

connexion

LUXEMBOURG AMCHAM REPORT



Q2 2013



KEEPING LUXEMBOURG STRONG

SECURITY

Focus on your core business outsource the rest

- ✓ Secured Outsourcing of Printed Media
- ✓ Hybrid Mail Management
- ✓ Personalised Mailing
- ✓ Transactional Printing
- ✓ Financial Reporting Services
- ✓ Business Process Outsourcing solutions

At Faber Digital Solutions, we handle the details to ensure you reach perfection

Faber Digital Solutions S.A.
Autorisation d'établissement PSF n°59/06
7, rue des Prés
L-7561 Mersch

Tél.: (+352) 32 87 32 - 1
Fax.: (+352) 32 71 86
info@faberdigital.lu
www.faber.lu

faber^f
DIGITAL SOLUTIONS



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

The American Chamber of Commerce in Luxembourg a.s.b.l. is an international voluntary organization of business persons committed to promoting English-speaking networking opportunities and business relations in the Grand Duchy.

Chairman and CEO

Paul-Michael Schonenberg

Communications Director

Natalie Gerhardstein - gerhardstein@amcham.lu

General Information

Dilek Ayaydin - ayaydin@amcham.lu

Editorial Committee

Natalie Gerhardstein

Paul-Michael Schonenberg

Layout Conception

Today's Ink - www.todaysink.lu

Printer

Imprimerie Faber - www.faber.lu

American Chamber of Commerce in Luxembourg

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

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

www.amcham.lu

Please Note:

The American Chamber of Commerce in Luxembourg does not necessarily endorse the views or opinions expressed in this periodical nor accept any responsibility in connection with information rendered.

Copyright © 2013:

The American Chamber of Commerce in Luxembourg

No part of this publication may be reproduced without written permission from the American Chamber of Commerce in Luxembourg. All editorial materials and advertising inquiries should be addressed to the Chamber at the above address.

CHARTERED MEMBERS

- ALFI
- Alter Domus
- Arendt & Medernach, Attorneys at Law
- Badenoch & Clark
- BDO Tax & Consulting S.A.
- BIL
- CASTEGNARO
- Caterpillar Luxembourg
- Clearstream International
- Commerzbank International
- Covidien
- Dechert Luxembourg
- Deloitte
- Delphi Corporation
- DSM Avocats à la Cour
- Ernst & Young Luxembourg
- European Fund Administration
- European Relocation Services
- Euroscript Luxembourg
- Fragomen
- G4S Security Solutions
- Goodyear
- Guardian Europe
- Intertrust (Luxembourg)
- KNEIP
- KPMG Luxembourg
- Leadership Solutions Europe
- McKinsey Luxembourg
- MNKS
- Oracle
- P&T Luxembourg
- PwC Luxembourg
- Randstad Recruitment & Selection
- RBC Dexia Investor Services Bank
- Sal. Oppenheim jr. & Cie
- Sandstone
- SecureIT
- State Street Bank (Luxembourg)
- Streff Removals & Storage
- Taplow Group Luxembourg
- TEAM Allied
- United International Management



Contents

12



SPECIAL FEATURE

Keeping Luxembourg Strong



17

HOW TO BE MULTILINGUAL IN LUXEMBOURG



20

BRITAIN'S PLACE IS AT THE "HEART OF THE EUROPEAN UNION"



32

TOP 10 LEGAL ISSUES

CHAIRMAN'S REMARKS

- 05 A WORD FROM THE CHAIRMAN

NEW MEMBERS

- 06 CHARTERED
- 06 CORPORATE
- 10 SMALL BUSINESS

INTEGRATION ISSUES

- 17 HOW TO BE MULTILINGUAL IN LUXEMBOURG
- 18 LUXEMBOURGISH KEY WORDS AND PHRASES

AMCHAM COMMITTEES

- 20 ABAL: BRITAIN'S PLACE IS AT THE "HEART OF THE EUROPEAN UNION"
- 22 COMIT: DELOITTE TMT PREDICTIONS 2013

INFORMATION TOOLBOX

- 24 WHY EXTRAPOLATING LUXEMBOURG'S PAST IS INAPPROPRIATE
- 26 INTRA-GROUP TRANSFER OR SECONDMENT OF EMPLOYEES

MEMBER SPOTLIGHT

- 28 MEDIATION

COMMUNITY NEWS

- 30 TAX TRENDS UPDATE
- 32 TOP 10 LEGAL ISSUES

FIND OUT ABOUT OUR
UPCOMING EVENTS:



A WORD From the Chairman

Dear Colleagues and Friends,

Welcome to the Q2 2013 issue of **connexion!**

For the moment AMCHAM is a bit like a duck gliding across a pond: you can see the duck moving along serenely from one point to another, but you can't see how strongly the feet of the duck are paddling underneath to move it along!

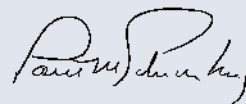
Our seven committees and our American Business Association are all working hard to develop and present the programs you want and need for networking, information resourcing, problem-solving and lobbying with the government. We are all very pleased with the great events we have already put on this year. But stay engaged with us: we have more to come!

For the moment we are giving special focus to brainstorming and lobbying to ensure Luxembourg retains its current position as the best place in Europe for international companies to have their European operations activities and headquarters. Please find links to a copy of the letter we sent to the Prime Minister and the senior Ministers in the Luxembourg government, along with several short videos on the AMCHAM website (www.amcham.lu).

If you want to support and help us with our goal of keeping Luxembourg strong for the future, please sign our petition, which is also linked to our homepage.

And if you want to get more involved with us, know you are welcome! If you are members of an AMCHAM company, come to our events, participate, give us your ideas and feedback, and volunteer. If you are not a member but interested, join us! Membership fees are affordable and give you great value for your money. We are the largest private Chamber of Commerce in Luxembourg and a melting pot of international persons, with 70% of our membership represented by non-U.S. companies. All companies and nationalities are fully welcome. Adding your voice to ours makes the international voice louder and strengthens our efforts to lobby to ensure Luxembourg becomes an even better place for international companies and their employees to locate, work and prosper. Contact me at info@amcham.lu.

With respect and
my best regards,



Paul Michael Schonenberg
Chairman and CEO



Chartered



Fragomen Global LLP

Representative: Alexandre Pirotte
Title: Manager, Luxembourg Practice; Lawyer
Avenue des Arts, Kunstlaan 44
B-1040 Brussels
Tel.: (+32) (0) 2 550 11 87
Fax: (+32) (0) 2 550 10 29
Email: apirotte@fragomen.com
www.fragomen.com

A world of difference in business immigration

Global Corporate Immigration • Advisory Services
• Compliance • Visa and work permits

Immigration is not just one of the many practice areas at Fragomen—it is our sole focus. As the largest and leading provider of immigration services, we are able to provide effective and efficient solutions for any type of immigration needs anywhere in the world. Our service models are flexible and are designed to support the largest multinational corporations to a single individual. With clients represented in every industry segment, we have a deep understanding of the priorities and challenges of their businesses which enables us to provide tailor made and strategic immigration counsel. See how your view of the world changes when you work with a law firm with global presence focused on immigration law.

Corporate



AIG Europe Limited

Representative: Philippe Goutière
Title: Legal Representative
10 B, rue des Mérovingiens
L-8070 Bertrange
Tel.: (+352) 44 30 32 23
Email: philippe.goutiere@aig.com
www.aig.com

AIG is a leading international insurance organization serving customers in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. AIG Europe offer financial protection to corporations, with a focus on Directors and Officers Liability, Travel & Expatriates solutions, Property and Casualty Multinational Programs.

We can also offer Alternative Risk Financing options, Risk Management and captive programs. Our activities also extend to consumer markets where we supply a broad range of products for sale to the end user through brokers, affinity groups, employers and financial institutions.



Compass Group Luxembourg

Representative: Jean-Marc Demerdjian
Title: Managing Director
19, rue Léon Laval
L-3372 Leudelange
Tel.: (+352) 26 37 30
Fax: (+352) 26 37 31 559
Email: jean-marc.demerdjian@compass.lu
www.compass-group.com/

Compass Group is the world's leading provider of food and support services.

Established in Luxembourg in 1982 and deeply involved in the national economy, our companies Eurest, Automat' Services, Innoclean and Novelia employ 1,400 people in the sectors of catering, vending, cleaning and senior healthcare. Our clients are public institutions (national and international), as well as private business & industry, education, healthcare and travel.



Our clients get 360° attention

Deloitte Luxembourg's app is



© 2013. For information, contact Deloitte Touche Tohmatsu Limited.

Deloitte.

Corporate (Cont.)



LuxCloud

Representative: Marco Houwen

Title: Founder & CEO

1B, rue Heienhaff

L-1736 Senningerberg

Tel.: (+352) 27 72 120

Fax: (+352) 27 72 13 317

Email: info@luxcloud.com

www.luxcloud.com

LuxCloud is the leading global channel-centric marketplace for cloud services; its scalable and flexible technology fully equips international sales and software partners with all they need to successfully launch and deliver the cloud services demanded by SMBs. Customizable branded solutions enable VAR's, system integrators, telecoms and service providers to sell online all of the services and applications available on the platform. The applications are constantly evolving, reflecting the requirements of the market, and includes Web and application hosting, messaging and collaboration, business processes and infrastructure packages. Part of the DCL Group, LuxCloud was founded in 2010 and is headquartered in Luxembourg.



Norddeutsche Landesbank Luxembourg S.A.

Representative: Kerstin Jablonowski

Title: Head of Marketing

7, rue Lou Hemmer

L-1748 Luxembourg-Findel

Tel.: (+352) 45 22 11-376

Fax: (+352) 45 22 11-307

Email: kerstin.jablonowski@nordlb.lu

www.nordlb.lu

Nord/LB Luxembourg was founded in 1972 as one of the first Eurobanks in Luxembourg and is incorporated in a strong group with headquarters in Hannover, Germany. As a specialist for private banking, Nord/LB Luxembourg is currently implementing FATCA regulations. We gladly serve U.S. clients, provided they are not residing in the U.S. Highly competent advisers, long-term continuity in relationship management and a product range that is not limited to domestic products (open architecture) are the most valuable advantages for private clients. The individual portfolio management has a track record of more than 14 years. Since summer 2011 the bank maintains state-of-the-art premises close to the Luxembourg airport.



Northern Trust

Northern Trust Global Services Ltd.

Representative: Jill Griffin

Title: Managing Director

2, rue Albert Borschette

L-1246 Luxembourg

Tel.: (+352) 27 62 72 270

Fax: (+352) 27 62 72 333

Email: jg184@ntrs.com

With a long-term local presence and an established office in Luxembourg since 2004, Northern Trust is a leading asset servicing provider working with some of the largest, most sophisticated global asset managers, boutique managers and multinational pension funds. Recognized as "Fund Administrator of the Year" by Funds Europe in 2011, our award-winning services include a full suite of central administration and depository services with extensive experience in traditional and alternative vehicles. We pride ourselves on achieving service excellence through partnership and that's exactly how our office was established in 2004 as part of a client-led initiative. This resulted in the establishment of a tax-transparent, cross-border pension pooling solution—the first of its kind.



