

LPEA

Newsletter

LUXEMBOURG PRIVATE EQUITY &
VENTURE CAPITAL ASSOCIATION



Dear Reader,

LPEA has just launched a ground-breaking initiative to change the future of the PE/VC sector in Luxembourg. Among our many working groups, we have now launched a new "Young Leaders" committee to empower the new generation of PE/VC professionals working in our industry.

I would also like to share a short note from our latest roadshow in New York early June where we had the occasion to welcome the testimonials from KKR and The Carlyle Group. It's always very rewarding when such big fund managers share their (positive) experience in dealing with Luxembourg.

The preference of fund managers for Luxembourg goes far beyond US investors. Late May, at the latest Invest Europe's CFO Forum in Berlin, attendants were questioned on their jurisdiction of choice for their next fund and Luxembourg was on top with 47% of preferences, clearly ahead of other jurisdictions.

A last note to highlight the meeting we held in Washington DC with our colleagues from the Institutional Limited Partners Association. We look forward to developing further collaboration in the future.

Enjoy the reading!

Paul Junck

*Managing Director
LPEA*



Upcoming Events

RECENT PUBLICATIONS



- [Annual Report 2016](#)



- [Capital V #9](#)



LPEA roadshow in Paris
 SAVE THE DATE: *September 20th*

If you are a fund manager in Paris save the early afternoon of September 20th to attend our presentation of Luxembourg's private equity and venture capital toolbox.

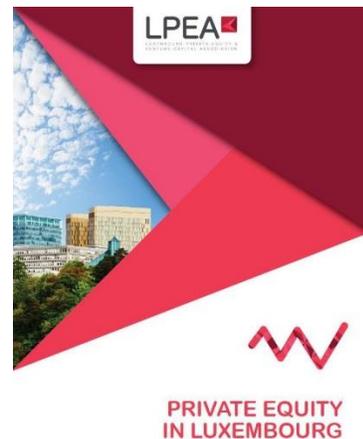


Past Events



Launch of the new LPEA Young PE/VC Leaders Committee

LPEA welcomed earlier this week at the House of Finance 32 of the youngest Private Equity and Venture Capital talents in Luxembourg to launch the activities of the new Young PE/VC Leaders Committee. The group assembling members from both asset managers and service providers will address different subjects and develop new initiatives in view of answering to the challenges perceived by the



- [Private Equity in Luxembourg](#)

- [Limited Partnership in Luxembourg](#)



Allen & Overy launches [Lilla](#), a platform for women working in the legal sector.

ATOZ highlights the [signature of the Multilateral Instrument \(MLI\)](#) to Implement Tax Treaty related BEPS Measures in Luxembourg.

CVC Capital [sets new European fundraising record](#). Luxembourg headquartered private equity group raises €16bn as investors scramble to back leveraged buyouts. (FT)

Investindustrial (BI Invest) [sells Goldcar to Europcar](#). An investment subsidiary indirectly held by Investindustrial's Fund V has reached an agreement for the sale of 100% of Goldcar, Europe's largest value leisure car rental company to Europcar.

IPES highlights the features of the [Private Fund Limited Partnership](#): a new fund vehicle for the UK. IPES also notes their recognition as [Fund Administrator of](#)

younger generation of professionals from the industry. Six sub-groups were created in the following areas: Innovation/ technology, Best practices, Tax, Legal, Promotion and International Relations. Further developments will follow before the summer break. Members of LPEA who have not requested to join this group yet can contact dusan.gladovic@lpea.lu for further information.



LPEA roadshow in New York

Our latest presentation in New York (8 June) positioned Luxembourg in the forefront of space exploration and as a leader in the (future) space mining industry. But that was only a taste of the surprising Luxembourg local attendees would soon get to know.

Asset managers and investment advisers present in the room were more curious on the latest updates of the private equity sector, notably how Luxembourg is navigating and adapting to the inflow of an increased number of US asset managers in the country. The testimonial from the two guest GPs Shannon Stafford (The Carlyle Group) and Stephen Jordan (Global Head of Tax, KKR) were critical to understand the importance of the European AIFMD and what sort of solutions can be found in Luxembourg for small, middle and bigger funds. The agenda and pictures of the event can be found [here](#).



