginning supported by EU research and EU legislation, is now the most popular standard for mobile phones in the world. Contrary, in the US, a number of different and competing mobile standards have held back the market. The result is that today, at more than 550 million, there are twice as many mobile phone subscriptions in the EU than in the United States. European standards applied in all of the 27 EU Member-countries create stability and imbue operators with confidence to do business across borders. These are the ingredients for retaining the global lead in the telecoms business. I believe we should use standardisation in a similar way, especially with regard to digital TV, where European industry has developed standards such as DVB-T, DVBH and DVB-S which include the recipe for yet another global

success story. I am using the European Commission' instruments to give support to such standards internationally, as I know well: with the international success of these standards comes growth and jobs for Europe.

Q : *What do you want to be remembered for?*

R : For having done my job properly, in the interest of EU citizens. I believe in a Europe of results, a Europe that does not only consist of protracted negotiations in grey buildings and procedural complexity, but a Europe that has faces, can be touched, felt and experienced by citizens in their daily lives. The euro in your pocket, the ERASMUS grant for the student abroad and cheaper mobile roaming charges – if citizens understand that it is this what Europe is about, Europe will continue to be the most attractive vision of this century. It is to this vision coming true that I want to make a contribution.

Q : *When do you know that national telco regulators have succeeded to create an efficient market in the perspective of the consumers (B2B and B2C)?*

R : When consumers will not feel the difference of using their mobile phone abroad to make and receive calls, to text or to surf the internet. When it will make no difference any longer for a company to build a high-speed internet network in France or Germany or one from Germany to France via Luxembourg. And when a Luxembourgish Internet telephony operator will have access to the network infrastructure all across Europe and is able to offer and provide his services on the same basis as the local incumbents to consumers in all EU countries

Q : *Roaming costs and SMS prices have decreased/are expected to decrease significantly given the action of the EU. This has created frustration at the level of the operators as they see it as a threat to revenue growth. Have they however considered price elasticity? Has it been quantified? Bottom line, is their threat justified?*

R : The expected price elasticity has been one of the main drivers for adopting the EU Voice Roaming Regulation: the fact that prior to the Regulation, most consumers preferred to switch off or leave at home their mobile phones when going abroad, out of fear of excessive roaming charges. I am especially happy to see that the telecoms operators in Luxembourg have been the first in Europe to offer the new Eurotarif to their customers. They have obviously understood that "the early bird catches the fly" – whoever offers the most attractive deal first will get the greatest number of clients. The same argument goes for SMS and data roaming charges for which I will present a new Regulation in October. In fact a recent study on data roaming services found that if operators would decrease data roaming fees, this might significantly increase the data roaming usage, offsetting the effect of lower prices. This clearly shows that lower roaming charges are not a threat but in fact represent a win-win situation for consumers and operators.

Q : *Many women executives complain of a glass ceiling blocking their professional advancement. As your career appears to have been unaffected by gender barriers, what advice would you give to other women to help them optimize their success?*

R : In my case, it has never been a disadvantage to be a woman – quite the contrary in fact. It is true that sometimes women are underestimated in their leadership capabilities but then there is always room for surprises. My recipe is: Believe in yourself and show the rest that success does not depend on gender. Then it won't.

Q : You have had remarkable success fighting to protect the best interests of the average citizen consumer in the EU. Other EU officials appear to be less interested in the "common citizen" and this has been suggested as the reason common citizens vote against EU proposals (like the constitution) whenever they get the chance. What steps would you recommend that the EU and EU officials take to gain greater trust and solidarity with individual citizen voters?

R : As the Irish novelist Julian Gough remarked after the Irish No vote on the Lisbon Treaty: "They should have put in a paragraph promising us all an ice-cream if we voted yes. At least that would have been something concrete that we could have visualised". There is some truth in this: the European Union's policies are often still too distant from the citizens. Instead of putting citizens at the heart of its policies, there is too much talk about power, institutions and procedures. And if there are some good news (even on European initiatives), it is always national governments which reap the fruits of these – never the EU, which is instead blamed for all the evils that can happen. I believe we need to be patient and continue to explain what Europe is about: peace, security, prosperity, growth and jobs. But we also need to explain the added-value of Europe by concrete results for EU citizens. I give you one example for this "Europe of results" approach, very important for the present European Commission led by President José Manuel Barroso: the project of a European Digital Library. Under the name "Europeana", it will give, via a multilingual Internet portal, access to the digitised cultural heritage of all EU nations, be it books, paintings, films or music – and this at the click of a mouse. On the basis of close cooperation with national libraries, museums and archives, Europeana will thereby, for example, enable a Czech student to browse the British library without going to London, or an Irish art lover to get close to the Mona Lisa without queuing at the Louvre. We will open Europeana in November, and I believe by a virtual tour through Europe's rich cultural past, many citizens will better understand and appreciate what it means to be European.

Q : What has been your greatest challenge in Brussels?

R : It is a true challenge to be taken seriously in European and international negotiations when you come from one of the smallest countries in the EU. For me as Luxembourger, it is sometimes not easy to seem as important and influential as politicians from our bigger countries such as Germany, France or the United Kingdom. However, I have learned by this challenge to use the Luxemburgish 'home advantage': we Luxembourgers are born and raised multilingually (Luxembourghish, French, German, and in many cases also English, Italian and/or Portuguese). Being situated between Germany, France and Belgium we in Luxembourg we in Luxembourg have been always surrounded by great political and cultural diversity. And if you are smart you can quickly find yourself in the position of being one of the most wanted mediators between these big countries. It is not for nothing that with Gaston Torn and Jacques Santer, already twice a Commission president came from Luxembourg and that since four years (and probably for longer) the president of the Eurogroup is a Luxembourger – and this with great success: Jean-Claude Juncker is so popular that if German citizens could directly elect the German President, he would be the one. This shows well how one can turn very successfully the Luxemburgish home advantage into political importance.

Q : What are you proud of accomplishing?

R : For having launched the Erasmus Mundus programme which as of 2004 makes it possible for European students to go and study not only across Europe, but also at partner universities all over the world. Not only did the Erasmus Mundus programme open to students overwhelming possibilities to choose their favourite study programmes, but also to choose their favourite place of study and thereby explore new cultures. This is the best way to prepare people at a quite young age for the globalised world we live in today.



Q : What is your favorite book?