Ogier

Representative: François Pfister

Title: Managing Partner

2-4, rue Eugène Ruppert – B.P. 2078

L-1020 Luxembourg

Tel.: (+352) 27 12 20 00

Fax: (+352) 27 12 20 01

Email: carine.roze@ogier.com

www.ogier.com

Ogier Luxembourg is a law firm member of the Ogier Group. Founded in April 2012, Ogier Luxembourg provides legal advice covering investment funds, mergers and acquisitions, international tax, corporate finance and commercial matters; advises financial institutions, asset managers, private equity and real estate sponsors and advisors on structuring regulated funds, on establishing domestic and cross-border corporate vehicles, regulated and unregulated, IPOs and other public offerings.

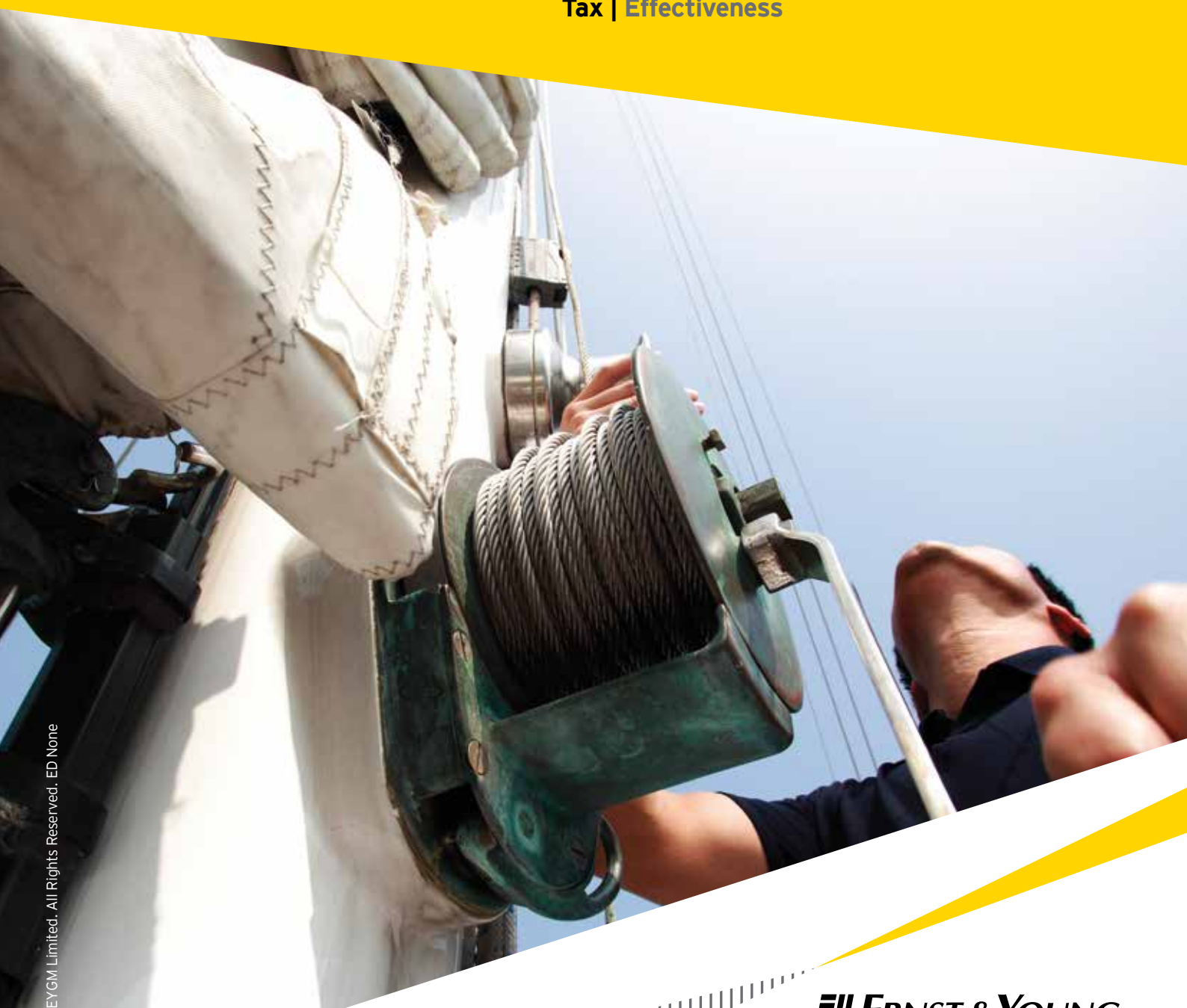
The Ogier Group advises on BVI, Cayman, Jersey, Guernsey and Luxembourg laws and structures, and has presence in 11 jurisdictions.



Navigate effectively in the shifting tax landscape.

Today's business and tax landscape is more complex than ever before, with shifting tax policies, increasing levels of enforcement and the growing potential of reputational risk. Drawing on our global insights and perspectives in all areas of taxation, we will help you ensure you remain compliant while adding value locally and internationally at ey.com/lu/tax.

Tax | Effectiveness



Small Business

Corpco Special Logistics

Representative: Philip Grother
Title: Business Development Manager
1B route d'Olm
L-8331 Capellen
Tel.: (+352) 31 48 40
Fax: (+352) 31 06 22
Email: philip.grother@eurosprinters.com
(Website coming soon.)



Mastercraft Language Solutions

Representative: Guy Achten
Title: CEO
88, rue de Strasbourg
L-2560 Luxembourg
Tel.: (+352) 26 84 50 65
Fax: (+352) 20 40 54 70
Email: vip@mastercraft.lu
www.mastercraft.lu



JUSTLEX

Representative: Lars Goslings
Title: Avocat à la Cour
24, avenue Marie-Thérèse
L-2132 Luxembourg
Tel.: (+352) 27 21 41
Fax: (+352) 27 21 41 99
Email: goslings@justlex.lu
www.justlex.lu



Monterey Consultants S.A.

Representative: Lisa Francis-Jennings
Title: Managing Partner
62, avenue Victor Hugo
L-1750 Luxembourg
Tel.: (+352) 621 631 818
Email: l.francisjennings@montereysa.com
www.montereysa.com



KR International Recruitment S.à r.l.

Representative: Kieron O'Connor
Title: Director
31, rue Philippe II
L-2340 Luxembourg
Tel.: (+352) 27 85 30 21
Fax: (+352) 27 85 30 30
Email: kieron.oconnor@krrecruitment.com
www.krrecruitment.com



MMS Avocats

Representative: Joram Moyal
Title: Partner
14a, rue des Bains
L-1212 Luxembourg
Tel.: (+352) 26 20 30 60
Fax: (+352) 26 20 30 07
Email: info@mms-legal.com
www.mms-legal.com



The Luxembourg Freeport Company S.A.

Representative: David Arendt
Title: Managing Director
Luxair Cargo Center / Tour F, Bureau 1037
L-1360 Luxembourg
Tel.: (+352) 24 56 91 00
Fax: (+352) 24 56 91 02
Email: darendt@luxfreeport.lu
www.luxfreeport.lu



WANT TO REFER A COMPANY TO BECOME A MEMBER OF AMCHAM?



Please contact us:

Phone: (+352) 43 17 56
Fax: (+352) 26 09 47 04
E-mail: info@amcham.lu

Berlitz is celebrating its 135th birthday!

Our anniversary offer for you:

Individual Telephone Lessons for only 22 Euro/unit



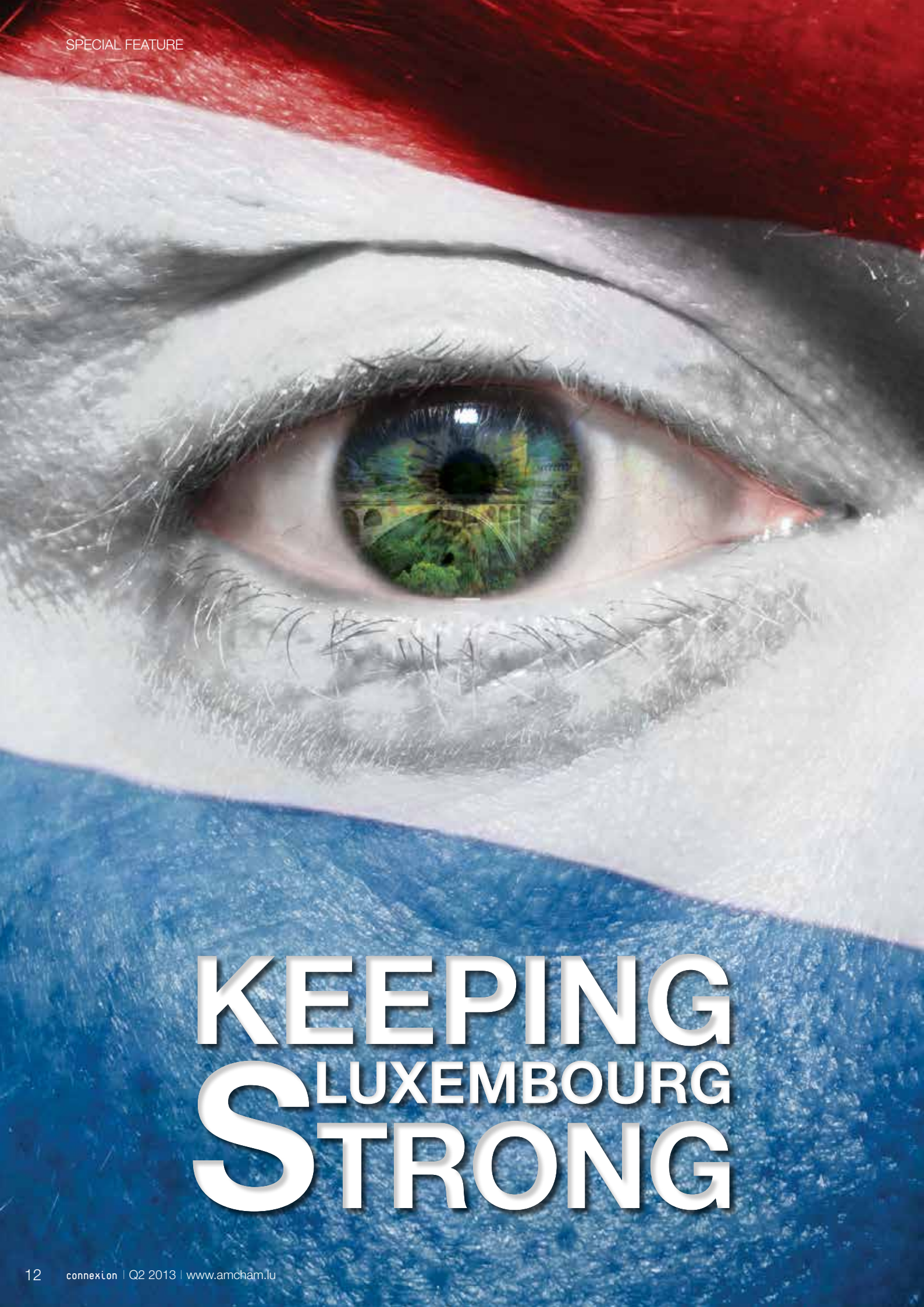
Our strong advantages:

