



LUXEMBOURG PRIVATE EQUITY & VENTURE CAPITAL ASSOCIATION NEWSLETTER

Newsletter #58 | 30 November 2018

Dear Reader,

Following investors' increasing Environmental, Social and Governance (ESG) requirements, LPEA decided to launch a new committee to address the ESG needs of our members. Thanks to Anne Canel (HLD Europe) and Oriane Schoonbroodt (Label R), the two co-chairs of this committee, we will be in a position to create further resources and initiatives that will develop the sector further.

Meanwhile we continue preparing our annual Insights event of March 19th with a particular care to select the best speakers to illustrate our fast-developing industry. I'm pleased to announce the confirmation of a very appreciated Luxembourgish investor and entrepreneur: Norbert Becker. With the confirmation of other high-level speakers these past days, we have now opened the registrations for your action.

Wishing you a good read!

Paul Junck



Paul Junck
Managing Director

LPEA



Luxembourg Private Equity Seminars in Frankfurt (5 Dec.) and Munich (14 Dec.)

As shared in our previous newsletter, LPEA will be in Frankfurt and Munich for two information sessions on the Luxembourg legal and tax framework. Together with a panel of experts, the firms Steadfast Capital (Frankfurt) and RWB Group A (Munich) will join us in these events to share their experience. We remind you that the registration for these events can be made through the following [link](#).



LPEA Insights 2019: Private Equity 3.0

After the confirmation of H.S.H. Prince Max von und zu Liechtenstein (CEO of LGT), we confirm that the closing keynote speech of the LPEA Insights will be delivered by Norbert Becker. Founder of Arthur Andersen (Luxembourg), ATOZ and of CBP Quilvest, Norbert Becker will share his personal views on the Luxembourg PE and VC sector. Book your seat in www.lpeainsights.lu.



Launch of ESG Committee

On November 12th LPEA held the kick-off meeting of the newly created ESG Committee. Chaired by Anne Canel (HLD Europe) and Oriane Schoonbroodt (Label R), the new committee will focus in the processes and reporting guidelines required by GPs and investors. With many guidelines already available in the market, the group will tailor the existing resources to the reality of Luxembourg and identify best practices to be followed.



Brexit update:

The Council of the European Union gathered on Sunday, 25 November 2018 to discuss and take a political decision on the future relationship between the leaving member United Kingdom and the European Union. The Brexit withdrawal agreement elaborated by the UK Government, which is pending ratification by the UK Parliament on 11 December 2018 (a process that in itself seems to be fraught with a high level of uncertainty) and the EU Parliament, has been approved and welcomed in its current form by the Heads of State and Government of the remaining 27 EU Member States.

Arguably, the withdrawal agreement together with the political declaration remove some amount of uncertainty and can be considered a big stride forward in the ongoing negotiations between the UK and the 27 EU Member States. Although the political declaration made by the EU27 is not legally binding, it nevertheless shows the willingness to continue to view the UK as a key partner for continental Europe especially in regards to their close business ties. It seems indeed that the EU has recognized that, despite its willingness to dis-incentivise any further EU-leavers, it cannot really turn its back on the importance of the UK's economy to Europe. There is no recipe for a surgical un-entanglement of the political and business ties between the two parties. Hence, the political declaration also serves to shed a light on a potential future relationship including equivalency decisions that can save the financial industry (among others) from a "hard" Brexit.

The LPEA will be closely following any developments in this matter that are of relevance to its members and will be giving updates through its newsletter and, in case of interest, by means of a GP workshop.



New Year's Event

SAVE THE DATE

LPEA will host its traditional New Year's Event in January to celebrate the new year with the local private equity community. This members' exclusive event is a good opportunity to meet your peers and plan for the year ahead. Save the date!



GP Club Workshop: "CSSF Circular 18/698"

LPEA held another GP Workshop earlier this month, this time on the CSSF Circular 18/698 (authorisation and organisation of Luxembourg investment fund managers). The session, hosted by ATOZ, was delivered by Benoît Kelecom (ATOZ) and Renaud Graas (Stibbe) and welcomed many GP member firms of LPEA. Pictures of the event are available [here](#).

OPINION



How young people can lead the way towards sustainable finance in private equity

by Valeria Merkel and Laetitia Hamon

Millennials often approach investing (and leading a company) with expectations and priorities unlike those of preceding generations. They seem to have grown up far more aware of global issues like climate change, environmental damage, or human rights breaches. [[full article](#)]



Added substance supports third party AIFM model

by Daniela Klasén-Martin

The new Circular contains important guidance on what investment fund managers need to have in place to comply with AML/CTF legislation, including situations where distributors and Transfer Agents are appointed either by the Manager or by the Funds directly. [[full article](#)]



Q&A: The Impact of big data and robot automation in Private Equity

by Olivier Coekelbergs

Data presents a great opportunity for private equity. Private equity firms have a long history of investment and divestment so there is a huge amount of data available to them that they can leverage. [[full article](#)]

