

FACULTY OF LAW,
ECONOMICS AND FINANCE
HIGHLIGHTS
2014 • 2015

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7.

OUTLOOK 2015-2016



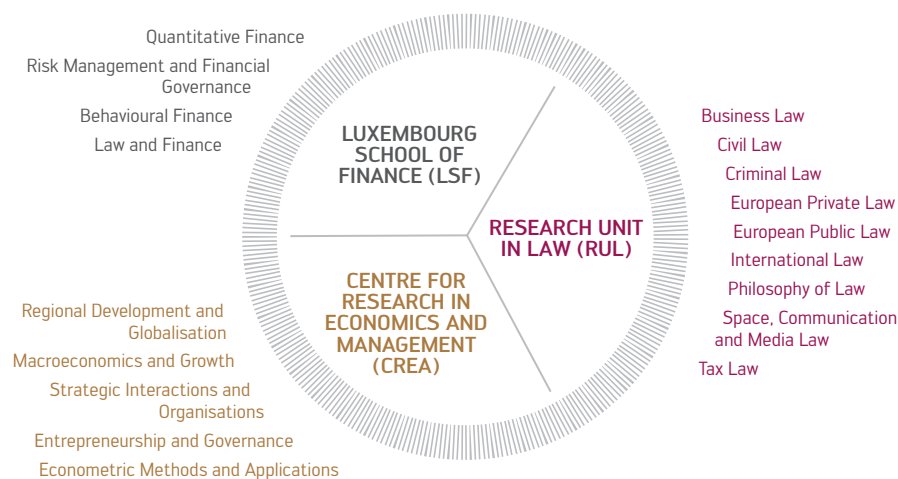
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UNIVERSITE
DU
LUXEMBOURG

1. THE FACULTY AT A GLANCE

The Faculty of Law, Economics and Finance (Faculté de Droit, Economie et Finance - FDEF) has experienced a tremendous development since its establishment in 2003. In addition to its three research units, FDEF also launched two doctoral schools covering these three research areas.

RESEARCH UNITS



FDEF ACADEMIC PROGRAMMES

PhD

Doctoral School in Law
Doctoral School in Economics & Finance

Bachelor

Bachelor en Droit
Bachelor en Sciences Économiques et
de Gestion
Bachelor en Gestion

Master

Master en Droit Européen – LL.M.
Master en Droit Économique européen - LL.M.
Master en Droit Financier Européen et International - LL.M.
Master in Economics and Finance
Master in Entrepreneurship and Innovation
Master in Accounting and Audit
Master of Science in Banking and Finance (MSc)
Master in Wealth Management