- Flexible telephone lessons in 30-minute units
- Language training regardless of your location with tailored contents
- 5 languages: English, Spanish, French, Italian, German
- 1.5 million successful telephone lessons taken so far

Offer valid until 30.09.2013

Berlitz Language and Business Training S.à.r.l.
89-93 Grand-Rue • 1661 Luxembourg
Tel.: 00352 – 26 38 32 48
info@berlitz.lu • www.berlitz.lu

Berlitz[®]



KEEPING LUXEMBOURG STRONG

Beware of the Cracks

Preserving a Positive Perception of Luxembourg

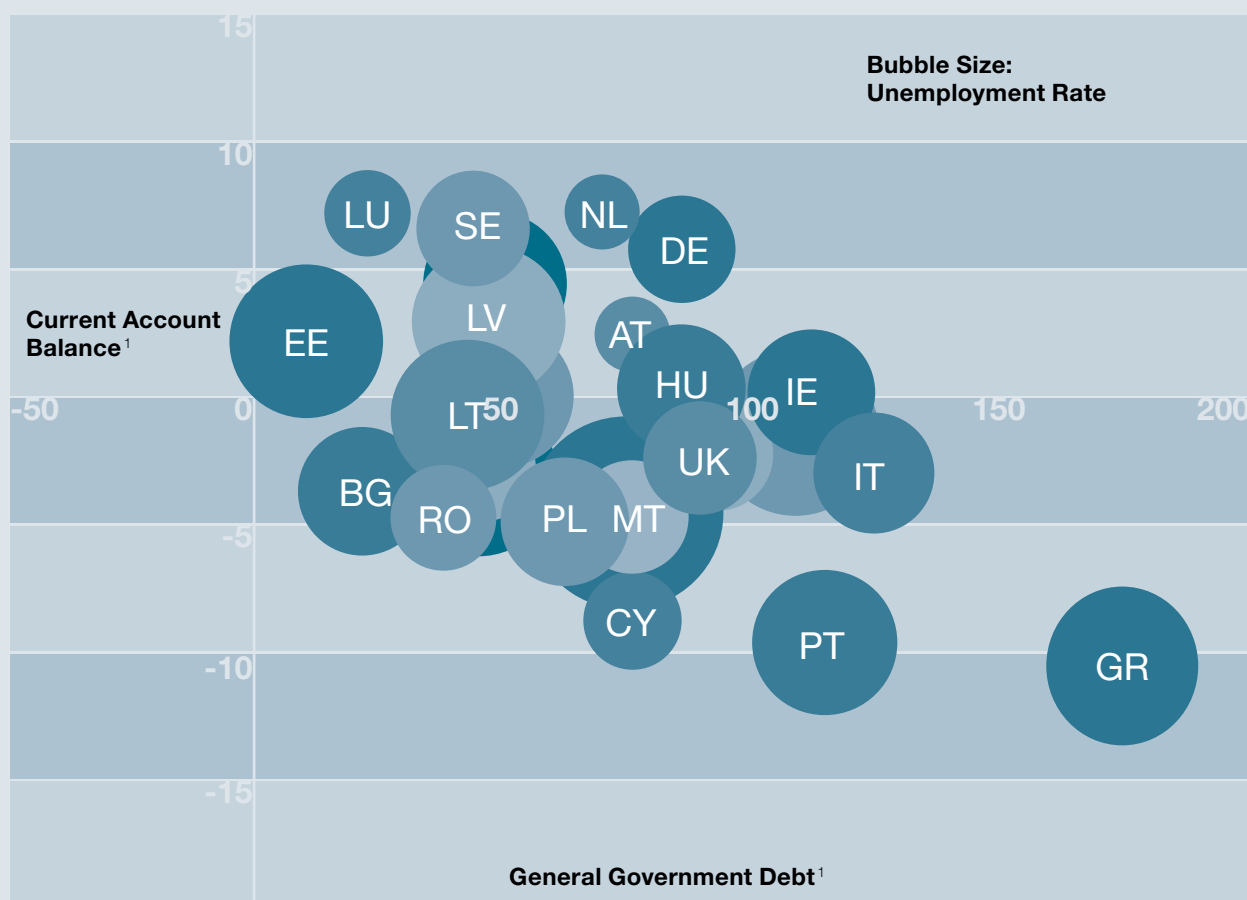
By Georges Bock, KPMG Luxembourg

In these uncertain economic times, countries are battling to secure the future of their economies. Turning to our neighbors in France, Belgium and Germany, or looking further across the water to the UK, governments are looking for increasingly inventive ways of boosting competitiveness and attracting the investment needed for growth. In Luxembourg, we are fortunate enough to have a great starting point. All the most important economic indicators point to the fact that Luxembourg is in decent shape. To the undiscerning eye, there may be little cause for concern. Yet for a small country whose very foundation is its political and financial stability, even the smallest cracks can be potentially monumental in weakening that all important perception from abroad.

Taking a glance at the figures, Luxembourg's economy is looking fairly robust. To focus in on a few key indicators from 2011 from the European Central Bank, Luxembourg has a current account surplus of 7.5, second only to the Netherlands in Europe. It is amongst the countries with the lowest government debt at only 18.3% and an enviable unemployment rate of 4.8%. The jewel in Luxembourg's crown, the fund industry, is thriving with ALFI announcing a record 2,459 billion EUR net assets under management in Luxembourg investment funds at the close of February 2013.

A scoreboard for the surveillance of macroeconomic imbalances

Healthcheck for the nation: Europe



Source: Statistics Pocket Book, ECB, April 2013 - Data from KPMG Luxembourg

¹ As a percentage of GDP

The Sun Can't Always Shine, So Let's Prepare for Rainier Days

Since 2011, however, there has been a gradual deterioration in the health of the economy. Government debt has gone from 18.3% in 2011 to a projected 25% for 2013, with the government consistently spending more than it receives in its coffers. A future change in VAT rules for e-commerce will bring estimated losses of 700 million EUR a year. Further losses in the region of 40-50 million EUR are also in the pipeline for 2015, with the switch from withholding tax to the automatic exchange of information. Such a model relies on future growth, which at present is not a given. If such an imbalance is to continue, a currently manageable level of debt could spiral into something more menacing.

When Luxembourg's structural imbalances are considered in the context of Europe, they could seem like mere drops in the ocean. The Grand Duchy is far from even approaching the limits of international guidance on debt and deficits and has maintained its impeccable AAA credit rating. Other countries have regularly flouted European rules and still managed to stay afloat. Yet recent events have taught us that Luxembourg should be cautious: for smaller countries even the slightest suspicion of fiscal or financial instability could lead to a rapid shift in perception.

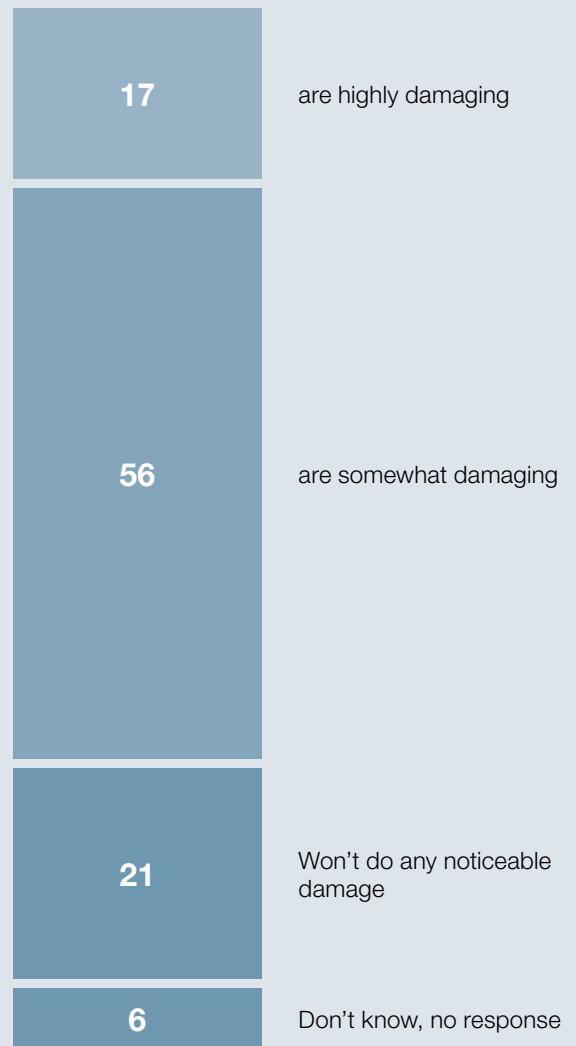
Never Underestimate a Molehill: Lessons from Ireland and Cyprus

For an example of how things could turn sour, one only has to turn to the case of Ireland when Chilean authorities decided to restrict pension fund investment in Irish-domiciled UCITS because Ireland's credit rating had fallen below the AA-level outlined in provisions. Mercer estimates that in 2011, the year of Chile's snub, the ensuing losses amounted to 2 billion EUR in assets. While the Chileans were accused of making a mountain out of a molehill, for Luxembourg this goes to show just how powerful a molehill can be.

Another case in point is the recent chain of events in Cyprus: the EU's handling of the bailout has set a dangerous precedent, sounding alarm bells across the continent. The EU took a hard stance in negotiations, insisting that depositors contribute to the recapitalisation of Cypriot banks. Losses ran to almost 6 billion EUR, and savers in both Europe and beyond have begun to question whether their own money is secure. For Luxembourg, with its specialization in banking and finance, such a precedent is particularly worrying, even if in reality the banking sector in Luxembourg is very different, with the largest banks being subsidiaries of big European and U.S. banking groups. Cyprus' example serves to underline the importance of staying well away from the edge of economic instability.



How do you assess the comparisons of Luxembourg to Cyprus with respect to financial stability?