OTHER SECTOR EVENTS/ INITIATIVES

- 4-5 December - [Biofit: Fostering Innovation & Transfer](#) (Lille; discount to LPEA Members)
- 5 December - Arendt & Medernach: [Webinar New Circular 18/698 on substance of UCITS Mancos and AIFMs in a Brexit context](#)
- 5 December - [LPEA Seminar in Frankfurt](#)
- 11 December - [PwC's Academy: Private Equity Valuation](#)
- 13 December - [Luxembourg-Poland Business Conference & Polish FinTech & RegTech start-ups competition in Luxembourg](#)
- 13 December - [Luxembourg for Finance Seminar in Paris: Quelle Finance Pour Demain?](#)
- 14 December - [LPEA Seminar in Munich](#)
- 8 January - PwC Academy: [Focus on CSSF Circular 18/698](#)
- 16-17 January - [PEI CFOs & COOs Forum](#) (New York; discount to LPEA Members)
- 17 January - [6th Annual Polish & CEE Private Equity Conference](#) (Warsaw; discount to LPEA Members with code 'LPEA_PEI')
- 22-24 January - [IPEM](#), Cannes (discount to LPEA Members)
- 1 February - [4th Annual French Private Equity Conference](#) (Paris; discount to LPEA Members with code 'LPEA_PEI')
- 13 February - Invest Europe's [Fund Secondary Transactions Course](#)
- 26 February - 1 March - [LPEA & ALFI booth at SuperReturn International](#) in Berlin

- 7 March - [4th Annual Benelux Private Equity Conference](#) (Amsterdam; discount to LPEA Members with code 'LPEA_PET')
- 19 March - [LPEA Insights 2019](#)

MEMBERS' NEWS

- **ATOZ** alerts to "[Only one month left to reduce 2018 net wealth tax liability](#)"
- **Deloitte**, in collaboration with ALFI, published the [Luxembourg Private Equity & Venture Capital Funds Survey](#). According to the publication the local "PE fund market grew 20% year-to-year".
- **HLD Groupe** expands to Italy with arrival of [new Partner Alessandro Papetti](#). Papetti has more than 25 years of experience in private equity and will reinforce the existing office of HLD in Milan.
- **Intesa Sanpaolo Luxembourg** [appoints Massimo Torchiana](#) as the new CEO (*Luxembourg Times*)
- **KPMG** announces [smart alliance with Fintech Awards Winner, Governance.com](#)
- **Label R** proposes an [ESG certification](#) for non-regulated alternative funds (*Paperjam*)
- **Luxempart** [announces](#) the exit of Direct Énergie for €180 million, the acquisition of a minority stake in TCM Group (Denmark), the investment of €9 million in new companies and a €30 million partnership with the VC Quadrille Technologies.
- **Royalton Partners** [dispose investment in Kom-Eko](#) to V4C Poland Plus Fund. Kom-Eko is the leading waste management company in the Lublin area of Poland, with activities including municipal and commercial waste collection, sorting and processing centers and landfills in Lublin and Krasnik. Royalton Partners' Royalton Capital Investors II fully exited the investment after 7 years of stewardship.
- **SGG Group** CEO [Serge Krancenblum voted European Personality of the year](#) by Funds Europe
- **Vistra** - Europe Is Calling: [Considerations of Alternative Investment Opportunities in Luxembourg and the Channel Islands](#)

OTHER NEWS

- [Brexit Uncertainty Prompts Private-Equity Firms to Boost Luxembourg Presence](#) - the country continues to benefit from fund managers planning for the U.K.'s departure from the European Union. (*Private Equity news*)
- [Where Luxembourg's rich entrepreneurs invest](#): average age 42, earns €1.75m; allocates 25% wealth in real estate or own business; 85% of entrepreneurs actively support other entrepreneurs through private investments into high-potential companies. High-net-worth business owners favour private equity (63% have used PE investment vehicles). (*Luxembourg Times*)
- The augmented reality startup See More announces a [new fundraising of €250k](#) to deploy its marketing strategy and expand internationally (*Silicon Luxembourg*)
- VNX Exchange: [The Venture Capital Industry is Entering a New Age](#) (*Silicon Luxembourg*)
- Invest Europe, in partnership with ComRes, published the [Global Investment Decision Makers Survey](#). According to the study "nine in ten investors say that Europe has become a more attractive investment destination over the past five years" and "regulatory stability and flexibility of importance to the majority of investors".
- Centaur recently [acquired Luxembourg Capital Partners](#), an existing administration firm, which provides a full suite of fund administration services to funds, family office and corporate vehicles. (*Private Equity Wire*)
- [ESG factors should be considered in investing but not mandated](#), CFA survey finds (*Pensions & Investments*)

ABOUT LPEA

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

With 181 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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