

DUKE

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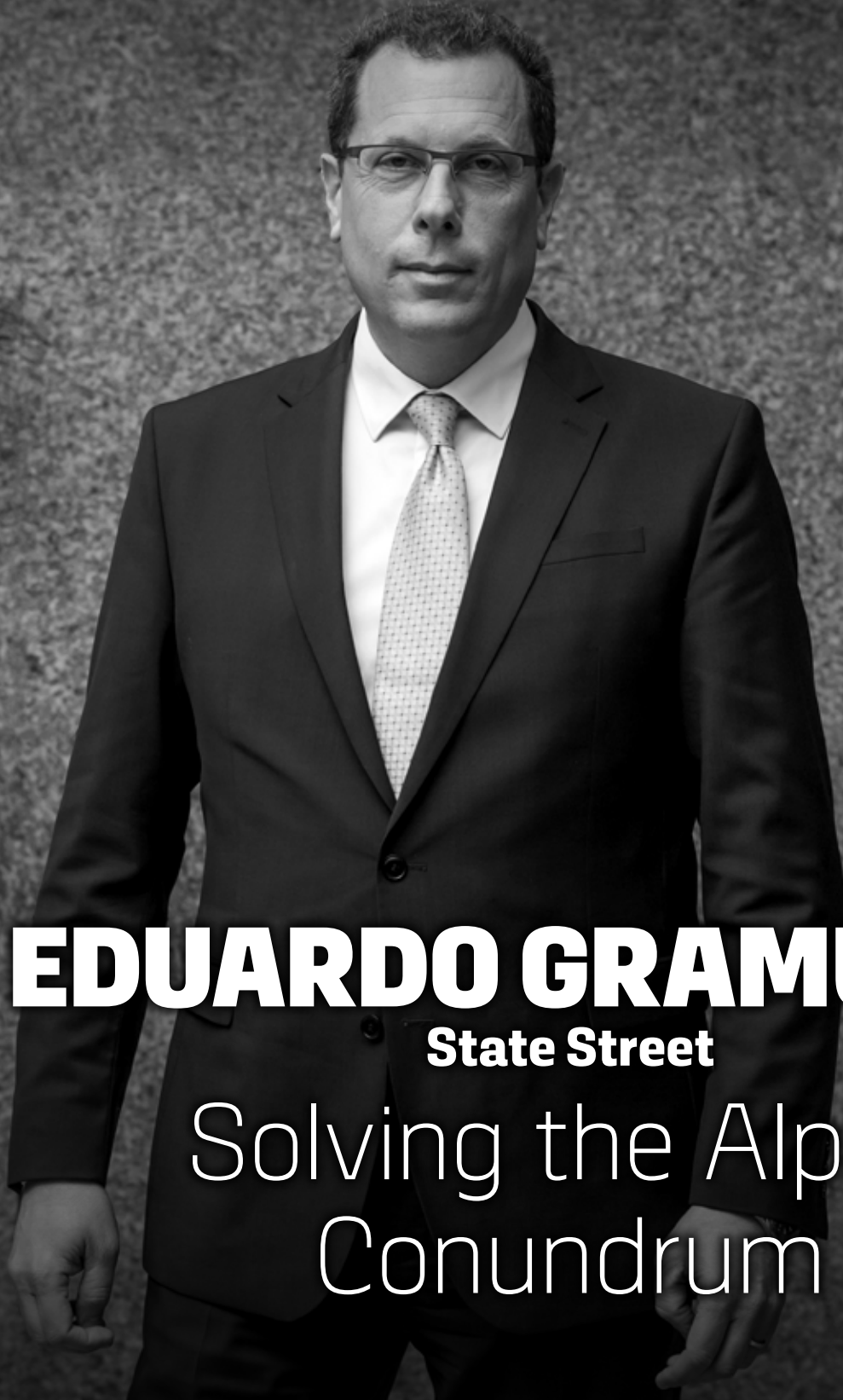
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(INOWAI)**

The Dynamism
of Luxembourg

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Dear readers

We're proud to publish Duke 14, created to share excellence in its many different forms and to promote the Grand Duchy of Luxembourg abroad.

In view of the current global coronavirus crisis, we hope that these articles will inspire you to embrace new technologies and entrepreneurship, all whilst giving you a taste for adventure and a real desire for positive change.

Enjoy Duke's 14th edition!

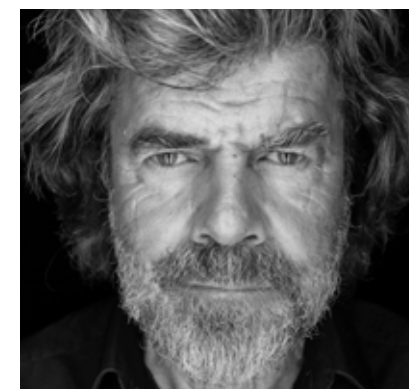
Johann Herz



DUKE 14

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Cloche d'or

3 ARCHITECTS WHO WORKED ON THIS ENORMOUS PROJECT SHARE HOW THEY WERE INSPIRED BY THE PROMOTERS' VISION: PRIORITISING COMMUNITY QUALITY OF LIFE ABOVE ALL ELSE, WITH A RESOLUTE FOCUS ON SUSTAINABLE DEVELOPMENT.



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in the new
Cloche d'Or
District

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Shops

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3000
pupils

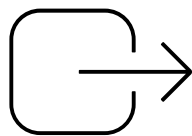
Around
6000
residents

15%
Shops

35%
of Habitations

55%
of Offices





Conducting an orchestra

TATIANA FABECK DISCUSSES HER VISION WHEN IT CAME TO DEVELOPING THE CLOCHE D'OR'S SHOPPING CENTRE AND RESIDENTIAL TOWERS AND THE NEED FOR ADMINISTRATIVE SIMPLIFICATION FROM LUXEMBOURG'S GOVERNMENT. INTERVIEW.

Can you define the role of an architect in three words?

An architect is an intermediary and a facilitator, enabling society to design buildings and spaces for housing, for work or for any other conditions in a given context (linked to urban development restrictions), all whilst taking clients' wishes into account. An architect then brings this development to life on paper, providing it with shape and volume, before transforming it into something tangible. An architect is similar to the conductor of an orchestra

and is constantly focused on his or her client's visions and wishes.

What ideas were behind the creation of the Cloche d'Or's project?

The Cloche d'Or is the result of an international architecture competition, won by Fabeck Architectes and executed together with Schemel Wirtz Architectes Associés. As part of the international call for tender, architects were asked for a summary of their vision of the building(s) they were going to design. We were inspired by France's traditional department stores (with natural light shining through huge domes) and a colour code (black, white and gold) which provided a background, thereby giving tenants free rein to be imaginative when designing their shops. Taking into account the specifications of the SDP (Special Development Plan), which were particularly restrictive in terms of the building's exterior shape, we wanted the interior to be very organic, fluid and generous space. Winding

walkways provide perfect visibility for retail outlets. Huge glass canopies create a sequence and provide natural light at all levels. Different perspectives from one floor to another make it easy to navigate, ensuring a truly pleasant experience at the Cloche d'Or.

If you were a politician, how would you improve real estate development in Luxembourg?

Ministries and municipalities are actively working to simplify administrative procedures. However, some prioritisation of project data would be useful on a case-by-case basis. In addition, we are working on a 24-hectare project in Kirchberg and we are faced with significant overlapping administrative constraints, relating to archaeology, ecological protection and owners' needs. More collaboration between the government's ministries and the creation of spokespeople would be very welcome.

 **MORE INFORMATION**
www.fabeckarchitectes.lu

The jewel of the Cloche d'Or

FRANCOIS VALENTINY DISCUSSES THE THREE GUIDING PRINCIPLES BEHIND THE DESIGN OF THE BIJOU (FRENCH FOR JEWEL) OF THE CLOCHE D'OR AND THE CHALLENGES FACING THE CONSTRUCTION SECTOR IN THE GRAND DUCHY. INTERVIEW.

Can you define the role of an architect in three words?

"Firmitas - Utilitas - Venustas": "strength, utility and beauty".

What ideas were behind the creation of the Bijou of the Cloche d'Or?

"Firmitas" and "utilitas" provide obvious and understandable parameters. For the Cloche d'Or project, our client, Flavio Becca, asked us to create an iconic building for this new area. The search for grace and beauty was therefore decisive in this project.

If you were a politician, how would you improve real estate development in Luxembourg?

It's clear to see that we have a huge problem in the construction sector in general. Within our political system,

this problem is global. Regardless of the laws of the market, our building laws and regulations are too sophisticated and do not make sense. Their excessive restrictions have a negative impact on urban and architectural value and, as a consequence, on our quality of life. Construction has evidently become more complex but is it really necessary for administrative procedures to take up most of the time during the building process? Is it really appropriate that "virtual games" take precedence over "real life"? Streamlining procedures, expanding the scope of contributions and increasing taxes are only short-term solutions. Aren't we facing a much more fundamental question?



FRANCOIS VALENTINY
Valentiny Hvp Architects

"Firmitas - Utilitas - Venustas."

 **MORE INFORMATION**
www.valentinyarchitects.com

An architect, first and foremost

PAUL BRETZ RECOUNTS THE IDEAS BEHIND THE DARWIN I PROJECT AND THE PROCESS OF SYNTHESIS WHICH DEFINES ARCHITECTURE.

Can you define the role of an architect in three words?

Unlike the architecture of the past, modern architecture doesn't need rhetoric. It exists as it is. It is mathematical, structural and rational. It symbolises nothing. Its beauty is generated by the balanced proportion of volumes, by the dynamism of the composition and by the modulation of spaces by means of light. Designing architecture is a process of analysis and

synthesis; it's just like the meticulous work of a scientist. The various elements of design are dictated by the constraints and possibilities offered by a site and by the obligation to meet mankind's basic needs.

What ideas were behind the creation of the Cloche d'Or's Darwin I project?

The shape, which is made up of three vertical strips, was inspired by the Urban Development Plan: there's a section which features an area for movement, along with technical and secondary spaces; it's surrounded by two sections which only feature offices, erected just like a shelf

with a 90cm grid, which provides excellent flexibility in terms of the building's layout. The difference in the level of the plot creates a basement in the lower part, while one of the office areas is split off and raised, freeing up room for the entrance and the "coffee corner".

If you were a politician, how would you improve real estate development in Luxembourg?

I am an architect, first and foremost, and I don't get involved in politics. However, in the course of my job, I have to admit that I have found the administrative work involved in every project to



be laborious and very slow-moving. I would like to see more effective collaboration and faster decision-making by the authorities.

 **MORE INFORMATION**
www.paulbretz.com



PAUL BRETZ
Paul Bretz Architects

"Beauty is created by the balanced proportion of volumes, by the dynamism of the composition and by the modulation of spaces by means of light."

SUCCESS

Vertical revolution



MORE INFORMATION

www.duke.lu/verticalfarming

INDOOR GROWING IS ATTRACTING MULTI-MILLION-DOLLAR INVESTMENT TO HIGH-TECH, AUTOMATED, LOW-INPUT FARMING. BUT THE ONLY WAY IS NOT UP AS FIRMS STRIVE TO BE PROFITABLE.





Vertical revolution

“Crops need up to 95% less water than conventional growing and lower inputs of chemical pesticides and herbicides.”

DR. PAUL GAUTHIER,
DELAWARE VALLEY UNIVERSITY

food, and related industries contributed \$1.053 trillion to U.S. gross domestic product (GDP) in 2017. The projected contribution from the vertical market of \$3 billion a year by 2024 pales by comparison. Vertical farming is at an exciting, innovative, start-up stage. Only time will tell whether it helps feed the world’s one in nine people who daily go hungry or is a faddish niche. Firms like AeroFarms win plaudits for their use of “aeroponic” technology growing crops “geoponically” – without soil – in air and mist requiring minimal environmental impact to achieve high productivity. Bowery Farming claims to be 100 times more productive on the same amount of land and delivering from harvest to shelf within a few days.

Let us race

“You can’t feed the planet with lettuce alone,” says Dr. Paul Gauthier, Delaware Valley University, but Japanese vertical farm Spread says the fall in the price of lettuce from ¥258 (\$2.34) in 2008 to a target of ¥158 today illustrates the progress of vertical farming even though still a premium price. The hope among investors is that the environmental appeal, the cleaner, fresher produce will justify the premium. Big investors are convinced: Softbank has invested \$200 million in Plenty; IKEA and the Sheikh of Dubai have invested \$40 million in AeroFarms – with \$115 million invested in the company over its life – and Google Ventures has invested \$90 million in Bowery Farming. However, Toshiba, abandoned producing lettuce despite the advantages of its electronic expertise and repurposing of clean rooms in a former electronics plant.

Crop top

Growing crops in artificially-lit, high-rise buildings or even basements, is appealing. Vertical farms use less land than traditional agriculture. Vacant city property, disused factories, nooks and crannies can be used. You can even do it at home. The crops need up to 95% less water than conventional

growing and lower inputs of chemical pesticides and herbicides. Their environmental friendliness extends to the slashing of distance from farm to fork; there are even city restaurants with their own vertical farms and multiple annual, out-of-season crops add to the appeal. But all is not well down the vertical farm. The artificial light required raises

environmental questions, while the technology costs don’t yet beat the profitability of old-fashioned sun, soil and sweat.

Feed the World

Farming’s 12,000 years of back-breaking toil won’t be replaced by vertical farming soon. In the US agriculture,

JEROME BLOCH
360Crossmedia

The outsiders celebrate their 20th anniversary

MORE INFORMATION
www.duke.lu/outsidiers
www.360crossmedia.com

360CROSSMEDIA IS CELEBRATING ITS 20TH ANNIVERSARY, ONE YEAR AFTER OPENING ITS FIRST CONCEPT STORE IN LUXEMBOURG. THE BRAND IS WELL KNOWN IN THE GRAND DUCHY BUT MORE PEOPLE ARE FINDING OUT MORE ABOUT 360CROSSMEDIA'S ACTIVITIES AS IT EXPANDS ITS SERVICES BEYOND THE FINANCIAL SECTOR.

Can you present 360Crossmedia's activities in brief?

We have 3 key areas of focus: firstly, there's the communications agency, specialising in design sprints. With this powerful and interactive technique, we create websites, brochures, videos, magazines and event concepts in 3 hours or 1 day. Secondly, there's the accredited training centre which offers high-impact training on 7 subjects, including leadership, human resources and communication. Our third area of focus is innovation, with different apps and the 360Box which makes it possible to produce corporate videos, without editing, for €10 and even less.

Your company is celebrating its 20th anniversary but you still call yourself "outsiders". Why?

I arrived in Luxembourg in 1995 as a golf pro and discovered an El Dorado for entrepreneurs. This made it possible for me to achieve my dream of creating a communications agency from nothing. From the very beginning, I felt that the raison d'être of such a company



Sprint design at 360Crossmedia.

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Head of Video



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Henry
Head of English Text

“We believe there’s a real gap in the international market for a company combining design sprints, consulting and innovation.”

JEROME BLOCH,
CEO, 360CROSSMEDIA

was its ability to offer an alternative to established Luxembourg agencies such as Mikado, Binsfeld or Comed. We adopted an outsider's stance on the assumption that if we were from Luxembourg, we would, as a matter of principle, choose an agency in the Grand Duchy. To break through, we were forced to be faster, cheaper, better: sometimes all three! This stimulated our creativity and we ended up creating three renowned business magazines: Andy, Duke and China. We continued by creating hundreds of free corporate magazines, produced in 3 hours, innovative digital solutions such as MyOfficialStory, corporate videos for €10 with the 360Box and various unlikely projects, including the book "Luxembourg Mon Amour", the "Vendanges Luxembourgeoises" on rue Philippe II and the "Hole in One Challenge" on Place de la Constitution. We owe this incredible creativity to the fact that we have always stepped outside our comfort zone, despite our continued success over the last 20 years.

How do you see the company's future?

Ever since the company was founded and as a consequence of our "outsider" status, we have always looked abroad. We serve clients in 6 countries, with our 3-hour and 1-day workshops and with our very digital approach to agency business. The opening of our concept store in Bonnevoie has paved the way for us: we want to open more stores in several other major cities to enable companies of all sizes to communicate effectively, quickly and at a competitive price. For example, we already offer video interviews for €150 in our studio in Luxembourg and projects are completed in one hour. We think that this is the future. Big agencies may serve you champagne, but they take 2 weeks to make an offer, they send you proposals with one too many zeros and many end up bankrupt. We believe there's a real gap in the market for a company combining design sprints, consulting and innovation. We intend to occupy it!

SERGE KRANCENBLUM
LAFO

The transformation of the family office



MORE INFORMATION

www.duke.lu/lafo
www.lafo.lu

SERGE KRANCENBLUM, PRESIDENT OF THE LAFO, SAYS THE LEGAL FRAMEWORK OF MULTI-FAMILY OFFICES MUST ADAPT TO THE EVOLUTION OF THE PROFESSION. INTERVIEW.

Could you present the LAFO in brief?

Our association was created in June 2010 and represents the family office professionals. We have three key areas of focus: managing an exchange and information forum for family offices, working with the public authorities to represent the industry and promoting Luxembourg as a financial centre for wealthy families around the world. Since its creation, the Luxembourg Association for Family Offices (LAFO) has focused on helping to strengthen the expertise of family office professionals. To achieve this objective, we have worked towards the creation of a law regarding multi-family offices. This law has established a framework answering clients' needs for transparency with regard to remuneration and has enhanced the integrity of stakeholders within the sector.

How is the LAFO working to develop the family office sector?

Today in Luxembourg, there is a significant number of single-family offices which do not appear as such because they generally take the form of investment vehicles for international or resident families. In addition, there are a number of multi-family offices, often organised by professionals who already have another license – asset managers, domiciliation agents or banks

– and who create a specific department. However, pure multi-family offices are experiencing difficulties as they have to request a Professional of the Financial Sector to the CSSF and carry hefty costs. Their business model is therefore under pressure. However, family offices do not manage assets: they administer families' assets and supervise and coordinate the various professionals who work for them. They should therefore not be subject to the same supervisory criteria as those which are applied to asset managers by the regulator. We therefore wish to amend the law of 21 December 2012 to enable multi-family offices to operate in Luxembourg without facing excessive regulatory costs, while maintaining absolute transparency and integrity.

How do you explain the rapid growth of the business?

The stability of the Grand-Duchy and the expertise of the financial centre attract two types of family offices: firstly, important families from Luxembourg or those who have come to live in the country; secondly, international families who use the Grand-Duchy to create their investment vehicle and who hire a team here to administer their interests in Europe or internationally. Luxembourg is one of the few countries where solutions – particularly institutional solutions – can be found for



“Large families are increasingly investing in illiquid assets, such as private equity or real estate.”

SERGE KRANCENBLUM,
PRESIDENT, LAFO
CHAIRMAN, IQ-EQ GROUP

ultra-high net worth families. The unique range of legal solutions and of regulated and unregulated vehicles facilitates the organisation of their assets.

What challenges and opportunities do you identify over the next 5 years?

Generally speaking, the occupation is becoming more professional. Traditionally, it was left to former bankers

who only dealt with financial assets. Wealthy families are increasingly investing in illiquid assets, such as private equity or real estate. Other skills are needed for the supervision of these assets. The future of multi-family offices lies in the strengthening of multi-asset skills. Today, families also want multi-family offices to ensure a sustainable relationship. These two trends will lead to the regrouping of professionals in the years to come.

ATEL WINTER CONFERENCE

Treasury Dynamics

MORE INFORMATION
www.duke.lu/atelwinterconference
www.atel.lu/atelwintereventgallery

ATEL'S WINTER CONFERENCE TOOK PLACE ON THE 12TH OF DECEMBER AT ARENDT HOUSE. THIS WAS A GREAT OCCASION TO TAKE STOCK OF TRENDS AND SOLUTIONS IN THE TREASURY WORLD.

Treasury Trends are not Just Technological

Cyrille Oudard and Jérôme Brun with kyriba described the journey from treasury functions being primarily reactive, to where it is creating value through enterprise, insight and intelligence. While they say technology optimizes treasury functions, the strategies and processes overlaying the technology heighten the fuller integration of treasury functions including payments, working capital, and risk management workflows. Stew Cofer, Head of EMEA Local Payments Products and Priyanka Rath, EMEA Liquidity Solutions Lead at J.P. Morgan said treasurers need to manage uncertainty in the macro environment, capture value from the hype surrounding technology. By embracing the changing payments landscape they will facilitate cost reduction, yield enhancement, automation and better risk management.

