



# LuxSE

Listing Asset-  
Backed Securities



**LUXEMBOURG**  
STOCK EXCHANGE

# Securitisation: a promising revival

Political and market interest in securitised products is surging again after a decade of slow-down and controversy following the financial crisis. Capital markets and investors can only benefit from securitisation. This flexible and effective tool contributes to the stability and growth of financial markets through its capacity to diversify funding sources, spread risk allocation more evenly and free up originators' balance sheets to allow for further lending to the real economy.

The long awaited EU regulatory package entered into force on 17 January 2018; on 1<sup>st</sup> January 2019 it took effect.

This framework, a key pillar of the European Union's **Capital Markets Union**, establishes, due diligence, risk-retention and transparency requirements for all parties involved in securitisations. In addition, it creates a **specific regime** for simple, transparent and standardised securitisation (STS).

**Transparency, quality and better controlled criteria** can only spur trust in Asset-Backed Securities (ABS) products and move them to new levels.

## Why Luxembourg?

The Luxembourg financial centre is a prime venue for international securitisation. The country already hosts **25%** of all European securitisation transactions and is the domicile of choice for **1,800+** Securitisation Vehicles.

## A favourable business climate...

 <p><b>Double taxation treaties</b> with 70+ jurisdictions</p>	 <p>Attractive and innovative <b>legal framework</b></p>
 <p>Unique concentration of <b>securitisation experts</b></p>	 <p><b>Stable</b> political and economic environment</p>
 <p>Multicultural and <b>skilled workforce</b></p>	 <p><b>Comprehensive and favourable</b> tax regime</p>
 <p>Financial environment dedicated to <b>international</b> clients</p>	 <p>Confirmed <b>AAA rating</b></p>

## ...and regulatory framework

### "Luxembourg Securitisation Law" - Law of 22 March 2004:

- Ensuring enhanced investor protection
- Allowing the creation of compartments
- Including the "limited recourse concept"
- Enabling the achievement of tax neutrality
- Qualifying a wide range of asset classes for securitisation

# Listing ABS at the Luxembourg Stock Exchange (LuxSE)

Since the first listing of a Mortgage-Backed Security (MBS) in **1983**, LuxSE has been on the forefront of listing a large variety of securitised products. As of April 2019, LuxSE lists **1,700+** ABS.

With more than **35 years of expertise** in handling such securities, LuxSE is one of the prime venues for the listing of ABS in Europe.

LuxSE assists issuers and their partners in the listing of both traditional and up and coming types of securitised products on any of its two markets, i.e. "Regulated Market" or "EuroMTF".

## Benefits of a Luxembourg listing

- "Listed in Luxembourg", an internationally recognised quality label
- Enhanced visibility among international investors
- Transparency of financial information and corporate governance
- Cost-efficient and predictable listing process
- Direct or indirect prospectus submission
- ECB collateral eligibility
- A broad range of ABS structures

## A snapshot of ABS issuers on LuxSE

**Banca IMI**

**BMW**

**Deutsche Bank**

**DORIC**

**GM**

**Mercedes**

**Renault**

**Santander**

**Societe Generale**

**Volkswagen**

## Broadest range of ABS structures

### Mortgage-Backed Securities (MBS)

- RMBS (Residential MBS)
- CMBS (Commercial MBS)

### Collateralized Debt Obligations (CDO)

- CBO (Collateralised Bond Obligations)
- CLO (Collateralised Loan obligations)

### Other Asset-Backed Securities

- Auto / Student / Consumer loans
- Credit cards and trade receivables
- Leases
- Royalties

## Meeting ECB collateral eligibility criteria

With **4,200+** securities (including ABS), LuxSE has a leading position in terms of listing products eligible as **collateral** within the **European Central Bank (ECB)** framework.

The ECB eligibility process is **automatically initiated** by LuxSE.

**First ever listed**

**STS transaction**

**(Volkswagen) - 2019**

# Luxembourg Stock Exchange

Founded in **1928**, the Luxembourg Stock Exchange (LuxSE) is the **worldwide leader** in the listing of international securities. With its first mover attitude, **over the last 50 years** LuxSE has actively contributed to the development of international capital markets.

LuxSE has a strong culture of servicing international clients and **addressing their specific needs**. Thanks to its stringent but business-friendly admission process, LuxSE provides **the highest transparency to investors**.

By providing increased visibility to issuers, **LuxSE is the gateway to access international investors**. Issuers on LuxSE benefit from the country's vibrant and integrated financial ecosystem and proximity to a **powerful network of international experts** (e.g. law firms, banks, consulting firms, etc.).

A leading listing venue for international securities, worldwide

## "Listed in Luxembourg"

a recognised label in international capital markets

50+

years of experience in listing international bonds

99%

of all securities listed in less than 2 days

36,000+

listed and tradable securities

11,200+

new listings in 2018

500+

MTN programs

60+

currencies

120

Sovereign and quasi-sovereign issuers listed on LuxSE

## A full-service offer

### Listing

#### Effective answer to market needs

- » Efficient and fast listing process
- » Indirect or direct prospectus submission
- » Wide range of securities and currencies
- » Competitive fee structure
- » Three listing possibilities: Regulated Market, Euro MTF and LuxSE Securities Official List (SOL)

### Trading

#### Top-notch trading platform

All securities listed on Regulated Market or Euro MTF are systematically admitted to trading (with an open order book)

#### Euronext partnership

- » OPTIQ: a state-of-the-art Euronext trading platform
- » Cross-membership: free access to LuxSE markets for Euronext members and reciprocally

### Information services

#### Comprehensive service that meets transparency and regulatory requirements

- » LuxSE website: easy access to centralised information
- » Prospectus publication
- » Financial news services (FNS)
- » Financial Instruments Reporting Services Tool (FIRST)

### Sustainable finance

#### The Luxembourg Green Exchange (LGX) is the first and only platform exclusively dedicated to sustainable securities

- » Relevant sustainable information on one single platform
- » 50% market share for listed green bonds

## Contacts

#### VISIT US AT:

35A Boulevard Joseph II, Luxembourg

#### WRITE TO:

PO Box 165/L-2011 Luxembourg

 [bourse.lu/abs](http://bourse.lu/abs)

 [luxembourg-stock-exchange](https://www.linkedin.com/company/luxembourg-stock-exchange)

 [@LuxembourgSE](https://twitter.com/LuxembourgSE)



**Carlo Oly**

Head of Relationship Management  
T +352 47 79 36 227  
[col@bourse.lu](mailto:col@bourse.lu)



**Chiara Caprioli**

Business Development Manager  
T +352 47 79 36 417  
[cca@bourse.lu](mailto:cca@bourse.lu)



**Ronny Alf**

Senior Prospectus Approval Officer  
T +352 47 79 36 229  
[ral@bourse.lu](mailto:ral@bourse.lu)

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