

Cross-Border Distribution Conference



Elvinger Hoss Prussen and Deloitte Luxembourg, in collaboration with Financial Times Live, hosted the eighth edition of the annual Cross-Border Distribution Conference where regulators, leading asset managers and financial experts gathered at the European Convention Center on Tuesday, 4 February 2020. The conference offered insights from an array of international high-end speakers and this year, the audience listened with great anticipation as James Randolph Evans, Ambassador Extraordinary and Plenipotentiary of the USA to the Grand Duchy of Luxembourg, delivered the keynote address.

“The active discussions and exchange of ideas between all stakeholders of the asset management industry, including rule makers, regulators and market participants is key to the ongoing shaping of the industry. A key objective must be to innovate, to modernize the product offering and to adapt to cultural evolution and investors’ demands. Any initiatives in this context will necessarily trigger new regulatory requirements,” stated **Jacques Elvinger**, Partner at Elvinger Hoss Prussen and co-host of the conference.

Lou Kiesch, Partner and Regulatory Consulting Leader at Deloitte Luxembourg and co-host of the conference added *“The asset management industry is facing many challenges, one of which is the increasing need to develop profitable growth, particularly as competition intensifies. Asset managers need to adapt their value propositions and business models in order to remain vibrant and valuable.”*

The shifting sands of time - what lies ahead?

Evolving regulatory requirements, economic uncertainties, changing competitive dynamics and a greater move towards sustainable investment and finance, are just some of the major developments impacting the outlook for fund management. The Cross-Border Conference focused on the ways in which leaders in the industry can prepare and adapt, ensuring readiness to harness opportunity. Attendees were invited to reflect upon major trends likely to dominate the next decade of asset management and asset servicing. Questions were raised around asset managers' wants and expectations from regulators, and how this can support and continue to build the market. Finally, speakers and the audience members contemplated how products and investment strategies will develop further to meet investor expectations, and unsurprisingly to what extent the pace of technological innovation will change in the coming years.

"Distribution remains both a significant challenge yet fantastic opportunity in the development of competitive advantage. Good use of technology and outsourcing are certainly two key elements for success and firms that place it at the center of their distribution strategy could enjoy dramatic improvements in distribution efficiency across multiple metrics," elaborated Lou Kiesch.

Of particular interest was the EU Commission's priorities for fund regulation in the coming decade. As the newly appointed EU Commission and Parliament settles into their new seats, attention turns to how the European regulatory landscape is set to evolve. What are the priorities for the next five to ten years? Is cooperation between international regulatory and supervisory authorities likely to continue?

Another pressing matter circulating among professionals in the field is what kind of outlook can be expected for the US. For our American counterparts, the new decade does not only bring the usual mix of excitement and anticipation but is heightened by the approaching presidential election.

From policy to practice

Sustainable investing has moved from the margins to the mainstream as investors, asset managers and the wider industry embrace the integration of ESG factors across the asset classes. However, it is clear that progress is a marathon rather than a sprint, as standards on pricing, products, data quality, and yield expectations remain fragmented. During the event, attention was drawn to the role that policy makers have to play in embedding sustainability in investing. Should markets be trusted to self-regulate? Who is leading the charge – investors, regulators or asset managers – and to what end?

Brexit update – are there any opportunities?

Finally, a year on from our 2019 conference where discussion was dominated by questions concerning Brexit and the implications that awaited the field, the topic was revisited. Just days after the formal departure of the UK from the European Union on Friday, 31 January 2020, professionals are preoccupied with queries around what awaits them during the 11-month transition period and for the future. In this session our expert panel explored what the latest developments mean for investment, investors and the wider finance industry. The audience listened eagerly as experts on the matter deliberated the opportunities that could reveal themselves following this significant moment in European history.

The full-day event was also an opportunity to present publications offering insights on the future: the Fund Distribution Industry Survey¹ and the Casey Quirk² report.

For more information about the Cross-Border Distribution Conference, please visit:
www.cross-border.lu.

- 1. Deloitte Luxembourg – Fund Distribution Industry Survey 2020
- 2. Casey Quirk – The Age of Change: Transformation in a Maturing Industry

Event gallery









For any further information please contact us or visit our website at www.elvingerhoss.lu.

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We undertake no responsibility to notify any change in law or practice after the date of this newsletter.