R : My sons would now advise me to say "Facebook", one of the main social networking sites. Even though I find this new world of virtual social interaction truly fascinating, I am a bit more old-fashioned. For me, nothing compares to a good book in your hands, accompanied by a glass of fine wine from Europe. At the moment, I am reading "The Speckled People" from Hugo Hamilton – an Irish writer who experiences very personally what it means to live cultural diversity. I can only recommend it to all who want to discover Ireland and a very important part of Europe.

Madame Reding, we thank you for this interview.



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LUXEMBOURG INVESTS IN BIOMEDICAL RESEARCH

An ambitious initiative with first-rate partners and a five-year investment of EUR 140 million is expected to help Luxembourg develop cutting-edge skills and expertise in molecular medicine.

The Government of the Grand Duchy of Luxembourg announced on June 5, 2008 the implementation of a strategic partnership initiative with three U.S. research institutions. As part of the initiative, the Government will invest approximately EUR 140 million over the next five years as it aims to develop a centre of expertise in the area of molecular medicine. Such initiative is centered on key strategic partnerships with three world-renowned research institutions with expertise in this field: the Translational Genomics Research Institute (TGen) in Phoenix, led by Dr Jeffrey Trent, the Institute for Systems Biology (ISB) in Seattle, led by Dr Leroy Hood and the Partnership for Personalized Medicine (PPM) led by Dr Leland H. Hartwell. In carrying out this initiative, the Government counts on the support of the Public Research Centers (CRP), Santé, Henri Tudor and Gabriel Lippmann, in addition to the University of Luxembourg, all of which were closely involved in the setting-up phase. In this context, it should be noted that the Société Nationale de Crédit et d'Investissement (SNCI) has set up a limited "health technologies facility", to help co-finance for profit ventures in this area of activity.

The projects focus notably on increasing research in the field of molecular diagnosis, which is the cornerstone of personalized medicine. Personalized medicine is based on improved prevention, targeted screening, early diagnosis and treatment of the causes of illness with drugs based on the individual's genetic and biological make up, i.e., drugs targeted and suited to each patient. Ultimately, this is expected to result in great improvements in the ability to administer the right drug to the right patient at the right time and in the right dose.



Left to right: François Biltgen, Jeannot Krecké, Mars Di Bartolomeo

This initiative concretizes the Government's 2004 program, whose main priorities were to set up centers of scientific and technological excellence, to help diversify the Luxembourg economic fabric by promoting research activities, particularly in biotechnology, and to develop preventive medicine.

THREE COMPLEMENTARY PROJECTS

The centerpiece of the overall project is the creation of a Luxembourg "biobank", in partnership with the Translational Genomics Research Institute, under the name the Integrated BioBank of Luxembourg (IBBL). Open to European and international cooperations, this biobank will initially focus its efforts on collecting and analyzing biological samples (tissue, blood, etc.) and the related data for purposes of supporting oncology research (lung and colon cancers).

IBBL's efforts will be underpinned by leading biotechnology and bioinformatics capabilities.



Left to right: Dr. Lee Hartwell, Dr. Leroy Hood, Dr. Jeffrey Trent

The biobank, to be founded by the three Public Research Centers and the University, will meet the strictest international standards in ethics and data-protection. This organization intends to ultimately promote and facilitate national and international research projects, including the research projects of Dr. Hartwell and Dr. Hood; to advance translational research, i.e. the implementation of recent research findings into medical practice; and to serve as a catalyst to transform research findings into tools for the prevention, diagnosis and treatment of disease.

The second part of the agreement deals with a partnership between the Institute for Systems Biology and the University of Luxembourg. The project aims to establish in Luxembourg, in collaboration with the Public Research Centers, a centre of excellence in systems biology – Centre for Systems Biology Luxembourg (CSBL) – within five years. The first phase of this research project deals with genome sequencing, particularly the study of genetic systems; the second phase deals with molecular fingerprinting (using blood proteins) of body's main organs. This research initiative will focus on better understanding the disorders in organisms in the event of illness, for detection and follow-up purposes. The project also contains a major technological component focused on the development and integration of tools used in genomics (the study of genomes), proteomics (the study of proteins) and bioinformatics (the application of computer techniques to biology).

The third and last project is a pilot project with the Partnership for Personalized Medicine (PPM), an initiative launched in Phoenix in 2007

by two philanthropic foundations and spearheaded by Dr. Lee Hartwell, 2001 Nobel Laureate in Physiology and Medicine. Its goal is to advance research in personalized medicine by pursuing research projects focused on developing molecular diagnostics for specific diseases. These research projects centre on the selection and validation of biomarkers to more effectively diagnose and manage disease, from early detection through therapeutic follow-up. The Luxembourg project will focus its efforts on lung cancer, for which currently there are virtually no cures, due to the lack of reliable tools for early detection (approximately 180 persons die annually from lung cancer in Luxembourg). This project will be implemented through a research partnership between the PPM and CRP-Santé.

For the three ministers who are behind this joint initiative – Jeannot Krecké, Minister of the Economy and Foreign Trade; François Biltgen, Minister for Culture, Higher Education and Research; and Mars Di Bartolomeo, Minister of Health – this strategic partnership between Luxembourg's research institutes and renowned U.S. research organizations is a unique opportunity to:

- develop a center of expertise that will increase research efforts in the Grand Duchy and strengthen both national effects and international influence;
- favor economic diversification in a cutting-edge and fast-growing sector by developing such expertise;
- and serve the interests of the general population as the healthcare system could greatly benefit from the research findings.

Luxembourg contact:

Judith Meyers, Ministry of the Economy and Foreign Trade

Phone: (+352) 24 78 43 49

E-mail: judith.meyers@eco.etat.lu

U.S. contact:

Lisa Stearns, The Hubbel Group, Inc.

Phone: (+1) 781 878 8882

E-mail : lstearns@hubbellgroup.com

More information:

ISB: www.systemsbiology.org

TGEN: www.tgen.org

PPM: www.pipertrust.org/news/october2007announcement.aspx

CRP Santé: www.crp-sante.lu

CRP Henri Tudor: www.tudor.lu

CRP Gabriel Lippmann: www.crp.gl.lu

University of Luxembourg: www.uni.lu



**FROM RESEARCH
TO INNOVATION**

20 YEARS



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THE LUXEMBOURG STOCK EXCHANGE

With over 48,000 securities admitted to trading, the Luxembourg stock exchange is the point of reference for the listing of international securities. It lists a variety of instruments from around the world.



