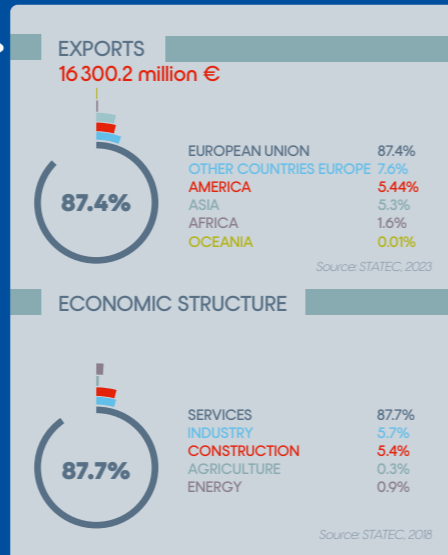
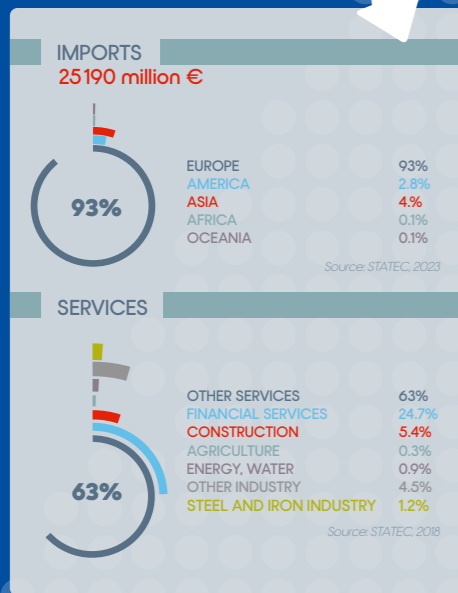


# Briefing



**How to select  
the best location  
for setting up  
a Regional  
Treasury Centre?**

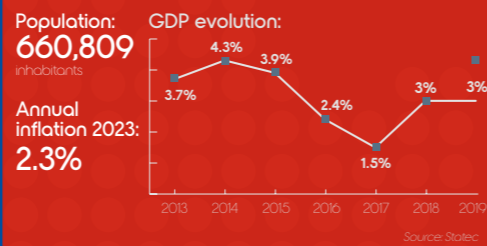
# Luxembourg Key Figures



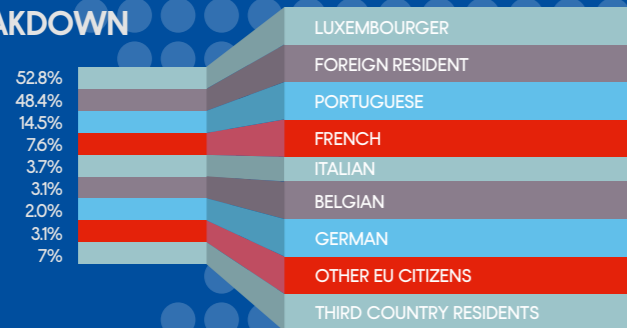
## POPULATION

**660,809**  
INHABITANTS

## ECONOMIC DATA



## BREAKDOWN



### TOP 5 BANKS PER COUNTRY OF ORIGIN

Germany	25
China	14
France	14
Switzerland	12
Luxembourg	7

Source: CSSF, 2018

### TOP 5 LARGEST EMPLOYERS

Groupe CFL	4790
Amazon.com	4570
Groupe Post Luxembourg	4500
Groupe Dussmann Luxembourg	4460
Groupe Cactus	4290

Source: STATEC, 2023

### MISCELLANEOUS

Area: 2,586 km<sup>2</sup>  
 Official languages: Luxembourgish, French, German  
 Motto: "we want to remain what we are"  
 Politics: constitutional monarchy  
 Head of State: S.A.R. Le Grand-Duc Henri  
 Internet: .lu  
 Phone: +352

### FUND INDUSTRY WORKFORCE

**17,514** according to Luxembourg times  
 Source: ALFI

Luxembourg has the leading share of European ESG fund assets with **34%** and **38%** market share in terms of total European ESG net flows according to LFF  
 Source: LFF