LIBOR & KYC

Philippe Förster of PwC told the conference, "IBOR is the most important number in the world." That will change by the end of 2021 when it is replaced by ARR. He says the change will require the identification and renegotiation of legacy LIBOR debt contracts; evaluation of existing hedged exposures for their transition to potential ARR exposures and monitoring the timing of transitions to ARR to mitigate risks. François Masquelier Chairman of ATEL spoke about the increasing and negative effects of KYC regulation. He concluded that KYC costs are increasing for corporates because of a lack of standardization as the level of regulation increases. Paul Gerhard Haase from Cinfoni concurred adding that Cinfoni's network – a P2P solution based on distributed ledger technology – as a single point of contact with banks and

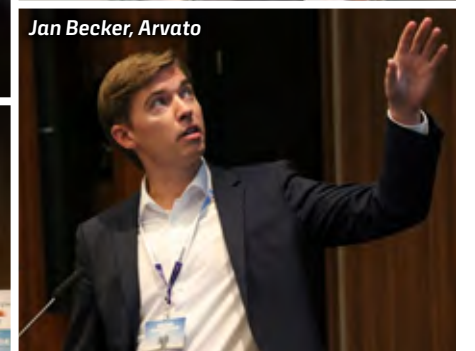
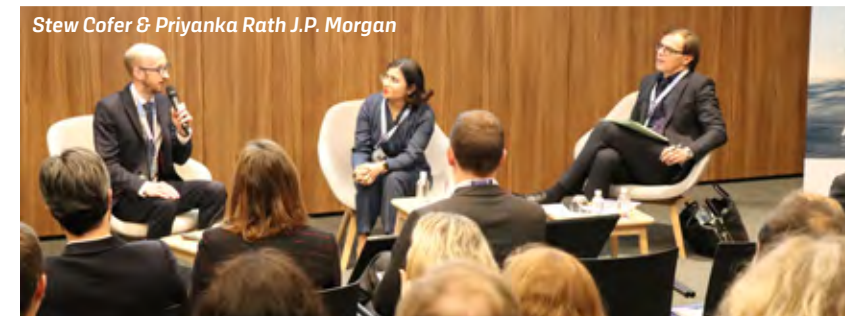
"Fail fast, learn fast' is at the heart of the Agile method."

PHILIPPE FÖRSTER,
 DIRECTOR, PWC

corporate clients could achieve standardization and automation. Jan Becker then showcased Cinfoni's intuitive onboarding interface, which manages to reduce onboarding of corporate clients from 6 weeks to an impressive 2 days.

Technology and Cybersecurity

Cyrille Oudard and Jerome Brun from Kyriba's questioned what treasurers can expect from new technologies. Over 60% of respondents to a survey see the potential in data analytics, RPA and AI in the next 2-3 years. However, only 1% or 2% are optimizing the treasury functions based on connected real-time data, advance predictive liquidity/ working capital management and cloud-first strategies. He highlighted the benefits of technologies in reducing risk; increasing forecast accuracy to optimize working capital and drastically reducing the effort in reconciliations. Ravi Rao, Vice President, Information Security at J.P. Morgan stressed how, in the event of cyberattacks, treasurers need to protect critical payables including payroll, supplier payments, intercompany loans and margin payments using such tools such as a "Response Playbook."





“Our legislative agenda is ambitious and focuses on the right priorities to respond to current and future challenges.”

XAVIER BETTEL,
PRIME MINISTER OF LUXEMBOURG

XAVIER BETTEL
Prime Minister of Luxembourg

Belief and transparency

MORE INFORMATION
www.duke.com/xavierbettel
www.gouvernement.lu

XAVIER BETTEL DESCRIBES THE FIVE PRIORITIES OF HIS MANDATE AND DISCUSSES INTERNATIONAL CHALLENGES SUCH AS BREXIT AND COMPLIANCE WITH THE PARIS AGREEMENT. INTERVIEW.

What are your priorities for your second term?

This second term will be marked by an intensive commitment to our country's future. Our legislative agenda is ambitious and focuses on the right priorities to respond to current and future challenges. I wanted my agenda to be clear, transparent and precise so that we can build an ambitious and fair future for Luxembourg, at the forefront of ecological challenges. The promotion of our common values, a spirit of innovation, an inclusive approach and a resolutely European sentiment are the principles which will guide my government's actions. It is in this spirit that I believe that the following five key priorities should be considered together: ensuring that mobility issues are no longer an everyday problem for residents, tackling the problem of housing, especially for Luxembourg's youngest citizens, ensuring that the gap between rich and poor does not widen, maintaining social cohesion and, lastly, continuing to enhance the country's reputation in Europe and around the world.

How do you manage the risks associated with international uncertainty?

It is clear that the pressure to which our country will be subjected at an international level will not decrease in the near future. In the coming months, the European Union will lose one of its members and one thing is clear and obvious: in the long term, Brexit will not have any positive effects, neither for the EU nor for our country. We therefore

regret the United Kingdom's departure but we must be as prepared as we possibly can be – and that's exactly what we have done in recent years. However, most of the preparatory work will be carried out in close cooperation with all our partners in the European Union. We must all be aware that our situation is not self-evident, that being part of a generation which has not experienced war on its own soil is, in itself, a sufficient reason to defend the European ideal. I am convinced that the best response to international uncertainty is this peaceful union.

What ambitions do you want to work towards with your European partners?

I feel that climate change is one of the great challenges, if not the greatest challenge, facing humanity in the 21st century. The consequences of global warming are being felt everywhere and they are dramatic. Luxembourg was, is and will continue to be a supporter of a courageous policy to fight climate change. However, it is a fact that some countries – or rather the governments of these countries – do not currently share this view. We will therefore have to try to find solutions and to convince more sceptical governments. This is not an easy exercise but we must not let ourselves be discouraged. Major nations and actors, such as China, India, Russia and Canada, along with all European countries, continue to strongly support the objectives of the Paris Agreement – so we are in good company.

EDUARDO GRAMUGLIA
State Street

Solving the alpha conundrum

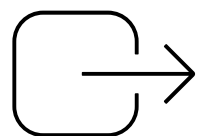


MORE INFORMATION

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www.statestreet.com

AFTER LIVING IN COUNTRIES LIKE URUGUAY, ITALY, LUXEMBOURG AND THE UK, EDUARDO GRAMUGLIA FINALLY RETURNED TO THE GRAND DUCHY AND MADE IT HIS HOME. EDUARDO GRAMUGLIA, NOW THE COUNTRY HEAD AT STATE STREET BANK INTERNATIONAL'S LUXEMBOURG BRANCH, SAYS DEVELOPING A CLOSE AND ENDURING RELATIONSHIP WITH CLIENTS IS CENTRAL TO HELPING THEM FULFIL THEIR STRATEGY.





Solving the alpha conundrum

What are your priorities in your new role?

I focus mostly on people — both colleagues and clients. Internally, I need to make sure that our people are aligned, especially when they interact with our clients. Our company has an extensive footprint across the world, so it is critical to be able to bring it all together for our clients in a clear way: we have to deliver a single State Street! Our mission statement, which is reflected in our logo of a clipper ship, is to help our clients navigate their own strategy, new regulations and a fast-changing world. The fund industry remains a people business, and my goal for State Street is to be a trusted partner.

How are your clients' needs evolving?

I identify three main trends. First, many of our clients today have investors who want increased alpha, so they are looking strongly at alternative investments. On the regulatory side, their challenge, like ours, is to make regulators comfortable, so that they can focus on their core business of investments, while we look after their service needs. Finally, data is becoming critical in our industry. It is necessary to achieve more transparency in reporting, whether it is carried out by us or directly by the client who receives the data from different sources, including us. Data is also a critical factor in environmental, social and governance (ESG) to prevent greenwashing, or to obtain a label for your fund. There is a lot going on. In order to grow with our clients, we need to be proactive, agile and demonstrate a strong entrepreneurial spirit and a sense of ownership.

Which opportunities do you identify?

There are many! In the context of growth in Luxembourg, I believe in the virtues of working more closely with our clients and with our employees, both here in the grand duchy and across the whole State Street network. Despite being acquainted with the topic, not many clients and colleagues can always have a meaningful discussion. For example, about Luxembourg in general or the best way to launch a Reserved Alternative Investment Fund (RAIF). An asset manager doesn't necessarily know all the implications. There is nothing more valuable than being

the trusted partner of a client at the start of a new project. Living in South America, Rome, London and here, I discovered something universal about communication: if you want people to understand the true value that you can bring to asset managers, you need to say it, say it again and say it one more time!

How important are sales in the fund industry today?

If you look at my personal journey, I started in operations — talking with brokers, doing cash controls and so on, which allows me today to consider both sides of the business. Later, I worked on standardisation to enable

clients to control all processes from one place. Then I moved into relationship management. The sales side was the later part of my career and I happened to enjoy it. To me, sales is about creating a strategy with your clients on how to grow and execute on it, while having a deep understanding of the technical aspects of both our businesses. Very often, we come to know them really well, so we are able to explain the external technicalities and where they can find the solution internally. Ultimately, this is the key to generate alpha! It certainly requires a long-term vision and commitment, often changing the target operating model, but working at State Street allows us to

offer products that are fit-for-purpose, together with a strong commitment to delivering over the long term.

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“Our mission statement is to help achieve better outcomes for the world’s investors and the people they serve.”

EDUARDO GRAMUGLIA,
CEO, STATE STREET



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EDUARD VON KYMMEL
VP Fund Solutions

Luxembourg's opportunity as an ESG fund hub

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THIS DECADE WILL SEE ESG CRITERIA MOVE FROM AN OPTION FOR THE ASSET MANAGEMENT INDUSTRY TO A STANDARD REQUIREMENT, PERHAPS EVEN A LEGAL ONE, ARGUES EDUARD VON KYMMEL, CEO OF VP FUND SOLUTIONS IN LUXEMBOURG.

How important are ESG criteria for funds today?

My personal belief is that there will be two fundamental changes to the industry over the next decade: digitalisation – which will enable us to enhance our performance, thanks to input provided by robotic processes – and ESG. There are many reasons for this: the need to protect the environment, the mindset of the new generation, and the value that environmental, social responsibility and governance criteria creates for asset managers and end-investors. Just days after I wrote in *finews* expressing this view, Blackrock announced it would integrate ESG criteria into all its active portfolios and advisory strategy by the end of this year. At the World Economic Forum in Davos, executives of US fund organisation NICSA and Hong Kong's HKIFA as well as European Commission president Ursula von der Leyen all agreed on the vital importance of this global trend. However, we must also be vigilant about greenwashing, which could slow meaningful change and tarnish the image of ESG-compliant investment.

How is VP Bank adapting to this trend?

ESG is an important part of our DNA – VP Bank Group's main shareholder is a non-profit foundation that uses the dividends it receives to support charitable goals such as funding culture and helping young people. Our open architecture approach means we mostly do not manage



“Luxembourg is already recognised as the top fund domicile for clean energy, impact investment and microfinance.”

EDUARD VON KYMMEL,
CEO, VP FUND SOLUTIONS

our own funds, so we are constantly looking for the right partners that fit our clients' needs and philosophy. We have hired a dedicated ESG team and are launching initiatives such as creating an ESG rating system, integrating our own standards and policies and supported by global recognised rating providers such as MSCI. As a management company, we identified the need last year, given the growth of illiquid funds and the huge demand for infrastructure investment. One of our clients which runs a clean energy fund has seen assets rise from €2m five years ago to €100m two years ago and now €250m – that's how strong the trend is. Another client, a small Swiss asset manager, set up a fund to invest in wind parks with €30m to €40m and manages €250m today. Luxembourg is already recognised as a leader in ESG investment as the top fund domicile for clean energy, impact investment and microfinance offerings.

How do you see ESG investment in five years time?

I'm convinced it will become the mainstream, and that

managers, whether in equities, bonds, real estate or private equity, will have to comply with ESG criteria, perhaps enforced by law. It starts with risk management asking on a regular basis whether potential investments entail any ESG. But the industry needs more guidance on what constitutes ESG. Is Tesla ESG-compliant? Investment by coal-fired energy plant to reduce its carbon footprint? Airbus? Lufthansa? In my opinion, if they have a long-term strategy to reduce carbon emissions, they may be considered ESG-compliant. In the Nordic countries, Copenhagen airport has launched an ambitious climate strategy designed to make it carbon-neutral this year. Within the next five years, I believe, all transportation will be electric there. In short, ESG will become a standard characteristic for assets. Fifteen years ago, reputational damage did not have a major impact on share prices – now it can have a huge impact in a single day. ESG will make investors more comfortable, more trustful and perhaps more loyal.

“We measure the benefits of the Agile method in time to market, employee satisfaction and retention of talent within our organisation.”

FRÉDÉRIC KIEFFER,
HEAD OF RETAIL BANKING, ING



FRÉDÉRIC KIEFFER
ING

Agile transformation

MORE INFORMATION
www.duke.lu/frederickieffer
www.ing.lu

CHANGING CONSUMER BEHAVIOUR IS CHALLENGING TRADITIONAL BUSINESS MODELS. FRÉDÉRIC KIEFFER, HEAD OF RETAIL BANKING, DESCRIBES HOW ING IS ADOPTING THE AGILE METHOD TO SUPPORT THIS CHANGE. INTERVIEW.

Can you briefly present Agile management?

Agility describes the rapid development of a product or process, with the aim of reducing the time to market or implementation. Traditionally, banks were organised into departments, each working on projects led by steering committees which would meet periodically. The Agile method assigns multidisciplinary teams to specific projects. Six to nine people seconded from different departments work together to create and to sign off on a product or process. Their profiles can range from project manager to business analyst, from IT developer to marketer. The Agile programme operates in six-week cycles during which a team focuses on a specific project. Teams form squads and several squads make up a Tribe, led by a Tribe Leader. Each team is assigned its own goal. For example, the lending Tribe looks at all credit-related products and processes. Within this Tribe, one team can be in charge of digitisation or reporting to the CSSF, while another team can be responsible for updating the online credit application system. All credit-related aspects are assigned to this Tribe.

How did ING implement this way of working?

We all face a rapidly changing world. At ING, we saw this way of working as an opportunity to breathe new life into staff management. The seniority-based promotion system within a vertical hierarchy is becoming obsolete. Young people are particularly stimulated by this new environment, which enables them to demonstrate their added value on a daily basis. The Agile method is famously applied by Netflix and Spotify, two companies which have had to evolve very quickly on a global scale, without creating traditional large departments. ING was inspired by them and first began working on Agile projects in the Netherlands more than two years ago; its other European entities then followed suit. Luxembourg is no

“Fail fast, learn fast’ is at the heart of the Agile method.”

FRÉDÉRIC KIEFFER,
HEAD OF RETAIL BANKING, ING

exception: launched on 2 December 2019, the project has benefitted from lessons learned in other countries. Our organisational charts and structure have been adapted and new positions have opened up: among other things, we needed to find Tribe Leaders. However, this transformation does not concern the entire bank; it has primarily had an impact on the teams responsible for deliverables including IT products and assets. The Tribe Leaders meet every quarter with the bank’s management committee. Together, they decide on priorities and provide a cross-functional link between the teams.

How do you assess the benefits of this method?

We measure the benefits in terms of time to market, employee satisfaction and retention of talent within our organisation. These indicators are not misleading. The aims of the Agile working method are staff development and the successful completion of more projects with the same budget: it’s all about increased efficiency. Team members meet every morning to share their progress and to redefine their tasks. “Fail fast, learn fast” is at the heart of the Agile method. Autonomy remains the key word and it is up to the team to ensure project delivery, without involving a “management board”, a concept which is increasingly becoming obsolete.

ROBERT BRIMEYER
Alter Domus

Extracting value from complexity

MORE INFORMATION
www.duke.lu/robertbrimeyer
www.alterdomus.com

“OUR VERTICAL INTEGRATION ALLOWS US TO SERVE ALL OUR CLIENTS’ STRUCTURES FROM END TO END” SAYS ROBERT BRIMEYER, THE NEW LUXEMBOURG COUNTRY EXECUTIVE FOR ALTER DOMUS. INTERVIEW.

What goals are you setting for yourself in your new position?

My approach is: empower employees to excel. When they are successful, I’m successful. I realize that this makes me almost redundant, but that’s my management style! In my life, I’ve had only two employers in 23 years, but they’ve both allowed me to evolve through functions and geographies and I was always working for leaders who supported me to deliver at my best. As Country Executive for Luxembourg, I’ve set three main objectives for myself and my team here. Firstly, I want to be a great employer. Talent in Luxembourg is scarce and expensive, so we need to attract great, highly motivated people who are willing to build a good career path with us. Secondly, I want us to be recognized as a strong partner for our clients through our very specific business model. We provide vertical integration, or a one-stop-shop, if you like. This allows us to serve all our clients’ structures and the whole chain from end to end – investors, investment vehicles and the additional aspects needed to structure the investments. Managing the whole chain in an integrated manner creates value. This results in an operating model where our experts are not specialized by function – legal, compliance, etc. – but rather by our clients’ specializations, such as debt, real estate and so on. To service these asset



“It is the integrated manner of managing the whole chain that creates the value.”

ROBERT BRIMEYER,
LUXEMBOURG COUNTRY EXECUTIVE,
ALTER DOMUS

classes, we need people to understand all aspects of the client’s business. Without that, we cannot deliver quality. Our operating model allows us to align our processes to the specific way that the client is organized. That is how we create long-term relationships and become an extension of our clients’ businesses. Thirdly, I want to maximize our operational efficiency. Many of our competitors outsource parts of the value chain to low-cost jurisdictions, but this is incompatible with our vertical integration approach. Instead we look to innovation,

automation and training to boost our team’s efficiency. Electronic signatures or digital board solutions, for example, have been a blessing during the coronavirus crisis.

How are your clients’ needs evolving?

The main challenges facing our clients at the moment center on complexity – on regulation and on structuring investments. Our benchmark client, for example, is a large international investment firm, which raises funds in many

places around the world and invests them in many different jurisdictions with many different regulatory requirements. Our ambition is to relieve them of this burden so that they can focus on their core business, which is raising funds and making the right investments. A consequence of regulatory complexity is that structuring investments is becoming increasingly difficult. Setting up an alternative fund requires a collection of vehicles in many jurisdictions, for example, so Alter Domus aims to provide a seamless solution to managing the complexity of such strings of structures, and is uniquely placed to do so.

How are you dealing with the current Coronavirus situation?

I took over as Country Executive one week before the pandemic really took hold. My first decisions were aimed at how to best protect our employees while maintaining the level of excellence that our clients expect and deserve. Globally, 100% of our employees have quickly been able to work from home, which offers them maximum protection. I am very proud that this was achieved successfully. Here in Luxembourg, we dispatched 150 additional laptops, beefed up our remote connection systems and went one step further by enhancing the home office working environment with additional screens, headsets and digital tools sent to our colleagues’ homes. We pushed hard to deploy electronic signatures and digital board tools to clients and other counterparties, which resulted in the same quality of service for our clients – but from home. We are assessing the impact of this crisis on our clients, our growth rate and our liquidities on a day-to-day basis, and we make sure that we are prepared for what will come next. To do that, we need to be flexible and constantly reassess our setup. This is how we will strive in this very new environment. When I took over, I thought I would be in charge of 850 people in one office. A week later, it was one team spread over 850 home offices! The way back to a common office could take several months but we are in no hurry. In today’s world, you need to be ready for anything.

TIMOTHÉ FUCHS
Fuchs & Associés Group

20 years of change management

MORE INFORMATION
www.duke.lu/fuchsetassocie
www.fuchsgroup.com

ON THE EVE OF ITS 20TH ANNIVERSARY, FUCHS & ASSOCIÉS HAS OPENED AN ADDITIONAL 400-SQUARE-METRES MEETING SPACE WHERE ITS EXPERTS WELCOME THEIR CLIENTS. INTERVIEW WITH TIMOTHÉ FUCHS, PARTNER AT FUCHS & ASSOCIÉS GROUP.

How would you analyse the current evolution of asset management?

The markets are evolving enormously, to such an extent that it is becoming difficult to define trends. First of all, negative rates are having a considerable impact on management strategies. For example, we are currently moving towards the advent of alternative investments at a global level, which makes the markets less liquid, contrary to what I can often hear. In addition, we have credit disintermediation, political and economic conflicts and a disinterest in financial markets in favour of debt, real estate and impact investment. Investors want to invest their money, among other things, in the real economy rather than in shares of tech companies, the value of which seems to be out of touch with reality. They want to make an impact, give meaning to their investment and, in a way, pass something on to the next generations. Of course, there's the "Greta effect" in terms of the environment: faced with a climate which can be anxiety-inducing and the fear of various sanctions, investors are afraid to invest, but they underestimate the danger of inaction. However, we must not forget that regulation has enormous benefits for Luxembourg and, of course, for our group. It gives rise to many new needs, which lead to new services and new businesses.

How is Fuchs & Associés Group adapting to this transformation?

After 20 years in business, we are continuing to grow. We



have just opened a 400-square-metre office extension in Luxembourg. This development reflects a steady increase in our workforce: in 2019 we welcomed about 15 new employees. Among them are wealth and asset managers, who joined Fuchs et Associés in Luxembourg, Belgium and Switzerland to focus on their core business – client relations and portfolio allocation – while we take care of the operational, regulatory and administrative sides. We have also welcomed legal, compliance, risk and communication specialists, each time with the objective of ensuring that our skills and our organisation are at the forefront of the market. We are observing a similar trend in asset management. More generally, Fuchs & Associés has been able to adapt its organisation focusing on

"Although things change very quickly, the fundamentals of our business remain the same!"

TIMOTHÉ FUCHS,
PARTNER OF THE FUCHS & ASSOCIÉS GROUP



Team:
170
people

AUM:
5
billion

three key areas – management company, wealth management, family office – which ensures that the client is at the heart of the company's strategy, whatever happens.

Tailor-made services make up 80% of our client response: at a time when profound transformations are taking place, we believe that the very essence of our business involves listening and providing solutions to our clients' issues. The remaining 20% is the human expertise we offer to create permanent win-wins. You will note that I don't mention digitisation, despite our major investments in this area: we see technology as a means, rather than as an end. This differentiates us within the market: we don't automate anything; the focus is always on human relationships.

What opportunities and threats do you identify?