A PRIME LOCATION FOR LISTING

The Luxembourg Stock Exchange held its first trading session on 6 May 1929. This may not have been the most auspicious year to commence operations with the great stock market crash occurring less than 6 months later. However throughout its history the Luxembourg Stock Exchange has weathered many changes to become one of the world's leading listing centers. Among the world's stock exchanges it maintains an enviable reputation for its expertise in listing international securities.

As the sole securities exchange in Luxembourg, the Luxembourg Stock Exchange offers listing services for around 4,000 issuers of some 100 countries and 13 supranational organizations. Instruments that are currently listed are shares, warrants, bonds of many types, depositary receipts and investment funds.

At the end of June 2008, the Luxembourg Stock Exchange held 48,067 lines on the two markets that it operates, the regulated market in accordance with European regulations and the Euro MTF market. The largest segments were bonds, with 32,818 lines, and Luxembourg investment funds, with 7,750 lines. Of the total, 43,226 were listed on the regulated market and 4,841 were listed on its Euro MTF market.

These figures testify to the attractiveness of the Luxembourg Stock Exchange for admissions to trading of international securities. Indeed, it is Europe's principal exchange for the listing of international bonds with some 43% of market share (24% of all bonds listed in Europe

are listed in Luxembourg), as well as being a leading listing centre for Global Depositary Receipts (GDRs).

THE ADVANTAGES OF THE LUXEMBOURG STOCK EXCHANGE

Because the domestic market for listings, with the exception of Luxembourg investment funds, has been and most probably will remain relatively minor, the Luxembourg Stock Exchange has focused on attracting business from companies or organizations that seek international listings. The foundations of this international aspect can be traced to 1963 when the first ever Eurobond was listed on the Luxembourg Stock Exchange. Since this pioneering move, the Luxembourg Stock Exchange has endeavoured to remain at the forefront of listing services. It was, for example, the first stock Exchange in Europe to list a depositary receipt.

Nowadays, listing is the core business of the Luxembourg Stock Exchange. Looking just at the bond segment, it lists a vast range of instruments from many types of issuers, such as supranational and national agencies, states, banks and corporate entities. Recent activity has included the listing of sukuk, shariah-compliant bonds.

This experience with all types of listing is one of the main advantages of the Luxembourg Stock Exchange. It is a renowned marketplace that offers a high quality of service with a straightforward listing procedure and a competitive fee structure.

The process of listing a security is important. Prior to listing, the Luxembourg Stock Exchange checks that all the prerequisites for a secondary market to develop are fulfilled. Listed securities are registered with international clearing organizations and have access to a trading platform. Therefore, listed securities are not simply listed but are also tradable on exchange. This is one of the core principles of the Luxembourg Stock Exchange.

Another important advantage of listing in Luxembourg is the fact that, because of its long experience in international listings, it maintains an enviable network of intermediaries. To carry out an international listing requires liaison with a number of different types of entities. Supervisory authorities are the obvious ones, but it also includes law offices, audit and consultancy firms, recognized international clearing organizations and platforms and systems for financial reporting. Its international expertise and competencies mean that it has recourse to tried and tested legal structures and networks of national and international professionals.

A CHOICE OF TWO MARKETS

The Luxembourg Stock Exchange offers a choice of two markets, the main EU-regulated market (called “the BdL market”) and an exchange-regulated market (called “the Euro MTF”).

For trading activities, there are no differences between these two markets. The same rules and regulations and trading mechanism apply to both. For listing activities there are important differences.

The BdL market is EU regulated and issuers are subject to the requirements of the Prospectus and Transparency Obligation Directives. In addition, issuers are subject to IFRS accounting standards (or equivalent for non-EU issuers). As it is an EU-regulated market, issued securities are eligible for the European passport. The BdL market is supervised by the Luxembourg supervisory authority, the CSSF.

The Euro MTF is an exchange-regulated market and is a Multilateral Trading Facility in accordance with the MiFID Directive. It is outside the scope of the Prospectus and Transparency Obligation Directives. The Euro MTF is for issuers who do not require a European passport or who require more flexibility in relation to preparation of financial information. Unlike the BdL market, accounting standards other than IFRS may be used. The Euro MTF is regulated by the Luxembourg Stock Exchange and has been operating since July 2005.

PARTNERSHIP WITH NYSE EURONEXT

Whilst wishing to remain independent, the Luxembourg Stock Exchange is open to opportunities for cooperation with other exchanges. It has had significant cooperation with Euronext N.V., now a subsidiary of NYSE Euronext, including a cross-membership agreement. In the past 18 months, this cooperation has led to:

- The migration of all Luxembourg securities to the NSC trading platform of NYSE Euronext’s European markets.
- The adoption by Euronext of the SAGE application for listing of corporate bond issues, SAGE having been developed by the Luxembourg Stock Exchange.
- The introduction of a clearing and settlement structure, which has LCH.Clearnet as Central Counterparty and a choice of settlement venues: Euroclear Bank and Clearstream Banking Luxembourg.
- The launch of the Luxnext standard for corporate bonds. Luxnext (www.luxnext.com) is a European Economic Interest Grouping between the Luxembourg Stock Exchange and Euronext N.V.

This aim of these initiatives is to allow access to increased numbers

to trade on the Luxembourg Stock Exchange and to increase trading volumes and liquidity. By extension, such moves will also continue to attract new categories of securities to Luxembourg.

CCLUX: SERVICES FOR INVESTMENT FUNDS

As a part of the Luxembourg financial center, which is Europe’s largest investment fund center, the Luxembourg Stock Exchange operates a subsidiary specialized in investment fund data and documents: CCLux.

CCLux (www.cclux.lu) was created in 1995 by the Luxembourg Stock Exchange, the association of the Luxembourg fund industry (ALFI), and some thirty Luxembourg institutions active in the investment fund industry. In 2002, CCLux became a wholly-owned subsidiary of the Luxembourg Stock Exchange.

The purpose of CCLux is the collection, management and dissemination of data and documents related to investment funds and the streamlining of flows for this information. This fits perfectly with the data dissemination activities carried out by the Luxembourg Stock Exchange.

AT THE FOREFRONT OF INTERNATIONAL STANDARDS

As is fitting for its international status, the Luxembourg Stock Exchange is a member of various high-level national and international associations. For example, it is actively involved XBRL Luxembourg. This group promotes the use of the XBRL language for more transparent, efficient business reporting and is a part of a worldwide consortium. Membership of this association will allow it to be at the forefront of future reporting standards and thus enable it to provide state-of-the-art data dissemination services.