FDEF PROFESSIONAL PROGRAMMES & ALUMNI

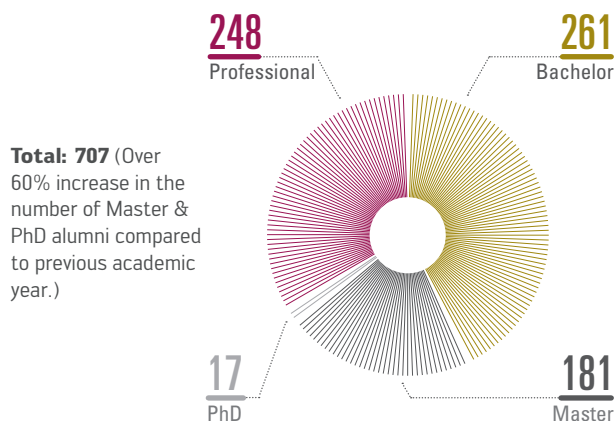
Lifelong learning

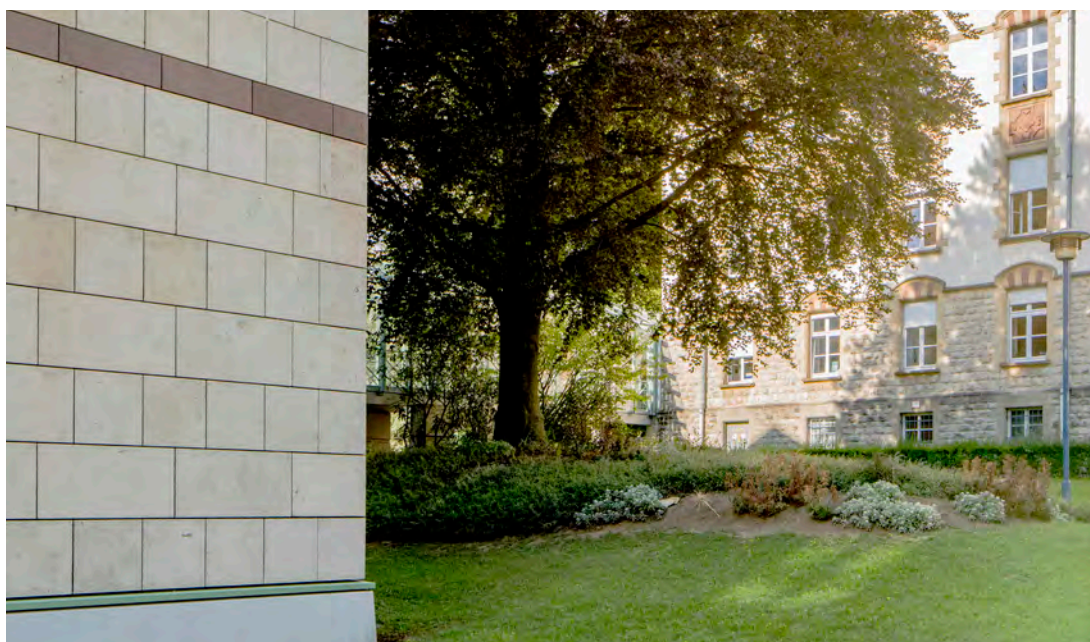
Executive programme in Wealth
Management

Vocational training

Formation complémentaire des candi-
dats Réviseurs d'Entreprises
Formation complémentaire des candi-
dats Experts Comptables

Alumni 2013/2014





KEY FIGURES (AS OF 31/12/2014)

FDEF

Total students	2782
Bachelor*	1419 51%
Master*	489 18%
PhD*	91 3%
Professional	783 28%

Nationalities (86)

Luxembourg	803 31%
Other EU	1512 57%
Other international	313 12%
New students	1107
25% increase in number of new students	

University of Luxembourg

Total students	6287
Bachelor	3231 52%
Master	1283 20%
PhD	569 9%
Professional	1204 19%

* Bologna System

ISO 9001 certification

In December 2013 the Faculty obtained the renewal of an ISO 9001 certification for its administration and the administrative management of its activities. Based on ISO standard 9001:2008, an international standard recognised worldwide, the Faculty's approach contributes to reinforcing a quality system and culture, which is driven by a shared attitude and understanding. The Faculty received its first ISO 9001 certification in 2010.



2. RAISING THE LEVEL OF EXCELLENCE OF LUXEMBOURG

■ 2.1. FDEF professors asked to support the European Parliament

Law professors of the Faculty are regularly invited to participate in projects of European institutions seeking to advance European integration in various fields.

In spring 2015, Prof. Gilles Cuniberti, who specialises in European and international civil procedure, was asked by the Committee on Legal Affairs of the European Parliament (JURI Committee) to reflect and offer recommendations on the future of Civil Judicial Expertise in the European Union. To that effect, he was invited with five other experts to write a report and to present his conclusions and recommendations in a workshop held at the European Parliament on June 17, 2015.

The principle of free movement of goods, persons and services has led to the development of intra-EU exchanges and consequently - inevitably - to an increase in cross-border disputes. In such a context, judicial experts or expert witnesses tend to work more and more in other Member States than the one in which they are established. Despite the emergence of judicial cooperation in civil matters, making it easier to handle cross-border situations in the judicial area, judicial technical expertise is

still regulated differently in the Member States, with a clear separation between Member States with a common law system and those with a Romano-Germanic legal system.

Practical and legal problems can arise when experts are used to applying their expertise differently according to their Member State's legislation, including problems relating to procedural aspects (selection of experts, determination of fees, status of the experts, etc.). The question of the approximation of the rules concerning expertise and the relevance of other solutions, such as the introduction of an EU list of judicial experts or the creation of a specific status of expert generally recognised in the EU, is raised.