GP Workshop - Data Protection

[the Year](#) at the 2017 Private Equity Awards.

Permira [closes third debt fund at €1.7bn](#). The firm closed its second debt fund in July 2015 at €800m.

PwC [looks back at the recent tax reform](#) and what would be the consequences of further reducing the Luxembourg Corporate Income tax rate.

SGG is pleased to [announce the acquisition of LuxGlobal Trust Services](#) in Luxembourg and a global partnership with Zimmer & Partners SA.



«Many of [the funds announcing a move to Luxembourg] have been analysing the landscape for many years already, and some of them have had offices in Luxembourg for over a decade.

Brexit just acted as a catalyst for them to position themselves in an environment of increasingly complex regulation where reducing the number of jurisdictions you are exposed to gives you a significant advantage either way.

For those, what we're talking about is rather a 'consolidation' or expansion, rather than creating a whole new structure or opening a new location, per se.»

The latest GP workshop held on May 31st addressed the challenges imposed by the upcoming EU General Data Protection Regulation (GDPR) to private equity fund managers. The session, delivered by Olivier Reisch, detailed how private equity firms must comply with data protection rules. They handle market sensitive data such as trade secrets, know-how and customer information, and are therefore at risk of data breaches which may profoundly affect their reputation and even business continuity. Furthermore, portfolio companies failing to comply with data protection rules may be an investment risk, as failure to comply with data protection rules entails steep penalties which can greatly impact the return of investment.



Guest Articles



Regulatory Update

by Dušan Gladović, Legal and Regulatory Manager of LPEA

[ESMA's guidance for national financial regulators regarding Brexit](#) has caused some unease in the PE/VC industry. ESMA says UK businesses must justify a relocation to another Member State for "business reasons" although the Alternative Investment Fund Managers Directive has no explicit rules in terms of choosing a home Member State. The AIFMD furthermore does not require that a stronger level of analysis be applied by regulators in case an AIFM carries out a majority of its activities in a Member State other than its home Member State. Although this opinion was intended for regulators in a Brexit scenario, it is general enough to have far-reaching consequences on the application of the AIFMD. More precisely, AIFMs moving from one EU27 Member State to another would be subject to stricter scrutiny. This seems to be in contradiction with fundamental EU law – the free movement of services and capital. Rules on delegation and advisory services, which are essential in the private equity business model, would become much stricter – despite contrary provisions in AIFMD Level 1 and Level 2 measures. Certain countries such as Luxembourg, Ireland and Malta whose AIFMs rely on delegation and advisory services may be heavily affected.

Jérôme Wittamer
President of LPEA



"Luxembourg: We Connect" is the latest promotion campaign from Luxembourg For Finance.



Other industry events

June 26-28

[SuperReturn Emerging Markets](#)

In-depth market analysis and debate. 120+ LPs, 120+ GPs. Create new contacts.
Amsterdam.
Special 10% discount to LPEA members.

June 29

[Bloomberg Annual Family Office Symposium](#)

This year the annual Bloomberg Family Offices Symposium will focus on asset allocation between liquid and illiquid markets.
Luxembourg

September 11-13

[SuperReturn CFO/COO Forum](#)

Benchmark best practice; Identify potential risks; Discover new technologies.
Amsterdam
Special discount to LPEA Members

September 21

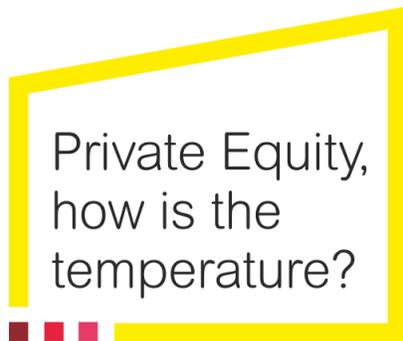
[UK Private Equity Conference](#)



by Sébastien Wiander, Member of LPEA

Alpha Private Equity successfully raises €903 million for its latest Luxembourg fund

As a pan European fund, APEF 7 will seek investment opportunities in Continental Europe, including Luxembourg. The choice of Luxembourg as a center of its operations, through the AIFM, has been supported by the presence of very qualified local professionals and by the favorable environment for private equity. [\[full article\]](#)



Private Equity, how is the temperature?

by Olivier Coekelbergs, Vice-President of LPEA

The "Private Equity, how is the temperature" provides you with a quick update on current market trends and key data from the Private Equity industry.