### LUXEMBOURG



## LOGISTICS

RANKS NO. 2 IN THE WORLD BANK'S LOGISTICS PERFORMANCE INDEX (OUT OF 160 COUNTRIES)

Source: The World Bank, 2018

## DATA CENTRES

LUXEMBOURG HOSTS 40% OF ALL EUROPEAN TIER IV DATA CENTRES

Source: STATEC, 2015

## BANKING

BANKING INCOME INCREASED TO EUR 14 BILLION

Source: STATEC, 2022

## INSURANCE

95 INSURANCE COMPANIES AND 195 REINSURANCE COMPANIES PRESENT

Source: CAA, 2022

## FUND INDUSTRY

55% CROSS-BORDER ASSETS WORLDWIDE DOMICILED IN LUXEMBOURG

Source: ALFI, 2023

## ICT

LUXEMBOURG RANKED 13TH IN THE GLOBAL CONNECTIVITY INDEX IN 2018

Leading Luxembourg

# Intro



The Luxembourg Association of Corporate Treasurers (i.e. ATEL) is one of the oldest treasurers' associations in Europe. Founded in 1994, it has grown steadily since then both in member numbers and in terms of the events and training courses organised. It is also a founder and active member of the European Association of Corporate Treasurers (i.e. EACT) as well as the International Group of Treasury Associations (i.e. IGTA). This brochure aims to promote Luxembourg as a dynamic hub for business and provide an overview of the diversity of industry present in the country, as well as insights on how to set up a treasury centre in the Grand Duchy of Luxembourg.

**François Masquelier,**  
ATEL Chairman

# Selection of the country for setting up your RTC

Selecting the location for a Regional Treasury Centre (RTC) involves careful analysis of various criteria to ensure that the chosen location aligns with the company's operational and strategic needs. The major criteria typically analysed by C-level for choosing the best location include:

#### **Geographic Location:**

Proximity to key markets and business operations in Europe is a critical factor. A central location may provide easier access to multiple countries and subsidiaries.

#### **Economic and Political Stability:**

The stability of the country's economy and political environment is crucial to ensure a secure operating environment for treasury activities.

#### **Regulatory Environment:**

The regulatory framework, including tax laws, financial regulations, and currency restrictions, should be favourable and supportive of treasury operations.

#### **Taxation and Incentives:**

Consideration of corporate tax rates, withholding taxes, and any tax incentives or treaties that can reduce the tax burden on financial transactions and income.

#### **Banking Infrastructure:**

The presence of a well-developed banking sector with a range of financial services, as well as access to international and local banks, is essential.

#### **Currency Considerations:**

If a specific currency is predominant in your financial transactions, it's important to choose a location where that currency is readily accessible and manageable.

#### **Skilled Workforce:**

Access to a skilled and multilingual workforce with expertise in finance, accounting, and treasury operations is vital.

#### **Technological Infrastructure:**

Availability of advanced technology and communication infrastructure to support treasury systems and connectivity with banks and subsidiaries.

#### **Accessibility:**

Ease of travel and accessibility for staff and executives who may need to visit the treasury centre.

#### **Cost of Living and Labor:**

Consideration of the cost of living, labor costs, and overall operating expenses in the chosen location.

#### **Banking Relationships:**

Evaluating existing banking relationships and the presence of partner banks in the selected location to facilitate cash management and banking services.

#### **Legal Framework:**

Understanding the legal framework for financial contracts, agreements, and dispute resolution in the chosen country.

#### **Market Access:**

Assessing the ability to access the European Union (EU) single market if that is a key consideration for the company's operations.

#### **Risk Management:**

Availability of risk management tools and services, such as insurance options and financial instruments for hedging.

#### **Real Estate and Infrastructure:**

Availability of suitable office space and infrastructure for establishing the treasury centre.

#### **Sustainability and Environmental Factors:**

Assessing the environmental policies and sustainability initiatives of the location, which can be important for some companies.

#### **Competitive Landscape:**

Evaluating the competitive landscape within the region and understanding how other companies have successfully operated their treasury centres.