Total respondents

An Entrepreneur's Take on Competitivy: The Luxembourg Business Compass

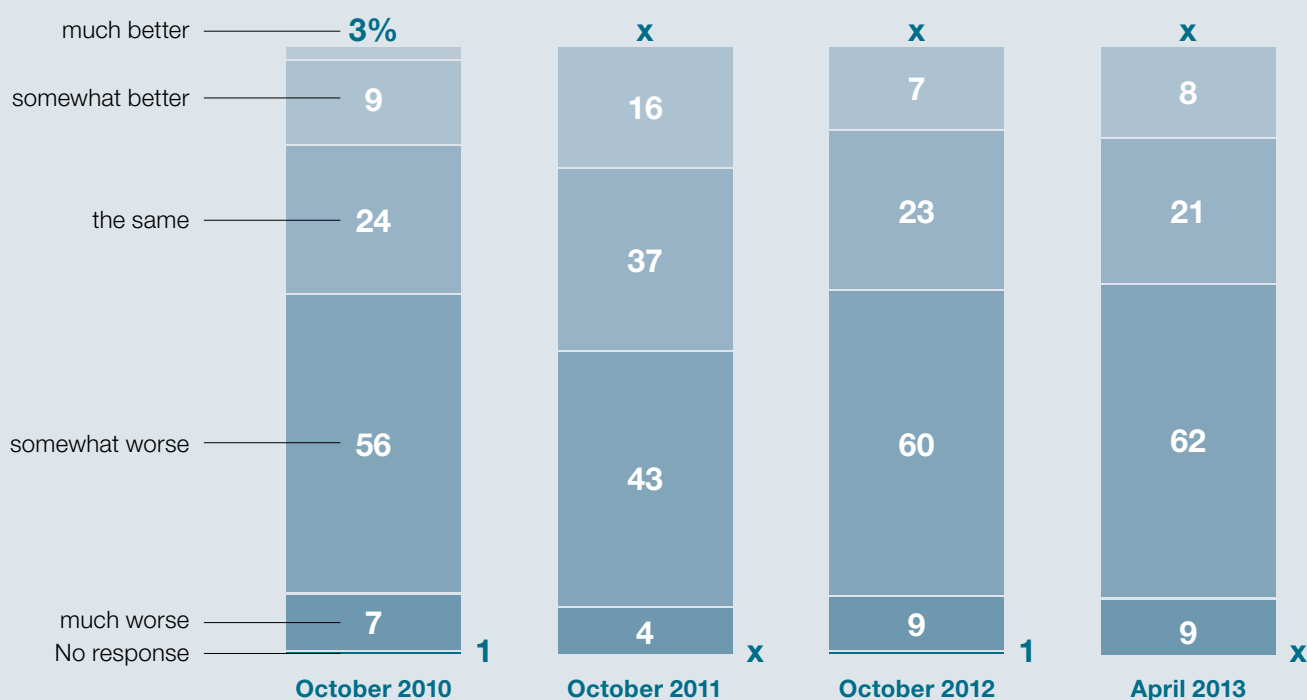
KPMG conducts a biannual study with *Luxemburger Wort*, the Luxembourg Business Compass (LBC). The study aims to ascertain Luxembourg business leaders' expectations regarding future economic trends. For the spring 2013 survey wave, we have zoomed in on this topic, asking entrepreneurs to give their view on how damaging political comparisons of different banking sector landscapes might be in terms of reputation and therefore financial stability. A whopping 73% judged comparisons of Luxembourg to Cyprus to be either "highly" or "somewhat" damaging.

Luxembourg's entrepreneurs, however, have also sent a clear message that they see a need for change. Competitiveness has long been one of the LBC survey's main focuses, and the most recent results speak loud and clear on this topic. When asked how Luxembourg's competitiveness as a business location compares to two years ago, there was a cry of concern: 71% judged it to be "worse" or "somewhat worse". What's more, one in four business leaders currently view their country's competitiveness as "rather poor" or even "very poor" (26 percent). There is thus an overwhelming consensus that the situation is deteriorating and that it is happening *now*, not in the future.

It's Time to Push the Big Red Button

Luxembourg cannot afford to reach the edge. We simply should not wait to implement measures to curb a steadily climbing deficit. Ireland and Cyprus have taught us that for small countries, perceptions begin to change long before a crisis point is reached. While Luxembourg has many factors working in its favor, its biggest asset is being overlooked: timing. A currently flourishing economy gives Luxembourg the time and means to address structural imbalances and ensure its course is steered in the right direction for a secure future. Now is the time to take a deep breath and push the big red button marked "structural reform".

Compared to the situation two years ago, Luxembourg's competitiveness as a business location is assessed as ...



Source: Luxembourg Business Compass by KPMG and Luxemburger Wort (Oct. 2010, Oct. 2011, Oct. 2012, April 2013) x = less than 0.5 percent

Keeping Luxembourg Competitive: The Petition

By Paul Michael Schonenberg, AMCHAM

Luxembourg is the best place in Europe for international companies to have their European operations and headquarters! This is just one of the key points AMCHAM stated in its letter to Prime Minister Juncker in December of last year.

With low taxes, a stable working environment, a highly skilled multilingual and international workforce, an excellent location in the heart of Europe, great infrastructure, a business-friendly environment, responsive government officials and policies, Luxembourg is truly the best. Add to this a safe, high-quality living environment for employees and their families, and it is no wonder that Luxembourg has been successful at attracting such a roster of international companies to locate here! And the fact that about 50% of employees are expats is a further sign of this international success story.

But our success in the future is not automatically guaranteed: there are things we need to do to ensure that the relative degree of advantage Luxembourg currently enjoys continues into the future as well. The risk is high. If Luxembourg loses its first place position, international companies located here could well move away, taking their jobs and tax contributions with them. We do not want this to happen and, therefore, we have engaged with the government to find solutions to keep Luxembourg strong.

In our letter we identify the six most important issues that need to be addressed now to ensure Luxembourg keeps its attractiveness as a location for international companies (visit www.amcham.lu for more details). Actually we have a list of 20 items and suggestions, but these six are the most important issues that must be solved immediately. If you have not already done so, please read this letter. Pass it along to your friends. If you like and want to endorse our letter, sign our online petition (<http://bit.ly/14sDDrb>). If you agree or disagree, have suggestions or comments and/or want to get involved, feel free to contact me directly at info@amcham.lu.

To maintain the current high standard of living and our excellent quality of life, we need growth and external international investment, both of which are slow for the moment. We also need to keep jobs already here, as well as add new jobs.

We have urged the government to take the following necessary steps:

- **Balance the budget by cutting spending, not by raising taxes on companies or individuals.** As a small country our current budget deficit of 1 billion EUR a year is dangerous and harms Luxembourg's international image.
- **Ensure predictable tax planning for companies.** Update the intellectual property (IP) benefits regime to ensure the ongoing attractiveness of Luxembourg as a location to manage IP.
- **Put in place a fast processing time, transparent and business friendly work permit approval process** that encourages companies to bring new projects to Luxembourg and gives them the confidence that they may quickly and transparently get the needed approvals for new hires

Act Now!

If you agree Luxembourg needs to change a bit to continue to prosper, join us! Sign our petition; recommend it to your friends and colleagues.



Watch the "Keep Luxembourg" video series.

Visit: <http://bit.ly/reuqAU>



Sign the petition.

Visit: <http://bit.ly/14sDDrb>

Have ideas, comments or general feedback?

Email us: ✉ info@amcham.lu

and move existing employees from other locations to Luxembourg.

- **Ensure the availability of affordable, high-quality and appropriate educational resources** for the sons and daughters of transferring executives and other high-value employees. In very simple language, the current multilingual school system of Luxembourg is not a suitable solution for children coming from non-French or -German backgrounds. The costs for English language private schools are too expensive for some expat budgets and, in two years' time, there will be a lack of capacity to accept international transferring students.
- **Start the slow process of addressing the globally high cost of entry level and low-cost employees.** In truth, the largest part of the social plans we have seen over the past several years are not driven by companies going out of business; they are driven by the company decisions to transfer work to places with lower cost of employees. So while the number of specialized highly experienced or highly skilled jobs is increasing, the lower level jobs are going away. The consequence of this is that low-skilled employees who lose their jobs, young people just starting their careers and former stay-at-home parents will be in competition for a shrinking number of lower level starting jobs. We need to have jobs for all who need and want them, and the days of a government job for life are drawing to a close. In order to prevent social strife and ensure employment, the government must engage with the private sector and provide tax or other incentives which encourage companies to keep the full range of jobs, both low- and high-level, here in Luxembourg.

Our proposals to the government are practical and can be done without new laws. If a journey starts with the first step, let's start that journey—let's get things done. Let's make it happen. *Now.*

How to be Multilingual in Luxembourg

By Dr. Gudrun Ziegler, multi-LEARN Institute



“Why did you come to Luxembourg?” is a question many of us living in the Grand Duchy are asked. The answer might well be for work or in some cases for love, yet some chose Luxembourg for its multilingualism.

However, this multilingual lifestyle is a dynamic one and can be quite different depending on whether you are at the office, at home, visiting your favorite shopping mall or at your kids’ playground. You soon realize that there is much more to multilingualism than the three official languages of German, French and Luxembourgish (languages you might not find easy to master in the first place!). All too often, you might be faced with the situation that your specific linguistic repertoire—be it French, U.S.-English or Cantonese—isn’t a match for the multilingual situation occurring at any given time! *Hélas!* There always seems to be some language missing from your repertoire in order to help you in a given situation—and you never would have guessed before arriving in the Grand Duchy that such a language would even be relevant.

You may find this reality of a dynamic, constantly changing multilingualism rather frustrating, especially if you have signed up for a French and/or German and/or Luxembourgish language class, and you may feel constant doubt. You might ask yourself, “Did I choose the right one?” or, “Will I ever understand others?”

Unfortunately, the good efforts of most expats to engage in some language learning when coming to Luxembourg—be it at the beginning of their stay or after they have realized they might stay longer than they initially planned—is all too often marked with the frustration of not having the “right” level of competence in one language or another. This is unfortunate, as language learning is not simply a task you can complete and check off a to-do list. Rather, it is a continued and ongoing interaction with people, situations, contexts and unknown factors—and this interaction actually never ends, even with your first language(s).

Therefore, the more you engage with the multilingual realities around you, the better it is for you in order to feel at home in this dynamic, ever-changing multilingual society, and the better it is for your language learning too. Being perfect in all of the languages you come across in multilingual Luxembourg won’t work (at least not in one lifetime); however, improving the language of your choice, plus ultimately one or two more languages that you may come across—be it at your local chess club or with the friendly staff at your favorite bakery—*will* work.