Highlights:

- PE fundraising is seeing its strongest start to a year since 2008. PE firms have closed 215 funds valued at US\$189b so far in 2017.
- PE acquisition activity remains strong, up 20% on a year-to-date basis versus last year.
- Through the end of April, all regions have seen an increase in activity, with the greatest increase in EMEA.

The Annual UK Private Equity Conference is a meeting point for LPs, GPs and CxOs.
Special discount to LPEA Members

September 26-27 [Luxembourg Delegation to Beijing and Shanghai](#)

Take part in this delegation led by the Minister of Finance Pierre Gramegna and which will include the participation of LPEA's Managing Director Paul Junck speaking on Private Equity in Luxembourg.
Beijing & Shanghai, China.

September 26-28 [SuperReturn Infrastructure](#)

SuperReturn Infrastructure is all set to return to London again this September with over 170 GP and LP attendees.
London
Special discount to LPEA Members

November 14-17 [SuperInvestor](#)

The annual SuperInvestor will gather +1000 participants to understand how will private equity navigate through the new world order and who is best placed to unlock value.
Amsterdam
Special discount to LPEA Members



Visit us in www.lpea.lu and follow LPEA's information flow and community activity on Twitter, LinkedIn and Slideshare.



[\[full article\]](#)



47%

% of delegates polled at Invest Europe's CFO Forum in Berlin on June 27th who claimed their firm was considering domiciling its next fund in Luxembourg.

LUXEMBOURG

- [Brexit one year on: Flight to Luxembourg?](#) A year after the Brexit vote, political uncertainty and pressure for onshoring is leading some private equity players to consider Luxembourg as a potential new home. Alice Tchernookova assesses the extent to which a "flight to Luxembourg" is taking place in the private equity industry (Unquote)
- [Luxembourg at risk of overload on PE influx](#) (PFM)
- [FT: Special Report - Luxembourg as a Financial Centre](#) (FT)
- Fintech Awards 2017: [Une sélection naturelle est en train de se faire](#) - Interview avec Jérôme Wittamer, President of LPEA (Paperjam)
- [Fintech: quatre pépites luxembourgeoises à suivre de près](#) (L'Usine Digitale)
- Launch of the [Climate Finance Accelerator](#). The new platform follows the objectives of the Paris Agreement and will provide technical support to fund managers interested in developing their climate finance funds from Luxembourg.

EUROPE

- [Completing the Capital Markets Union: Building on the first round of achievements](#)
- Invest Europe: [Why a Capital Markets Union is still important for Private Equity](#) by Anna Lekston
- Invest Europe announces 2017-18 Chair: [APG Asset Management responsible investment specialist Marta Jankovic to chair European private equity association Invest Europe](#).

INTERNATIONAL

- [Preqin: Private Equity Fundraising Getting Bigger And Quicker](#) (FINalternatives)
- [Palico launches new platform](#). After setting up as a networking platform for GPs and LPs, Palico is now allowing

its members to match the supply and demand requests of PE and VC fund management. (Special conditions apply to LPEA members)



The Luxembourg Private Equity and Venture Capital Association (LPEA) is the representative body of private equity and venture capital professionals in Luxembourg.

With 148 members, LPEA plays a leading role in the discussion and development of the investment framework and actively promotes the industry beyond the country's borders.

Luxembourg disposes of a stable tax regime and is today at the forefront of international PE regulation providing a flexible, secure, predictable and multi-lingual jurisdiction to operate in.

LPEA provides a dynamic and interactive platform for its members to discuss and exchange information and organises working meetings and networking opportunities on a regular basis.

If Luxembourg is your location of choice for private equity, LPEA is where you actually join the industry!

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