Whoever they are, clients want to be listened to; when working with us, they find that we are more attentive than

anyone else: this is the biggest opportunity for our group. Markets are becoming increasingly complex, but our group's prospects are good.

We are delighted to show how our team is creating value in comparison to robots. As for the threats, I would say that we are not far from the next economic crisis. I am very much in favour of regulation but over-regulation could lead to disaster. Similarly, digitisation which occurs at an overly rapid speed, may also create risks. Saying that, let's not forget that we are celebrating our 20th anniversary in 2020! We have already been through several crises – in 2001, 2008 and 2011 – and this experience will enable us to face the next market correction as calmly as possible. Although things change very quickly, the fundamentals of our business remain the same! We are simply reinventing ourselves around a core business to focus on responding to our clients in the best possible way.

PHILIPPE SEYLL
Clearstream

50 years and ready for the future

MORE INFORMATION
www.duke.lu/clearstream
www.clearstream.com

FOUNDED IN LUXEMBOURG IN 1970 BY A CONSORTIUM OF 66 BANKS, CLEARSTREAM IS CELEBRATING ITS 50TH ANNIVERSARY. CLEARSTREAM BANKING S.A. CEO PHILIPPE SEYLL SAYS THE COMPANY HAS STEADILY EXPANDED ITS CAPABILITIES FROM BOND CLEARING AND SETTLEMENT TO SECURITIES FINANCING AND FUND SERVICES, EMBRACING BLOCKCHAIN AND OTHER FINANCIAL TECHNOLOGY INNOVATIONS.

What exactly does Clearstream do?

The world's entire financial system is built on trust. Fifty years ago, the business then known as Cedel was created in Luxembourg to facilitate the issuance of Eurobonds and to provide trust to the industry by ensuring that all parties receive what they are due under a transaction. Today, Clearstream has evolved into a leading European supplier of post-trade services. As a market infrastructure provider, we have helped shape markets as they have become more interconnected, complex and digitalised over the past five decades. We developed our core expertise from Luxembourg for years until we felt comfortable to extend our range of services, first in securities financing and subsequently with services to investment funds. Today, we serve 47 central banks around the world as well as financial institutions ranging from custodians, universal banks and broker-dealers to investment banks.

What were the key developments in Clearstream's evolution over the decades?

Cedel was initially created by a consortium of 66 banks from 11 countries in 1970. In 2000, Cedel merged with Deutsche Börse Clearing – previously known as Deutscher Kassenverein – to become Clearstream. The founder shareholders sold their stakes in the company in 2002 to Deutsche Börse, which remains the owner of Clearstream today. And in 2005, we extended our activities to funds with the launch of Vestima+. Fifteen years later, this segment has developed progressively

“The world's entire financial system is built on trust.”

PHILIPPE SEYLL,
CEO, CLEARSTREAM BANKING S.A.

and is today Clearstream's fastest growing business. Throughout the years, our core task has remained the same: fostering the efficiency, stability and integrity of financial markets.

What developments do you see for the company in the future?

As a commercial company, we need to remain relevant in order to keep our clients, also in times of increasing decentralisation in the financial services industry. They vote with their feet! Our core custody business, which is global by nature, is a very mature business with decreasing margins, so the name of the game is to become more efficient, bigger or find pockets where you can add value. Of course, Europe remains an important point of focus here, but the game is about scale. In our global funding and financing services, we are actively promoting the emergence of fintech firms. In today's world, we move assets from one account to



We hold **€15 trillion** of assets in custody (€15,000 billion).

We process **170 million** transactions settlements annually.

We hold an **AA credit rating.** Our weekly turnover is around the same as the UK's GDP.

We manage **€600 billion** in collateral on an overnight basis.

We handle **€2.5 trillion** of fund assets on the Vestima+ order routing system (compared with a total of **€4.8 trillion** in fund assets domiciled in Luxembourg).

“Our core task remains the same: fostering the efficiency, stability and integrity of financial markets.”

PHILIPPE SEYLL,
CEO, CLEARSTREAM BANKING S.A.

another. But the more substantial the asset, the more complex it is to move. One idea is to create a lighter avatar by means of new technology such as blockchain. With distributed ledger technology, assets can be

dematerialised, while the decentralised nodes keep track of whom the assets belong to. To tap into this potential, Deutsche Börse has invested in the Luxembourg-based start-up HQLA* which offers a digital collateral registry to the secured funding and securities financing market. In addition, as the biggest player in fund transaction execution and custody, we aim to be at the forefront of fintech innovation in this segment, too. We have extended our position along the value chain from fund processing into the global distribution of funds through the acquisition of Swisscanto Fund Centre from Zürcher Kantonalbank and a majority stake in Fondcenter, a fund distribution firm developed by UBS, making us one of the largest players in the fund distribution sector. We are also investing in FundsDLT, a blockchain platform for funds, because we believe the fund issuance process will be transformed by fintech and especially blockchain. From our base in Luxembourg, we are actively preparing for the future through investment and partnerships.

PIET CRAENEN
Refinitiv

Helping to clean up AML compliance

MORE INFORMATION
www.duke.lu/refinitiv
<https://refini.tv/2XYksHI>

PIET CRAENEN, PROPOSITION SALES SPECIALIST BENELUX AT REFINITIV, EXPLAINS THE CHALLENGES FINANCIAL INSTITUTIONS FACE WITH THE IMPLEMENTATION OF 5TH AML DIRECTIVE AND THE INCREASING USE OF DIGITAL IDENTIFICATION IN THE PAYMENT SECTOR.

How has the 5th AML Directive impacted your clients' businesses?

The implementation of the 5th AMLD Directive in January 2020 has had an important impact on a range of financial services provider, from traditional financial institutions, through to sectors such as crypto-asset exchanges, real estate and prepaid card businesses. Many have come to rely on a combination of data and technology to help meet their obligations and avoid falling foul of the new regulations. One of the main challenges from the directive is the increased requirement to identify the beneficial ownership of funds or assets through an open and available Ultimate Beneficial Ownership register. However, few countries have such a register in place. That means many organisations still rely on proprietary identification processes and must inform central registers of any discrepancies between their documentation and the register. The second challenge is to identify suspicious transactions and report them to local authorities. There is an opportunity to address both of these challenges more efficiently by investing in more automated processes. They require access to better data and technology or reliance on managed service providers that allow them to identify beneficial ownership and manage transactions compliance.

Will digital identification technology help monitoring for suspicious activity to be more efficient?

The digital payment sector is growing at nearly 13% a year and there is a growing reliance on technology to help

streamline its adoption. Firstly, digital identification technology can make banking safer and reduce the risk of money-laundering and terrorist financing. Secondly, it supports more efficient customer due diligence. This was confirmed in guidance issued by FATF earlier this year, when it stated that not all non-face-to-face transactions pose a higher risk – provided the digital identification technology is robust. This requires two factors in the CDD process: identity proofing; confirming who a person is, and authentication; for example using biometrics to prove the uniqueness of that person's identity. One feature of the new regulations is the demand for technology to help identify multiple individuals, often in different jurisdictions, and in organizations ranging from those offering traditional banking solutions to crypto exchange providers. Meeting that demand requires digital identification technology to be not only effective and efficient, but also to respect local regulations.

What are the challenges of ensuring compliance in this complex landscape?

Sanctions represent a major risk of financial and reputational damage for regulated and non-regulated entities. The combination of data and technology is key to protecting organizations against the risk of breaches of AML regulations. Sanctions compliance is and always will be one of the priorities of the financial services sector. As a financial data and risk solutions provider, we use our information and technology to identify any sanctioned securities within investment portfolios. This remains a complex activity as it is necessary to identify both direct

and indirect ownership of companies and link this to the issued debt or equity. We have seen significant interest from the market to screen investment portfolios and identify direct or indirect links to lapses in AML compliance. As a company, we are committed to helping customers tackle their regulatory and compliance

“Digital identification technology can make banking safer and reduce the risk of money laundering and terrorist financing.”

PIET CRAENEN,
PROPOSITION SALES SPECIALIST BENELUX,
REFINITIV



challenges. Through continuously monitoring the two types of ownership and identifying investments requiring action or that are linked to a suspicious entity. By combining data and technology, it is possible to create a robust compliance programme and ultimately help fight financial crime.

ILIAS GEORGOPOULOS
MultiConcept Fund Management S.A. – Credit Suisse

The 4S approach

MORE INFORMATION
www.duke.lu/iliasgeorgopoulos
www.credit-suisse.com

SUBSTANCE, SAFETY, SERVICE AND SUSTAINABILITY: THE 4 S WHICH GUIDE THE GROWTH OF MULTICONCEPT FUND MANAGEMENT S.A.. AN INTERVIEW WITH ITS CEO, ILIAS GEORGOPOULOS.

Can you present MultiConcept Fund Management S.A. in brief?

As a Super ManCo, MultiConcept Fund Management S.A. holds the dual licence for UCITS and AIFM. It is 100% owned by Credit Suisse Group AG, manages €19 billion in assets as of end January 2020 and our activities are supported by a team of over 30 people in total, located mainly in Luxembourg, and also in Ireland, in Poland and of course in Switzerland. We interact with over 100 counterparties and service over 50 asset managers, whose business is equally divided between UCITS and AIFs. Our growth accelerated in 2019 with net new assets being in excess of €6 billion, particularly in the alternative sector in the second half of the year. Our growth strategy to support optimally our clients is based on the 4S approach. Firstly, Substance: we provide the full range of services and products necessary for UCITS and AIFs in Luxembourg and Ireland. Secondly, Safety: we operate under the supervision of the CSSF in the Grand Duchy, the ICB in Ireland and the FINMA in Switzerland. The third focus is Service: our highly qualified employees have an average of more than 12 years' experience in the fund industry and they are supported by a structure, which is tailored to our clients' needs. Last but not least, Sustainability involves combining ESG criteria, green finance and diversity. These 4 S therefore act as our pillars to support sustainably the development of our clients and of course the local financial sector.

How are your clients' needs evolving?

Our client business is evolving in a holistic way with opportunities at the UCITS level and an accelerated growth in the private assets space, which explains the



balanced distribution in our activities between mainstream and alternatives. For alternative funds, we are seeing an increasing number of requests in the four main sectors (Private Equity, Real Estate, Debt Funds and Infrastructure), but clients are increasingly focusing on balancing the impact between performance and sustainability. We are focused on three main types of institutional clients – Asset Managers, Pension Funds, and Financial Institutions – and we have observed a tremendous increase in requests for institutional solutions by family offices and UHNWIs. To meet the needs of these particular profiles, we rely on our infrastructure and the



“You will soon be able to buy property like stocks.”

ILIAS GEORGOPOULOS,
CEO, MULTICONCEPT FUND
MANAGEMENT S.A. – CREDIT SUISSE

excellent knowledge of our clients, which is part of our DNA. An increase in regulations has helped the market to mature and has resulted in an on-going consolidation, leading to the increased outsourcing of the role of fund management companies to focussed and committed specialists like MultiConcept, where the quality of services, the long-term market vision and our unique balance sheet protect institutional clients. We are currently taking full advantage of this consolidation.

What are the challenges and opportunities within the market?

Unsurprisingly, alternative products are the main market opportunity, as the sector is growing rapidly and is now worth billions. Digitisation and digitalisation also represent an opportunity, for two different reasons. Firstly, the ease

of access to information by means of digital media offers a wide range of possibilities for reporting, control and operations optimisation such as subscription/redemption activities in a fund. Secondly, digital innovation will inevitably revolutionise our activities; for example, the tokenisation of investments will ensure that players who are used to working with UCITS are in an ideal position to respond to the transformation of these “hard” assets into dematerialised assets, making the activity comparable to stock exchanges. You will soon be able to buy property like stocks. Yet a note of caution must be sounded: Luxembourg's success has always been based on products, the regulations which accompany them and the talent to understand them and to help them to evolve. The challenge will lie in maintaining this balance to meet the expectations of institutional investors.

PETER CORRY
IQ-EQ

Focusing on people, technology and service

MORE INFORMATION
www.duke.lu/petercorry
www.iqeq.com

AFTER SPENDING MOST OF HIS CAREER AT STATE STREET, PETER CORRY JOINED IQ-EQ TO HEAD UP ITS ALTERNATIVE INVESTMENT FUNDS BUSINESS IN LUXEMBOURG. HE SAYS PEOPLE, TECHNOLOGY AND CLIENT-DRIVEN SOLUTIONS ARE THE THREE CRITICAL FACTORS THAT HAVE MADE IQ-EQ A TRUSTED PARTNER.

What are the main reasons that prompted you to join IQ-EQ?

It was an exciting opportunity. After six years at State Street in the same role, I felt it was an ideal time to assess things. I could have chosen to stay with the same company, but I was intrigued by the fact that IQ-EQ offered something different. My career has always been about learning and broadening my skill sets. Working at State Street was a great experience for me, but I felt that IQ-EQ's entrepreneurial spirit and independence represented a great next step. I have spent more than twenty years in alternatives with the last eight in private equity and real estate, which is exactly what we are focusing on here. It's a sector that has developed very positively over the last few years and there continues to be growth within Luxembourg in particular. I also had a good feeling when meeting people during the interview process: it was immediately clear that my agenda was aligned with theirs. Our approach is very straightforward: we focus on people, technology and client-driven solutions. We attract experienced people and create the conditions for them to cultivate their talent and work their way up the ladder. We also invest in tech – a must in today's world – and put a heavy emphasis on tailoring our client service model. That's exactly what the group's rebranding was about: IQ + EQ.

In the perspective of your international career, how do you see the evolution of the alternative investment business in Luxembourg?

It is definitely one of the destinations of choice. This reality is what convinced me to move here with my family six years ago. There is a huge amount of interest in raising capital via Luxembourg funds and the fact that the jurisdiction has a well established reputation amongst target investors really helps. Managers today want to develop their substance here and find at IQ-EQ a one-stop shop. Under my responsibility, we provide full central administration services, a management company and depositary. We are totally driven by our clients' requirements and provide comprehensive assistance in creating their fund structures. We also enable them to benefit from the close relations that we have built with law firms and the Big Four, for example. The global economy will have its ups and downs, but Luxembourg continues to be well positioned and there is a strong commitment to this jurisdiction at group level.

What are your objectives with regard to IQ-EQ's clients and staff?

I'm very hands-on. I want to know my clients and hear what they view as positives and negatives of our service model, so that we can improve their experience. I've done

“The global economy might have its ups and downs, but Luxembourg is perfectly positioned and there is a strong commitment to this jurisdiction at group level.”

PETER CORRY,
COUNTRY DELIVERY DIRECTOR,
FUND SERVICES, IQ-EQ LUXEMBOURG



that successfully many times in the past. So, I travel to visit them, and do whatever else I can to better understand their priorities and agenda. The technology that we are constantly developing offers new features that make operations more efficient and ease access to the information that we provide. I have received great feedback so far – clients are keen to keep on growing with us and most have plans to launch new projects. For new clients, the onboarding process is critical. It must be flawless in

order to establish strong trust right from the start. Our onboarding function is strong, which makes my job much easier. For my team, I like to build a positive working environment. My direct reports are central to this collegial atmosphere. There's a lot going on at group level, including acquisitions, which widen our product offering and help ensure we have the right tools and effective service levels. We hope to capitalise on these strengths and become a trusted partner for our clients in different ways.

NICOLAS BUCK
AND SUSANNE SCHATZ
SEQVOIA

A journey to connected data

MORE INFORMATION
www.duke.lu/seqvoia
www.seqvoia.com

DATA ORGANISATION IS A CHALLENGE FOR ALL BUSINESSES, SAY SEQVOIA CEO NICOLAS BUCK AND COO SUSANNE SCHATZ, BUT ESPECIALLY ASSET MANAGERS, WHO POSSESS A WEALTH OF DATA THAT NEEDS TO BE CENTRALISED, TAKEN OUT OF SILOS, AND MADE AVAILABLE TO CREATE ADDITIONAL CUSTOMER VALUE. AND INNOVATION, THEY ADD, IS ONLY REAL WHEN PEOPLE BUY IT, OTHERWISE IT'S JUST RESEARCH.

Can you present SEQVOIA and how it originated?

SEQVOIA is a dynamic, client-focused organisation that helps the financial industry deal with information challenges. Our technology creates value inside and outside our users' companies, especially for their interaction with investors, distributors and regulators. It is a journey that is developing with the evolution of investment products but also adapts to the changing regulatory landscape – this is the age of regulation! – and expanding investor expectations.

SEQVOIA was created in 2012 as a spin-off of Victor Buck Services with the aim of creating cutting-edge software for the financial industry. To achieve this, we have built a team of 25 industry experts who average 15 years of experience and share a credo of excellence.

In a context of digital transformation, how is your clients' relationship with their own data evolving?

Digitalisation is not a new challenge for the financial industry: it has been digital, albeit in silos, for many years. An asset manager deals with a wide range of specialised software every day. The challenge is to build bridges

between these silos and create a system in which data can be stored once – the golden copy – but shared consistently throughout the organisation. This sounds easy, but it is very complicated. Even small businesses struggle with the challenge of data being stored many times in multiple locations. It is much worse in asset management – replicating the same data over and over again creates costs, risk of errors and reputational damage and might confuse investors or shareholders.

Today, data must be consistent for regulatory reasons, which is what drives the move toward data organisation. It's a difficult task, but partners like SEQVOIA can help achieve it. Our solution brings the data together to create value inside and outside the company. Asset managers possess an immense amount of information, but they need to centralise it in a single source from which it can be output to a large number of diverse users. Maintaining access to this central information creates value and reduces risks.

How is SEQVOIA adapting to these developments?

An important buzzword today is innovation. At SEQVOIA, we look at this in the context of the fast-evolving needs of

our clients, the skill-set of our team and the competitive landscape. This drives our constant acquisition of knowledge and new capabilities. When you are standing on a golf course on a hole that calls for a fade, for example, you cannot play it unless you analysed the shot and practised it many times. It is the same in business. What makes SEQVOIA unique is the very high level of expertise and commitment of the entire team, who is prepared to constantly learn, identify opportunities, and deliver solutions that work for our clients.

Innovation for us is complete when we send an invoice; without that, it is just research. At SEQVOIA, we've understood that connected data is what the industry needs. So in the last year we went on the innovation journey: We have developed a product management solution that transforms asset managers into data-driven organisations, by digitalizing manual processes, managing product life cycle, and integrating data into the product value chain. It bridges data silos, creates connectivity and allows asset managers to turn data into knowledge. Innovation is a constant process – it takes focus, talent, and hard work – that's what we do here, that is our journey.



“At SEQVOIA, we’ve understood that connected data is what the industry needs.”

NICOLAS BUCK,
CEO, SEQVOIA



NICCOLO POLLI
HSBC Luxembourg

Four avenues of growth

MORE INFORMATION
www.duke.lu/niccolopoli
www.hsbc.lu

HSBC LUXEMBOURG CEO NICCOLO POLLI SAYS ALL FOUR OF THE BANK'S BUSINESS LINES IN THE GRAND DUCHY – SECURITIES SERVICES, WHOLESAL BANKING, PRIVATE BANKING AND ASSET MANAGEMENT – ARE POSITIONED FOR GROWTH IN 2020, WITH THE COUNTRY'S POSITION AS A GATEWAY TO EUROPE, ESPECIALLY FOR CHINESE BUSINESS, AND SUSTAINABLE FINANCE PLAYING A CRUCIAL ROLE.

How is HSBC evolving in Luxembourg?

HSBC is a global bank but Asia provides a key competitive advantage to our Group and our extensive presence in Europe means we have a unique capacity to give our customers the support they need as they look east to the dynamic markets in Asia-Pacific, particularly to China. Luxembourg has a very important role to play there, being an important access point to continental Europe for Chinese banks and companies. There are already 6,500 Chinese people in the Grand Duchy, over 1% of the population, with a strong concentration in Luxembourg City. Most recently, we have supported the initiation of the Sino European Exchange Network www.seen.lu with the aim to help guide Chinese businesses through the requirements needed to operate across Europe and to accelerate professional development of China-interest professionals in Europe (and vice-versa). The relationship between the EU and ASEAN countries such as Singapore, Indonesia and Malaysia also continues to grow stronger and our established presence in all of these markets means we are in a strong position to support customers between these two different trading blocs. All of this naturally creates growth opportunities in our four business divisions, starting with securities services, where the absorption of a business over USD 150 billion in assets from a large international asset manager has moved us from the top 20 to the top 10 transfer agency providers. We are now implementing a strategy to get to a top five position with a major focus on private assets such as

debt, equity, real estate and infrastructure. We are establishing a consistent transfer agency platform globally on which clients need to be on-boarded only once to gain access to the full range of services. We provide people with banking services here but help them all over Europe. Secondly, our wholesale global banking business is becoming more sophisticated. Whilst we have been providing full-fledged cash management activities for a long time, we have over the past few years developed a broader offering which now includes foreign exchange products, money market deposits, credit & lending. We can also help clients access more products like capital call facilities through the HSBC network – the Luxembourg team coordinates such activities but our broader network will offer the products. We look at differentiating ourselves and becoming more innovative, aligning ourselves with our clients' needs and expectations, and connecting Asian customers to Europe and European customers to opportunities outside Europe through our global HSBC network. We have positioned our private banking to be the European Economic Area booking hub for the Group, with Relationship Managers, Investment & Credit Advisory and Discretionary Portfolio Management teams based in Luxembourg. Here again we look at being innovative and are rolling out globally the Aladdin platform developed with Blackrock to optimise risk allocations for our clients' investments. Our fourth business line is asset management, operating from our UCITS and AIFM-approved Management Company which manages HSBC's



“We provide people with banking services here but help them all over Europe.”