In the same spirit, its subsidiary CCLux entered into a joint venture with FundConnect, a Danish company also specialized in fund data, to be the Classification Administrator for the European Fund Classification (EFC), which was set up by the European Fund and Asset Management Association (EFAMA). The aim of the EFC is to create a pan-European classification of investment funds that will enable investors to easily compare funds. This long-term project is expected to be beneficial for the entire investment fund industry.



Michel Maquil

By its work in such projects and its membership of other international organizations, the Luxembourg Stock Exchange continues to ensure its participation in the development of standards for the wider community.

The Luxembourg Stock Exchange is one of Europe’s leading exchanges. It is currently well-positioned to expect that this will continue in the future.

Michel Maquil
President and C.E.O.

CONTACT DETAILS :

Luxembourg Stock Exchange - Bourse de Luxembourg
11, av. de Porte-Neuve
L-2227 Luxembourg
Phone: (+352) 47 79 36-1
Fax: (+352) 47 32 98
Website : www.bourse.lu

VLM AIRLINES

Later this year, on the 17th of November 2008, VLM Airlines will celebrate the 10th anniversary of its services from Luxembourg. We believe this is the ideal time to provide an updated overview of the airline and look back at its main achievements in Luxembourg over the past ten years.



10 YEARS OF GROWING SUCCESS

On November 17, 1998, VLM Airlines commenced flights on the Luxembourg – London City route. Today, nearly 10 years later, the airline offers its growing number of frequent customers a choice of 3 flights every weekday to London City Airport. On Saturdays, VLM Airlines offers one return flight from Luxembourg to London City, and on Sundays two flights are offered between these two cities.

The airline owes a great deal of its success to the professional and friendly crew who has built a solid reputation over the years for caring for the needs of their passengers. The onboard service has received many plaudits from the frequent business travelers who fly on the route. In this regard, VLM Airlines differs considerably from low cost carriers as it offers complimentary food and drinks on board to both Economy as well as Business Class passengers. Business Class passengers receive additional advantages such as lounge access, a newspaper, a glass of champagne at the beginning of the flight and enhanced meals.

AWARD WINNING AIRLINE

This summer, VLM Airlines received a number of awards, demonstrating that it clearly understands the business of making the travel experience for its customers as convenient as possible. In July 2008, Business Destinations Magazine announced that the airline had won the

'Best Business Airline – Western Europe' award, an achievement that recognized the carrier's ongoing growth in the travel sector and the premium services it provides to its passengers.

Later in the summer, the Skytrax World Airline Awards named VLM Airlines the 'Best Regional Airline for Europe' and 'Best Cabin Staff Western Europe'.

Commenting on the 2008 Best Regional Airline Europe title awarded to VLM Airlines, Edward Plaisted, CEO of Skytrax said: "This award is particularly pleasing, in that it demonstrates quality of service and service clearly matter to customers on short haul services. VLM Airlines were strongly supported in this survey category, and were frequently singled out for the high standards of staff service they deliver. The award is very much a recognition of the customer-facing staff."

In 2006, VLM Airlines was named the 'Regional Airline of the Year' award by the renowned U.S. publication Air Transport World.

TIME-SAVING BUSINESS TRAVEL

With over 70% of its passengers traveling for business purposes, VLM Airlines understands the demands of travelling professionals, and its priority is to offer fast and frequent services. Short check-in times, fast

boarding and disembarkation and the convenient schedule are a necessity, but over the years VLM Airlines has also developed various tools to ensure a hassle-free travel experience. As an example, it has introduced online check-in, allowing passengers to check-in from the comfort of their own home or office between 2 hours and 30 hours prior to departure. Passengers carrying hand luggage only can check-in 15 minutes before departure at London City Airport.

LONDON CITY AIRPORT

With 80 flights every weekday and 25% of all aircraft movements at London City, VLM Airlines is the principal carrier at this unique airport. The location of the airport, next to Canary Wharf and within easy reach of The City, makes it very popular with many businesses and financial institutions. Since the introduction of the DLR (Docklands Light Railway) link to the airport, passengers can travel to Bank underground tube station in just 22 minutes, saving them time in comparison to the many other London Airports, which are further away from the city center and have longer check-in times.

The departure lounge at London City Airport has recently been enhanced with 250 additional seats, a new lounge with high-speed internet access and live sports screens in Bar Ten 28 for those who have time to relax and enjoy a drink.

At Luxembourg Airport, VLM Airlines has its ticket desk opposite check-in counter number one in the departure hall. It is open for business every day: Monday to Friday from 6am to 6pm, on Saturday mornings from 6.30am to 10.30 am, and on Sunday afternoons from 12.30pm to 7.30pm. VLM Airlines' staff there will gladly assist customers with their bookings and further queries about their flights.

VLM ENCORE

Two years ago, VLM Airlines launched its frequent flyer program VLM Encore, and today the scheme has over 45,000 members. Registering to the program is very straightforward, customers simply go to the website www.flyvml.com, register or update their profile and points will be awarded automatically for every online booking made with the airline. Travelers who book offline (for example through a travel agency) are not left without points, they are just required to enter their ticket number after each flight, making it a quick and simple way of earning points.

RECENT DEVELOPMENTS AND PRODUCT ENHANCEMENTS

The airline recently added a new tool on its website. 'Simply Questions' provides quick and simple answers to any questions travelers may have about VLM Airlines, its products or services. Having analyzed all the different types of questions travelers have asked over previous years, an extensive list of answers has been compiled and is made available via this tool. By typing in a question, an accurate and detailed answer can be provided within seconds.

VLM Airlines' fleet of environmentally friendly turboprop aircraft is being fitted with Kevlar seats, with a unique reclining function enabling the entire seat to tilt back. This offers a more comfortable position that is proven to be ergonomically better.

VLM AIRLINES AND THE ENVIRONMENT

With ever-increasing fuel prices, taxes and other charges imposed by various governments, the airline industry is facing many challenges. VLM Airlines has imposed only one fuel surcharge of GBP 4 (EUR 5) per sector back in August 2005, when the price of oil was GBP 50 (USD 60) per barrel. The price per barrel has more than doubled over the past three years but the airline has decided not to implement any additional fuel surcharges. One of our reasons for this is the fact that VLM

Airlines flies with very fuel-efficient aircrafts. The turboprop Fokker 50 aircraft allows them to limit the impact of the ever-increasing fuel prices. Being fuel-efficient also enables the airline to be more environmentally responsible, which is demonstrated in the low CO₂ emissions per passenger.

