



# Securitisation in Luxembourg

## In a nutshell

In Europe, securitisation is one of the main building blocks of the capital markets union. It helps financing the real economy, assists banks in their risk management and provides an attractive investment opportunity.

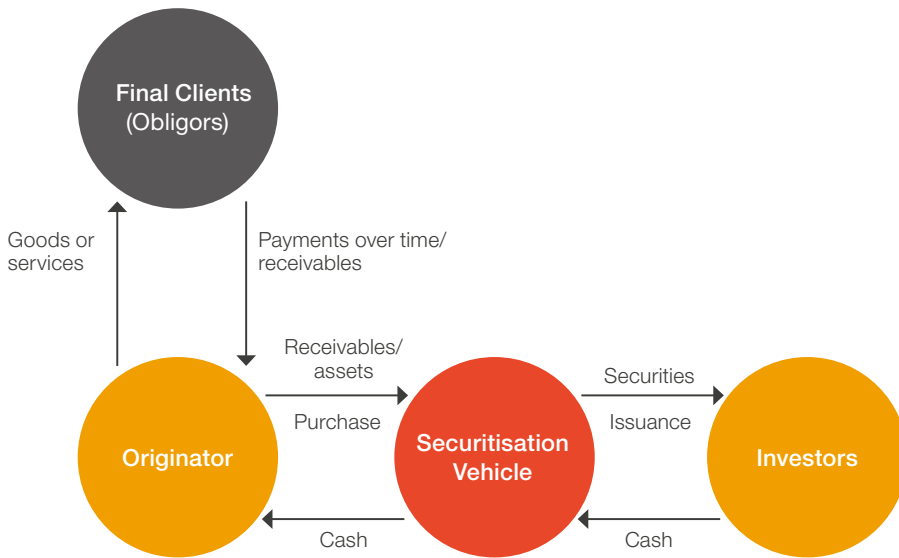
Luxembourg is one of the leading securitisation locations in the world and gives a favourable legal framework with a dedicated and flexible securitisation law.

**Learn more about it...**

[www.pwc.lu/securitisation](http://www.pwc.lu/securitisation)



# How does securitisation work?



Securitisation is a **risk transfer mechanism** that transforms existing assets or risks into tradeable securities.

It is used as a **financing tool**, allowing efficient access to capital markets and alternative funding sources.

The risk of the transferred asset is **ring-fenced** in the securitisation vehicle, i.e. independent from the originator.

The securitisation vehicle provides **limited recourse** to the securitised assets and is bankruptcy remote.

Securitisation can help **reducing mismatches** in timing or volume of cash flows and risk profile.



# Why may securitisation be of interest for you?

## If you are...

### An (alternative) asset manager



- Securitisation complements your alternative investments product range
- It attracts institutional investors by creation of a tradeable security with an attractive risk-and-return profile
- It constitutes a highly flexible tool adaptable to your needs
- Securitisation is usually not subject to AIFMD

### An insurance company / pension fund



- Securitisation helps managing capital requirements under Solvency II
- Luxembourg Law allows for repackaging and investing without tranching of notes issued
- Securitisation creates a bond-like, rated security with an attractive risk-and-return profile

### A bank



- Securitisation represents a powerful tool to de-risk your balance sheet and reduce your loan book
- It allows reducing your capital requirements and free capital for new investments
- Alternatively, securitisation instruments can be an interesting investment offer to clients (e.g. structured products)

### An operational company



- Securitisation provides for an alternative and potentially cheaper financing solution
- It facilitates access to the European capital markets
- It can be tailor-made to support your asset-liability and cash flow management
- It allows for refinancing not only linked to your own credit risk (lease or trade receivables securitisation)



# Why in Luxembourg?

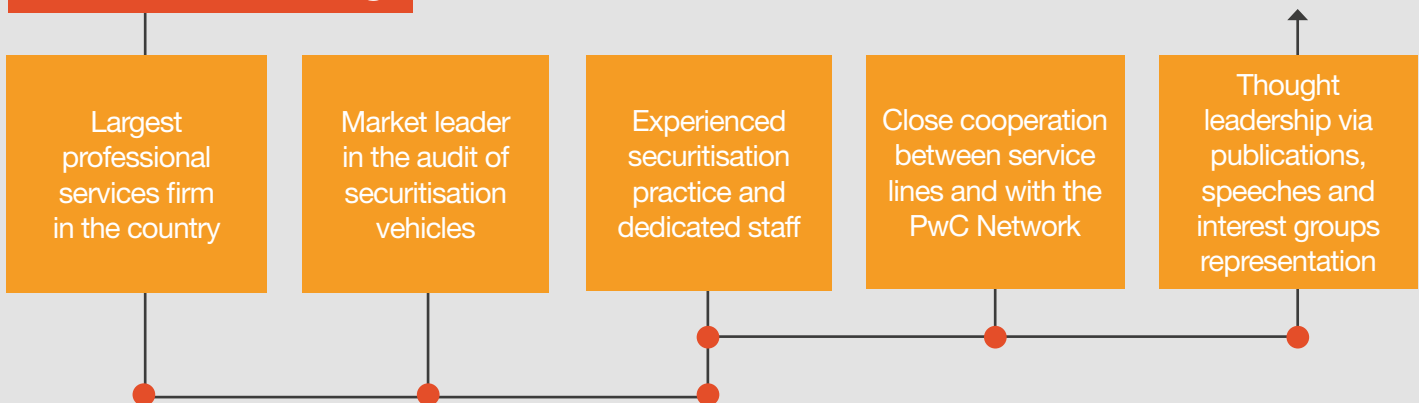


# How we can help

We can assist you throughout the whole securitisation value chain:



## PwC Luxembourg



# Your securitisation contacts

Should you have any questions, please do not hesitate to contact us:

## Assurance Services



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