NICCOLO POLLI,
CEO, HSBC

Luxembourg and Irish domiciled funds with circa €100 billion under management. All our four business lines at HSBC Luxembourg have strong growth plans for 2020 and beyond!

What are your priorities as CEO?

Against this background of ongoing growth, my main priority is our people. We are very active in diversity and inclusion. We have an ExCo sponsored diversity and inclusion forum with two official employee resource groups – ‘Balance’ to promote awareness on gender diversity, and

‘Ability’ which is dedicated to leveraging the skills and abilities of colleagues with disabilities, and supporting those employees who are carers for those with disabilities. A third, Pride (for LGBT+ issues) will be launched in 2020. Inclusion is a key focus for the Group and for us locally. It is proven that a diverse and inclusive culture is more successful. Identifying and developing talent is crucial for us; we do this through training but also through encouraging international experiences within our broader network, as opportunities arise. These short-term assignments are not only enriching in and of themselves but create better connectivity to the Group. As a result we can deliver a more seamless HSBC experience to our customers. Having previously had talent management responsibilities at a European level as Head of Strategy for Europe, this remains my main priority.

Which opportunities and risks do you see ahead?

Sustainable Finance is a huge opportunity. Finance has a crucial role to play in tackling climate change and HSBC is recognised as a leading partner in the transition to a low-carbon world. We are committed to supporting responsible economic growth and enabling the low-carbon transition using Sustainable Finance. There is no doubt that progress is being made on green and sustainable investment. We issued USD271.7 billion of Green, Social and Sustainability Bonds in the market in 2019, significantly more than forecast at the beginning of the year. We do need far more cooperation between financial institutions and participants in these various industries to unlock systematic investment, and a more coherent policy framework from governments to guide the transition. Going forward, urgency should be our climate change watchword. Urgency to tackle emissions, to boost investment into green projects and to preserve our fragile ecosystems. China is another big opportunity – many clients view us as an Asian bank also active in Europe. The more Luxembourg becomes known as a Chinese gateway, the better for us. Brexit is also an opportunity for the Grand Duchy with a number of banks setting up headquarters or moving operations here, while funds and management companies have also moved to the jurisdiction. As for risks, everyone knows about the global ones: continued negative interest rates, societal divisions and unrest, and now more recently the direct and indirect impacts from the Covid-19 outbreak, but none is specific to HSBC. HSBC in Luxembourg is well positioned to face these headwinds through our diverse customer base and the strength of our teams. HSBC's brand is about connecting investors, institutions and corporates to opportunities – nowhere is better than Luxembourg to make that happen so we will continue to invest and compete in Luxembourg to be in the top market players.



“Luxembourg is the perfect place for a FinTech like Capilex to become a global leader.”

We are not allowed to serve consumer clients, in accordance with the regulator. We are solely a lending institution and not a bank, which means that we don't take deposits. Capilex is more flexible, more decisive and faster than traditional lenders and our running costs are considerably lower. More importantly, we offer maximum security to our funding partners by fully pledging the first mortgage rights of our clients. Our success lies in our uncompromising approach to security and quality. By establishing Capilex in Luxembourg, the heart of Europe's financial market, we want to take this business to the next level by offering both institutional and professional investors a chance to leverage this opportunity in the mortgage market.

LEX GIELEN AND LUC VAN LAARHOVEN
Capilex

Enhancing the mortgage market with tech

MORE INFORMATION
www.duke.lu/capilex
www.capilex.lu

CAPILEX SA, A PROMISING DUTCH FINTECH WHICH BRINGS STATE-OF-THE-ART TECHNOLOGY TO THE MORTGAGE MARKET, IS SETTING-UP ITS HEADQUARTERS IN LUXEMBOURG. INTERVIEW.

Can you present Capilex in brief?

Capilex is a FinTech which delivers automated mortgage-backed lending, thanks to AI, financial algorithms and legislation including PSD2. For the moment, we are offering our services on the Dutch market. We are a spin-off of Atlantis Financiers N.V, a Dutch company founded in 2013 which provides 3,000 SMEs with various financial services. Clients use Capilex when they want to finance a new project or to refinance an existing one. We onboard them through a digital KYC and they can quickly sign their mortgage contract with a notary and receive the money. Typically, 130% of the loan is guaranteed by the mortgage. Clients not only save time, but we help them to achieve their dreams and to ensure their future, using real estate as a guarantee. On the lending side of our business, we have institutional investors, family offices and high net worth individuals who invest in a fast-growing business with a very secure and fully compliant organisation. Our technology enables us to manage all our contracts – and raise potential red flags about our clients or their ecosystem in real time – by automating the analysis of data received from different partners. Banks take months to do this.

Who are your clients?

Our clients are professional investors, real-estate professionals and small – and medium-sized companies.

What opportunities do you see specifically for your company and more generally for Luxembourg?

Our mission statement is to become the preferred provider of mortgage-backed lending for professionals. We have chosen Luxembourg as we feel that it is the best possible country from which to grow this business, initially in the Netherlands, the Benelux region and then around the world. Luxembourg has excellent financial infrastructure, a forward-thinking community and supportive legislation. Having joined the LHoFT, we feel that we're in the right place at the right time and that we can become a leader in our field.



Lex Gielen,
Capilex



Luc van Laarhoven,
Capilex

CHRISTOPHE PESSAULT
mebs

Governance tectonics

MORE INFORMATION
www.duke.lu/christophepessault
www.mebs.lu

PRIOR TO THE COVID-19 CRISIS, CHRISTOPHE PESSAULT, MEMBER OF MEBS' (ME BUSINESS SOLUTIONS) EXECUTIVE COMMITTEE, DISCUSSED CURRENT TRENDS IN THE FUNDS SECTOR: LIQUIDITY RISK MANAGEMENT, GOVERNANCE AND ESG. INTERVIEW.

What are the recent changes regarding liquidity risk management?

In December 2019, the Commission de Surveillance du Secteur Financier (CSSF) issued a circular on the matter, based on the recommendations of the International Organisation of Securities Commissions (IOSCO). It sets out the regulator's expectations regarding the processes to be put in place to better understand and to better manage liquidity risk, as from the fund design phase. It also requires one or more contingency plans to be put in place so that the fund can use liquidity management tools if and when necessary. It is interesting to note that this circular was published a few months after the European Securities and Markets Authority (ESMA-EMF) issued guidelines on liquidity stress-testing, to which UCITS and AIF are required to comply with by 30 September 2020. These guidelines aim to standardise and to strengthen the practice at the European level. ESMA also published a case study – using its own methodology – with a sample of 6,000 bond funds. Among other things, it showed that 40% of high-yield vehicles could face liquidity problems in certain severe but plausible crisis scenarios. Implementing and complying with these regulations poses a number of challenges, particularly in terms of access to consistent data on which to rely on.

And what about governance?

Governance is a central element. Firstly, I observe that no process can be effective without a strong and adapted governance structure; to some extents, the CSSF and the ESMA stressed this fact in the circular and guidelines I



“The UK requires from investment managers to have at least 25% independent directors since September 2019.”

CHRISTOPHE PESSAULT,
MEMBER OF THE EXECUTIVE
COMMITTEE, MEBS

mentioned earlier. Secondly, let me quote B. Shaw: “You see things; and you say “Why?” But I dream things that never were; and I say “Why not?”. And when I am looking at our English fellows who have required investment managers to have at least 25% independent directors since September 2019, I am saying: “why not us?”. I’m not dogmatic about it, I am relying on my practical experience and pragmatic observations. Independent directors have no strong emotional ties to the organisation and are less sensitive about the “freezing effect” of decisions. With the benefit of hindsight, they are able to raise the right questions, even if painful, and to create positive tension by challenging a business model, for instance, to contribute to a sustainable growth. At mebs, we believe that this should be applied outside of the fund industry and this is why we have also responded positively to commercial companies asking us to join their boards. We recently

accepted an independent director mandate in a start-up company which I am sure you will hear about soon.

Should ESG be integrated into risk management framework?

ESG is a subject which is becoming exponentially important but there is still a lot to be explored. Indeed, the regulations surrounding ESG and the tools to assess and rate are not yet mature. As a consequence, ESG ratings sometimes contradict between each other. In-depth work is therefore still necessary and must be done seriously, taking into account every aspect of the ESG concept – environmental, social and governance. We can take the social aspect as an example; it can be divided into two fields: the internal impact of a company with regard to its employees and the external impact. At an internal level, indicators have emerged such as the happiness index at a

global level, as well as more scientific indicators regarding quality of life at work. Regarding external impact, multi-criteria scorecards could be established to assess impacts. These scorecards could, for instance, include the objective of the investment, key performance indicators and a contribution “score”. In my view, ESG is not a fashionable or “on-trend” subject. It is a fundamental trend that needs to be addressed at a strategic level – and as such, it should be taken into account in a risk-management process. Let’s imagine, for example, a company with 100% of its production located in a flood zone within three years, caused by global warming. Taking these elements into account will enable the company to anticipate and to take the appropriate decisions concerning production continuity. For an investment fund, this will help to assess the long-term sustainability of the company’s performance. This is the approach we want to promote at mebs.

PINO-SUN BECKER
ACOLIN

The critical role of global distributors in due diligence

MORE INFORMATION
www.duke.lu/acolin
www.acolin.com

PINO-SUN BECKER, GROUP HEAD OF COMPLIANCE & RISK AT INTERNATIONAL FUND DISTRIBUTION SERVICE PROVIDER ACOLIN, SAYS THAT WITH GROWING PRESSURE ON FUND PROMOTERS TO ENSURE APPROPRIATE ANTI-MONEY LAUNDERING OVERSIGHT OVER THE DISTRIBUTION CHANNELS THEY USE, THE REGULATORY ROLE OF GLOBAL DISTRIBUTORS SUCH AS ACOLIN CAN PLAY A CRITICAL ROLE IN PROVIDING THIS ESSENTIAL SERVICE AND CONSEQUENTIAL REGULATORY REPORTING TO THE FUND.

What business and regulatory challenges do global distributors currently face?

Global distributors have a challenging role. Under a mandate from a fund delegating all distribution activities, they can decide which distribution channels are best suited to reach the fund's target market and to increase its assets under management. In such cases, the global distributor is listed in the fund's prospectus and is subject to oversight by the financial regulator in the fund's domicile jurisdiction, in most cases the Luxembourg's CSSF or the Central Bank of Ireland. The fund's promoter is trusting a single provider to ensure that the fund continues to attract assets as expected and to monitor closely the distribution channels it uses. The pressure has been stepped up in Europe with the implementation of MiFID II, with management companies and distributors required to put in place and administer a range of complex oversight requirements, including negative target market reporting and inducement reports.

What stance has Luxembourg's CSSF taken?

The CSSF has taken a lead with its Circular 18/698, which imposes new requirements regarding the oversight of distribution and reporting on this to the regulator. Director General of the CSSF, Claude Marx warned participants at a conference on cross-border distribution last autumn that the industry still has weaknesses in customer due diligence

processes and practices, emphasising the critical importance of anti-money laundering measures. Underlining to fund firms that they are liable for any failings in the due diligence conducted by their distribution partners, Marx has placed Luxembourg's fund industry under intense pressure to deliver solutions. Due diligence information is becoming a valuable commodity, and being able to access and manage it is critical.

How does ACOLIN tackle due diligence and risk assessment?

Over the past 10 years ACOLIN has built up a multi-jurisdiction distribution network ensuring its clients may overcome many of the challenges relating to cross-border fund distribution. A key element has involved creating a comprehensive set of procedures to assure oversight of the distribution network, to make sure our partners comply with industry KYD standards. Given the wide range of distribution channels within our network, due diligence procedures are customised to reflect different types of partners and distribution activities. Participating in industry workshops not only ensure we remain up to date, but also allow us to help form the face of distribution oversight within the industry. We maintain more than 250 relationships with distributors at a global level, each, providing access to their own networks and thereby creating a distribution network stretching to thousands of entities.



“We have established a reporting system that meets not only the requirements of CSSF Circular 18/698 but the specific needs of our clients.”

PINO-SUN BECKER,
GROUP HEAD OF COMPLIANCE, ACOLIN

What processes do you conduct to develop risk assessments?

Maintaining oversight over our many distribution relationships is not simple, but through our due diligence process and a comprehensive digital platform for the collection of data, we ensure we only conduct business with parties in full compliance with applicable regulatory requirements. Having collected and managed the data, we match it against official sanction lists and screen ultimate beneficial owner data, and using a set of well-defined parameters calculate a risk rating, which has become the standard for the clients for which we act as global distributor. Since 2015 we have provided our asset manager clients with the reporting they need on the network we manage for the distribution of their products.

What does ACOLIN's distributor reporting cover?

We provide a quarterly reporting to our clients to ensure they receive a detailed overview over our distribution network. Changes to the distribution partners which form part of our distribution network, changes in their respective risk scorings, additional oversight measures taken, details of client complaints, legal disputes and regulatory infringements or investigations and FATCA information – all form part of our regulatory, even tailor-made reporting. In addition to the above, ACOLIN provides the necessary CSSF Reporting for dedicated clients established in Luxembourg and under the supervision of the CSSF, in accordance with the standards as set out in CSSF Circular 18/698, including additional data to fit the clients needs. In close co-operation with our clients, we have established a reporting system that meets not only the respective regulatory requirements of but the specific needs of our clients, ensuring all anti-money laundering and financing of terrorism oversight data is available on demand, and is of a standard asset managers can trust.

LAURENT LINSTER
 BearingPoint Luxembourg

Skills without borders

MORE INFORMATION
www.duke.lu/laurentlinster
www.bearingpoint.com/en-lu

BANKS NEED TO REVIEW THEIR BUSINESS MODEL IN THE FACE OF REGULATORY PRESSURE AND DIGITISATION. LAURENT LINSTER, ASSOCIATE DIRECTOR, DESCRIBES HOW BEARINGPOINT LUXEMBOURG IS SUPPORTING ITS CLIENTS IN THIS TRANSFORMATION.

How is BearingPoint Luxembourg evolving?

BearingPoint Luxembourg opened its office just over a year ago. At the same time, our Geneva office launched its new advisory service for financial institutions. These two entities bring together around 50 people who specialise in wealth and asset management. We act as a centre of competence in these two areas for the group and work with private banks and asset managers across Europe. After one year of activity, more than 15 banks have called on our services – including the biggest banks within the financial centre – for all types of activities, ranging from strategy to more operational projects. Our development objective remains ambitious: we plan to double the size of our workforce by May 2021.

What is your analysis of the changes which are occurring?

Banks are under pressure from regulation and low interest

rates. It is essential that they review their business model to revise the cost-income ratio. In order to achieve these objectives, there is a trend towards working with other banking players or technology providers to find solutions for outsourcing or industrialising those parts of the value chain which they consider to be non-differentiating. Until recently, our teams spent most of their time on mandates dealing with improving the customer experience; today, we are more intensively solicited regarding operational efficiency with the automation of “front to back” internal processes and even with the development of more integrated and digital client interactions, as can be seen in the process of clients onboarding. A prospective client will be able to enter his or her personal information and attach all of his or her documents in a private and secure space, prior to the account opening process. When the prospective client becomes an actual client, this data will then be processed automatically, without the slightest manual intervention, in



Laurent Linster, Associate Director

“Our presence in several countries enables us to consolidate best practices from these different jurisdictions for the benefit of our clients.”

LAURENT LINSTER,
 ASSOCIATE DIRECTOR,
 BEARINGPOINT LUXEMBOURG

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Eric Crabie, Partner Asset & Wealth Management

the rest of the chains. We support several large banks in Luxembourg and Switzerland in these areas.

What added value do you provide the companies using your services?

The first factor in BearingPoint Luxembourg’s success is our independence. Because we don’t offer outsourcing services ourselves, we don’t present any conflict of interest and can support financial institutions in a completely objective way to establish their business model and to select the most appropriate service providers. Another element of our success is our cross-border industry know-how. As a centre of expertise, we operate in different countries and jurisdictions; this enables us to get to know the different regulators, to collect and to compare regulations and best practices. This is a considerable asset when it comes, for example, to dealing with issues related to the cross-border management of client data – location, protection or access – in the context of outsourcing or near-shore outsourcing projects.

ROBERT VAN KERKHOFF
BNP Paribas Securities Services Luxembourg

One year later

MORE INFORMATION
www.duke.lu/robert-van-kerkhoff
www.bnpparibas.lu

ROBERT VAN KERKHOFF ARRIVED IN LUXEMBOURG IN MARCH 2019 AS MANAGING DIRECTOR OF BNP PARIBAS SECURITIES SERVICES FOR LUXEMBOURG, IRELAND AND THE CHANNEL ISLANDS. WE MET WITH HIM AND HIS TEAM 12 MONTHS LATER.

What has changed in the last 12 months?

Staff engagement throughout the company. When establishing our 2024 vision, it was extremely important for us to involve as many of our employees as possible. Our aim was to transform the organisation and to do that, you have to give everyone the opportunity to make themselves heard. This was done by means of co-creation sessions, individual consultations and opportunities to give feedback on various issues. We think it's fair to say that this has had a dual effect: not only has it provided us with a mine of information from which to work, it has also fostered engagement at the same time. Shared ownership and accountability have been key success factors. An incredible amount of energy and enthusiasm has been unleashed.

What difficulties did you encounter as you identified and implemented these changes?

BNP Paribas Securities Services' ambition is to be the leading positive-impact asset servicing provider. Our goal is to embed sustainability in all our daily operational activities. This will have multiple beneficial effects for our clients and, most importantly of all, it will strengthen our positive impact on society and the environment. Today, our industry is facing a significant challenge when it comes to data, rather than traditional asset servicing – this is an area where we can make a real difference for our clients. We have worked over the past year to simplify and to digitise our processes, ensuring data consistency throughout the chain and across multiple platforms and optimising data protection. This data optimisation and enrichment will continue to be our focus over the coming years. The next major challenge lay in finding the right balance between business-as-usual, with all its daily

pressures, and the focus needed to engage in projects and transformation initiatives. Furthermore, we had to provide "quick wins" as early as 2019 while motivating and energising our teams for longer-term projects. Our Communications team played a crucial role in this regard, working alongside the Executive Committee and helping to maintain momentum. It was also important to demonstrate our successes as and when they happened so that the staff could see that our projects were delivering tangible results, thereby creating trust in the model. It takes time to change things. Co-creation is time-consuming, not least because many people have rarely done it before. It really is a cultural change: employees are invited to be part of the change and their contribution is paramount to success. Although many of us, as senior managers, have long been responsible for implementing change, it takes time to realise (as an employee) that you are empowered. Once that happens, the sky's the limit!

What benefits have you observed?

Empowered staff are more willing to go further to satisfy their business partners and clients. Our shared vision has created an anchor for our perspective. All of our Transformation pillars have been implemented and are up and running. They include transformation topics, related both to business development and personal development (work-life balance, "hot topics" which feature on a daily basis), and the way in which we want to group and to develop our common values. The proactive nature of our young employees has enabled us to pioneer our Upskilling programme and our Digital Data and Agile Academy. In today's climate of uncertainty and with such a large number of our staff working from home, the importance of corporate culture has come to the fore. Our teams are



“Empowered staff are more willing to go further to satisfy their business partners and clients.”

ROBERT VAN KERKHOFF,
MANAGING DIRECTOR, BNP PARIBAS SECURITIES
SERVICES LUXEMBOURG

demonstrating extraordinary levels of engagement and team spirit: helping each other, being flexible and adaptable, all whilst managing to have some fun, in spite of everything. This is an invaluable asset for an organisation focused on success and growth.

In view of the COVID-19 crisis, are your vision and transformation journey still relevant?

More than ever! This crisis has highlighted some key strengths which will help us to better focus on our Transformation targets. Several truths have come to light: firstly, people and their health are our number 1 priorities. Secondly, we were ready for remote working. Thirdly, our technical capacities and expertise meet our clients' expectations, even in a crisis. Fourthly, one of our core values is "helping each other" and our employees have embodied that value as much as is humanly possible during this crisis. Lastly, team engagement is at a high: 95% of employees have been working from home since the beginning of the crisis and morale is extremely good (>85%). Based on this, we will undoubtedly review the level of focus needed for our various priorities – digitisation and agility have proved so important over the past few weeks – but the Transformation plan remains clear, its relevance is undisputed and our motto (we deliver simplicity in a world of complexity) remains the cornerstone of everything we undertake.

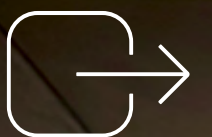


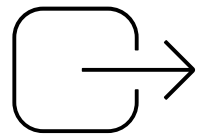
VINCENT BECHET
INOWAI

The dynamism of Luxembourg

 **MORE INFORMATION**
www.duke.lu/vincentbechet
www.inowai.com

VINCENT BECHET, MANAGING DIRECTOR OF INOWAI, DISCUSSES THE POSITIVE PERFORMANCE OF THE REAL ESTATE MARKET IN THE GRAND DUCHY, ITS FUTURE PROSPECTS AND ITS INTERNATIONALISATION. INTERVIEW.





The dynamism of Luxembourg

What place does INOWAI occupy in the real estate market in Luxembourg?