In order to better understand the differences between the main legal systems existing in the EU and to help identify the difficulties in cross-border situations and possible ways of addressing them, the workshop, co-hosted by Prof. Cuniberti, aimed at facilitating an exchange of views among Members of the European Parliament and legal professionals, on the basis of contributions by eminent experts, be they academics or practitioners, bringing issues to the fore.

In this framework, Prof. Cuniberti was invited to provide an overview of existing EU legislation, which could be applied to cross-border civil judicial expertise, to analyse whether it facilitates cross-border judicial expertise and, finally, to provide a number of recommendations to the EU institutions for possible EU action aiming at facilitating cross-border judicial expertise in the EU and thus further developing a genuine European area of civil justice.

His report concluded that, while existing EU law was largely satisfactory, there are still major issues. Mutual trust in the expertise regimes of other Member States should indeed be improved, for example by promoting the adoption of an optional European status of experts.

■ 2.2. Wage dynamics: with or without indexation

The objective of this project is to examine whether wage dynamics are different in countries with or without automatic wage indexation clauses. The statistical and econometric research relates to four countries: two with institutionalised indexation of wages to consumer prices (Luxembourg and Belgium) and two without institutionalised indexation (Germany and France). More specifically, we want to check whether there are significant differences in (i) the long run indexation coefficient; (ii) the long run effect of unemployment on real wages; and (iii) the short run wage dynamics. To this end, we use annual data on four countries over the period 1970-2012 and estimate a VAR-ECM model. Despite certain fragility due to a relatively small number of observations for VAR modelling, this comparative econometric study shows that the presence of institutionalised indexation does not significantly alter the process through which hourly wages are set, as revealed by the long-term relationships or dynamic reactions to an exogenous shock.

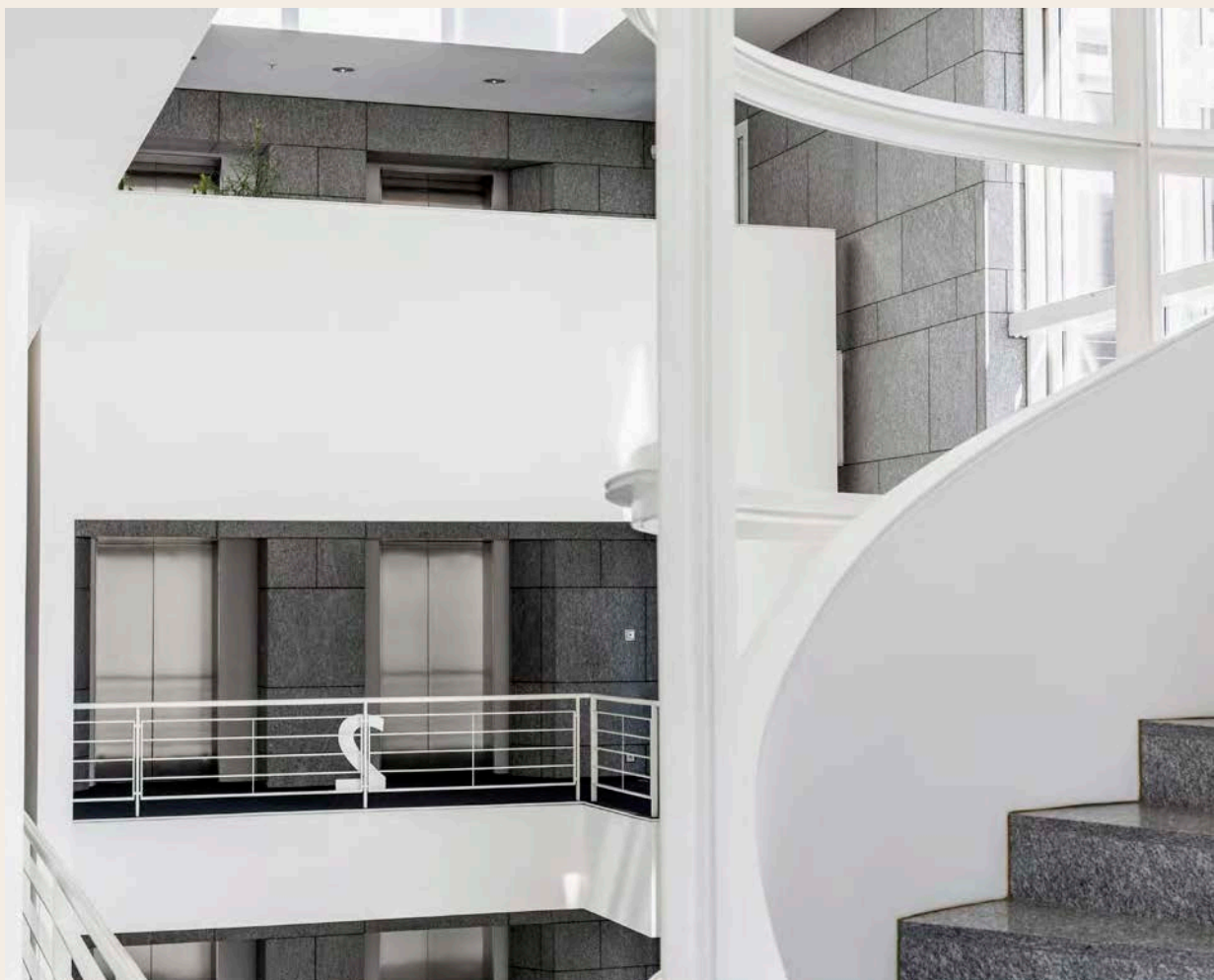
The co-supervisors of this project are Prof. Arnaud Bourgain and Prof. Henri Sneessens from the Faculty of Law, Economics and Finance. This project was conducted in partnership with Fatemeh Shadman and Kirti Mehta, from MeSh Analytics, and was funded by the Ministry of Economy.