So, little steps and ongoing actions do matter. Luxembourgish—often perceived by anglophones as being a sort of “secret” language that all Luxembourgers speak—amongst themselves, but never to you (in which case they will always switch to German, English, French, etc.)—is accessible, and even the tiniest effort on your part matters, from “Moien!” to “Wann ech gelift.” Research suggests that even tiny bits of a language placed in an interaction (let’s say, a greeting sequence in Luxembourgish) displays some competence in that language and, therefore, allows you to pass as competent in that particular situation. The next sequence might well be in English or an other language again, and in this way you are experiencing multilingualism in a dynamic reality. You are also showing a willingness to learn, interact and participate in what’s going on around you in Luxembourg.

On the next two pages, AMCHAM Luxembourg has provided **Luxembourgish Key Words and Phrases** to get you started. And, if you are curious to learn more, you may also visit:

http://intcomlux.com/docs/2001-03-20_Language_Guide.pdf

Luxembourgish Key Words and Phrases

 LUXEMBOURGISH	 FRENCH	 GERMAN	 ENGLISH 
Moien	Bonjour	Guten Tag	Hello
Salut	Salut	Hallo	Hi
Gudden Owend	Bonsoir	Guten Abend	Good evening
Bis herno	A tout à l'heure	Bis gleich	See you later
Äddi	Au revoir	Auf Wiedersehen	Goodbye
Wéi geet et?	Comment ça va?	Wie geht's?	How are you?
Tipp topp	Excellent	Ausgezeichnet	Excellent
Ganz gutt	Très bien	Sehr gut	Very well
Et geet	Ça va	Es geht	Fine
Net extra	Comme ci comme ça	Einigermaßen	Not great
Jo	Oui	Ja	Yes
Nee	Non	Nein	No
Wat gelift?	Pardon?	Wie bitte?	Excuse me?
Wann ech gelift	S'il vous plaît	Bitte	Please
Merci villmols	Merci beaucoup	Vielen Dank	Thank you very much
Gär geschitt	Je vous en prie	Bitte sehr	You are welcome
hunn	avoir	haben	to have
sinn	être	sein	to be
wëllen	vouloir	wollen	to want
kënnen	pouvoir	können	can
heeschen	s'appeller	heißen	to call
maachen	faire	machen	to do
hëllefen	aider	helfen	to help
Wéi heescht Dir?	Comment vous appelez-vous?	Wie heißen Sie?	What's your name?
Wéi heeschs du?	Comment t'appelles-tu?	Wie heißt du?	What's your name?
Ech heesche(n) ...	Je m'appelle ...	Ich heiße ...	My name is ...
Mäin Numm ass ...	Mon nom est ...	Mein Name ist ...	My name is ...
Vu wou sidd Dir?	D'où est-ce que vous venez?	Woher kommen Sie?	Where do you come from?
Aus wéi engem Land kommt Dir?	De quel pays est-ce que vous venez?	Aus welchem Land kommen Sie?	What country do you come from?
Ech kommen aus (Land)/ vun (Stad)	Je viens de (pays)/ de (ville)	Ich komme aus (Land)/ aus (Stadt)	I come from (country)/ from (town)
Ech hunn/sinn/kann	J(e) ai/suis/peux	Ich habe/bin/kann	I have/am/can
Du hues/bas/kanns	Tu as/es/peux	Du hast/bist/kannst	You have/are/can
Hien/hatt huet/ass/kann	Il/elle a/est/peut	Er/sie hat/ist/kann	He/she has/is/can
Mir hunn/sinn/kënnen	Nous avons/sommes/pouvons	Wir haben/sind/können	We have/are/can
dir/Dir hutt/sidd/kënnt	Vous avez/êtes/pouvez	Ihr habt/seid/konnt	You have/are/can
Si hunn/sinn/kënnen	Ils/elles ont/sont/peuvent	Sie haben/sind/können	They have/are/can
Wéi kann ech lech hëllefen?	Comment puis-je vous aider?	Wie kann Ich Ihnen helfen?	How can I help you?
Wat kann ech fir lech maachen?	Que puis-je faire pour vous?	Was kann Ich für Sie tun?	What can I do for you?
Brauchs du eppes?	As-tu besoin de quelque chose?	Brauchst du etwas?	Do you need something?
Ech hunn Honger	J'ai faim	Ich habe Hunger	I'm hungry
Ech hunn Duschts	J'ai soif	Ich habe Durst	I'm thirsty

Ech hu Péng	J'ai des douleurs	Ich habe Schmerzen	I'm in pain
Ech hu wéi	J'ai mal	Es tut mir weh	It's sore
Ech si krank	Je suis malade	Ich bin krank	I'm sick
Wéini fuert Dir an d'Vakanz?	Quand est-ce que vous partez en vacances?	Wann fahren Sie in die Ferien?	When are you going on holiday/vacation?
haut	aujourd'hui	heute	today
muer	demain	morgen	tomorrow
nächst Woch	la semaine prochaine	nächste Woche	next week
Wéi kommt Dir op d'Aarbecht?	Comment venez-vous au travail?	Wie kommen Sie zur Arbeit ?	How do you come to work?
mam Auto	en voiture	mit dem Auto	by car
mam Bus	en bus	mit dem Bus	by bus
mam Vélo	en vélo	mit dem Fahrrad	by bicycle
zu Fouss	à pied	zu Fuß	I walk
Wou wunnt Dir?	Où habitez-vous?	Wo wohnen Sie?	Where do you live?
Ech wunnen an der Stad	J'habite en ville	Ich wohne in der Stadt	I live in the city
Hie wunnt zu Miersch/ zu Diddeleng/zu Wolz	Il habite à Mersch/ à Dudelange/à Wiltz	Er wohnt in Mersch/ in Dülélangé/in Wiltz	He lives in Mersch/ in Dudelange/in Wiltz
Haus	maison	Haus	house
Wunneng	appartement	Wohnung	apartment
Zëmmer	chambre	Zimmer	room
Strooss	rue	Strasse	street
Stad	ville	Stadt	town
Gemeng	commune	Rathaus	municipality
Land	pays	Land	country
D'Wieder ass schéin	Il fait beau	Das Wetter ist schön	The weather is nice
Et ass waarm	Il fait chaud	Es ist warm	It's warm
Et ass kal	Il fait froid	Es ist kalt	It's cold
Et ass léfteg	Il y a du vent	Es ist windig	It's windy
Et reent	Il pleut	Es regnet	It's raining
Dag	jour	Tag	day
Mueren	matin	Morgen	morning
muer de Mueren	demain matin	morgen früh	tomorrow morning
Owend	soir	Abend	evening
haut den Owend	ce soir	heute Abend	this evening
Nuecht	nuit	Nacht	night
hei	ici	hier	here
dohannen	là-bas	da	there
riichtaus	tout droit	geradeaus	straight ahead
riets	à droite	rechts	(to the) right
lénks	à gauche	links	(to the) left
hannen	derrière	hinter	behind
virun	avant	vorne	in front
soen	dire	sagen	to say
goen	aller	gehen	to go
fueren	conduire	fahren	to drive
lafen	courir	laufen	to run
kafen	acheter	kaufen	to buy
bezuelen	payer	bezahlen	to pay



Britain's Place is at the "Heart of the European Union"

By Cordula Schnuer, wort.lu/en

Photos: Robert Prendergast

British Ambassador to Luxembourg Alice Walpole spoke out on Britain's role in the EU and its commitment to a stronger and more competitive union at the May ABAL event.

Across the EU27, skepticism of the European Union has been on the rise, with elections in a number of states sparking protest votes and a rise in support for anti-EU parties.

In the UK, local elections in May gave a boost to the United Kingdom Independence Party (UKIP), a party seeking the withdrawal of Britain from the European Union.

However, contrary to what has been widely reported the UK government does not simply wish to exit the EU, to keep the "pound and the pint," explained the ambassador. Rather, it wants to ensure that the EU remains a key player in world and economic affairs, and that it once again becomes a union that British citizens want to be a part of.

Tackling Challenges Facing the EU

While the essence of Prime Minister David Cameron's EU speech earlier this year was boiled down to a proposed referendum, Walpole pointed out that the Premier in fact spoke on the following key challenges:

- the eurozone and its need to flourish, with all member states needed to establish the right framework to fix the currency, while safeguarding access to the single market for non-euro countries;

- ensuring the EU's competitiveness in the global economy;
- the democratic gap between the EU and its citizens.

"More of the same will not secure a long-term future for the eurozone, will not see the EU keeping pace with the new powerhouse economies, will not bring the EU any closer to its citizens," said Walpole.

Preparing the EU for the 21st Century

To prepare the EU for a long and successful future, Cameron also outlined five principles, Walpole continued.

For one, the single market is incomplete in several areas, such as diplomacy, energy or services. "We want to change that. We want a leaner, less bureaucratic EU, focused on helping its member countries compete," Walpole said, adding that the EU should do more where it has value, but less where it doesn't.

With one in ten jobs in the UK relying on trade in the single market and half of all exports going to EU partners, the UK is keen to develop cooperation, and more needed to be done to focus the EU on "policies that aid its growth and build its competitiveness," Walpole said.

“This isn’t about cherry-picking”

A second idea proposed by the UK Prime Minister was a greater flexibility within the EU to accommodate the needs of its members and to respond to changing requirements and opportunities. A “one-size fits all” approach was ill-suited for a diverse union, as the eurozone or the Schengen agreement showed.

“This isn’t about cherry-picking. We all need to put our hands up for the tough and difficult stuff, too. But it is about choice,” the ambassador explained. “Willing cooperation is a much stronger glue than compulsion from the center.”

An ever closer union among the peoples of Europe, as put forward in the European treaty, was not desirable to all. Were the treaty to acknowledge this, it would free up member states to move ahead on certain issues, without being “held back by the rest of us,” said the ambassador.

A Vision for Europe

Further points developed by Cameron were:

- an analysis of where the EU helps and hinders, and what kind of decision-making should be repatriated or applied across all member states;
- democratic accountability and a bigger role for national parliaments in the EU;
- a principle of fairness, by which policies implemented for any grouping within the EU, such as the eurozone, need to work fairly for all members.

Therefore, quite contrary to criticism of a lack of vision for Europe, Britain offered a very clear vision, Walpole said, “of a



flexible union of free member states sharing treaties and institutions, and pursuing together the idea of cooperation, representing and promoting the values of European civilisation to the world, building a strong economic base across Europe,” while at the same time not forging a closer political union.