Created in 1999, INOWAI is now the second largest real estate consulting firm in the Grand Duchy. The business is sub-divided by market sector: Office Agency, Retail & Industrial Agency, Capital Markets, Property Management, Project Management, Valuation, Residential Agency, Residential Property Management, Marketing. INOWAI valued assets worth €4 billion in Luxembourg last year – ; it now also includes the “project management” division which we launched in 2019. In each of these categories, INOWAI occupies first, second or third place within the market. We employ 67 people, including a decade-old team dedicated to the residential sector. However, INOWAI is not involved in the development of real estate projects and this independence enables it to work alongside partners on large-scale programmes.

How would you describe the market in recent years?

As in all capital cities, the real estate market in Luxembourg is characterised by its tremendous dynamism. It is divided into two parts: residential and commercial. The residential sector is keeping pace with demographic pressures and demand is constantly growing. Interest rates remain low, encouraging investors to continue to opt for this secure investment. Despite government intervention to moderate pressure on land, prices are still rising. The major projects which are currently under construction – Cloche d'Or, Kirchberg, Pulvermühl, Howald, Belval – are not sufficient to meet the current demand. This is encouraging the emergence of new lifestyles such as “co-living”, something which is particularly popular among young people who want to live in the city and are seeking alternative solutions in terms of housing. The second segment, commercial real estate, is also in excellent health. In terms of achievements in 2019, we could highlight Ferrero's new 29,500m² global headquarters and the completion of new developments for Arcelor Mittal, Auchan and the European Court of Justice. The addition of 267,000m² gross office space in 2019 combined with the sustained pace of investment demonstrates confidence in the country's stability.



“Little Luxembourg is successfully positioning itself on the radar of very large investors.”

VINCENT BECHET,
PARTNER & MANAGING DIRECTOR, INOWAI

Lastly, who is investing in Luxembourg?

Luxembourg attracts many investors from the European Union and elsewhere. A Belgian company bought the Deloitte building and sold it a year later to a Franco-Korean consortium. Chinese banks have been working for some years now to provide real estate financing in Europe from their Luxembourg branches. A fund linked to the Bank of China bought the BGL building on the Boulevard Royal. German and Anglo-Saxon investors are also becoming increasingly visible. Everything seems to indicate that little Luxembourg is successfully positioning itself on the radar of very large investors. Economic dynamism and legal stability are good reasons to choose the Grand Duchy.

GILLES MORO
EMP Corp

Current and future payments

MORE INFORMATION
www.duke.lu/empcorp
www.empcorp.com

GILLES MORO, FOUNDER AND CEO OF EMP CORP, BELIEVES THAT THE DEMATERIALISATION OF CASH REPRESENTS THE FUTURE OF FINANCIAL TRANSACTIONS. EMP CORP CONTINUES TO GROW WITH THE RECENT ACQUISITION OF A PAYMENT PLATFORM, AS HE EXPLAINS IN THIS INTERVIEW.

How is EMP Corp evolving?

EMP Corp acquired Syspay Ltd, a E-money Licence company based in Malta but with a European passport, in 2018. This has enabled us to expand our business: we already had payment services in online gaming and e-commerce and we added hospitality (focusing on 3- to 5-star hotels) and rental agencies such as Airbnb. EMP Corp invested heavily in 2019, particularly in terms of restructuring our teams; today we have a very well organised and profitable group, with a transaction volume of € 300 million and a team of 45 people. Everything is in place to accelerate our growth from this base. We are targeting half a billion euros in 2021 and are also continuing our efforts to obtain a licence in Luxembourg.

How do you see e-payment developing in the coming years?

We foresee the disappearance of cash, plastic cards and POS (points of sale). Everything is moving towards mobile and e-wallet, within a maximum predicted horizon of 10 years. Our strategy is to become an e-wallet specialist, with a focus on mobile and crypto. At present, every development within the company is moving in this direction. Today, funds for our e-wallet can be provided by credit card. Tomorrow, it will be reloadable in any fashion, including bank transfer, instant payment and, of course, crypto options such as Bitcoin, Ripple and Ethereum. In Asian countries, crypto transactions are already on the rise, with Bitcoin largely leading the way. In Africa, where many users do not have a Visa/Mastercard, the transition



“Our strategy is to become an e-wallet specialist, with a focus on mobile and crypto.”

GILLES MORO,
FOUNDER & CEO, EMP CORP

is made directly from cash to crypto. Some banks are already offering solutions which enable me to go to an ATM, enter my mobile number on the machine and automatically activate an app on my mobile, allowing strong authentication. The ATM gives me money without a plastic card! What's more, the company Keplerk has just completed a major campaign to promote its Bitcoin sales activities in French tobacconists. This type of scenario is no longer science fiction: it's already happening! Banking is becoming more and more complex in terms of compliance so crypto is an ideal solution, but we are all still in a learning phase: Bitcoin is only 10 years old and the banking sector is barely 200 years old.

What will be the universal means of payment?

Crypto or e-wallet. The latter takes the form of an online or offline virtual account linked to your bank account. Your mobile phone serves as a key and dialogue interface. To take things one step further, EMP Corp has developed the first In-wallet: a personal digital payment exchange which enables you to centralise all your online and offline payments. For example, existing Wallet is part of the e-wallet: you can use it online or offline, but it can only be topped-up by credit card or bank transfer. Our In-wallet can be reloaded in multiple ways and could directly credit your Facebook, Amazon or PayPal account. Crypto is succeeding in imposing itself on the market. Libra is experiencing some difficulties but I think that it lacks a universal element on top which would allow it to work everywhere. Our challenge is to migrate the e-wallet towards the In-wallet: I log on to the merchant site and organise the payment, then I later log on at home and credit the site. We want to be part of this major evolution.





“Treasury is transforming itself into fully digital.”

FRANÇOIS MASQUELIER,
CEO, SIMPLY TREASURY

FRANÇOIS MASQUELIER
Simply Treasury

“Treasury Transformation”

 **MORE INFORMATION**
www.duke.lu/simplytreasury
www.simplytreasury.com

FRANÇOIS MASQUELIER, SIMPLY TREASURY'S CEO, PRESENTS THE COMPANY'S THREE ACTIVITIES: STRATEGIC CONSULTING, TRAINING AND THOUGHT LEADERSHIP. INTERVIEW.

Could you describe Simply Treasury in brief?

Simply Treasury is more than just a treasury and an ERM (Enterprise Risk Management) consulting firm for companies, financial institutions, alternative investment funds and FinTech's – it is also a concept. Simply Treasury is a “thought leader” which aims to promote trends and best practices in treasury. Its objective is to promote treasury management in Luxembourg and to share new techniques and technologies with the financial community, not only with companies but also with other kinds of organisations which manage treasury, often in a less sophisticated way than multinational companies.

What challenges and opportunities do you identify in treasury in the next 5 years?

Treasury faces a wide range of challenges so I'll mention some of the main issues. Firstly, treasurers are facing major technological challenges with innovative products (including RPA, robotics and, potentially, artificial intelligence), less expensive alternatives offered by FinTech's, solutions which break with traditional practices; treasurers will have to integrate these elements into the various IT tools which are already in place. Treasury departments use the most IT tools of all the company's financial departments. The right solutions must be carefully chosen, integrated and interfaced to increase productivity, something which is required of treasurers. Doing more with less requires technology and the good news is that the technology is there and accessible. Treasury is transforming itself into a “fully digital” treasury. The second challenge lies in compliance with new regulations, which are finally slowing down, fortunately! The economic context is also an issue. For example, how can income be

generated from excess liquidity when interest rates are negative and will continue to be so for a very long? Counterparty, political, compliance and other risks are relatively new and, in any case, are more intense than before. Treasurers also have to comply with constraints such as KYC/AML rules, which often impose very significant manual work. Market volatility, globalisation and the stronger correlation between markets make daily management more complex. Lastly, the hunt for talent and new skills is key to success in a world in which the scope of activities has greatly expanded and simultaneously become more complex. This role requires ever more diversified skills, which makes it both appealing and challenging. Simply Treasury is there to help with this digital transformation and to establish the right strategies.

How do you help companies to meet these challenges?

Simply Treasury tries to help companies to decide on their objectives, to determine their roadmaps for the next few years and to implement the techniques, products and innovative solutions which will help them to adapt to the numerous challenges they face. But it also tries to roll out these “best practices” to other financial organisations, including alternative funds, for example, which need them to improve their efficiency and productivity in this area. Simply Treasury also helps financial start-ups to develop an offer which is better tailored to the needs of companies, to promote products and to offer innovative communication strategies to make their solutions known. Despite these many activities, I remain more active than ever as president of ATEL and vice-president of the European Treasurers' Association.

RIKARD LUNDGREN
Steendier s.à.r.l



Safe Spaces and Snowflakes

and why the All Blacks may not see another Rugby World Cup final for some time

MORE INFORMATION
www.duke.lu/rikardlundgren
www.steendier.com

SAFE SPACE. MERRIAM-WEBSTER'S DEFINITION: "A PLACE INTENDED TO BE FREE OF BIAS, CONFLICT, CRITICISM, OR POTENTIALLY THREATENING ACTIONS, IDEAS, OR CONVERSATIONS". THOSE DEMANDING SAFE SPACES ARE SOMETIMES REFERRED TO AS SNOWFLAKES. FOR THEM, THE WORLD IS A DANGEROUS PLACE. PHYSICALLY DANGEROUS. AND ESPECIALLY EMOTIONALLY. CHALLENGING SPEECH IS SEEN AS VIOLENCE. UNCOMFORTABLE FACTS NEED TO COME WITH TRIGGER WARNINGS. ADVERSARIAL VOICES SHOULD BE SILENCED.

Safe Spaces increase fragility

If children are protected from risks, adversity and disappointments, will they develop better, contribute more and become happier adults? Scientists, like professor Jonathan Haidt are finding the opposite. A highly protected youth make us more fragile as adults. Just like with the immune system. The more we protect children from peanuts, the more will develop peanut allergy. Overprotection in youth leads to life-long fragility. Also, in psychological terms.

Medals to everyone

The safe spaces theology is spreading from US university campuses across the Anglo-Saxon speaking world into many parts of society. Even sports. Over-protective parents want their offspring to lift the cup without the risk of losing or being injured. Coaches have to adapt by only giving positive input. In competitions, no scores are kept, nobody is declared the winner and everyone gets medals. All to avoid that dark feeling of having played badly and lost. There is a side effect of such an environment. You will never learn how to navigate resistance, risk and defeat.

Dig deep

In competitive sports, a team that only understands positive feed-back will lose against one that knows how to draw energy from the darker feelings you get to know when losing. In rugby this is referred to as "digging deep". This extra force decided the 2019 rugby world cup final. Nearly all experts and the pre-match odds predicted that the mighty England team would win. This Goliath of world rugby had just dethroned the old king, the mighty All Blacks. But in this final, David won. In his first words after the win, the South African captain, told the world that his team had not been playing to win for themselves but for all the people of their troubled nation. In every tackle, every scrum, ruck and maul, letting their people down was simply not an option. England had much more experience, more muscle mass but in that final numbers didn't help against the power the underdog could find through digging deep.

No necessity - no innovation

"Necessity is the mother of innovation", or as the Oxford dictionary explains it; "if you really need to do something, you will think of a way of doing it". It doesn't say; "if you get



"If you can fill the unforgiving minute, with sixty seconds' worth of distance run, Yours is the Earth."

RUDYARD KIPLING

smarter, more innovative to win. David used a sling shot to win against the mighty Goliath with his swords and armor.

... size wins

In the semi-final between England and the All Blacks, there was no sling-shot, and Goliath won. Without innovation, the All Blacks could lose again and again against the biggest, most powerful rugby nation on earth; England.

Creating and doing the unexpected are the tools of the underdog, perhaps the only ones. Another rugby world cup team, the Brave Blossoms of Japan, coached by another New Zealander, brought a super-sonic version of attacking rugby, which saw them reach the quarter finals by beating two great rugby nations, Ireland and Scotland.

Bad ideas travel

A New Zealand politician once said: "every bad idea from the US comes here about 3-4 years later." The effects of the safe space theology has, according to professor Jonathan Haidt, author of "The Coddling of the American Mind" just started to show in the statistics on New Zealand youth. At the same time as an increasing number of New Zealand universities are offering safe spaces, there is a measured increase in youth anxiety, loss of purpose, self-harm and suicides.

For the fans who want to see the All Blacks back in a rugby world cup final, let's hope that New Zealand universities and schools reject the safe space victim theology and see it for what it is; a really, really bad idea that could turn many potential future All Blacks into snowflakes.

ever more positive feed-back you will become motivated to find a better solution". Why not? Because innovation is indeed the result of our having our back against the wall. Take away that wall, and you take away a big driver of innovation.

Unless you outsmart it...

By numbers, New Zealand is a medium sized rugby nation. England has 6 times as many male senior rugby players to pick their national team from. South Africa has 5 times, France 5 times, even the US has twice as many players and so on. In spite of this, New Zealand has dominated international rugby longer than any national team in any major sport. How has this been possible? The All Blacks' long dominance has come from leading both technical and tactical development of the game itself. When your competitors are bigger and stronger, you need to be

PAULO BILEZIKJIAN



On investments and lessons from history



MORE INFORMATION
www.duke.lu/paulobilezikjian

WORKING IN FINANCIAL MARKETS IN BRAZIL IN THE 1990S AND THE 2000S MEANT DEALING WITH LOCAL VOLATILITY, THE RESULT OF A COMPLEX POLITICAL AND ECONOMIC SET-UP AND A SUCCESSIVE NUMBER OF CRISES WHICH HIT THE MARKETS: THE MEXICAN CRISIS, THE ASIAN CRISIS, THE RUSSIAN CRISIS, THE DOTCOM BUBBLE AFTER 2000 (I WAS WORKING FOR A LARGE BANK ON WALL STREET WHEN NETSCAPE WAS LISTED IN 1995) AND, OF COURSE, THE GLOBAL FINANCIAL CRISIS OF 2008.

My background

At home, by which I mean my parents' home, we grew up surrounded by books on a wide range of subjects and in several languages. We had a "Larousse du XX Siècle", something my kids have probably never heard of. So I was exposed to a lot of ideas, or at least more than most of my colleagues were at that time. But it was only when I went to university in Canada that I developed a better understanding of how the world worked and, most importantly for me, of how the economy and financial markets worked.

Learning from history

At university, several courses were extremely relevant to my career, including the economic history of the United States, a graduate-level course on the history of finance, and a course which essentially focused on how economic thought and ideas as practised in academia, especially in North America, are mostly a reflection of society's existing power structure. The history of finance course was the most useful from the point of view of my career. There are many lessons from the past which could be applied to today's markets. In the words of Charlie Munger, the vice-chairman of Warren Buffett's Berkshire Hathaway, "there is no better teacher than history in determining the future... There are answers worth billions of dollars in a thirty-dollar history book". History teaches us that most human behaviour is not new: many investors buy at market highs and sell at market lows, to repeat a well-used example of self-harm driven by psychology. At the same time, history teaches us that we are great problem solvers. Access to information, along with the ability to process it properly, is perhaps one of the most important determinants

of societal success. In *Capitalism Redefined*, Nick Hanauer and Eric Beinhocker wrote that "prosperity in a society is the accumulation of solutions to human problems". They argue that GDP is too narrow and too limited as a gauge, insisting that we should look at a broader way of measuring society's well-being. This is a long and complex subject, well beyond the scope of this article. The point I want to make is that despite a number of challenges facing us, including technomonopolies and oligopolies, income inequality, gender issues, climate change, the Corona virus pandemic and much more, we have never been as well equipped as we are today to deal with them. Societies experience bouts of pessimism, usually followed by optimism. But, if we are to believe the evidence of the last few centuries, the major underlying trend is undeniably positive. Most importantly, we should look to the past, noting that, as societies, we did better when we were able to use knowledge in a thoughtful, balanced way. This seems to be one of the biggest challenges we face today: we have the know-how and the tools but we often lose sight of our priorities or are unwilling to approach the various challenges in a down-to-earth and common-sense way. In some instances, we have abandoned empiricism for several forms of populism. Obviously, there are political and distributive issues to be addressed and these are always quite contentious. But it is in times of crisis that we tend to shine.

Paulo Bilezikjian grew up in Brazil and was educated in the United States and Canada. He spent the majority of his career managing money, either for very wealthy individuals or for banks. He was also a partner and a senior portfolio manager at a multibillion-dollar hedge fund.



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Real passion!

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HAVING EXPANDED FROM 9 TO 380 EMPLOYEES OVER THE LAST 30 YEARS (AND FROM 100 TO 8,000 CARS SOLD PER YEAR), PHILIPPE EMOND HAS THE SAME COMMON SENSE AS HIS FARMER GRANDPARENTS. THIS PASSIONATE ENTREPRENEUR AND BUILDER EVEN HAS A BMW LOGO TATTOOED ON HIS CALF. INTERVIEW.

Can you tell us about your life in brief?

As a child, I behaved like a disciplined dunce. Neither my time with the Marist Brothers nor my return to school in Virton enabled me to graduate. My father then offered me a job in the family business, which was a cross between a petrol station and a garden centre. I worked there for five years, without being paid, until I got married at the age of 24! I was very independent and I think my career was made possible by a generational conflict. When I was 20, I kept quiet; when I was 24, I grunted; when I was 28, I left! I went to see a BMW contact in Arlon and offered him my services: I didn't have any references, so all I could say was that I was passionate! He sent me to BMW who chose to take the risk of entrusting a small dealership to a young man! At the age of 29, I became a BMW dealer and embarked on a period of debt which lasted 10 years! Step by step, the business and the building grew; in 2000, we built our "Big Machine"! Turnover doubled in 2 years and, in 2007, I invested in France where I set up 5 more dealerships. This experience has served me well in

Luxembourg: integrating into the social fabric, finding the right locations and building each business, both literally and figuratively, is an uphill battle. I drove up to 100,000 kilometres a year when expanding.

How did the opportunity for a dealership in the Grand Duchy arise?

The opportunity was there, but only major groups had applied to run the dealership: Swiss, English and Americans. The BMW Europe boss who had worked in Belgium felt that these buyers lacked local roots. He contacted me and I developed an agreement to work with a very strong Scandinavian group. I had to adapt to working with a listed company – you have to anticipate and plan the budget for the following year – but it was manageable. I started here in July 2016.

What's your strategy?

When I walked around the dealership after I bought it, it felt very unfamiliar, not at all what I knew. I think the

situation at the time reflected the fact that Luxembourg has long behaved as a market of buyers, rather than sellers. We all got down to work and I think we made significant progress, little by little. Décor, furniture, service, the business: everything has been worked on. We even had the car park covered in tarmac. We also updated the organisation chart to ensure that we provide an ideal experience for customers and our 160 employees. Each new recruit strengthens the entire team. The next step will be to build a new dealership near the Cloche d'Or. I hope to invite you to its opening in the first half of 2022. At the moment we have been given permission to demolish the existing building; I hope to receive permission to build soon.

Is your son a professional footballer at FC Nantes?

You know, in the Emond family, no son succeeds his father! (Laughs) I've tried to pass on a few values to Renaud and I'm proud to see that he's developed the courage, the capacity for work and the perseverance to reach the top level. I think humility plays a big role: he always arrives early and commits to sessions on top of those which are scheduled for the team. It's the same thing in the business world. I often tell my colleagues about a paradox which I like very much: humans have been looking for ways to economise effort for centuries, through their inventions or common sense, but in the end,

“When faced with an oil field, some people bring buckets; others install a petrol pump: personally, I opt for a refinery!”

PHILIPPE EMOND,
OWNER AND EXECUTIVE DIRECTOR,
BILIA-EMOND

the most successful are those who work the most. When it comes to energy, desire and dreams, there's an inexhaustible supply. I think there are opportunities everywhere: faced with an oil field, some people bring buckets; others install a petrol pump: personally, I opt for a refinery!

TOM BAUMERT
House of Entrepreneurship/Chamber of Commerce

Protecting Entrepreneurship

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TOM BAUMERT, DIRECTOR ENTREPRENEURSHIP AT THE CHAMBER OF COMMERCE, DESCRIBES THE RANGE OF COVID-19 MEASURES PUT IN PLACE BY THE HOUSE OF ENTREPRENEURSHIP AND THE INSTITUTION'S ONGOING EFFORTS TO SIMPLIFY THE ADMINISTRATIVE AND REGULATORY BURDENS FOR ENTREPRENEURSHIP.

Could you describe the House of Entrepreneurship in a few words?

The main mission of the House of Entrepreneurship is business support, i.e. to offer future entrepreneurs and established business leaders a range of services aimed at making life easier and enabling them to develop their businesses. It offers a 360-degree service, including: informing and guiding entrepreneurs in their journey; connecting them to the local network; encouraging the development of entrepreneurial skills through personal support and detecting existing difficulties through coaching; raising awareness among SMEs about digitalisation and the implementation of digital tools; encouraging investment in SMEs via bank guarantees through trusted partnerships; ensuring the sustainability of existing businesses through support in takeovers and offering a transmission platform; and finally, assisting businesses in export with formalities.

How does the House of Entrepreneurship support entrepreneurs in the face of the COVID-19 crisis?

At the beginning of the pandemic and in order to help businesses face financial difficulties – especially liquidity problems – a specific bond in the form of a guarantee that the Chamber of Commerce offers via the Mutualité de Cautionnement was set up. This bank guarantee applies to businesses that need an increase in their line of credit or a bank loan. It represents 50% of the amount requested and covers a maximum amount of EUR 250,000 per guarantee. A second measure has also been put in place, which is a new helpline that provides businesses with information in real time.