Ultimately, the selection of a location for a regional European treasury centre should align with the company's strategic objectives and priorities while considering the practical considerations outlined above. Careful analysis and due diligence are essential to make an informed decision that best serves the organisation's treasury and financial management needs.

# Interview

**Nick  
Ashton**

Country Head – Luxembourg  
HSBC Global Payments Solutions



## **Why is Luxembourg an ideal location for a Regional Treasury Centre (RTC)?**

When HSBC launched our Regional Treasury Centre strategy, it was an easy choice to include Luxembourg as one of our core markets. It's an attractive location for our Corporate and Non-Bank Financial clients to tap into a globally diverse, multi-lingual workforce with a business-friendly ecosystem of service providers to support. With a free and open economy, part of the Eurozone and ideally located, many companies choose Luxembourg as a foothold for starting an expansion into Europe from Asia or the Americas.

## **How important is the Innovation landscape of a country like Luxembourg when selecting the best location for the RTC?**

We know that an innovative and dynamic environment, including: FinTechs, Sustainable Finance, Digital Currencies, Payment Service Providers, together with a robust and secure regulatory and legal framework makes for the right conditions for a country like Luxembourg to thrive. Luxembourg provides a robust and secure regulatory and legal framework in which innovative and emerging solutions provided by Payment Service Providers and Fintechs can evolve. We are proud to be part of this landscape and to serve our RTC clients on the ground here.

## **How can HSBC's footprint help treasurers meet their goals?**

HSBC has been in Luxembourg in Securities and Private Banking since 1977 and has been supporting our Corporate clients here for over 10 years. With dedicated Corporate Banking and Global Payments Solutions' professionals focused on Regional Treasury Centres, HSBC is ideally placed to help treasurers both within Luxembourg and beyond meet their goals, we understand their needs and have a wide variety of solutions that we can provide to meet their objectives. Our Luxembourg team forms part of our wider RTC cluster, working closely with colleagues in Amsterdam, Dublin, Brussels and Zurich, and beyond this our international footprint means we are connected into an extensive network in the rest of Europe, Asia and the Americas.

# Voice

from the industry

“The talented workforce combined with the advanced banking infrastructure and landscape, makes Luxembourg the perfect location for the Group Treasury function.”

Gabor Harakaly,  
Director of Business Development,  
Guardian Europe

“The treasury association, ATEL, has over 340 members. This is another asset that reflects the comprehensiveness of the Luxembourg package. The association serves its members and is a member of the European Association of Corporate Treasurers. There is real expertise here in treasury and banking, which is a key asset for multinational companies or groups looking for the best place to set up a centralised treasury HQ in Europe.”

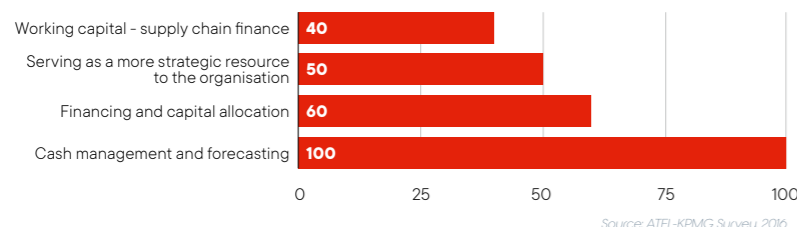
François Masquelier,  
CEO Simply Treasury and Chairman Association of Treasurers in Luxembourg

“Luxembourg is an open, multicultural, and friendly country at the heart of the EU and of the Eurozone, with a highly developed financial sector, good connections, easy access to the authorities, a wide set of international tax treaties and very high living standards and social benefits. When we look at corporate treasuries, the very stable legal and regulatory environment, the strong technical infrastructure, the banking and financial environment and the network of tax treaties give Luxembourg, overall, a competitive advantage versus other countries in the euro area; probably none of these elements is crucial if taken per se, but Luxembourg’s high score in all of them clearly makes the difference”.

Bruno Lawarée,  
Head of Treasury, FERRERO

## Main operations of Luxembourg Treasury centres

### Focus areas of the treasury function



“Banks can help corporate treasurers on their centralisation journey by offering value-added services and technology solutions based on the corporations operating footprint, business activities and cash flows. At HSBC, we believe the best results are when companies and banks work together to develop solutions and cocreate.”