The ambassador was not shy to admit an “undercurrent of instinctive skepticism” among British citizens, but she was confident that Britons were “smart enough to understand that slipping out from the European mainstream is not the best future for the UK” and that when or if the time comes the UK will make the “right choice to stay right at the heart of the European Union.”

by			
SAVE THE DATES			
GALA MARKETERS 07 November 2013	GALA HR ONE 21 November 2013	GALA FINANCE MANAGEMENT 28 November 2013	GALA IT ONE 04 December 2013
For Marketing & Communications Managers and related functions, 650 attendees	For HR Managers & HR Professionals, 1000 attendees	For CFOs, Treasurers, Intern Finance Functions, 400 attendees	For CIOs, IT Managers and related functions, 900 attendees
gala.marketers.lu	gala.hrone.lu	gala.financemanagement.lu	gala.itone.lu

Deloitte TMT Predictions 2013

LTE subscriber numbers to triple, “mobile” advertising to grow by 50% and the roll-out of 4K HDTV

By Georges Kioes, Deloitte Luxembourg

The 12th edition of the Deloitte TMT Predictions presents Deloitte’s view of key developments over the next 12-18 months that are likely to have significant medium- to long-term impacts for companies in the Technology, Media and Telecommunications (TMT) market, as well as other industries.

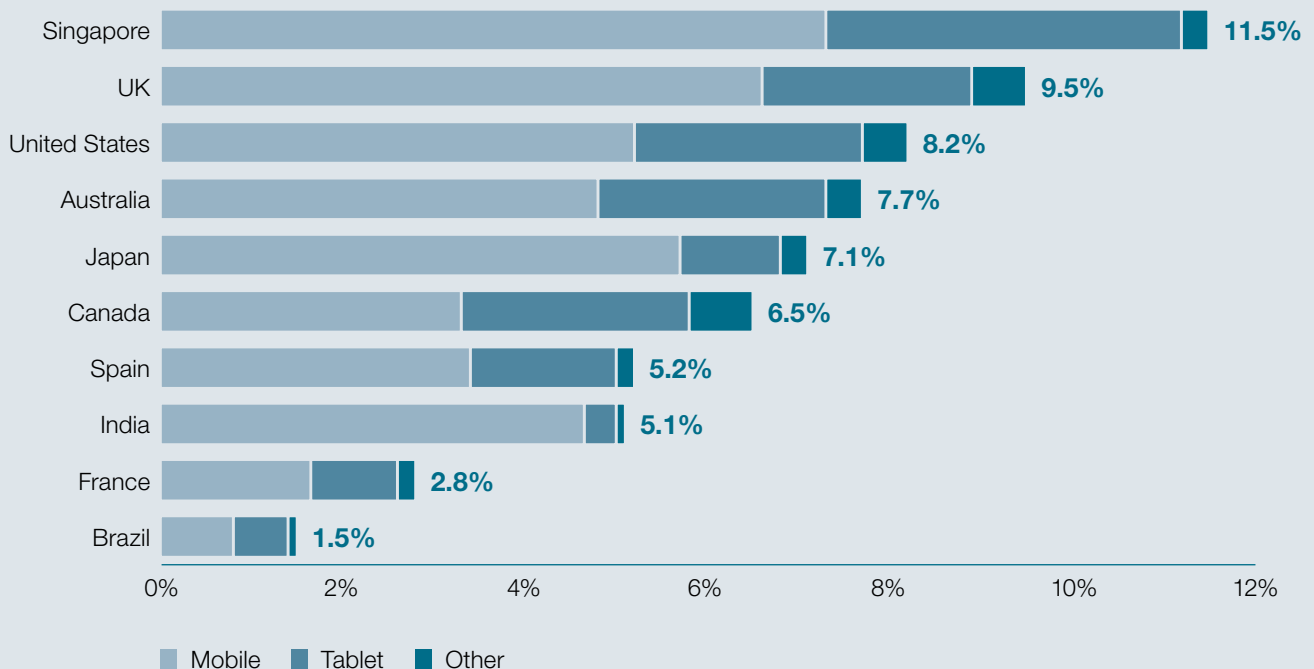
The TMT Predictions are based on worldwide research supported by in-depth interviews and input from Deloitte member firm clients, Deloitte alumni, industry analysts, leading TMT executives and thousands of Deloitte member firm TMT practitioners across its global network.

In this publication, Deloitte foresees, amongst other predictions, that a record one billion smartphones will be shipped in 2013, mobile advertising will split into two categories—tablets and smartphones—and more than 90% of user-generated passwords will be vulnerable to hacking in a matter of seconds. The TMT Predictions 2013 report further forecasts that broadcasters will continue to deliver the majority of Over-The-Top (OTT) services and 4K televisions will not disrupt the marketplace just yet.

Additionally in 2013, the smartphone sector may generate 4.9 billion USD in revenues in 2013, while advertising on tablets may generate 3.4 billion USD. Revenue per unit, however, reveals a different dynamic: smartphone display advertisement revenues are forecast at 7 USD per tablet and 0.60 USD per smartphone (including in-app advertisement).

There will also be an upsurge in momentum behind Long-Term Evolution (LTE), with 2013 being the first year in which LTE thrives across multiple markets. The subscriber base will triple to 200 million by year end, and those on LTE tariffs will represent about 10% of all service revenues. Usage of LTE will be evolutionary rather than revolutionary: the major benefits of subscribing to LTE from 3G are likely to be better performance from existing applications, from e-mail to updating social networks.

Non-computer traffic for selected markets (December 2011)



Source: comScore Device Essentials, December 2011

Some highlights of this year's TMT predictions to impact the marketplace in 2013 include:

• **The PC is not dead: it's about usage not units**

More than 80% of Internet traffic measured in bits will continue to come from traditional desktop and laptop personal computers (PC). In addition, more than 70% of the hours we spend on computing devices (PCs, smartphones and tablets) will be on a PC. We are not in a "post-PC era." We are in the era of "PC Plus."

• **Bring Your Own Computer (BYOC): A tale of two interpretations**

More than 50% of Fortune 500 companies will allow employees to bring their own computers. The reason for the dual prediction is that there are two common (but different) interpretations of what BYOC means.

• **Enterprise Social Networks (ESN): Another tool, but not yet a panacea**

By the end of 2013 more than 90% of Fortune 500 companies will have partially or fully implemented an Enterprise Social Network (ESN), a 70% increase over 2011. Many ESNs struggle to attract users. According to a recent survey, if registration is required, some 20-30% of employees will not sign up.

• **Let's get together: Crowdfunding portals bring in the bucks**

Crowdfunding portals will raise 3 billion USD globally, a 100% increase over 2011.

• **4K kicks off**

The year 2013 will be the one in which the television industry starts preparing in earnest for the next iteration of high definition (HD) known as 4K, which offers four times the resolution of the current highest standard HD TV. The full roll-out of 4K will take years: in 2013, 4K will be in very few living rooms. There will be no 4K broadcasts in 2013, and there is little content so far. About 20 TV sets will be available to those wishing to spend 15,000-25,000 USD on a set.

• **Dual video screening readies for prime time**

About 10% of households in developed countries, and about 3% of households in developing countries, will dual video screen their television consumption on a monthly basis. They will have two (or more) screens, most likely of different sizes, showing television programs at the same time and in the same room. These television images may be separate programs or alternate streams of footage for the same event, such as different matches in the same golf tournament.

• **Smartphones ship a billion but usage becomes simpler**

Global shipments of smartphones, defined as any device perceived by consumers as being a smartphone, will likely exceed one billion units for the first time. The installed base of all smartphones, per this definition, is likely to be close to two billion devices by yearend.

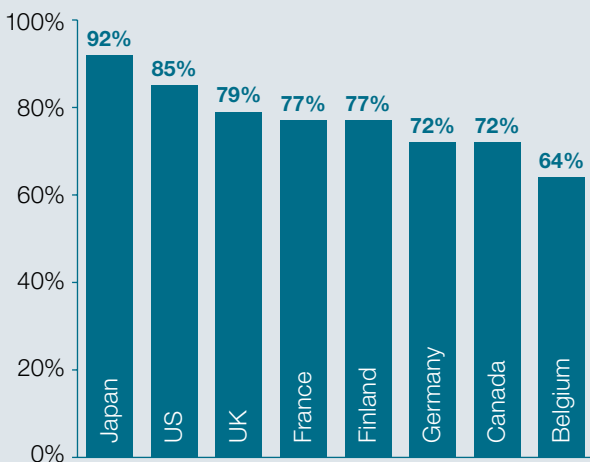
• **"Mobile advertising" thrives, led by tablets, but smartphone display lags**

What is currently described as "mobile" advertising will get split into two categories representing two similar but distinct devices – tablets and smartphones. The smartphone sector may generate about 4.9 billion USD in revenues in 2013, while advertising on tablets may be worth about 3.4 billion USD.

• **All you can app: middle ground**

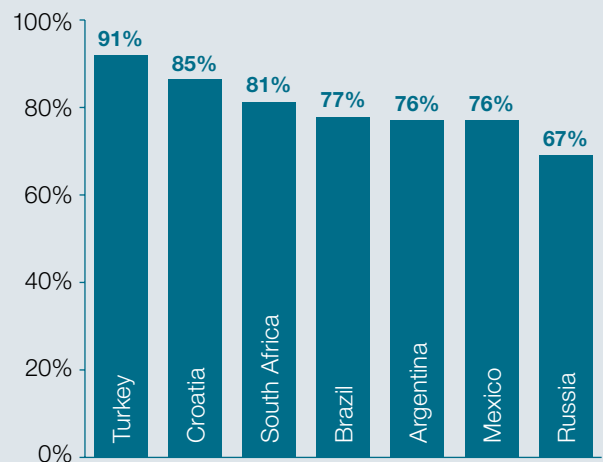
Between 50 and 100 mobile operators will offer all-you-can-eat services with unlimited access to specific applications. All-you-can-app (AYCA) will, for a fixed monthly subscription, offer unrestricted use of each service's content, with connectivity charges bundled in. Over the course of the year the portfolio of AYCA services available should grow. Pricing is likely to range from zero to tens of dollars per month, with the price indicative of the content's value and data volumes. AYCA services will complement existing data tariffs.

Proportion of smartphones that are Internet-connected in developed markets among respondents who own a smartphone



Note: The sample for developed markets is nationally representative. Source: Deloitte Global Mobile Consumer Survey, May-June 2012. Sample: Respondents who own a smartphone (Belgium 249, Canada 933, Finland 405, France 791, Germany 846, Japan 598, UK 1063, US 836)

Proportion of smartphones that are Internet-connected in developing markets among urban professionals who own a smartphone



Note: The sample for emerging markets is representative of the online population. Source: Deloitte Global Mobile Consumer Survey, May-June 2012. Sample: Respondents who own a smartphone (Argentina: 474, Brazil: 779, Croatia: 445, Mexico: 659, Russia: 591, South Africa: 1588, Turkey: 410)

Why Extrapolating Luxembourg's Past is Inappropriate

By Dr. Alfred Steinherr, Sacred Heart University Luxembourg

The slowing down of the Luxembourg economy during the last decade has raised widespread concerns about the future of the country. Many problems have become more pronounced since the outbreak of the financial crisis in 2008, and the euro crisis has added to a deteriorated political environment. To better understand whether past outperformance can be sustained, it is important to understand the sources of this past success. Sacred Heart University's conference cycle has given answers that are of interest.