Since 16 March, advisers at the House of Entrepreneurship have been answering various questions from businesses on topics such as partial unemployment or state aid. With the support of the Chamber of Commerce, the Ministry of Labour, Employment and the Social and Solidarity Economy, the clc, and in partnership with the Ministry of the Economy, Horesca, ADEM and FEDIL, the House of Entrepreneurship has also launched JobSwitch, which is a platform for putting businesses with a need for manpower in contact with unemployed or partially unemployed people and self-employed people looking for work. The House of Entrepreneurship has also reorganised itself to maintain its services and support businesses in this period of crisis. In the coming weeks, there will be lots of digital workshops online! All of the usual services are also digitally accessible and the House of Entrepreneurship can still be contacted for any administrative procedures, including authorisation requests and VAT or social security questions, etc. In addition, the establishment of export-related documents, such as certificates of origin and "Luxtrust" certificates, can still be requested. After having set up these numerous emergency measures to support businesses whose operations are fundamentally disrupted by the COVID-19 crisis, the House of Entrepreneurship of the Chamber of Commerce is also extending its range of services with the #ReAct project, the aim of which is to enable businesses to deal as effectively as possible with the consequences of the COVID-19 health crisis and to identify strategic avenues that will enable them to restart their business. #ReAct supports entrepreneurs who are looking for active listening and strategic support in



CONTACTS

COVID-19 helpline
Tel: (+352) 42 39 39 - 445
✉ covid19@houseofentrepreneurship.lu

JobSwitch
☎ (+352) 42 39 39 - 720
✉ jobswitch@cc.lu
🌐 www.jobswitch.lu

House of Entrepreneurship
☎ (+352) 42 39 39 - 330
✉ info@houseofentrepreneurship.lu

ReAct
☎ (+352) 42 39 39 - 850
✉ support@houseofentrepreneurship.lu



“Today more than ever, solidarity is essential to help businesses overcome the ordeals they are going through.”

managing this crisis period, but also in relaunching their activity. Today more than ever, solidarity is essential to help businesses overcome the ordeals they are going through.

What challenges and opportunities do you identify for entrepreneurship in Luxembourg over the next 5 years?

The Entrepreneurship Department of the Chamber of Commerce is not only committed to promoting and improving the entrepreneurial environment, but also believes that an entrepreneurial ecosystem and especially a startup ecosystem need a legal framework that facilitates their progress. Given the current situation, in the short term, entrepreneurs will have to face liquidity and business recovery problems. In the longer term, one of the major challenges will be to foster investment for startups and early stage businesses, so that we can continue to develop our ecosystem. For example, a tax shelter, which already exists in many European countries, could encourage investment in innovative startups. Finally, we advocate that legislative procedures should fully integrate the concept of ‘think small first’. Laws and procedures are too often very complex and above all too costly for small structures and can thus jeopardise their business. Therefore, our mission is also to simplify administrative and regulatory burdens in favour of entrepreneurship. The digitalisation of services will also play a key role in the coming months and years. Taking into account the ever-increasing challenges (competition, digitalisation, globalisation) that managers face – regardless of the stage of their company: startup, in development, stagnation, or periods of difficulty – the House of Entrepreneurship works constantly on consolidating its offers of support to provide business leaders with true 360-degree support.

PHILIPPE LINSTER
HoST



Acceleration and digitisation

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CEO PHILIPPE LINSTER PRESENTS THE HOUSE OF STARTUPS, AN INNOVATION ACCELERATOR WITHIN THE LUXEMBOURG ECOSYSTEM, AND THE MEASURES PUT IN PLACE TO SUPPORT ITS PARTNERS DURING THE HEALTH CRISIS. INTERVIEW.

Could you describe the HoST in brief?

The House of Startups (HoST) was created in 2018 by the Chamber of Commerce with the aim of becoming a driving force in Luxembourg's innovation ecosystem, developing and consolidating links between start-ups and established companies. Located in the heart of Luxembourg City, HoST is home to a diverse community of more than 130 start-ups in four innovation clusters, including the Luxembourg House of Financial Technology (LHoFT), the Luxembourg-City Incubator (LCI), Hub@Luxembourg and the International Climate Finance Accelerator Luxembourg (ICFA Luxembourg). The HoST is a key innovation campus for Luxembourg and neighbouring countries and serves as a national showcase for the start-up ecosystem. Our role is to bring together incubators, start-ups, investors, state agencies and established companies to develop innovative projects. It is in everyone's interest to engage in dialogue and to position ourselves in different growth areas which can strengthen and enhance the ecosystem.

How is HoST helping its community to deal with the Covid-19 pandemic?

Before the lockdown came into effect, we implemented new rules inside the building as quickly as possible to limit any possible contagion. Now, everything we do is focused on helping our HoST partners and the entire start-up ecosystem. The survival of start-ups and the future of the ecosystem are at stake; rapid and targeted measures to provide assistance are urgently needed. However, in a

situation like this, there is no one-size-fits-all solution because each start-up is at a different stage of development, with different needs in terms of assistance. At the HoST, in April, we have decided to give a 50% rent reduction to the incubators we house and to their start-ups. Secondly, we are in constant communication with incubators and start-ups within Luxembourg's ecosystem, providing them with information about aid from the government and the Chamber of Commerce. We also support the Chamber of Commerce's initiatives, including the Mutualité de Cautionnement's banking guarantee for companies with cash flow problems, the business helpline created by the House of Entrepreneurship and JobSwitch, a platform for connecting unemployed people with companies in need of personnel, launched by the House of Entrepreneurship, the clc, the ADEM and the Ministries for Work and the Economy. In addition, webinars which aim to help start-ups in this period of crisis are also being organised. As a venue which brings players within the start-up ecosystem together, the HoST is committed to supporting the Ministry for the Economy, a key partner, as it announces additional measures to help start-ups and the start-up ecosystem.

What challenges and opportunities do you see in terms of innovation in the next five years?

I am certain that this crisis will be a catalyst for digitisation: we are already seeing the first signs of changes in consumer and business behaviour. Remote



“This health crisis will be a catalyst for digitisation.”

PHILIPPE LINSTER,
CEO, HOUSE OF STARTUPS

working is being encouraged both by technological and non-technological companies. We can also see changes in the education sector. This pandemic has highlighted the current status of our education system very clearly. Some schools are able to digitally share educational content with their students and are coping well during this difficult period. Others, which were working with blackboard and chalk, are currently experiencing problems, unfortunately. Some of these changes will continue, creating a long-term digital revolution which will shape businesses for decades to come. However, the positive side-effects of this crisis will not compensate for significant human suffering and economic damage. We will stand by start-ups in the post-crisis period, so that they can bounce back as quickly as possible.

NASIR ZUBAIRI
LHOFT

A mission to drive change



MORE INFORMATION

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TALKING WITH LHOFT CEO NASIR ZUBAIRI ALWAYS INVOLVES SHARP ANALYSIS OF THE DIGITAL, BANKING AND ENTREPRENEURIAL ECOSYSTEMS, NOT ONLY IN LUXEMBOURG BUT WORLDWIDE. FRESH FROM HIS LATEST TRIP TO ASIA, HE SAYS EUROPE'S BANKING INDUSTRY IS APPROACHING CRISIS POINT AND THAT EUROPE RISKS FALLING FURTHER BEHIND THE US AND ASIA IN TERMS OF INNOVATION. INTERVIEW.

How are financial services evolving?

The industry is still changing too slowly, and it is further affected by a recessionary environment in Europe. Regulation exists to protect customers, such as against mis-selling, and to curb financial crime including money laundering, but the problem is the speed at which new rules are implemented and the difficulty for banks to adapt fast enough, because it takes time to adjust their infrastructure. According to official data from a 2016, 13% to 15% of European financial institutions' overheads went on compliance – anecdotal evidence suggests it has now jumped to 30% or more. 40% of Luxembourg institutions still rely principally on manual procedures for regulatory reporting which represents a huge cost.

What about return on equity?

Before the financial crisis, RoE for banks used to be between 15% and 20, but now it is around 6% in Western Europe, 9% to 12% for US banks and 15% in Asia. A vicious circle exists. Due to degrading performance, banks want to cut costs quickly, so they reduce their technology budget, but the problem is that innovation is the only sustainable way to improve efficiency. You cannot simply reduce headcount. Failure to adopt tech is the biggest danger to the financial industry – a systemic risk. Many institutions are dangerously poor on cyber-security and they struggle to attract top tech talent. When I was speaking recently to a professor from my old college, the London School of

Economics, we observed that, while at my time most graduates wanted to go to banking, now graduates all want to join tech companies. The new challenger banks have a long way to go, too. Right now, we are looking for solutions to help banks survive, and I think we will see institutions in Europe going bankrupt over the next two or three years.

How fast is the current rate of innovation?

It's already incredibly fast and continues to accelerate as innovation feeds off itself. For example, quantum computing was, a few years ago, considered pie in the sky. But artificial intelligence, specifically, machine learning, is driving very rapid testing and enhancement – effectively machines are building themselves! The technology is known and our ability to apply it is accelerating – but not in the financial services industry. I fear we are falling behind the US and Asia, especially China. It's a matter of culture. Europe is proud of its past and the sophistication developed over centuries, but it's history. It enabled us to learn and become what we are, but looking back is the surest way to miss out on the future. I fear that Europeans' intellectual superiority creates the illusion that we do not have much to learn. The Chinese have become the world leader in innovation by opening the doors to the West 20 years ago, allowing people to study abroad and bring their knowledge back. Look where they are now. Japan did the same in the past. Why is it that that just 3,000 European students go to China each year, when 100,000 Chinese come to study in



“My desire is to work further with communities and enhance, expand, explain and adapt the new technologies for the benefit of the financial industry.”

NASIR ZUBAIRI,
CEO, LHOFT

Europe? A growing number of people here in Luxembourg are learning Chinese, but it is still very rare – we always expect them to switch language. I have just returned from Hong Kong, Shenzhen and Singapore, and the huge scale of the offices of Tencent, Baidu and Ping An takes the breath away! Doing the innovation tour is an eye-opening experience.

Do you see quantum computing as a threat?

Quantum computing is, in the majority, a huge opportunity for the human race. However, its invention and access can also be an advantage to cyber hackers. For example, many feel that Distributed Ledger Technologies, such as Blockchain, that are gaining adoption, are unhackable, due to their consensus model and use of cryptographic security. No security medium has been brought to market knowing it can be hacked, but all have been cracked eventually. Quantum computing can enable hackers to carry out a “brute force” attacks on a Blockchain and eventually break in.

What is your vision of the future?

I love living here in Luxembourg because of its incredible agility and sense of community. Finance is a European issue that we can resolve here – I see more and more evidence of this. We have a genuine shared belief that we can bring people together and make things happen. My desire is to work further with communities and enhance, expand, explain and adapt the new technologies for the benefit of the financial industry by reducing concentration risks. This approach is similar to those in the burgeoning sectors of cyber-security and space technology. We already share best practice and innovative ideas with the broader EU fintech industry. The best ideas are coming from everywhere – we just need to adopt them. The goal of Luxembourg is to drive change, and not only here. It is sad to think that the financial services industry will only be spurred into real change in response to pain. Breaking point is coming soon in Europe, and then I hope we will see more solidarity and open arms. People will look for change, and we can drive it.

GUIDO STROEMER
HQLA^x

Frictionless transfers

MORE INFORMATION
www.duke.lu/hqlax
www.hqla-x.com

GUIDO STROEMER, CO-FOUNDER AND CEO, PRESENTS HQLA^x, A STARTUP LEVERAGING BLOCKCHAIN TECHNOLOGY TO FACILITATE SECURITIES LENDING AND COLLATERAL MANAGEMENT OPERATIONS. INTERVIEW.

Can you present HQLA^x in a few words?

HQLA^x is an innovative financial technology firm founded by financial market practitioners. Our core clients are financial institutions active in securities lending and collateral management, and our shareholders include market-leading service providers in the global financial ecosystem. Our long-term vision statement is to accelerate the financial ecosystem's transition towards frictionless ownership transfers of assets. We aim to achieve this vision by collaborating with our clients to design, develop and deliver innovative, technology-driven solutions for specific pain points in the financial markets. Our immediate value proposition and mission statement is to improve collateral mobility amongst market-leading triparty agents and custodians.

How is HQLA^x leveraging blockchain to better manage collateral liquidity?

In strategic partnership with Deutsche Börse Group, we built an innovative operating model which leverages blockchain technology to improve collateral mobility across a fragmented securities settlement ecosystem. The goal from the very beginning was to build a solution for enhancing collateral fluidity without a "big bang" requirement for our clients to change the way in which they interact with existing securities settlement infrastructure. As such, participants connect to our platform via existing, well-established market infrastructure service providers, such as Clearstream. In the HQLA^x / Deutsche Börse Group joint operating model, there is no movement of securities between triparty agents and custodians. Instead, a digital collateral registry – an application built on R3's Corda blockchain technology –



"Our long-term vision statement is to accelerate the financial ecosystem's transition towards frictionless ownership transfers of assets."

GUIDO STROEMER,
CO-FOUNDER AND CEO, HQLA^x

is used to record ownership transfers of baskets of securities, whilst the underlying securities remain static in the custody location of the collateral giver. This enables platform participants to seamlessly execute capital efficient securities lending transactions.

What opportunities do you see for blockchain application in the finance sector in the next 5 years?

In terms of HQLA^x, our initial product offering addresses a fairly narrow use case: Delivery versus Delivery (DvD) ownership transfers of baskets of securities residing in disparate securities depositories. However, as part of our longer-term product development, we will consider evolving the HQLA^x operating model across multiple dimensions. One very interesting opportunity would be to expand into other asset classes such as cash, precious metals, and commodities. This could be realised by tokenising these assets directly in the HQLA^x operating model or through interoperation with other blockchain applications. Another opportunity is to leverage the HQLA^x operating model to facilitate more efficient pledging of collateral to satisfy margin pledge requirements for counterparty credit exposures with central clearing counterparties and/or bilateral counterparties.

HQLA^x Operating Model



SHENZHEN

China's "Silicon Valley"

MORE INFORMATION
www.duke.lu/shenzhen

IT TAKES A GRAIN OF SAND IRRITATING AN OYSTER TO MAKE A PEARL. THE CITY OF SHENZHEN, ON THE BANKS OF THE PEARL RIVER, HAS TAKEN SILICON AND, WITH THE DISRUPTIVE IRRITATION OF ITS ENERGY AND ENTERPRISE, CREATED A PEARL OF A THRIVING TECHNOLOGY HUB.

More Moore

Moore's Law states that every two years the number of components secured on a silicon chip will double. From the 1970s the population of the fishing village of Shenzhen grew with comparable power from 300,000 people to over ten million today. Its growth is a consequence of opportunities created by the silicon economy; freedoms granted it as a Special Economic Zone; its access to open source software and tools as well as funding and space allowing many start-ups businesses to get off the ground. Growth initially came from easily manufactured computer goods, but today Shenzhen is a technological vortex of innovation and enterprise that is vying with California's Silicon Valley, Cambridge's Silicon Fen and Israel's Silicon Wadi in the list of the world's leading technology locations.

Mother of pearl

A secret of Shenzhen's success was providing entrepreneurs access to resources. Start-ups get a leg up from the dozens of incubators and accelerators that offer office space, workshops, expertise and investment. One such is Hax that funds 30 or so start-ups each year. Such support allows start-ups to respond by developing and designing from concept to prototype into products in days – a process that takes weeks or months elsewhere. Expanding businesses can apply for venture capital from internet groups including Baidu, Alibaba and Tencent as well as international funders: there was a 90% increase in foreign investment in Shenzhen in the first three quarters of 2019. This year it attracted international companies including Airbus, Boston Consulting Group, and Accenture.

"If you were to do this in the U.S., you would just be importing the same materials from China anyway."

JASON GUI,
CO-FOUNDER OF VUE

Sea turtles

Carl Pei, of smartphone maker OnePlus, says Shenzhen is inconveniently far from the consumer markets in the US, Europe and Japan and lacks an international perspective and skilled employees. However, he is not accounting for factors fuelling the cities explosive success. "Haigui" or sea turtles are foreign-educated Chinese graduates returning to take advantage of opportunities in Shenzhen. While distant from consumer markets, Jason Gui of Vue, a haigui using the Hax start-up incubator, counters by saying, Silicon Valley was "a little bit slow for us..." "If you were to do this in the U.S., you would just be importing the same materials from China anyway" – materials that are readily available in the city's vast Huaqiangbei electronics market.

ENVIE DE CONQUÉRIR LE MONDE ?
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CARLO DUPREL
SnT

Connecting Innovation

MORE INFORMATION
www.duke.lu/snt
www.wen.uni.lu/snt

CARLO DUPREL, HEAD OF THE TECHNOLOGY TRANSFER OFFICE DESCRIBES HOW THE UNIVERSITY OF LUXEMBOURG'S INTERDISCIPLINARY CENTRE FOR SECURITY, RELIABILITY AND TRUST (SNT) STIMULATES LUXEMBOURG'S INNOVATION ECOSYSTEM BY LINKING THE RESEARCH SECTOR TO PUBLIC AND PRIVATE ENTITIES IN THE GRAND-DUCHY AND INTERNATIONALLY. INTERVIEW.

Can you describe the Interdisciplinary Centre for Security, Reliability and Trust (SnT) in a few words?

SnT stands-out because it is an internationally leading research centre that exists to fuel innovation in the economy. We work with both public and private partners to solve complex challenges that require excellent scientific research. In practice we act like an external R&D team, offering a bridge between pure science and working prototypes, spanning the latest digital technologies. This approach makes us an essential part of the Luxembourgish ecosystem as we enable technology investment, which in turn helps our partners stay competitive. At the same time our academic standing and industry projects attract highly specialised researchers to Luxembourg, creating a valuable talent pool.

How does the SnT interact with the broader Luxembourgish technology ecosystem?

The core of SnT is our collaborative approach. We work with both public and private entities to solve real-world challenges and create prototypes that our partners can turn into market ready applications. Our partnership programme has attracted a variety of organisations to work with us, from big companies to start-ups, as well as

public bodies. Today we have close to 50 partners and 70 on-going research projects with them. These projects are always a combined investment between the partner and SnT. We look for partners who will be fully engaged in the research process, and it is normal for our researchers to work on projects at a partner's premises. This close contact ensures that the research results are properly informed by the partner's particular challenges and builds long-lasting relationships that fuel innovation in Luxembourg.

What challenges and opportunities do you identify in the ICT sector in the next five years?

ICT is an enabler for every sector; therefore, CIOs need to be prepared for a multitude of challenges. These could take many different forms, from the strain on IT systems that the recent COVID-19 crisis has caused, to responding to disruptive innovation like AI, Machine Learning, Blockchain, and IoT. The challenge for CIOs is to see the potential impact clearly and understand the technological landscape in order to move forward. The current COVID-19 crisis is

demonstrating the power of ICT systems, while also exposing their weaknesses. Machine-learning and data mining are assisting in a crucial way with everything from medical research to logistics, making it possible for us to tackle this crisis in unprecedented ways. At the same time, the rapid transition to remote working is raising security questions about networks and data privacy that need to be addressed quickly. And while we can't see the complete implications yet, it is already certain that this crisis will have a lasting impact on the way that ICT systems are designed in the future.



"Today we have close to 50 partners and 70 on-going research projects with them."

CARLO DUPREL,
HEAD OF THE TECHNOLOGY
TRANSFER OFFICE, SNT

AIDAN MCCLEAN
UFODRIVE

Electric disruption

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www.duke.lu/ufodrive
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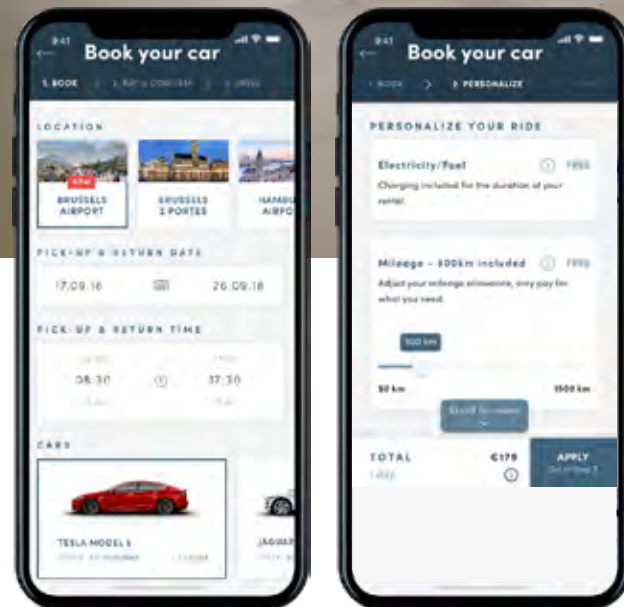
FRUSTRATED BY LOUSY CUSTOMER EXPERIENCE AND PASSIONATE ABOUT THE CLIMATE, CEO AIDAN MCCLEAN LAUNCHED UFODRIVE, TO DISRUPT THE CAR RENTAL BUSINESS AND BRING IT INTO THE DIGITAL WORLD. INTERVIEW.

Can you describe UFODRIVE in a few words?