The project will be extended (in 2015-2016) by another study which will examine the interactions between various sectors in the determination of wages.

■ 2.3. Ownership of Satellites: 4th Luxembourg Workshop on Space and Satellite Communication Law

The starting point of the 4th Luxembourg Workshop on Space and Satellite Communication Law was the fact that the international legal framework related to the ownership of satellites and its transfer should be reviewed and updated. For example, only launching states can register space objects, and only they are liable for damages caused by satellites. New phenomena also emerge: the condominium of satellites or the exponential proliferation of small satellites, or the increasing involvement of European structures in space-related activities. Furthermore, the interrelation between the registration of space objects under the UN framework and the registration of frequencies by the ITU is practically unknown to non-specialists.

This situation prompted the main organiser of the workshop, Prof. Mahulena Hofmann, holder of the SES Chair in Satellite Communication and Media Law, to devote this year's workshop to the analysis of the status quo and to the deliberation of possible solutions not only from the perspective of international law of outer space, but also from a telecommunication and European Union law angle.



GAUTAM TRIPATHI
Professor

“We raise not only the academic profile of our university, but also the level of excellence of Luxembourg itself.”

I joined the University of Luxembourg on August 14, 2011 as Professor of Econometrics. I chose to come to Luxembourg because CREA offered an excellent, resource rich, academic environment to further my research. It is a small but growing group of economists with diverse research interests, both theoretical and applied, that make CREA a collegial and stimulating place to do research.

My area of specialisation is Microeconometrics. The goal of my research is to investigate how econometric models can be estimated and tested without making unnecessary parametric or exogeneity assumptions, and how restrictions imposed by economic theory can facilitate statistical inference. Given the close connections between the University and Luxembourg, it is my firm belief that by doing original, innovative and applicable research and getting it published in high quality peer-reviewed scientific journals, we raise not only the academic profile of our university, but also the level of excellence of Luxembourg itself.

The event, hosted by SES, was supported by the Research Unit in Law at the Faculty of Law, Economics and Finance, as well as the Interdisciplinary Centre for Security, Reliability and Trust at the University of Luxembourg. Expert speakers from Luxembourg and abroad shared their experience with an audience composed of field experts, research fellows, students and the general public.

The workshop took place on June 4 and 5, 2015 at SES's premises at Château de Betzdorf. The participants were honoured to welcome Prime Minister Xavier Bettel, as well as Karim Sabbagh, President and CEO of SES, and John Purvis, SES's General Counsel, to open the workshop.

