

## Interview with Mr Jean-Jacques Picard, Head of Communication

### at the agency Luxembourg for Finance

*by Stéphan Darimont. Banking Boulevard. Luxembourg. January 2013*

In the first part of the interview, Mr Picard presents the promotional and strategic surveillance activities carried out by the agency *Luxembourg for Finance* for the benefit of Luxembourg as a financial centre. He then goes on to comment on the new law of 21 December 2012 on running a Family Office business in the Grand-Duchy of Luxembourg.

- **(SD): Jean-Jacques Picard, hello.**
- **(JJP): Hello.**
- **(SD): You are responsible for communication at Luxembourg for Finance. Can you describe for us in a few words the role and activities of the agency?**
- **(JJP):** Luxembourg for Finance is an economic interest grouping created just over five years ago by the Luxembourg Government and by the private financial sector. Its mission is to support the development of Luxembourg as a financial centre by raising awareness of its strengths, key advantages, products and services among an international audience consisting mainly of professionals.  
  
There are two main aspects to development: the first involves consolidating what we have by further strengthening the position of the financial centre in the areas in which it has specialised over the years: private banking, investment funds, life assurance and reinsurance. The second part involves diversification on two different levels: firstly in terms of the geographical origin of the actors involved and potential clients, and secondly in terms of the products and services that are offered.
- **(SD): In the context of your activities to promote Luxembourg as a financial centre, you organise a large number of road shows and financial seminars internationally and you also have a presence on the internet and on social networks. What do your strategic surveillance activities involve, since as we know there is fierce competition between financial centres?**
- **(JJP):** We have set up a market surveillance department which monitors major trends in the financial markets, looks at what is happening in other financial centres, watches the evolving demand for products and services from existing and potential clients and in this way seeks to identify new niches in the market.

Ultimately, however, the initiative to diversify the range of products and services must come from the professional actors in the financial centre and from the legislator who needs to create a legal and regulatory framework that permits the development of new activities.

- **(SD): Very good. In the area of prudential innovation, a theme which is on the agenda in all states, could you cite an example of a recent initiative taken by the Grand-Duchy?**
- **(JJP):** Yes, the most recent initiative is a real example of innovation not only in Luxembourg but also at the European level, namely the creation of a legal framework for *Family Offices*. By doing this the legislator is responding to developments in the field of private banking.

Today the wealthiest individuals are investing in a growing number of asset classes and also in multiple different jurisdictions, which leads to increasing complexity in the area of wealth management. The demands from these clients for personalised professional assistance have increased strongly and in response to those demands we have seen the emergence of a growing number of *Family Offices*.

These select the best service providers to coordinate these services so as to ensure that a family's wealth grows and is preserved. Now it should be noted that the name *Family Office* was not protected in the past, so that anyone could set themselves up as an expert in this field and start providing services of this kind, which is not necessarily in the interests of potential clients.

With the law of 21 December 2012, the Luxembourgish legislator has restricted authorisation to carry on a business as a Family Office business to a number of regulated professionals. All actors offering these services, just like individuals working for credit institutions, have also been made subject to professional confidentiality. It has also made them subject to all the legislation on combating money laundering. It should also be said that the law only addresses professional asset management and advisory services that are provided to multiple families. The *single family offices*, created by a single family or which serve the interests of a single family, are not covered by this law.

**(SD): Jean-Jacques Picard, thank you.**

**(JJP):** My pleasure.