UFODRIVE is the fastest, easiest car rental service offering premium electric cars. We are a small and lean team of seasoned experts comprising 17 specialists in transport, financial services, project management and software engineering. We are currently spreading across Europe – with a presence in eight major capitals and airports – and in we are working on our first US locations right now to open later this year. The company was born out of personal frustration with car rental companies and terrible customer experience. I wanted to change this business and drive electric vehicles as I am passionate about protecting the climate. I therefore brought the two things together by combining a really fast customer experience and clean transport. Our company has been backed by private investors in Luxembourg and Ireland and we are currently working on a big funding round for our series A to enable further business expansion.

How is UFODRIVE disrupting the car rental business?

We are changing the car rental business completely. We deliver a radically better customer experience: there is no rental office, no paper-trail, no queuing, no confusing insurance policies and very transparent pricing. We are disrupting the rental business as we are changing the economics of the business model with our lean technology. The sector is characterized by a very high



volume of business, very low margins mixed with auxiliary operations such as buying and selling cars. UFODRIVE has built a very slick and lean back office operation – with no staff on location. It is based on a self-service and our margins are therefore considerably higher than traditional renters. While changing the customer experience and changing the economics of the business, we are helping people shift to green and clean electric vehicles.

What opportunities and challenges do you foresee in your sector in the next five years?

The car rental and transport sectors are going to witness massive structural changes for two reasons. The first is the shift towards electric transport. In the coming years, there will be less and less tolerance of diesel and petrol cars. There is going to be a massive and rapid shift towards electric conveyance implying fundamental business changes in the car rental and transport sectors.



“Mobility transition paired with a change around ownership is going to generate a massive structural shift towards electric cars.”

AIDAN MCCLEAN,
CEO, UFODRIVE

Secondly, the attitude towards car ownership is evolving with the younger generation. Ownership of a car is no longer a primary objective for millennials 64% of whom have no intention of ever owning a car instead favoring public transport, car-sharing and rental. The transportation transition paired with changing ideas around ownership are going to generate a massive structural shift towards electric cars. Furthermore, the increasing performance of electric cars is going to further accelerate this structural change.

TESLA

A ZOMBIE COMPANY OR A PEARL?

- Is TESLA a « zombie company »? They have a huge indebtedness and are not (yet) profitable... Everything in the valuation is based on potential future developments or growth and also on the expected boom of electric vehicles.
- These types of companies, according to financial analysts have less than 10 years age.
- They are unable to serve the cost of debt with their profits on a long period of time and with a low stock exchange level (which is not the case with TESLA at least before last tweets of his former CEO and founder)
- IAs Warren Buffet used to say: **Only when the tide goes out do you discover who's been swimming naked.**



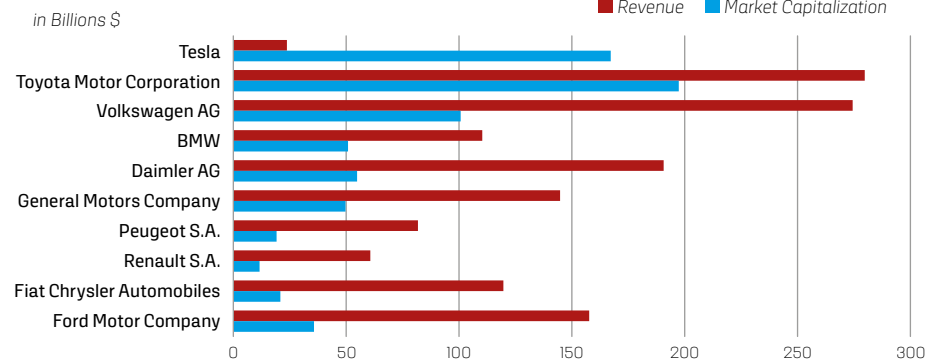
TESLA SHAREPRICE EVOLUTION – ROLLER-COASTER



SIMILAR TO APPLE AND STEVE JOB

- Steve Job was fired from APPLE in 1985 when he was only 30 years old
- Is something similar happening to Elon Musk?
- He was already fired from PayPal years ago...two years before being acquired by eBAY
- Tweet: « Am considering taking Tesla private at \$420, funding secured »
- TESLA cars sold per year = 1-2% of number sold by GM or Ford... but TESLA market cap at 168 bln \$ is much higher than the two others...
- Stock Exchanges are maybe the temples of regrets ... but also temples of hopes that one day some listed companies could become stars and heavy weight players

REVENUE VS MARKET CAPITALIZATION



Company	EV/Ebitda	EV/Revenue
Ford Motor Company	14,6x	1,1x
Fiat Chrysler Automobiles	1,9x	0,2x
Renault S.A.	8,2x	0,9x
Peugeot S.A.	1,7x	0,2x
Daimler AG	16,2x	1,1x
BMW	12,7x	1,5x
General Motors Company	9,2x	0,9x
Volkswagen AG	8,3x	1,0x
Toyota Motor Corporation	7,8x	1,2x
Tesla, Inc.	50,2x	7x
Median	8,8x	1,1x

In the middle of a turmoil market, with limited sales (only 400 000 cars sold last year) and almost nor profit, Tesla has reached a record market capitalization of \$ 168 billion on February 19th 2020

In the wave of new tech, Tesla is still considered and valued by the market as a disruptive start-up and not an automobile manufacturers.

TESLA VERSUS COMPETITION

Company	Sales in '000
Ford Motor Company	5 329
Fiat Chrysler Automobiles	4 700
Renault S.A.	2 288
Peugeot S.A.	1 534
Daimler AG	2 552
BMW	2 077
General Motors Company	3 882
Volkswagen AG	6 746
Toyota Motor Corporation	8 091
Tesla, Inc.	368

TESLA SALES VS MAIN PLAYERS

Tesla vs Toyota	4,5%
Tesla vs Ford	6,9%
Tesla vs Volkswagen	5,4%

Tesla a step ahead compared to other alternative car markers. Undisputed technological leader in electric vehicles, Tesla symbolizes the industry of tomorrow in a century-old sector.

RATING

B-B3

“Per aspera ad astra.”

“Through hardships to the Stars.”



A NEW CHAIRWOMAN – ELON MUSK BABY SITTER?

- Robyn Denholm has been appointed as Chairwoman of the Board of TESLA
- From Sydney to the Silicon Valley...



Mikael Pereira,
Portfolio Manager
La Maison



François Masquelier,
Chairman of ATEL

MORE INFORMATION
www.atel.lu

WEB SUMMIT

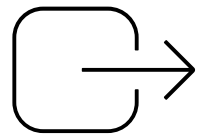
Data Invaders

**MORE INFORMATION**

www.duke.lu/web-summit
www.websummit.com

AMONGST THE SUPERSTAR "DISRUPTERS" OF THE TECH WORLD ARE NAMES LIKE STEVE JOBS, MARK ZUCKERBERG, JEFF BEZOS AND ELON MUSK. LESS A SUPERSTAR AND MORE "DARK MATTER," BECAUSE OF HIS LOWER PROFILE, IS PADDY COSGROVE, FOUNDER OF THE SUCCESSFUL WEB SUMMITS, THE LATEST OF WHICH WAS HELD IN LISBON IN NOVEMBER.





**Web Summit:
Data Invaders**



Éric Cantona



Web Summit, that Paddy Cosgrove founded in 2009, has been described by Inc Magazine as "... the largest technology conference in the world". Forbes says Web Summit is "the best tech conference on the planet", Bloomberg calls it "Davos for geeks", Politico "the Olympics of tech", and the Guardian "Glastonbury for geeks". Despite media accolades Web Summit receives, neither Web Summit nor Paddy Cosgrove are household names – except in his native Ireland. While the 70,469 attendees from 163 countries at the 2019 Web Summit in Lisbon aspire to be "disrupters, Paddy Cosgrove has achieved as much, not only through the success of Web Summit, but because of his profile at home organizing a voter enrolment campaign and questioning Ireland's benign tax regime for multinationals, while himself benefitting from a tax shelter in the US.

Disrupter in chief?

Stellar speakers from the EU, Huawei, Google and former British Prime Minister, Tony Blair at the 2019 event were outshone by Edward Snowden. Snowden shot to fame whistleblowing on the US and UK governments routine spying on their citizens. In his address Snowden insisted all browsers and service providers are institutions of power that people should not trust. He concluded, "It is not



data that is being exploited, it is people that are being exploited." He added that while EU's General Data Protection Regulations (GDPR) are a good regulatory start, they should be about data collection, rather than protection. Tony Blair conceded that while Internet companies have delivered real progress: "Technology has concentrated power in the hands of a relatively small

number of companies that all too often wield it clumsily and without sufficient legitimacy." Another whistleblower to speak at the Web Summit was Brittany Kaiser. The former employee at the discredited data company, Cambridge Analytica, argued that improving digital literacy is key to protecting your online data from exploitation.

Alpha, beta, good, better

While Web Summit, like similar conferences, is a networking fest and talking shop, its real work lay in connecting the 2,150 start-up tech businesses at alpha, beta and growth stages of development with the 1,221 investors seeking opportunities. A big winner in Lisbon was a Basel-based start-up, Nutrix, developer of a cheaper and less intrusive sensor allowing diabetics to monitor glucose levels in their saliva. The company received €1.16 million of funding. Another tech highlight was the launch of the Autonomous Drivers Alliance created to establish international standards monitoring the artificial intelligence software that drives autonomous vehicles. The Alliance believes these "AI Drivers" should be held to the same legal standards as human drivers.



Tony Blair



Maria Hahn, CEO of Nutrix



Paddy Cosgrave and António Costa, Prime Minister of Portugal



70 469
PARTICIPANTS



2 150
START-UPS



1 221
INVESTORS



1 206
SPEAKERS



2 526
MEDIA



23
CONFERENCE ZONES

REINHOLD MESSNER

A rebel's approach to risk

MORE INFORMATION
www.duke.lu/reinholdmessner
www.reinhold-messner.de

IN HIS FIRST LIVES, HE WAS THE FIRST PERSON TO CLIMB EVEREST WITHOUT OXYGEN AND TO REACH THE SUMMIT OF ALL 14 MOUNTAINS ABOVE 8,000 METRES. LATER, HE ESTABLISHED RECORDS CROSSING THE NORTH AND SOUTH POLES, BECAME A POLITICIAN AND CREATED A MUSEUM WITH 6 DIFFERENT LOCATIONS. NOW, HE'S A STORYTELLER AND A GUARDIAN OF NATURE. INTERVIEW.

What do the mountains mean to you?

They're a way of evaluating my whole being, both mentally and physically. They're something you can experience, not something you can measure in numbers. The only thing you can do is to carry the experience with you, emotionally. That's why I feel that the mountains should remain wild, with no infrastructure. These rocks leave people feeling small and breakable, giving them the ability to take full responsibility, to focus, to take care of details and, ultimately, to remain safe. When you see companies taking groups to the top of Everest with 100 sherpas to build a "highway" with fixed ropes, camps, oxygen, doctors and, in some cases, a guide per climber, you realise that people are no longer facing up to their individual responsibilities: bad things can happen.

Our society hates risk. How did you approach risk during your career?

It's very simple! I agree that we live in an era which is against risk-taking: over the last 10,000 years, human beings have tried to minimise risk in order to build our civilisation. Mountaineers do the opposite: they go their own way, acting against their instinct for self-preservation. Little by little, with millions of small steps, they master the art of going somewhere where they could die, without dying! You learn to overcome risk. When I climbed the north face of the Droites on my own, I was sure that I could handle it. Otherwise I would have died from fear. When I climbed Everest without oxygen, I had already reached similar altitudes before – it was only 800 metres more. We went there to try, step by step, but we were prepared to fail and to return. Accidents happen when people try to assess their performance in the mountains with numbers. That being said, if death was not a possibility, mountaineering would be a sport like indoor climbing. Today, 99.99% of the population is not ready to climb mountains – which is a good thing, I think – because there's a cultural issue: the tension between human nature and the nature of the mountains.

What was your experience from 1999 to 2004, when you were a Member of the European Parliament for Italy's Green Party?

Well, the European Parliament didn't have much power at the time. Every country was allowed to have the last word; today, things are better. In 2002, I was able to publish a paper on people's behaviour when encountering the mountains – it was read by Kofi Annan. Today, I feel that I can do more as a "celebrity" because respect has been lost for politicians, particularly over the last 10 years. I feel that we're all starting to understand that our planet is not big enough for 8 billion people. Efforts are being made to try to correct that but our whole system is built in a way which is difficult to change. Europe could set an example. In the end, I feel that technology will play a big role and may potentially save us.

What is your legacy?

I have always been driven by a desire to be responsible for myself. I was born in a very small valley, where morals and ethics were very strict. I wanted to free myself. In South Tyrol, with its 500,000 inhabitants, the economic situation was so limited that I didn't have any opportunities in the climbing world. I managed to earn invitations to join expeditions and I learnt to do things by myself. I invented the alpine style, with light equipment, minimum infrastructure and maximum preparation. Looking back, my difficult relationship with my father may have helped me to develop an ability to overcome any obstacles I face. Climbing a mountain is nothing more than overcoming a huge obstacle. In terms of business, I never had a manager during my career but I still explored both the North and South Poles and the Gobi Desert, before becoming a politician and creating a museum with 6 different locations. When you take full ownership of what you do, good things happen. Remember that nature is just there; it's not good or bad – it's our behaviour which determines the outcome. One of my brothers said that my motto could be "it can be done".

"Accidents happen when people try to assess their performance in the mountains with numbers."

REINHOLD MESSNER

MAXIME VACHIER-LAGRAVE

Business, machines and top performance in the digital era

MORE INFORMATION
www.duke.lu/mvl

THE FIRST KEYNOTE SPEAKER OF THE BLACK-TIE EVENT ORGANISED ON THE 6TH OF FEBRUARY, MAXIME VACHIER-LAGRAVE, IS ONE OF THE BEST CHESS PLAYERS IN THE WORLD. HE BECAME THE SECOND YOUNGEST GRANDMASTER IN THE WORLD IN 2005, AT THE AGE OF 14 YEARS AND 4 MONTHS, AND HE HAS WON MANY TOURNAMENTS, INCLUDING THE PARIS GRAND CHESS TOUR IN 2019 AND THE SINQUEFIELD CUP IN 2017.

Can you tell us about how you use computers in your competitive routines?

Well, I use them in at least two different ways. The first one relates to my competitors: I use databases like ChessBase to get a clearer picture of my competitors' style. For example, if I had to prepare for a match against Elvira Berend (an over-50s World Champion from Luxembourg), I would see that she tends to play in a certain way with specific openings. I can also find out statistics about each line of her performance.

Just like tennis players hammering their opponents' weak side?

Exactly. In addition, computers make it possible to explore complex lines in milliseconds. AlphaZero, the program developed by Google, has popularised new moves and new ways to solve old problems. The program was given the rules of chess, and within a few hours, having played millions of games against itself, it had improved so much that it was clearly unbeatable, even against the best machines! This was really impressive, not just because of the program's pure strength but also because AlphaZero has revolutionised entire areas of chess with brand new concepts. The current World Champion, Magnus Carlsen, publicly admitted that the overwhelming results he enjoyed in 2019 were partly due to his study of AlphaZero's games.

How does this relate to people working in the financial sector?

In terms of your competition, collect as much data as you can about your competitors and the market in general. Today, there are huge amounts of data available for free; you just need to invest the time and resources to collect and analyse it. There is also a link in terms of supercomputing: I believe that powerful calculations can enhance the work of risk managers, asset managers, treasurers and so on.

Are computers key to achieving top performance in the digital era?

No, thankfully – otherwise we would organise computer matches all year long. Humans remain in the driving seat because calculations don't win the match. We can make the difference thanks to our creativity, our stress management techniques and our ability to identify opportunities in what seems chaotic to most observers. This last quality is the key difference between a top-level chess player and an average professional – I guess it must be the same in other areas, including finance, of course.

How do you develop these qualities?

If I knew the answer to that question, I would already be World Champion! People often ask me about the importance of talent versus hard work: I'd say that you



“To identify opportunities in what seems chaotic to most observers is the key difference between a top-level chess player and an average professional.”

MAXIME VACHIER-LAGRAVE

need a lot of both! But the most important aspect is to have a long-term strategy and to stick to it.

Do you feel that there is significant volatility in chess performance?

Looking solely at short-term results might give this impression, but with solid fundamentals and a healthy work ethic, performance is sure to improve over time. I believe that the same rules apply in portfolio management.

How would you prepare for a match against the reigning champion Magnus Carlsen?

There are two main approaches: one is conservative, the other is aggressive. It all depends on the context. If you decide to play conservatively, you can choose to play a line you know really well or a line which keeps the position simple and facilitates draws. The aggressive approach involves looking for something new – a move which has never been made before – and trying to gain an edge by preparing the next move with trainers and computers while your opponent probably has to figure it out on the board. But it's worth bearing in mind that chess is played with different time controls: the World Championship is played over 100 minutes, with 30-second increments after every move and an additional 50 minutes after the 40th move, while other tournaments are played very quickly, such as with rapid or blitz matches (25 and 5 minutes each, respectively). It's just like tennis, where you can be a singles

champion but only in the Top 50 in doubles or vice versa.

Would you say that the shorter the time control, the more room there is for creativity?

It's not as simple as that. You can prepare well for a blitz but it's easier to destabilise your opponent in faster matches.

Finally, what advice would you give to financial professionals?

If you don't already know how to play, you might consider learning the basics of chess as a way to improve your performance at work. You can play a blitz match on your phone in less than 10 minutes and improve your creativity, your stress resistance and your self-confidence. We sometimes play pro chess tournaments in which a pro teams up with a businessman or woman; some of them are really talented. In business as in chess, it's all about solving problems and ensuring lasting performance!

About Maxime Vachier-Lagrave

In 2016 and 2017, he spent several months as the world's #2 classical chess player, while his exceptional skills in speed chess led to him becoming the world's #1 in rapid and blitz chess in several monthly lists in 2018 and 2019. When playing, he is, quite honestly, a beast. Although he wasn't born in the city of Lyon, his nickname in the chess world is “the Lyon Beast” because of his passion for the football club Olympique Lyonnais.

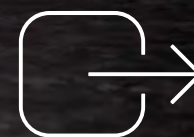
PHILIPPE CHEVRIER
Chateauvieux

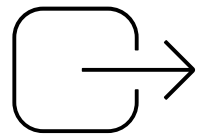
An entrepreneur with taste



MORE INFORMATION
www.duke.lu/chateauvieux
www.chateauvieux.ch

AS A CHEF WITH 2 MICHELIN STARS AND THE OWNER OF SEVERAL RESTAURANTS IN GENEVA AND THE SURROUNDING AREA, PHILIPPE CHEVRIER IS CONSTANTLY ON THE GO. HOWEVER, HE FOUND THE TIME TO TALK TO US ABOUT HIS CAREER, HIS PASSIONS AND HIS INTERACTIONS WITH HIS CLIENTS. LEARN MORE ABOUT HIM.





An entrepreneur with taste

Can you present your career in brief?

After training as a chef, I trained as a pastry chef, a chocolatier and a baker, because I wanted my training to be truly comprehensive. Before working at renowned restaurants, I spent time working in small and simple restaurants, including The Patio, which I have since bought. I was the sous-chef there, part of a small team. I arrived there at 26 with a real sense of daring. I've always loved the place, its potential and the view. I've learned a lot from each of my experiences and the chefs I've worked with have always been excellent teachers, just as I'm trying to be now with my teams. The idea of passing skills on to others is really important to me. Understanding how to retain your employees helps to create an energy which benefits everyone. The magic of this profession lies in the opportunities to learn from a young 20-year-old chef.

You're very inspired by Louis Outhier, a chef with 3 Michelin stars who's been nicknamed the "forgotten aesthete".

He will always represent the magic of the first 3-star restaurant I worked in when I was twenty. Of course, he was somewhat overshadowed by Michel Guérin, Paul Bocuse and Troisgros, but he embodied the level I'm looking for: exceptional products, precision and attention to detail. Since his era, chefs have been more in the spotlight than their restaurants. In addition, the clients who visited Louis Outhier's restaurant on the Côte d'Azur included many famous figures. I've been left with excellent memories and a feeling of great responsibility. It was while I was working there that I discovered deliciously sun-drenched Mediterranean cuisine, a cuisine featuring herbs, along with spices from Thailand, for tasty, fragrant dishes.

What about Freddy Girardet, another of your influences?

He invented spontaneous cooking: with three products, he came up with extraordinary recipes. He was a genuine machine in terms of creation, producing constantly changing cuisine. He taught me to question myself and the importance of making the best use of each product to transform every dish into an experience.



"The best dish in the world will not taste as it should when accompanied by poor service."

PHILIPPE CHEVRIER,
CHEF, CHATEAUVIEUX



©360Crossmedia/Chateaufort



How would you define your cuisine?

We showcase exceptional products. However, the emotional experience for diners begins with a warm welcome: service can be more important than the food, in this context. Every detail counts. The best dish in the world will not taste as it should when accompanied by poor service.

You're not just a chef, you're also a real businessman.