Official EU statistics show that the Fokker 50 produces significantly less CO₂ emissions per passenger than other short-haul aircraft, and in many circumstances it is more environmentally friendly per passenger than high speed rail. Based on a full load, our aircraft produces just 91.6 grams of CO₂ per seat per kilometer – less than a two-seater Smart Car.

VLM Airlines knows that it's crucial to recognize the impact its operations have on the environment, and to minimize those wherever possible, especially now that so many passengers take their carbon footprint into consideration when travelling.



COMPANY BRIEF

VLM Airlines commenced operations in 1993. It currently offers flights from London City to Amsterdam, Antwerp, Brussels, the Isle of Man, Jersey, Luxembourg, Manchester and Rotterdam. Direct flights are also offered from Manchester to both Antwerp and Rotterdam and from Rotterdam to Hamburg. VLM Airlines also organizes charter flights to various European destinations.

In 2007 the company recorded its tenth consecutive year of profitability. VLM Airlines currently employs over 425 people. In 2007 the number of passengers on VLM Airlines' flights rose by 9% compared to 2006 to over 745,000 passengers.

In December 2007, VLM Airlines was bought by the Air France – KLM Group.

FOR MORE INFORMATION:

Website : www.flyvml.com

THE 'VAT PACKAGE' CHANGES

WHAT SHOULD BUSINESSES DO NOW?

Earlier this year, a new set of European VAT rules, generally referred to as the 'VAT Package', was adopted. The new rules involve: changes to the place of supply rules for services, the introduction of a new administrative obligation (i.e. an electronic sales listing for services), changes to the procedures for VAT refunds for EU businesses (i.e. 8th Directive refund claim) and changes to the place of supply rules for electronically supplied services. Most of these rules take effect on January 1, 2010.

This article does not intend to provide an in-depth or comprehensive analysis of all the changes. It aims at putting emphasis on the need for businesses to timely consider what the impact of the new rules could be for them. This article further focuses on the impact of the changes for services rendered to businesses. For the new VAT rules relating to business-to-consumer electronically supplied services, reference can be made to "Connexion", 2nd Quarter 2008 page 23.

NEW BASIC RULE FOR THE PLACE OF SUPPLY OF A SERVICE TO A BUSINESS (B2B SUPPLY)

For VAT purposes, the place of supply is a concept that determines the country entitled to levy VAT. Currently, the basic rule is that the place of supply of a service is deemed to be where the supplier is established. However, there are a lot of exceptions to this general rule. The new rules for B2B supplies of services aim at creating more legal certainty and at facilitating the application of VAT mainly by implementing a new "main rule" according to which VAT has to be declared by the customer in his country of establishment, except for overriding exceptions for certain services.

IMPACT FOR BUSINESSES

INCREASED APPLICATION OF THE VAT OF THE COUNTRY OF THE CUSTOMER

The new main rule will bring a broader range of services to fall within the scope of the VAT of the country of the recipient of the service and will see a broadening of the application of the 'reverse charge' mechanism (self-accounting of the VAT due by the recipient of the service in his VAT return).

The new rule will, therefore, bring changes for services that are at present taxed where the supplier is established. For example, based on the new main rule, starting January 1, 2010, the place of supply of management services rendered to a business will be taxable at the place where the recipient of the services is established. For services such as the so-called "intellectual" services which are currently already taxable in the country of the recipient (based on an exception to the current general rule), in practice, no change should occur.

EXCEPTIONS REMAIN FOR SOME SERVICES

To reflect the principle of taxation at the place of consumption, certain services will not be subject to the new main rule. This is for example the case for services relating to immovable property for which the place of taxation will remain unmodified, i.e. where the property is located.

POINT OF ATTENTION FOR HOLDING COMPANIES

The new Directive 2008/8/EC specifies that the main rule will also apply to legal persons who are not a business from a VAT perspective (such as most holding companies) but who are identified for VAT. Based on this Directive, a Luxembourg holding company which renders also

taxable services (such as management services) will have to self-account for Luxembourg VAT on all taxable services received from foreign companies and where, based on the new main rule, the place of supply is in Luxembourg.

SIMPLIFIED VAT REFUND PROCEDURES FOR NON-REGISTERED EU BUSINESSES

The current rules regarding the place of supply of services frequently imply that local VAT is charged on the invoice, which needs to be recovered through administratively burdensome refund claims (8th Directive refund claim). Under the new rules, VAT will more often be levied via the reverse charge mechanism in the Member State of the customer. The compliance burden linked to the filing of refund claims should therefore decrease. Where the new rules still require the charging of local VAT that cannot be recovered in a locally filed VAT return, a simplified process will be implemented for EU businesses, allowing them to file an electronic refund request for VAT incurred in other EU Member States via their Member State of establishment. This new procedure should be effective on January 1, 2010.

NEW REPORTING OBLIGATIONS FOR SERVICES

The overall compliance burden for businesses may nonetheless not decrease. Indeed, businesses making intra-EU supplies of services will have to file recapitulative statements of all their supplies to which the reverse charge applies in the recipient's Member State.

Supplies that are exempt from VAT in the customer's Member State need not be reported. The new listing could therefore be especially burdensome for banks and other financial services institutions due to the diversity of the services performed and of the differences of their VAT treatment in the 27 Member States.

WHAT SHOULD BUSINESSES DO NOW?

Businesses need to foresee and embrace the upcoming changes. They must assess and adjust their current processes so as to be ready when the new rules enter into force. For example, the new VAT logic will need to be built into accounting systems and the systems will have to be adapted to generate the above mentioned recapitulative statement.

For holding companies (and other non taxable persons from a VAT perspective such as public bodies), the new rules may trigger additional costs of non-recoverable VAT due to the obligation to reverse charge VAT on a number of services as soon as the company is registered (e.g. to account for an intra-Community acquisition of goods). They will therefore need to analyze the impact of the new rules on their individual situation.

Anne Murrath
Partner

Charlene-Adeline Herbain
Advisor, PricewaterhouseCoopers Luxembourg

For more information: see www.pwc.com/lu (VAT services) or contact anne.murrath@lu.pwc.com

Disclaimer: This article is based on legislation and documentation available on August 18th, 2008. It is meant for general information purposes only. It cannot be regarded as binding legal, financial, tax or any other advice. No action should be taken before liaising with a specialist consultant.