Emanuele Vignoli,  
CEO of HSBC Luxembourg



## Where to go

HSBC  
ABBL  
LPEA  
LAFO  
L3A  
LFMA  
LUXCMA  
Economist Club Luxembourg

www.hsbc.lu  
www.abbl.lu  
www.lpea.lu  
www.lafo.lu  
www.l3a.lu  
www.lfma.lu  
www.luxcma.com  
www.economistclub.lu

# Why

## Luxembourg?

Setting up a European Corporate Treasury Centre in Luxembourg can offer several advantages, particularly for multinational corporations. Here are some of the key benefits:

### Strategic Location:

Luxembourg is strategically located in the heart of Europe, making it an ideal hub for managing treasury operations for companies with European subsidiaries or operations. Its central location facilitates easy access to major European markets, including France, Germany, Belgium, and the Netherlands.

### Financial Centre and Unique Eco-System:

Luxembourg is renowned as a major international financial centre with a well-established banking and financial services industry. The country is home to numerous global and regional banks, asset management firms, and insurance companies providing a wide range of financial services for corporate treasurers.

### Stable and Favourable Regulatory Environment:

Luxembourg offers a stable political and economic environment. It has a favourable regulatory framework that is supportive of multinational corporations and their treasury activities.

### Tax Benefits:

Luxembourg offers various tax advantages for corporations, including favourable tax treaties with numerous countries to reduce withholding taxes on cross-border transactions. It has a competitive corporate tax rate and does not impose withholding tax on interest and royalties.

### Access to Skilled Workforce:

Luxembourg has a highly educated and multilingual workforce, which is beneficial for treasury teams that need to communicate and collaborate with diverse stakeholders.

### Infrastructure and Technology:

The country has excellent infrastructure and advanced technological capabilities, ensuring efficient connectivity and communication for treasury operations.

### Currency and Banking:

Luxembourg's currency is the Euro (EUR), which simplifies currency management for companies conducting business within the Eurozone. The country's banking sector is well-developed and offers a wide range of banking services and instruments for treasury management.

### Access to European Markets:

Being within the European Union (EU), Luxembourg provides easy access to the EU's single market, allowing companies to efficiently manage cash flows, payments, and financial transactions across the EU member states.

### International Business Ecosystem:

Luxembourg hosts a diverse and thriving international business community, including a significant number of multinational corporations. This ecosystem can foster collaboration and networking opportunities. Luxembourg is also known as a choice location for regulated and alternative funds. The size, diversity and quality of our financial services have enabled us to attract and develop financial expertise that is unique in Europe.

### Asset Management and Investment Opportunities:

Luxembourg is a leading global hub for fund management and investment funds, which can be advantageous for treasury centres managing investments or liquidity.

### Risk Management:

Luxembourg offers a stable and secure environment for risk management, with access to insurance services and financial instruments to hedge against various risks. These advantages can help multinational corporations efficiently manage their treasury operations and financial activities across Europe.

### Dynamic Treasury Association:

ATEL, which has been in existence for 30 years, consists of 340 members. It trains future treasurers, informs current professionals, encourages exchanges between members and networking, and advocates at both national and European level through the EACT. It is a powerful unifying force for the development of "best practices" in Luxembourg.

# ATEL

Luxembourg Association  
of Corporate Treasurers



# 340

MEMBERS

# 45

PROFESSIONAL  
TRAINING  
COURSES

# 97

EVENTS

# Conclusion

With its unique European eco-system and the diversity of financial services on offer, Luxembourg is an ideal location for a regional or global treasury centre. The largest global banks are present here, offering all the cash management and liquidity management services needed to optimise centralised treasury management. The country's political stability, financial strength and legal and financial environment make it the perfect place to establish a regional treasury centre, right in the middle of the European Union. The financial expertise developed locally, and the diversity of the population enable optimised and efficient management of corporate treasury. For all these reasons, Luxembourg is the destination of choice for many multinational companies.

## ATEL

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