I prefer the term entrepreneur, because I don't necessarily think about the return on investment. I'm bold enough to take the risk. I love creating a concept, a team, focused on a shared passion. Of course, you have to know how to

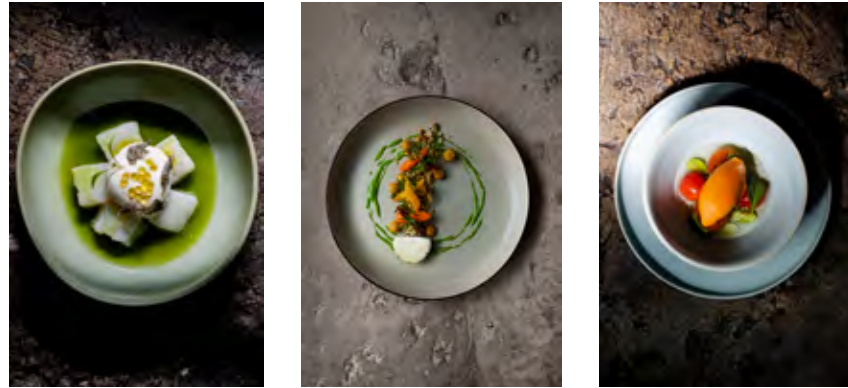
cook, but to succeed, you must surround yourself with strong people and know how to motivate them and how to delegate. In a football team, a good goalkeeper doesn't have the same qualities as a midfielder, but both are indispensable to the team. The leader must never position himself above his or her employees: his or her place is at the heart of the team, bringing everyone together. In 2016, I created Chez Philippe in Geneva: a 1,000m² restaurant, which welcomes between 450 and 600 people a day. What makes it unique is the fact that the money for this restaurant was raised by means of crowdfunding by my friends and my suppliers. They were obliged to engage in this initiative to gain access to contracts: everyone has privileges, but everyone has duties too. That's what I like: being inventive in the kitchen and in business.

You'll celebrate your 60th birthday in 2020. What are your goals?

In June, I'm going to open a new restaurant in Geneva with an original concept: the entire menu will only use 2 products.

You're a marathon runner. Does that help you in your daily life?

I have run the New York marathon 5 times since 1983. Marathons encourage discipline, because you have to be consistent during training to get there. I love the city of New York: I always come back with lots of energy and a twinge of sadness – I'd like to bring everything back here with me.



HENRIQUE SÁ PESSOA
alma

The recipe for success

MORE INFORMATION
www.duke.lu/alma
www.almalisboa.pt

HE TRAVELLED TO PITTSBURGH TO PURSUE A BASKETBALL CAREER FOR A YEAR BEFORE COMING HOME TO SAVE MONEY TO ATTEND THE PENNSYLVANIA INSTITUTE OF CULINARY ARTS. 25 YEARS LATER, HIS ALMA RESTAURANT IN PORTUGUESE GASTRONOMY. INTERVIEW.

Could you tell us your story in brief?

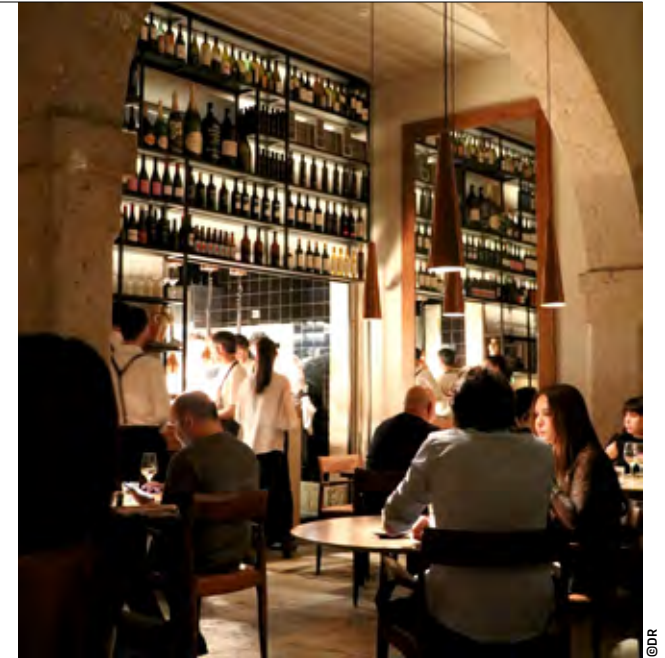
I started out by spending 3 years in London where I was inspired by Marco Pierre White and the young Gordon Ramsey, before moving to Australia for 3 years. I returned home in 2002; 3 years later, I won the “Chef of the Year” award, which led to my TV show. In 2009, I opened my own restaurant, called alma, in Santos. It was hard: firstly, the economy was struggling and secondly, I realised that I didn’t have a platform to grow. The whole business was dependent on me. In 2010, I met Rui Sanches, who had a powerful platform with Multifood, when he invited me to cook in one of his restaurants for a few weeks. Together, we developed

6 restaurants. I closed alma in 2014 and we reopened it in Chiado in October 2015. We obtained a Michelin star a few months later and a second star in 2019. At the same time, I have also focused on developing personal projects, with a 16-seat “atelier” and a restaurant in Macao.

What are the key ingredients of your success?

Firstly, you need to deliver. I have been working for 25 years in the kitchen and I have built up a very talented and loyal team. Daniel Costa, for example, who is my Head Chef at alma, has worked with me for 15 years. You also need a platform. My partnership with Rui enabled us to open

several addresses (Cais Da Pedra and 2 ‘Tapisco’, among others): in addition to benefitting from his experience, consolidating such a group generates a significant turnover – between 7 and 8 million euros – which provides the necessary peace of mind to focus on challenging projects like alma. Today, I split my time between my kitchen, my atelier and my daughter, which is vital when it comes to staying calm and inspiring my team! Lastly, you need an economy which will draw clients to your restaurant. Over the last three years, Lisbon has become an extremely attractive destination and as you can see, the restaurant is full today, on a Thursday evening in January.



“Experience, a platform and a thriving economy are the three main ingredients of my success.”

HENRIQUE SÁ PESSOA,
CHEF, ALMA

You have inspired a new generation of chefs. How?

I think that we were the first restaurant in Portugal with 2 Michelin stars to break the rules in many ways. There are only seven 2-starred restaurants in our country (there aren’t any with 3 stars) and Portuguese gastronomy has a long tradition of being very formal. We’re changing that: we don’t use tablecloths, we serve very straightforward cuisine and we are a young and dynamic team. Our first Michelin star sent a signal to the new generation while the second Michelin star amplified the movement. I also use my atelier as an opportunity to promote new talents, research and discussions.

What does the future hold for alma?

There will only be one alma. I am not planning on opening another one anywhere else. I am also not planning on opening any more restaurants in Portugal; I don’t want to become mainstream. My main plan is to work very hard with my team to make alma a success in the long term. You can expect to find me splitting most of time between here and my atelier.



The Taste of Comparison

MORE INFORMATION
www.duke.lu/tasteofcomparison
www.guide.michelin.com
www.theworlds50best.com

COMPARISONS ARE SAID TO BE ODIIOUS. HOWEVER, WITHOUT THEM, COMPETITORS HAVE NO BENCHMARK AGAINST WHICH TO CALIBRATE THEMSELVES. THAT IS WHY EVEN THE TWO RESTAURANT GUIDES, THE WORLD'S 50 BEST RESTAURANTS AND MICHELIN GUIDE, WHICH COMPARE AND CONTRAST THE WORLD'S GASTRONOMIC ARISTOCRACY, MUST ALSO THEMSELVES BE SUBJECT TO CRITIQUE.

I think it's time for others to be in The 50 Best, especially from the younger generation."

MASSIMO BOTTURA,
 CHEF, OSTERIA FRANCESCANA

Tired re-tread?

The original purpose of the Michelin Guide, launched in 1900, was, not to pitch restaurants into culinary conflict, but to sell automobile tires by getting drivers to travel to recommended eating establishments. Still owned by the company that still relies ironically on the rotund "Michelin Man's" spare tires to promote epicurean indulgence. It remains, however, the "gastronomic bible" for many. The stars to which chefs aspire are awarded by qualified inspectors who rate restaurants incognito. The guide's influence waned with the appearance of The World's 50 Best Restaurants and the rise of social media. But in relaunching it Michelin chose to accept payments from countries seeking to promote their restaurants, thus compromising the independence for which it was respected.

Kitchen democracy

In contrast to the apparent anonymous freemasonry of the Michelin inspectorate, The World's 50 Best Restaurants seems to be an almost democratic institution. Like a trial by jury, restaurants are judged by their peers: rankings are decided on the opinions of more than a thousand well-known chefs, food critics and gourmards. The 50 Best has also sought to widen the pool of establishments it rates by excluding past winners in order to allow new and diverse entrants to be considered. Chef Massimo Bottura, whose Modena restaurant Osteria Francescana took the top slot twice – agrees: "I think it's time for others to be there, especially

from the younger generation." But some criticize The 50 Best for excluding past winners and skewing results to "new" and "hot" candidates.

Cost of competition

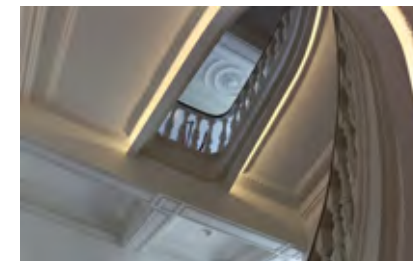
It is the nature of competition on which the Michelin Guide and The World's 50 Best Restaurants seek to thrive, by pitting restaurateurs against each other, that they should themselves become subjects of scrutiny. While Michelin was said to be too parochially French and The 50 Best has been criticized for the lack of regional and gender diversity. The anonymity of the Michelin inspectors has the advantage that they cannot be bullied, bribed or lobbied. However, Michelin were criticized by one of its own inspectors who claimed his lonely, ill-paid job led to declining standards. The 50 Best meanwhile has been plagued by questions about how subject its verdicts are to lobbying and subsidizing those passing judgement.



HOUSE17

A second home

MORE INFORMATION
www.duke.lu/thehouse17
www.house17.lu



“The venue is primarily aimed at people with an international focus and interest, particularly curious and cultured businessmen and women.”

IN THE SPACE OF SIX YEARS, HOUSE17 HAS ESTABLISHED ITSELF AS THE LEADING PRIVATE CLUB FOR LUXEMBOURG’S BUSINESSMEN AND WOMEN. DESIGNED TO HOST PROFESSIONAL AND INFORMAL MEETINGS, THIS SPACE FEATURES MANY EXCLUSIVE ADVANTAGES WHICH BENEFIT ITS COMMUNITY.

An exceptional place for exceptional members

Opened in January 2014, in the heart of Luxembourg city centre, House17 is a new kind of private club. The venue, which already has some 1,200 members, is primarily aimed at people with an international focus and interest, particularly businessmen and businesswomen who are curious, cultured and unafraid to reach out to others. Members enjoy lunches, dinners, drinks and even parties here. In addition to organising events on a regular basis, the club also gives its guests the opportunity to invite others to visit the venue, enabling everyone to meet new people and to expand their network. Luxurious, fully equipped and comfortable rooms are available to members and provide a relaxed yet neutral setting which is

conducive to client meetings. To top it all off, House17 is strategically located in one of the highest parts of the city centre and enjoys some of the most beautiful views of the capital. To facilitate access, a valet parking service will be provided for all vehicles.

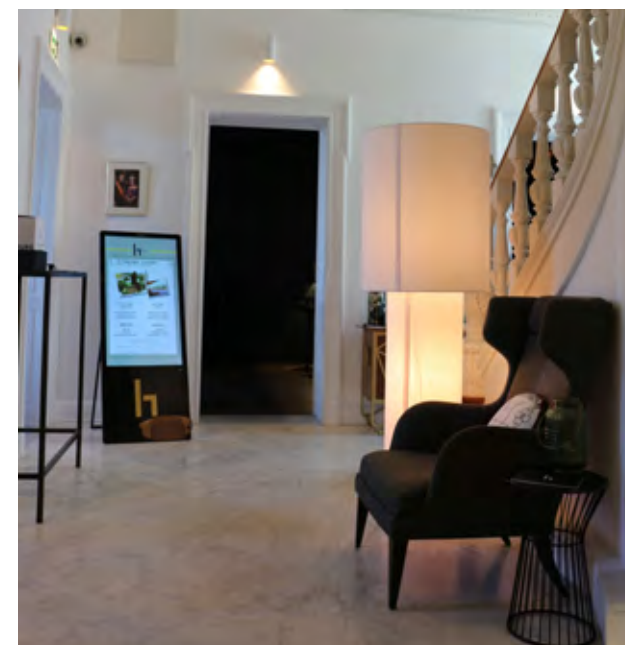
Thoughtful benefits for the community

Within the club, members belong to an exclusive community; this enables them to strengthen and to expand their network. In addition to enjoying free access to most of the events organised by House17, members can book rooms for free and can access over 300 private clubs around the world. Numerous locally and internationally renowned artists

regularly exhibit their work at the club, showcasing their creations with private viewings and previews. In the restaurant, members can also enjoy seasonal dishes inspired by French cuisine, created under the guidance of an incredible chef, Alexandre Beck. The club has various sporting partnerships and offers preferential rates for a wide range of disciplines, including tennis, yoga and fitness.

Becoming the private club of tomorrow

The club intends to continue its development while further enhancing its international outreach. As such, House17 is expected to welcome a limited number of new members in the future. Moreover, the process has become more selective over the past two years or so to ensure that the club is home to an increasingly exceptional community. Emphasis will also be put on the organisation of new events, with a view to making the club a major venue for professionals from Luxembourg and around the world. Above all, the focus is on a single innovative objective: with its dynamism and its relaxed setting, House17 must become a space which meets both the professional and the personal expectations of its members.



ROBERT L. PHILIPPART
Ministry of Culture



25 years of UNESCO

MORE INFORMATION
www.duke.lu/unesco
www.patrimoine mondial.lu

“THE CITY OF LUXEMBOURG, ITS OLD QUARTERS AND FORTIFICATIONS” IS CELEBRATING THE 25TH ANNIVERSARY OF ITS INSCRIPTION ON THE UNESCO WORLD HERITAGE LIST WITH A WIDE-RANGING PROGRAMME.LU, AND THE OPENING OF THE UNESCO VISITOR CENTRE AT THE LÉTZEBUERG CITY MUSEUM. INTERVIEW WITH ROBERT L. PHILIPPART, UNESCO SITE MANAGER AND NATURAL HERITAGE COORDINATOR AT THE MINISTRY OF CULTURE.

Could you describe the main Luxembourg sites which are recognised as UNESCO World Heritage Sites?

On 17 December 1994, “The City of Luxembourg, its old quarters and fortifications” was inscribed on the UNESCO World Heritage List. This site encompasses the Old Town, the Grund, Clausen, Pfaffenthal, the Upper Town and the Bourbon plateau. The site has been recognised as having outstanding universal value under criterion IV of the 1972 World Heritage Convention: “an outstanding example of an architectural ensemble or landscape which illustrates significant stages in human history”. The Old Town is an authentic reminder of what life was like within the fortress; the impressive remains of the former military structures form its immediate periphery. The hilly landscape with its Luxembourg sandstone rocks and the Alzette and Pétrusse rivers contribute to this image of a historic urban landscape. Luxembourg, known as the former “Gibraltar of the North”, has played an important role in European history. “The City of Luxembourg, its old quarters and fortifications” is therefore much more than the sum of its 99 national monuments, its 82 historic monuments of the supplementary inventory (restored by the former Fonds de la Rénovation de la Vieille Ville) and its sites restored by

the City of Luxembourg. Recognised as a World Heritage site, this area has a striking authenticity on a large scale, creating a site of impressive integrity. See the “25 years Lëtzebuerg World Heritage” programme of events on www.patrimoine mondial.lu.

From 5 to 7 June, the Ministry of Culture will participate in the Rendez-vous aux Jardins event for the first time. What is it all about?

With its participation in the Rendez-vous aux Jardins event in 2020, the Ministry of Culture is acknowledging that a visit to a park or a garden is the same as a visit to a monument or a museum. In view of the planet’s climate emergency, gardens are more than cultural and social venues: by their very nature, unlike that of buildings, they are made up of living plants and watered by natural sources. Gardens also represent a key resource for the planet’s renewal. Opening up gardens in this way, as part

of an initiative by the member states of the Council of Europe, reveals a shared desire to preserve, protect, conserve and enhance them at an international level.

How does the Ministry of Culture promote this heritage?

The Ministry of Culture is launching a call for projects, encouraging individuals, companies and organisations to take part in the Rendez-vous aux Jardins event which will be held from 5 to 7 June 2020 in Luxembourg. For the first time, Luxembourg will take part in the Rendez-vous aux Jardins event, launched in 2018 by HEREIN, a European network for information and cooperation regarding cultural heritage; it brings together European public administrations which are responsible for national policies and strategies within the cultural heritage sector. By 2019, 2,706 gardens in 20 European countries had opened to the public.

What is the best way to experience the natural heritage of gardens?

This shared event provides fun and educational opportunities for owners or professionals and amateurs to meet, with various activities being held: guided tours, workshops, concerts, demonstrations, etc. The Ministry of Culture encourages public bodies and private individuals to take part in this initiative and to open up their parks and gardens to raise awareness of the creation, maintenance, restoration, conservation and protection of gardens and to pass on knowledge and expertise. Interested parties can submit their applications before 20 April 2020. The website www.jardinsluxembourg.lu will publish the full programme of visits and conferences.

ROBERT L. PHILIPPART,
UNESCO SITE MANAGER AND COORDINATOR
OF NATURAL HERITAGE AT THE MINISTRY OF CULTURE





GEORGE ORWELL

Prophecies

MORE INFORMATION
www.duke.lu/georgeorwell

POLITICAL JOURNALIST AND NOVELIST GEORGE ORWELL ACTIVELY EXCORIATED AND CONDEMNED TOTALITARIAN REGIMES DURING THE 20TH CENTURY. HIS FORESIGHT HAS AS GREAT, OR EVEN GREATER RELEVANCE, FOR SOCIETY TODAY.

Immersive journalist

Eric Blair achieved fame primarily as a novelist writing "Animal Farm" and "1984" under the pseudonym George Orwell. But his true legacy is as an immersive, political journalist both through his fiction and his reportage. Orwell did not sit on the side-lines, as an observer of events, but plunged himself into the social and political issues about which he chose to write. Discarding his middle-class upbringing and his education at Eton College, that has schooled many of Britain's prime ministers, he disguised

himself as a tramp to live amongst the poor living, "Down and Out in London and Paris." In "Homage to Catalonia" he was injured as a combatant in the physical and political battle against fascism.

Totalitarian warning

As a prolific writer of books, essays, articles and literary criticism Orwell's world is overshadowed by his two greatest works "Animal Farm" and "1984." While he immersed himself in his reportage, he was no less

"Who controls the past controls the future: who controls the present controls the past."

GEORGE ORWELL
 IN "1984"

absorbed in these novels, not only physically, but politically and emotionally. His experience in the Spanish Civil War saw his commitment to socialist values sapped by internecine conflict among those purporting to fight for socialist equality. His realization that Josef Stalin was nothing more than a mass murderer redirected his energy against all types of totalitarianism. Orwell was equally passionate about the way in which he conveyed his messages through his writing: he sought simplicity and clarity in words, encouraging others to do the same.

Big Brother is still watching

Orwell could not have predicted that his warnings about unrelenting technological, state surveillance of Winston Smith in "1984," would go unheeded in real life. He could not have foreseen that by the 21st century it would not only be governments intruding into people's private lives with ubiquitous CCTV and phone monitoring. He would have been dumbfounded that ordinary people now surrender their right to privacy by inviting listening devices into their homes: that people would surrender control of their personal data, privacy and preferences to corporations as faceless as "1984's" "Big Brother." Nor could Orwell have anticipated that today's accusations of "fake news" by populist politicians would reaffirm the dangers about which he cautioned, of governments distorting the truth in terms he coined such as, "newspeak," "doublethink" and accusations of "thoughtcrime."

1st Black Tie Financial Awards





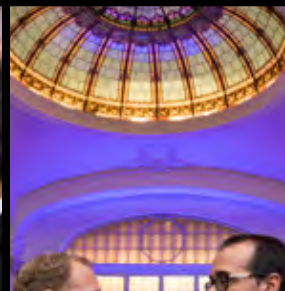
1st Black Tie Financial Awards

THE BLACK-TIE FINANCIAL AWARDS WERE HELD ON THURSDAY 6 FEBRUARY AT THE CERCLE MUNICIPAL WITH KEYNOTE SPEECHES FROM MAXIME VACHIER LAGRAVE, THE WORLD'S NUMBER TWO CHESS PLAYER (RAPID), AND NASIR ZUBAIRI, CEO OF LHOFT. THE EVENT RAISED €30,090 FOR CHARITY AND WAS A GREAT OPPORTUNITY FOR PROFESSIONAL ASSOCIATIONS TO ACKNOWLEDGE THEIR PERSONALITY OF THE YEAR. THE EVENT WAS SPONSORED BY ATEL, ALRIM, LAFA, LAFO, L3A, LHOFT, WOMEN IN FUNDS AND WAS ORGANISED BY 360CROSSMEDIA.



MORE INFORMATION

www.360crossmedia.com/invitationblacktieawards



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Bourglinster 8 rue du Château, L-6162 Bourglinster
Clervaux Am Schlass, L-9774 Urspelt
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Larochette 4 rue de Medernach, L-7619 Larochette

CULTURE

- Mudam** 3 Park Draï Echelen 1499, Luxembourg www.mudam.lu
Philharmonie Place de l'Europe L-1499, Luxembourg
Casemates 30, place Guillaume II, Luxembourg
Palais Grand ducal 17 Rue du marché-aux-Herbes, Luxembourg

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Bick Stuff



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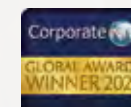


Integrity

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