1 Council Directive (CD) 2008/8/EC, CD 2008/9/EC, Council Regulation (EC) N°143/2008 of 12 February 2008, published in the Official Journal of the European Union on February, 20, 2008

2 "Intellectual" services include lawyer, adviser and consultancy services, banking and financial services, etc.

3 It should however be noted that, in some cases, a Member State can, in order to prevent double taxation, non-taxation or distortion of competition, opt to tax the service in the country of 'effective use and enjoyment' instead of the country of establishment of the customer. This scenario can only apply to relations with a non-EU based party.



Anne Murrath



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TEAM Allied
112 Rue du Kiem
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Luxembourg

Tel : +352 442 252
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www.teamalliedgroup.com

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THE LONG AWAITED "STATUT UNIQUE" FOR THE PRIVATE SECTOR

Luxembourg's labor market is particularly attractive thanks to its dynamism, the opportunities it offers in terms of social protection and its unique fiscal and regulatory environment. Yet stakeholders have always been calling for an amendment of the Labor Code as regards the differentiation between workers ("ouvriers") and employees ("employés privés"), a differentiation existing in no other European labor code. After long negotiations within the Tripartite Coordinating Committee, the Single Statute introduced by the law of 13 May 2008 will enter into force on 1st January 2009. It aims at converging the status of blue-collars and white collars of the private sector and, by doing so, putting an end to the unequal treatment between workers and employees. It provides at the same time for a reduction and a compensation of the financial burden on the economy, in order to preserve Luxembourg's competitiveness and guarantee a neutral financial impact for businesses. The common regime will be in line with the current regime of labor law and social security provisions applicable to employees.

The main innovations are the following:

LEGAL SEVERANCE INDEMNITY

Employees and workers currently receive the same statutory severance payment ("indemnité de départ légale") after a dismissal with notice in case they have a seniority of less than 20 years. Unlike employees who receive up to 12 months of legal severance indemnity after 30 years of seniority, workers do currently not receive more than 3 months. The new regime provides for both workers and employees the same compensation:

Length of service	Severance payment
Less than 5 years	/
Between 5 and 10 years	1 monthly salary
Between 10 and 15 years	2 monthly salaries
Between 15 and 20 years	3 monthly salaries
Between 20 and 25 years	6 monthly salaries
Between 25 and 30 years	9 monthly salaries
As of 30 years	12 monthly salaries

OVERTIME

Under the new regime overtime is compensated either by paid free time amounting to one hour and a half per one hour overtime or saved in a so-called time savings account (at the same rate of 1.5 per overtime hour). The details of these accounts shall be fixed in collective bargaining agreements or in any other agreements concluded between the social partners at the appropriate level.

If, for reasons linked to the organization of the business, a compensation in accordance with the previous paragraph is not possible, then the employer must make a cash payment amounting to 140% of the normal salary.

It must be noted that overtime performed by workers is currently only remunerated with

125% of the normal salary whereas employees are entitled to 150%. The reduction of the premium for employees under the new regime is however compensated by the fact that there are no tax and social security payments on the premium of 40%.

TRIMESTRE DE FAVEUR IN THE EVENT OF AN EMPLOYEE'S DEATH

The so-called trimestre de faveur applied to employees will also be applicable to workers: the trimestre de faveur provides for the payment of the salary of the month in which the death has occurred plus three additional monthly salaries for a surviving family member (as defined by the Labor Code) after the death of the employee. In addition, and in the event that the deceased employee was entitled to free housing, his/her surviving family may continue to use the free housing for a period of three months following the month in which the death has occurred.

CONTINUED SALARY PAYMENT IN THE EVENT OF SICKNESS

The differences in treatment between workers and employees are particularly important when it comes to the continued salary payment in the event of sickness.





A worker's salary payment is currently covered by the Caisse de maladie as from day one whereas the Caisse de maladie currently only covers the employee's salary after three months following the month in which the sickness period has started. The payment for workers is funded by employers and workers with 2,35%, whilst for employees only with 0,1%. Therefore a worker having currently the same gross salary as an employee has a lower net salary than an employee.

Within the Single Statute, the employer will assume the continued salary payment during an average period of 13 weeks for all its working staff. The amended article L.121-6 (3) of the Labor Code indeed states that the employee/worker will be entitled to the continued salary payment until the end of the month during which 77 days of absence (calculated over a reference period of 12 consecutive calendar months) are reached. After the period of continued salary payment (average period of 13 weeks), the National Health Fund will assume the payment of the salary.

The new regime is meant to bring about an alignment in this regard. The Health Insurance will be funded, as far as the cash benefits are concerned, with a common contribution rate for each party amounting to 0,25 %. The joint rate for benefits in kinds will remain unchanged (total of 5,40% covered equally by employer and employee). After the period of continued salary payment (average period of 13 weeks), the Caisse de maladie will assume the payment of the salary. In order to alleviate the financial burden on the employers in relation to the period of continued salary payment, the companies must affiliate to a mutual insurance scheme. In the framework of this scheme, the employers will be partially refunded for the continued salary payment during sickness leaves.

ABUSIVE ABSENTEEISM

In addition to these changes, an important issue during the single statute discussions was to tackle the problem of abusive absenteeism which causes great losses to businesses. As absenteeism is higher among

the workers, it was agreed that measures in order to prevent abusive absenteeism and the monitoring of control mechanism would have to be implemented. However, and apart from the provision extending the control mechanism of the social security authorities to the period during which the employer must continue to pay the salary, no concrete measures have yet been taken.

MERGER OF RELEVANT INSTITUTIONS

The establishment of a Single Statute also raises the question of the competent institutions. A single National Health Fund and a single National Pension Fund will be established, as well as a single professional chamber which will supersede the "Luxembourg Union of Private Employees" (Chambre des Employés Privés Luxembourg) and the "Chamber of Labor" (Chambre de travail). Furthermore, there will no longer be a difference in the composition of the labor court.

By creating a common regime and by merging the institutions, the single statute brings about a simplification of labor law and an alleviation of the administrative burden. At this stage and due to the fact that several implementing measures (such as concrete measures to reduce absenteeism) have not yet been taken, it is however difficult to have a full picture of the overall impact and to assess whether the new statute indeed constitutes a fair compromise between the social partners.