The workshop was divided into three panels. Panel I, entitled 'Ownership of Space Objects and its Impact on State Responsibility and Liability under the Law of Outer Space', under the Chairmanship of Prof. Pedro Cruz Villalon, Advocate General at the European Court of Justice, counted notably on the speech of Dr. Ioanna Thoma (European Space Agency), who analysed ESA experiencing the transfer of ownership of satellites.

Panel II, chaired by Attila Matas (International Telecommunications Union) focused on the 'Interaction between the Ownership of Satellites and the Right to Use the Spectrum'. Among other experts, Elina Morozova (Intersputnik) focused on 'Leasing of Orbital Positions'.

Panel III explored possible solutions connected with the transfer of satellites. Experts suggested a wide range of solutions, starting with Natercia Rodrigues (United Nations Office for Outer Space Affairs) who addressed the issue of 'United Nations practice in registering space objects'.

The results of the successful workshop will be summarised in a book composed of all contributions. The book, under the editorship of Prof. Mahulena Hofmann, will appear in autumn 2015 with publishing house Nomos.

2.4. The job market: an efficient way to hire highly qualified students

In finance, the international hiring process (job market) for junior academics is a very standardised and streamlined process. All Assistant Professor positions at all US and at all excellent and most good universities in Europe are advertised and filled using this procedure.

The hiring season for freshly graduated (or soon to be graduated) PhD students follows a very streamlined process. In the last year of the PhD (typically before graduation) all PhD candidates from good universities submit their applications. The deadline for applications is around Thanksgiving (the main driver of this process are universities in the US). The application has three main pieces: it contains a job market paper – the larger part of the doctoral thesis – the CV and (typically three) confidential letters of recommendation. The letters of recommendation are sent directly from the supervisors and must by no means be seen by the candidates. As a result, the letters are very honest (and sometimes even brutal).

A delegation from the Luxembourg School of Finance (LSF), led by Ulf von Lilienfeld-Toal, Research Director and Associate Professor, participated in this market to fill two post-doc positions for the first time on the hiring side and we also participated in this process on the to-be-hired side.

This year, LSF processed roughly 150 applications and the bulk of applications came through the standard job market process described above. This was unexpected since LSF cannot yet offer standard tenure-track positions. From these 150 applications, roughly 35 candidates were invited to be interviewed. The first round of interviews typically takes place during the ASSA meetings (the annual meeting of the American Finance Association and the American Economic Association) which this year were held in Boston, from June 3



ELEFThERIA NEFRAMI
Professor

“It is an advantage for a European law specialist to be geographically close to the Court of Justice of the European Union and to participate in scientific events with its members.”

I joined the University of Luxembourg (UL) in June 2012. As a European law specialist, I appreciate being part of a multicultural, dynamic and competent team, at a university that promotes the European idea by its location and its composition. It is an advantage for a European law specialist to be geographically close to the Court of Justice of the European Union and to participate in scientific events with its members.

My research interests concern the field of European Union law and particularly the questions of general European law and theory of integration, interaction of legal orders (national and European), European litigation and external action of the European Union.

My research priorities for the next years concern three main topics: - the external action of the European Union; - the relationship between the European and the national legal order from the perspective of the national judge; - internal market principles and status of the individual.

My research activities contribute to the reinforcement of the University's European identity and correspond to the objective of the UL to become a model and to develop a privileged partnership with the European institutions and other European stakeholders. My research provides room for attractive scientific events bringing together the academic community, practitioners and decision makers.

to 5, 2015. About 30 face-to-face interviews took place during this event, and for promising candidates who did not attend the ASSA meetings in Boston, 30-minute Skype interviews were organised.

Around 10 candidates were then shortlisted. These candidates were invited to come to Luxembourg, give a 1.5 hour presentation of their job market paper and spend the rest of the day meeting LSF faculty and post-docs.

This process serves two sides: the LSF gets to know the applicants well and can make informed hiring decisions. At the same time, candidates get to know the LSF.

From an LSF point of view, the success was outstanding due to the immense effort of every single LSF member. The LSF hired (i) a post-doc with a PhD from Harvard University and (ii) a post-doc from Ecole Polytechnique with a PhD degree from ESSEC (France)/Tilburg (Netherlands) and a visiting scholarship to Columbia University. Furthermore, our PhD student participating in the international job market accepted a tenure-track Assistant Professor position at WHU Koblenz (and declined positions at the National University of Singapore and a UK university).