Arguably, the greatest asset of Luxembourg is its sovereignty, the result of good luck particularly during the reshuffling during the 19th century. As a French or Belgian province, Luxembourg would not have a financial center today, for example. In all likelihood, the standard of living would be about the same as in the neighboring provinces of Belgium, France and Germany. The risk in the future is that outside pressure will narrow the sovereign choices in terms of taxation, bank secrecy, regulatory standards and exchange of information.

Another clear advantage is the small size of the country. There were times when bigness was seen as valuable in terms of military and political power, but these times are gone. Greater homogeneity of economic conditions and of society's preferences; a lesser risk of megalomania; and, above all, a much greater readiness to accept openness to foreign ideas, markets, capital and labor are undeniable advantages. Luxembourg has already demonstrated—and will likely continue demonstrating—its ability to adjust to changes in the rest of the world, copy best practices and spot an opportunity in the global economy than can larger economies.

Most think that being geographically in the heart of Europe and among the founding members of the European Union have been major assets. Indeed, Luxembourg is per capita the largest net recipient of European funds. But, as shown by Singapore and others, a small, well-managed country can be extremely successfully even outside any club.

The fact that only less than 40% of the working population in the country has national voting rights and nearly half of the voting population is employed in the public sector creates a non-market friendly voting base. Calls for easing nationality requirements are being discussed. In that connection it was also quite accepted that the Luxembourg "model" is not at all a "pure market economy model". The state has played a leading role in making strategic choices, adapting the rules of the game, welcoming foreign operators and accepting the immigration necessary for the speed and growth. This private-public partnership is exposed to many risks (wrong strategic choices, too much meddling in the private sector, search for kickbacks, etc.) and is based on a delicate equilibrium that was successful in the past but could easily be destabilized in the future.

Luxembourg has had many heads of government of exceptional quality and, given the stability of the political landscape, could operate with a long-term vision. It managed the transition from a heavy industry-based economy to a services-based industry around the financial sector much better than other countries. Now the time has come to prepare for the next transition, as the financial sector will remain as an important provider of jobs, adding value and contributions to the financing of the public sector, but will be unable to provide the dynamics necessary for future growth.

The Luxembourg economy needs to grow faster than it did during the last 10 years. Only then can its model be maintained. Without changes to benefits, contributions and retirement (the financial requirements of the national pension system need an average annual real growth rate of 4%), this is undoable. Therefore, painful adjustments will be necessary. Even a more modest growth performance with reduced immigration will need other carriers of growth. More resources devoted to education and research, especially in high-tech industries, offer growth potential.

But there are also significant risks, the rigid cost of the public sector being one of them. As traditional sources of taxation may be less generous in the future, the state may be inclined to increase taxation rather than control expenditures. This risks gnawing away a main advantage of Luxembourg at the international level. Giving away the regulatory advantages, to fall into step with neighbors, is another reduction in comparative attractiveness. Finally, costs have never been a Luxembourg advantage and they need to be matched by corresponding productivity gains. Costs need to be more earnestly managed than during the fat years. Education is called upon to deliver a labor force that is linguistically and professionally earning superior incomes. The agenda for action is clear but whether it will be possible to cope successfully with these challenges is less clear.

Speed up your business from Luxembourg!



IGNITION



CRUISE



BOOST

TRUSTED DATA CENTRES, CLOUD & MANAGED SERVICES

Discover our 31 awards and certifications

www.ebrc.com

5, rue Eugène Ruppert • L-2453 Luxembourg
G.D. Luxembourg • Phone +352 26 06 1 • Email : info@ebrc.com

 **ebrc**
TRUSTED DATACENTRE, CLOUD & MANAGED SERVICES

Intra-group Transfer or Secondment of Employees

Family Immigration Issues in Luxembourg

By Marielle Stevenot & Mona-Lisa Pierre, MNKS

Various reasons may lead international groups to request and encourage their employees' mobility within another foreign company of the group: share of competencies, harmonization of practices within the companies of the group, reorganization of the group's activities, settling a company in a new foreign market, etc.

For the employees, a job experience abroad is generally seen as an opportunity in terms of career and personal development. However, this mobility opportunity may constitute a crucial step regarding the organization of their family life and raise questions concerning potential accompaniment of their family.

The organization and preparation of the mobility process is of utmost importance.

Generally, the parties, i.e., the home company, the host company and the employee, prepare the contractual frame for international mobility and carefully discuss the related remuneration and benefits.

The immigration procedure is generally considered as a mere formality to be fulfilled or a constraint whereas it constitutes a key step, in the absence of which, international mobility of employees could not be implemented.

This immigration procedure question is all the more relevant under Luxembourg immigration rules as the legal frame elected by the parties for implementing mobility will not only impact on the immigration procedure applicable to the employee but also on the procedure applicable to their accompanying family, as the case may be. The authorization for the employee to reside and work in Luxembourg will not automatically entitle the employee's family to follow them to Luxembourg, which could be a source of concern in practice.

The immigration procedure applicable to the employee and, as the case may be, to their family, vary depending on (i) the employee's nationality, i.e., on the one hand citizen of the European Union Member States (EU), the European Economic Area (EEA) and Switzerland, or on the other hand citizen of other countries outside the EU, the EEA and Switzerland (third countries citizens) and (ii) the contractual frame of the mobility, i.e., through a secondment or a transfer.

The immigration rules applicable to the EU, the EEA and Swiss citizens will not be tackled in the present as they are subject to a simplified procedure without work and residence permit requirements and do not generally raise deadlock issues in practice. Therefore, the following outline will focus on the immigration rules applicable to third countries citizens who need

to be in possession of a valid residence permit (which includes a work permit) under Luxembourg law.

In order to navigate through these complex immigration rules and to optimize the mobility strategy, the following is an outline of the mobility contractual frames (1), the immigration procedure applicable to the employee in the context of a secondment or of a transfer (2) and the immigration procedure applicable to the employee's family in both cases (3).

1. The Mobility Contractual Frames

International mobility within a group of companies may be legally based on the two following contractual frames:

- **Secondment:** in a situation of secondment, the home company (employer) temporarily puts the employee at the disposal of another company of the group, the host company. The initial employment contract will not be terminated. The employee will remain under the subordination and on the payroll of the home company. The international conventions related to the coordination of social security rights generally provide that the employee will continue to be covered by the social security regime of their home country.
- **Transfer:** in a situation of transfer, an employment contract will be entered into between the employee and the host company. The employment contract between the home company and the employee will be suspended during the transfer period. The employee will be an employee of the host company and on its payroll. Generally, the employee will have to be affiliated with the social security scheme in force in the host country.

2. Immigration Procedure Applicable to the Employee in the Context of a Secondment or Transfer

The Luxembourg immigration procedure is governed by the law of August 29, 2008, which provides that the granting of the residence permit requires compliance with several steps involving the home or host company and the employee.

- a) Application to be submitted by the home company in case of secondment or the host company in case of transfer prior to the arrival of the employee in Luxembourg.

Application for a secondment authorization by the home company or a transfer authorization by the host company with the Ministry of Foreign Affairs.

Depending on the contractual frame elected by the parties, the home or host company will be under an obligation to apply for either a secondment authorization (home company) or a transfer authorization (host company), pursuant to the conditions summarized in the table below.

Application for a temporary residence permit

Concurrently, the home company in case of secondment or the host company in case of transfer must request an individual temporary residence permit for the employee prior to their arrival in Luxembourg. This temporary residence permit will be valid for 90 days.

b) Individual application to be submitted by the employee

Declaration of arrival

Before the expiration of the temporary residence permit and within three working days after the arrival in Luxembourg, the employee will have to present themselves to the local municipality of their place of residence, in order to complete a declaration of arrival. The employee shall be in possession of the aforementioned temporary residence permit.

The “final” residence permit

After a medical examination by a doctor practicing in Luxembourg and a test for tuberculosis, the employee will have to request, within three months of the declaration of arrival, the delivery of the “final” residence permit for a “seconded employee” or for a “transferred employee” from the Ministry of Foreign Affairs.

3. Immigration Procedure Applicable to the Employee’s Family in Both Cases

a) Immigration procedure applicable to the family of a transferred employee: residence permit for “dependant”

Concurrent to the employee’s application for a residence permit, it is allowed, subject to several conditions, to request a residence permit for “dependant” so that the employee and their family may arrive and settle together in Luxembourg.

b) Immigration procedure applicable to the family of a seconded employee

Contrary to the situation of a transferred employee’s family, a seconded employee’s family could be eligible for a “dependant” residence permit only after the seconded employee has been residing one year in Luxembourg. Moreover, it is likely that all the conditions for obtaining a permit for a “dependant”

will not be satisfied, notably evidence that the employee has the prospect to obtain a long-term residence right, a secondment being in principle temporary and for a short period.

Therefore, if the seconded employee’s family intends to settle in Luxembourg at the same time as the employee, they will have to apply independently for their own residence permit.

In this regard, two motives of residence permit may be contemplated:

- Residence permit for “salaried worker”: the applicant should find an employer and a position in Luxembourg.
- Residence permit for “personal reasons” which is notably subject to the evidence that the applicant has sufficient financial resources and has a close relationship with an individual, who is legally allowed to reside in Luxembourg (the employee in the present case). As a consequence, the family members will have to wait for the reception of the employee’s residence permit before sending their own application. Hence, there will be a time lag between the employee and his family arriving in Luxembourg.

Conclusion

The contractual frame elected by the parties, i.e., a secondment or a transfer, will impact on the possibility for the employee’s family to accompany the employee during the assignment in Luxembourg. The secondment frame, which may be preferred by the employees in order to maintain the home country social security scheme, may be in practice a source of complication if family accompaniment is intended. Therefore, it is highly recommended to prepare for the mobility process with the employee.

	Secondment authorization	Transfer authorization
Pre-requisite	Signature of an indefinite employment contract between the employee and the home company at least six months prior to the secondment.	Signature of an indefinite employment contract between the employee and the home company.
Mandatory information to be stated in the application	<ul style="list-style-type: none"> • The identity of the seconded employee. • The nature and duration of the work to be performed. • The exceptional circumstances allowing to consider that the national market remains unaffected by the secondment. 	<ul style="list-style-type: none"> • The identity of the transferred employee. • The work to be performed and the transfer duration.
Duration	The authorization is granted for a determined period which cannot exceed the duration of the secondment. It may be extended if the services to be carried out by the employee have not been completed within the initial duration of the secondment.	The authorization is granted for a maximum period of one year, renewable upon request, for the same duration, as far as the conditions remain fulfilled.

Luxembourg City: Fit for Congresses?

By Netty Thines, Mediation SA®

International Flair, But Close to Nature

As little as Luxembourg is, it still has an impressive number of superb sites for business events. That's not surprising, considering it is one of the three seats of the European Union's main institutions, a leading financial services center and one of the wealthiest countries in the world which has invested in its own infrastructure and future. There is a charming mix of the very modern and the historic in both the country itself and in the choice of venues.