Steve Koenig
*Avocat à la Cour –
 Senior Associate
 Allen & Overy
 Luxembourg*

CONTACT DETAILS:

Allen & Overy Luxembourg
 33, avenue J.F. Kennedy
 L-1855 Luxembourg
 Phone: (+352) 44 44 55 1
 Fax: (+352) 44 44 55 555

Website : www.allenoverly.com/luxembourg

BANQUE DEGROOF

THE FUTURE IS IN OUR HANDS

When Bank Degroof manages the heritage of its customers, it is always in a long term perspective. The transmission from one generation to the other is often a priority for our customers. In this context, environment became a major concern: what's the point of managing a heritage at best for the children and grandchildren of our customers, if our planet becomes unbearable?

Therefore the bank has decided to act in concrete terms in favor of a better environment and to get involved directly and indirectly in several plans going in this way to notably become CO₂ neutral. Starting from scratch, we first noticed that we control better what we measure, so the bank decided to make an audit of its climatic impact.

In order to do that, Degroof got in touch with the Belgian company CO₂logic. This company uses a method - acknowledged by the Carbon Balance sheet of ADEME (the French Agency of environment and workmanship of energy). This audit allowed identifying the CO₂ impact of the bank in the course of the fiscal year 2006-2007. Its tool consequently gave us an overview which will allow our bank to take directed decisions on our CO₂ production and increasingly reduce it.

Besides measures taken to reduce its CO₂ production, the bank decided to compensate its non reducible part of CO₂ with a program that fits in the frame of the Kyoto protocol. Here also, we called upon the expertise of CO₂logic to advise us in that direction.

The ecological and environmental program we support is located in India. It promotes using the agrarian waste of the local farmers as a renewable source to produce clean electricity.

Besides the project in India, our office building in Luxembourg meets the requirements set by state-of -the-art technology based on 3 objectives:

- Protection of the environment
- Technical reliability - production of energy
- Security and wellness of the personnel

The guideline leading to the installation of this system consists in adapting the production of energy to the consumption of the building. Energy pressures and thermodynamics brought us to the implementation of stocking energy (hot water).



This installation is based on a European policy of prudent use of energy (trigénération) and preservation of the environment (CO₂ reduction program).

The reduction of CO₂ using cogeneration¹ amounts to +/-309 tons a year, equalling a reduction in the order of 23 % compared to classical solutions.

This choice gives a balanced compromise between man, energy and environment.

In addition to these day by day initiatives, Bank Degroof welcomed - as part of the unveiling of the new Luxembourg wing - the explorer Alain Hubert on June 12th. His new innovative project Princess Elisabeth Antarctica (details please see below) seemed to us an outstanding example of new initiatives to save the future of our planet.

BANK DEGROOF, FACTS AND FIGURES

Founded in 1871 by Franz Philippson, Bank Degroof is the largest private bank in Belgium. Since its origin, its core business has been wealth management. Its identity is based on the principles of long-term relationships, tailor-made services, excellence, and ethical awareness.

Building on its strong expertise, the bank offers a complete and integrated range of high-quality services: asset management, investment banking advice and services, market activities, equity research, credit, and financial structuring.

The bank places its expertise and values at the service of private high net worth individuals and institutional investors and listed, private and public sector companies.

Being headquartered in Brussels, the bank is nowadays active in Belgium, Luxembourg, Switzerland, Spain, France, and the Netherlands. Over the recent years, the bank has taken majority stakes in Belgian and foreign financial institutions and asset management companies

The bank is independent, being controlled by its Managing Directors. The bank is not listed. Degroof has preserved its entrepreneurial and innovative spirit, whilst being large enough to offer quality performance in its targeted business areas.

Its reputation and professional approach enables it to attract and retain highly competent professionals who create strong teams and who represent the bank daily to the outside world.

REGARDING CO₂LOGIC

CO₂logic is the first Belgian firm active in the compensation of CO₂. The company informs individuals and firms of the programs of carbon dioxide that it causes and advises the possibility of reducing their impact on climatic change by becoming CO₂ neutral.

PRINCESS ELISABETH ANTARCTICA: RETURN TO THE SIXTH CONTINENT

110 years after the Belgica expedition, the International Polar Year 2007-2008 provides a unique opportunity for humanity. Once again, Belgium has set itself high goals. The Belgian Federal Government has commissioned the International Polar Foundation, founded by Alain Hubert and



Professors André Berger (UCL) and Hugo Declair (VUB), to build a new research station, the "Princess Elisabeth" Station, to be constructed during the austral summer 2007-2008.

Acting as a technological showcase and a launch pad for wider understanding of climate mechanisms, the "Princess Elisabeth" station will give unprecedented visibility to Belgium's commitment - and that of its people and businesses - to meeting the climate challenge.

AIMING FOR "ZERO EMISSIONS"

This project is a major first: the only polar base operating entirely on renewable energies!

This represents a technical achievement blending the best both science and technology can offer. By bringing together international technology and expertise, "Princess Elisabeth" will combine eco-friendly construction materials, clean and efficient energy use, optimization of the station's energy consumption and the best waste management techniques.

These leading techniques and facilities will aim to reduce the station's ecological footprint on the pristine environment of Antarctica, following the principles set forth by the Antarctic Treaty.

A SCIENTIFIC STATION

According to a Eurobarometer survey published in 2005, Europeans show great concern towards environmental issues. Along the same line,

a consensus has been established amongst the Intergovernmental Panel on Climate Change (IPCC) that human activities are indeed contributing to climate change.

Since Antarctica constitutes an irreplaceable archive of the planet's climatic history, delving into that past is essential in order to address urgent practical problems now needing answers.

The stakes are thus high for "Princess Elisabeth". By providing state of the art facilities for a maximum of 16 scientists, the research station will contribute to the worldwide understanding of climate change.

After construction of the station, the accompanying research program will be managed and coordinated by the IPF's governmental partner, the Belgian Federal Science Policy Office (Belspo). During the austral summer 2008-2009, the final phase of construction and tests as well as the first research activities will be carried out on site.

A Polar Secretariat composed of IPF members and Government representatives will coordinate the operational management of the station.

1 Cogeneration (also combined heat and power, CHP) is the use of a heat engine or a power station to simultaneously generate both electricity and useful heat.

TEAM-BUILDING EVENTS: GREAT FUN WITH A SERIOUS GOAL

It isn't always necessary to separate work and pleasure; in fact, there's much to be gained by combining the two. For instance, if you want your employees to feel like motivated team members instead of isolated individuals at the workplace, having them spend a fun day with their colleagues in order to build a sense of community and friendship simply makes good business sense.