In general, it can be said that the outcome of the job market process is very efficient. LSF once again produced a good example on how efficiently the job market matches positions and candidates. Students are happy with the jobs they found while universities are happy with the students (and now colleagues) they managed to hire. And one day – hopefully – LSF will not only follow the streamlined process of junior academic hires in the academic world but also offer an appropriate position, namely a tenure-track position.

■ 2.5. High level invited speakers

Andrei Simonov, Associate Professor of Finance at Michigan State University (USA), gave a presentation on 'Downside Risk Timing by Mutual Funds' on May 6, 2015.

Cameron Kerry, former US Secretary of Commerce and currently Senior Counsel at Sidley Austin LLP (USA), gave a presentation on 'US Perspectives on Current Data Protection and Privacy Discussions' on January 27, 2015.

Dong Lou, Assistant Professor at the London School of Economics (UK), gave a presentation on 'A Tug of War: Overnight versus Intraday Expected Returns' on March 5, 2015.

Gilles Chemla, Professor of Finance at Imperial College London (UK), gave a presentation on 'Familiarity Breeds Alternative Investment: Evidence from Corporate Defined-Benefit Pension Plans' on April 2, 2015.

Kai Konrad, Professor and Director of the Department of Public Economics, Max Planck Institute, Munich (Germany) joined Prof. Robin Boadway at the conference on 'Tax Competition and Public Policy' on May 28, 2015.

Kevin Aretz, Senior Lecturer in Finance at Manchester Business School (UK), gave a presentation on 'Capacity Choice, Momentum, and Long-term Reversals' on February 25, 2015.

Martin Hellwig, Professor at the Max Planck Institute (Germany), was invited as keynote speaker of the Public Economy Theory 2015 (PET 2015) event, in July 2015.

Peter Malanczuk, Professor Dr. of Law at the Peking University School of Transnational Law (China), gave a presentation on 'Satellite ownership and transfer restrictions under WTO Rules' on June 5, 2015.

Peter Reuter, Professor at the School of Public Policy and the Department of Criminology at the University of Maryland (USA), gave a presentation on 'Can the current anti money laundering system defend itself?' during the conference 'Chasing criminal money in the EU: new tools and practices' on June 15, 2015.

Philippe Aghion, Robert C. Waggoner Professor of Economics, Harvard University (USA), gave a lecture on 'Growth and The Smart State: Implications for Growth Policy in Europe' on January 14, 2014.

Redouane Elkamhi, Assistant Professor of Finance at Rotman School of Management, University of Toronto (Canada), gave a presentation on 'Bank Skin in the Game and Loan Contract Design: Evidence from Covenant-Lite Loans' on September 25, 2014.

Rick Tumlinson, Chairman of Deep Space Industries (USA), gave a presentation on 'God and the Rockets' on March 19, 2015.

Robin Boadway, Emeritus Professor of Economics, Queen's University, Kingston, Ontario (Canada), was invited to discuss 'Tax Competition and Public Policy' on May 28, 2014. He also was keynote speaker of the PET 2015, the 16th annual conference of the Association for Public Theory, in July 2015.

Roger Myerson, Glen A. Lloyd Distinguished Service Professor of Economics at the University of Chicago (USA) and Nobel laureate, was the third high level invited speaker of the PET 2015 event.

Stefano Lovo, Professor at HEC Paris (France), gave a presentation on 'Unique Durable Assets' on November 6, 2014.

2.6. Nominations and awards

Katrin Hussinger, Professor for Innovation and Entrepreneurship at the Centre for Research in Economics and Management, was joint winner of the Jürgen Hauschildt Award 2014, along with Prof. Christophe Grimpe of the Copenhagen Business School, for their collaborative work entitled 'Resource Complementarity and Value Capture in Firm Acquisitions: The Role of Intellectual Property Rights', which was published in the Strategic Management Journal.

Charlène Herbain, Doctor in Law of the University of Luxembourg and of the University Paris 1 Panthéon-Sorbonne, received the First Class Honours of the jury of the 2015 Maurice Lauré Prize.