The fact that nothing involves a very long drive in Luxembourg is one of the things that make it a green destination. Others are that the country is environmentally conscious, and many event venues implement recycling, use energy-efficient heating and lighting solutions and otherwise work hard to protect the planet's resources. Many of the city buses are hybrid buses, and there are numerous projects such as the Vel'oh bike rental system that encourage people to take responsibility for the environment.

For a more detailed look at what is available, visit the new website (www.mice.lu). Let's see what else gives Luxembourg credits as a business event destination.

East to Reach

Easily accessible by plane, train, bus or car, Luxembourg's central location in Europe makes it an ideal destination. France, Germany and Belgium are literally less than a half an hour's drive from the capital city, and the Netherlands is also a short drive away. Luxembourg City is well connected to Europe's major motorway networks, there's a high-speed train connection to Paris. And Luxembourg's newly rebuilt and expanded Findel airport, serving major European cities with daily connections, is just a ten-minute drive from the city center.

Multi-Cultural, Multilingual

People from all over the world live and work in Luxembourg, and foreigners comprise nearly half the capital's population and in some villages outnumber the local Luxembourgers. Thousands of people from across the borders pour in to work in the capital every day, and these factors make Luxembourg a thriving cosmopolitan city where you are very likely to mix with about a dozen nationalities at any event, even a private birthday party.

That makes Luxembourg not only multicultural, but also multilingual. Even without all the influx of foreigners, Luxembourg has long been a trilingual country, with people speaking Luxembourgish, French and German, learning those languages from early childhood on. In addition, most people in the Grand Duchy also understand some English, and many speak Portuguese and Italian as their mother tongue. It's easy to overhear conversations here in Finnish, Japanese, Dutch, Arabic, Spanish and other languages, and that means it's easy to find translators and presenters who speak nearly and language in the world.

Shopping, Design and Culinary Delights

Along with the Abbaye de Neumünster, the historic remains of the fortress dubbed "the Gibraltar of the North" is also recognized as a World Heritage Site, and the high stone walls are as romantically splendid as they are historic. Yet for all its cobblestones, ancient myths of mermaids and Bohemian past in the days of Count John the Blind, Luxembourg is a vibrant and modern city too.

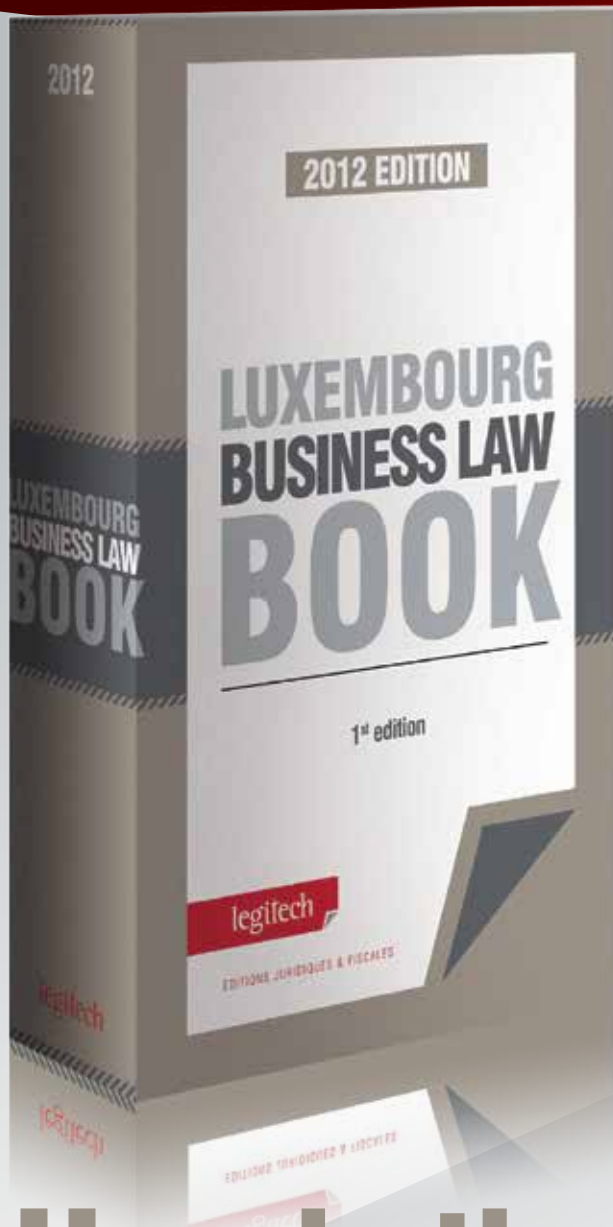
Just visit the Rives de Clausen area, which has sprung up in recent years as the "in" place for after work drinks, great meals at a variety of restaurants and late night partying on weekends. Or take advantage of the city's renowned shopping opportunities; on the super chic Grand Rue, you can find all the luxury brands you'd find in Paris, London or New York, and on smaller side streets, you'll find unique boutiques, young designers, unusual finds and, of course, less pricey chain stores found in other European cities.

There's plenty for MICE participants to do in Luxembourg, from discovering "1000 years in 100 minutes" by taking the Wenzel Walk Tour, to tasting the wines along the Moselle River, hopping on a double-decker city tour bus, exploring art museums and galleries and enjoying fabulous theatre, dance and music performed by leading names from around the globe.

And, of course, there's something here that everybody loves: good food and drink. Luxembourg has more Michelin-star restaurants per capita than any other country in the world, and with its multicultural makeup, it's only natural that you can find everything—from traditional French cuisine to hearty local Luxembourgish fare, with plenty of Italian and Chinese restaurants along the way but also Spanish, Russian, Japanese, Arabic, Mexican, African and more. From a kebab and potato cakes to lobster and foie gras, there's plenty of good food here and wonderful fine dining opportunities.



Doing business in Luxembourg?



**LUXEMBOURG
BUSINESS LAW
BOOK**

(ed. 2012)

630 pages

Price : 220 € VAT incl.

Shipping cost : 5 € (Luxembourg)

Free shipping for online purchase on

www.legitech.lu

Here's the law!

This book contains several of the principal *business laws of Luxembourg* in the areas of taxation, corporate law and the financial sector, updated as of March 1, 2012. We believe that this book represents a unique achievement in Luxembourg legal publishing history; one that we hope will assist

English-speaking lawyers and businesspersons with their understanding of Luxembourg law and allow them to better explain the legislation to their international clients. *The Luxembourg Business Law Book* will be updated on a regular basis.

Tax Trends Update

Photos: Stephen Roberts

With the current high level of public deficits, governments in the U.S., Luxembourg and globally are hungry for new tax revenue and looking to get the money they need from the business community and individual taxpayers. This event highlighted new developments in tax rules in Luxembourg and abroad, including their practical implications.



Frank Muntendam (Ernst & Young Luxembourg)



Louis Thomas (KPMG Luxembourg)





Olivier Carré (PwC Luxembourg)

Marc Schmitz (Ernst & Young Luxembourg)



Christopher Stuart-Sinclair (Deloitte Luxembourg)

Werner Weynand (Ernst & Young Luxembourg)



Top 10 Legal Issues

Photos: Stephen Roberts

Confused with all the regulatory developments in the financial world? AMCHAM’s Financial Services Committee recently held an event identifying the current top 10 legal issues: FATCA, MIFID II, AIFMD, Solvency 2, UCITS V, Basel III, EMIR, Shadow Banking, T2S and Savings Directive for insurance companies.



Henk van Eldik (Mutual Fund Consulting), Emmanuel d’Hardemare (Reply), Markus Linnert (Nord/LB Luxembourg), Sophie Charles (Deloitte), Harry Rosenbaum (Nord/LB Luxembourg), Steven Libby (PwC Luxembourg), Sven Mühlenbroch (KPMG Luxembourg), Sonia Biraschi (State Street Bank Luxembourg), Jean Brucher (Brucher Thielgtgen & Partners), Francis Kass (Arendt & Medernach)



Harry Rosenbaum (Nord/LB Luxembourg)

Henk van Eldik (Mutual Fund Consulting)



“This was the first time that Nord/LB Luxembourg hosted an event, and we welcomed over 90 AMCHAM guests in our new venue. We are really happy to have joined the AMCHAM network and look forward to a good partnership.”

—Kerstin Jablonowski, Nord/LB Luxembourg

The story of Europe — as told by those who made it happen



Take a rare glimpse behind the scenes of the events that made European history with insider accounts from major players and eyewitnesses. Let yourself be transported back in time as they tell the stories that make up the big picture, complete with historic moments and anecdotes, breakthroughs and setbacks.

For several years now, the CVCE's experts have been creating unique footage by interviewing those who have played and continue to play a prominent part in the European integration process, including heads of state, ministers, diplomats and journalists.

The results of this oral history programme, aimed at researchers and the European public, are exclusively available at www.cvce.eu.

Top 10 Legal Issues (Cont.)



Markus Linnert (Nord/LB Luxembourg)

Sophie Charles (Deloitte)



Steven Libby (PwC Luxembourg)

Sven Mühlenbroch (KPMG Luxembourg)



Emmanuel d'Hardemare (Reply)

Francis Kass (Arendt & Medemach)



Stay up to date!

For the “Top 10 Legal Issues” one-pagers, visit <http://bit.ly/16XTJtP> or scan the code.





Property Partners, one of the most trusted names among real estate valuation service providers in Luxembourg, is all set to play a pivotal role in bringing you a profitable property deal.

We are committed to deliver a diversified service portfolio that is backed by a pool of experienced and expert market researchers and financial analysts, so as to keep you intimated about the current and future valuation of your property accurately.

Marc Baertz, MRICS

Partner & Head of Valuation

Tel: 26 43 07 07-36

Mobile: 691 320 300

mbaertz@ppgroup.net

Julien Pillot

Consultant Valuation & Research

Tel: 26 43 07 07-48

Mobile: 691 320 337

jpillot@ppgroup.net





Designed around your diplomatic lifestyle

Volvo pioneered diplomat car sales more than 50 years ago, in providing benefits and convenience for the international diplomatic community. Explore special diplomat pricing, a wide range of country specifications, customized shipment services, global network of Volvo Diplomat dealers and more.

Volvo Cars Diplomat Sales. Established 1956.



The new Volvo XC60. Find six new 2014 models at
WWW.DIPLOMAT.VOLVOCARS.COM

CONTACT YOUR VOLVO DIPLOMAT DEALER IN LUXEMBOURG

AUTOPOLIS SA

ZA Bourmicht, L-8070 Bertrange

Mr Paul Galiano, tel: +352 43 96 96 2129, email: info@autopolis.lu