A special challenge in Luxembourg is to help people of various backgrounds and cultures to feel like a coherent group. A lot of employees commute from across the border, and a lot of expats leave Luxembourg every weekend and on the holidays. So not only do they not know each other very well, they don't know the country of Luxembourg all that well either, and that's a hindrance to their feeling at ease in the country where they either work or actually reside. Another way of increasing your employee's well-being, then, is making them feel at home here in Luxembourg and showing them some of its hidden beauty. There are countless spots off the beaten track to be discovered, places full of history where the imagination can find fertile ground.

DISCOVER LUXEMBOURG AND BOOST TEAM SPIRIT

But real team-building events require more than inviting the whole group to a Saturday afternoon picnic in a scenic spot or to a pizza evening at a cute little restaurant found by the wayside. A communication and event specialist can help you organize an event specifically designed to get people to work together, face and overcome challenges, share new experiences and have a great time becoming better friends and co-workers. It takes know-how and experience to make an event the kind of success that will really bring about a boost in employee morale. It is well worth investing in professional event organizers when you realize that ultimately, the return on that investment is a more productive workforce, and a more productive workforce means higher profits.

There's no shortage of ideas. Mediation, for example, has been coming

up with memorable and fun team-building events since 1991. They suggest letting your employees discover Luxembourg's touristic highlights by travelling the country's length and breadth in a stylish old-timer antique car. Or plunging them into an adventure involving a counterfeiter in Esch-sur-Alzette. Or taking them into Luxembourg's past and deep into the mines in Rumelange, where they will meet Seven Dwarfs quite unlike the ones so beloved by Snow White. How about even having them go on a hunt for the lost treasure of Saint Willibrord in the beautiful Mullerthal region, also known as Luxembourg's 'Little Switzerland'?

As fun as those excursions are, they take real work behind the scenes to ensure they are successful. Depending on the event, there may be materials to rent and decorators, caterers, hostesses, actors and others to hire. That's why it's good to turn to an expert and relax and enjoy your day out along with your employees.

Communication and events organizers can help you successfully plan for a wide variety of other types of events as well - incentive trips, press conferences, company parties, seminars, rallies, trade fairs, product launches... all of these come under the broad umbrella of 'events' and each type can be organized for a specific group such as employees, clients, stock-holders, suppliers, distributors, the press or the general public.

Any type of event communicates a message, and the way it is organized tells your invited guests a lot about how much you value yourself and how much you think of them. Treat your people right and they will repay you with loyalty, greater motivation, appreciation and genuine satisfaction. Now for a relatively small investment, that's priceless.

Netty Thines
Communication Specialist
Mediation SA

THE NEW EXIT TAX FOR U.S. EXPATRIATES

On June 17, 2008 a new law was enacted that dramatically changes the tax consequences for any American citizen wishing to abandon his/her citizenship or for any long-term green card holder wishing to relinquish his/her green card (i.e. expatriation). The idea of an exit tax has been discussed for a long time and over the past couple of years the pressure was rising. Nobody expected, however, that this new law would be enacted the day after the due date for expatriate returns.

Details of this new piece of legislation will be discussed in this article, but suffice it to say that from now on, if you abandon your U.S. citizenship or if you relinquish your green card as a long-term green card holder, you will owe Uncle SAM an income tax on any unrealized gains. In other words, on the date you expatriate all your assets are deemed sold and you will pay a tax on the theoretical capital gains.

Let's start with the good news, the first USD 600,000 of gains are exempted. Only unrealized gains in excess of that amount will be taxed. Trustees of foreign non-grantor trusts are now required to withhold 30% of any distribution from the trust that would have been taxed if the beneficiary had not expatriated. Failure to do so directly engages the trustee's responsibility for the amount of tax that should have been withheld.

Only those individuals with (i) a net worth of USD 2 million or more or with (ii) an average net US tax liability of more than USD 139,000 (indexed) or (iii) who fail to certify that they have complied with their U.S. tax obligations for the past five years are covered by this legislation. The Act contains two exceptions. An individual is not a 'covered expatriate' if he certifies compliance with U.S. federal tax obligations as specified above, and: (i) he was at birth a citizen of the U.S. and another country, provided that (a) as of the expatriation he continues to be a citizen of, and a tax resident of, such other country, and (b) he has been a resident of the U.S. for no more than 10 of the 15 taxable years ending with the taxable year of expatriation; or (ii) he relinquishes U.S. citizenship before reaching the age of 18 ½, provided that he has been a resident of the U.S. for not more than 10 taxable years before relinquishment.

The exit tax is also applicable to some deferred compensation items, deferred tax accounts and, as indicated above, to foreign trusts also. Some guidance is still expected for those items. They will impact expatriates' retirement planning.

The act also includes a tax on gifts bequests to U.S. citizens and residents. The tax is assessed at the highest marginal estate or gift tax rate at the time of the gift or bequest. It applies only to the extent that the gift or bequest exceeds USD 12,000 during any calendar year. The tax is

reduced by the amount of any gift or estate tax paid to a foreign country with respect to such covered gift or bequest. The USD 1 million exemption from U.S. gift tax or the USD 2 million exemption from U.S. estate tax normally granted to U.S. persons does not seem to apply to covered expatriates. However, gifts or bequests made to a U.S. spouse or a qualified charity are not subject to the tax.

Pursuant to the new Act, those subjected to the exit tax, also called mark-to-market tax will no longer be subjected to the 10 year shadow period.

As you can see this is a very important shift in expatriate tax policy and it will have a serious impact on people affected by this legislation. It also needs to be seriously considered before applying for a green card or for U.S. citizenship. The consequences of a subsequent relinquishment of the card or abandonment of the citizenship could be dire.

The conclusion is simple, individuals expatriating should expect a tax burden when doing so, trustees must be weary of the new withholding obligation resting with them as they will be held directly responsible for not properly withholding the U.S. tax and, those who expatriate and later want to gift or bequeath assets to U.S. citizen or resident will likely be subjected to U.S. tax.

As is the case with most tax legislation, this piece is very complex and you should refrain from making any decisions based on the information contained in this article. Please consult with your qualified tax adviser to determine how this new law may apply to you.



Philippe A. Dewez, CPA
Licencié en Droit
Managing Director
US Tax Abroad SPRL
www.USTaxAbroad.com



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Average consumption (l/100km)/ CO₂ emission (g/km): 9.7-6.5/233-172

G&CO

Arnold Kontz
184, Route de Thionville
L-2610 Luxembourg
Tel. 49 19 41-1
info@arnoldkontz.net.bmw.lu
www.arnoldkontz.bmw.lu