

## Member's news

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# 10TH EDITION OF “SECURITISATION IN LUXEMBOURG – A COMPREHENSIVE GUIDE” JUST RELEASED

*Brochure includes an overview of the main changes of Bill 7825 amending the Luxembourg Securitisation Law of 22 March 2004*

*Guide forms part of a series of publications including the recent “Securitisation in Luxembourg – PwC Market Survey”*

**During today’s (virtual) Securitisation Get-Together event, PwC Luxembourg announced the release of its “Securitisation in Luxembourg – A comprehensive guide” as a part of a series of publications related to Securitisation in Luxembourg. The publication provides a market overview, introduction to securitisation techniques and the Luxembourg Securitisation Law. It also covers accounting, tax, regulatory and other aspects.**

Today, PwC (virtually) hosted its annual Securitisation Get-Together event in order to discuss different hot topics with the market participants.

PwC Luxembourg’s Securitisation Leader Holger von Keutz opened the webcast by presenting recent market figures for Luxembourg and Europe and outlining the expected changes from the new draft law on securitisation (see below). This was followed by presentations on developments with regards to ATAD and the regulatory environment.

The event was closed by two guest speakers: Maximilian Portenlänger (von der Heydt) explaining tokenisation in the securitisation practice and Martin Halblaub (estating) discussing how securitisation enables real estate investments.



## **“SECURITISATION IN LUXEMBOURG - A COMPREHENSIVE GUIDE” - 10<sup>TH</sup> ADDITION INCLUDING THE EXPECTED MODERNISATION OF THE LUXEMBOURG SECURITISATION LAW**

Just previous to the release of this guide, on 21 May 2021, the Luxembourg Minister of Finance submitted the draft bill No. 7825 to the Parliament amending the Law of 22 March 2004 on securitisation (the “Luxembourg Securitisation Law”) which has been in place for 17 years now. This long-awaited draft bill introduces some small but very important adjustments, which will further increase the flexibility and the legal certainty of Luxembourg securitisation transactions and help the Luxembourg securitisation market to thrive again in the near future. An overview of the main changes is described in detail in the guide.

Besides the important modernisation of the Luxembourg Securitisation Law, there have been some other, but no less important, developments during the last twelve months. Indeed, the EU Securitisation Regulation, effective as from January 2019, has been further amended. On-balance-sheet synthetic securitisations can now qualify as STS transactions, and the transposition of the ATAD 1 Directive into Luxembourg law is still a hot topic for the Luxembourg capital market participants.

All these topics – and many more – are covered in this 10th edition of our reference guide for Securitisation in Luxembourg and have been discussed during today’s Get-together event.

Commenting on the evolution of the Luxembourg market, **Holger von Keutz, Partner, Securitisation Leader, PwC Luxembourg** said: “In 2020, with more than 160 new Luxembourg securitisation vehicles, the total number grew again after a slight decrease in 2019. By the end of March 2021, around 1,370 vehicles representing almost 9,000 compartments existed in Luxembourg. We expect this growth will continue in the next few years.”

## **“SECURITISATION IN LUXEMBOURG - PWC MARKET SURVEY” - A PROMISING OUTLOOK WITH CHALLENGES AHEAD**

The Securitisation in Luxembourg guide, is published not long after the release of “[Securitisation in Luxembourg - PwC Market Survey](#)”, in April 2021, where, for the second time in a row, PwC launched an analysis of the Luxembourg securitisation market.

Besides questions around the characteristics, asset types, the means of finance and the investor base of the different securitisation vehicles, a goal of the survey is to obtain the market’s view on the major challenges and opportunities and on current topics such as the impact of the COVID-19 pandemic. It is great to see that the vast majority of the survey respondents (76%) are of the opinion that the Luxembourg securitisation market will continue to grow in the next few years, while only 3% fear a decrease. The remaining respondents are expecting a stable development. The positive expectations are mainly due to an expected growth of securitisation in Europe



overall as well as the modernisation of the Luxembourg Securitisation Law. Competition with other jurisdictions, uncertainty on taxation and high regulation and costs are identified as the main risks.

Please find the flash news on the new Luxembourg Securitisation Law [here](#).

Please find the “Securitisation in Luxembourg – A comprehensive guide” [here](#).

Please find PwC’s Securitisation in Luxembourg Market Survey [here](#), with its summary [here](#).

## **Notes to editors**

### **About PwC**

1. PwC Luxembourg ([www.pwc.lu](http://www.pwc.lu)) is the largest professional services firm in Luxembourg with over 2,800 people employed from 77 different countries. PwC Luxembourg provides audit, tax and advisory services including management consulting, transaction, financing and regulatory advice. The firm provides advice to a wide variety of clients from local and middle market entrepreneurs to large multinational companies operating from Luxembourg and the Greater Region. The firm helps its clients create the value they are looking for by contributing to the smooth operation of the capital markets and providing advice through an industry-focused approach.
2. At PwC, our purpose is to build trust in society and solve important problems. We’re a network of firms in 155 countries with over 284,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com) and [www.pwc.lu](http://www.pwc.lu).