Christian C.P. Wolff, Director of the Luxembourg School of Finance and Professor of Finance at the Faculty of Law, Economics and Finance at the University of Luxembourg, won the Best Paper Prize at the annual conference of the Eurasia Business and Economics Society in Istanbul, on May 28, 2015. The prize was awarded for the study 'Euro at Risk : The Impact of Member Countries' Credit Risk on the Stability of the Common Currency' and is shared with Thorsten Lehnert, Xisong Jin, Lamai Bekkour and Fanou Rasmouki, all of the LSF.

Valentina Covolo received the 2015 Rolf Tarrach Prize, awarded by the association "Amis de l'Université du Luxembourg". This annual prize recompenses the best PhD thesis from the University of Luxembourg.



3. PARTICIPATING IN EU CONSOLIDATION

■ 3.1. Population Ageing: an Exploration of its Effect on Economic Performance and Culture

This project focuses on two aspects of population ageing. First, it studies its effect on economic growth. Second, it explores a novel aspect of ageing, namely its effect on innovative activity and cultural attitudes towards innovation. Population ageing is a worldwide empirical phenomenon. Over the next 50 years, the median age of the global population will rise to 36.2 years; the old-age dependency ratio for Europe will be close to $\frac{1}{2}$ in 2050, implying significant changes in workforce age distribution.

Thus, a comprehensive understanding of the channels through which ageing affects societies is critical. To achieve this, the research team of the project intends to perform the three following tasks.

(i) A theoretical investigation of the effect of an increase in the old-age dependency ratio on the type of technical change.

(ii) A theoretical investigation of the effect of workforce age distribution on economic outcomes through its effect on technology adoption.

(iii) An empirical exploration of the effect of ageing on innovation and on cultural attitudes towards novel ideas and innovative activity. In a nutshell, do old societies think old or new ideas?

The analysis will derive a set of theoretical predictions and empirical results, suggestive of policies needed to address the issue of ageing. Unlike existing work, the proposed research includes both economic and cultural aspects of population ageing. This research agenda is novel and gives rise to a new literature on the cultural aspects of ageing.

The co-supervisors of this project are Andreas Irmen and Gautam Tripathi, both professors at CREA.

■ 3.2. On the costs of knowledge privatisation

Patent systems are supposed to spur incentives to innovate (i) by granting inventors temporary monopoly rights that allow them to recoup their research and development (R&D) investment and (ii) by facilitating follow-up inventions by making information about technical inventions available to the public. In other words, patents make technical information available to society at the cost of “privatisation” of this knowledge. Knowledge freely available to the public, as for instance through scientific publications, has been shown to be essential for corporate innovation and productivity growth. The privatisation of knowledge can, therefore, hamper innovation and technological progress.

This project makes use of a natural experiment to investigate the effects of knowledge privatisation. It is in general hard to examine the effects of patent systems because virtually all industrialised economies have patent systems in place so that a counterfactual situation, i.e. what an economy would look like without patents, is missing as a required benchmark for policy evaluation. This project will make use of the introduction of software patents in the US in the mid-1990s as an event that allows identifying effects of the establishment of patent rights.

This project, first, investigates the extent to which the introduction of software patents led to a privatisation of knowledge. In other words, the switch from publications in academic journals and proceedings to patents by individual software engineers will be scrutinised. In the next steps, implications of knowledge privatisation for corporate productivity and industry concentration of R&D will be investigated. Since the introduction of US software patents coincided with the internet, revolution control samples from Europe will be used. Europe did not experience an introduction of software patents in the 1990s so that the comparison allows to separate patent regulation induced effects from macroeconomic shocks. The project was led by Prof. Katrin Hussinger.

■ 3.3. Research Network on EU Administrative Law

Set up in 2009 by Prof. Herwig C.H. Hofmann of the University of Luxembourg, Prof. Jens-Peter Schneider of the University of Freiburg and Prof. Jacques Ziller of the University of Pavia, the Research Network on EU Administrative Law (ReNEUAL) in September 2014 published its report containing a set of draft Model Rules on EU Administrative Law, which have since gained wide recognition in the field.

The ReNEUAL Model Rules for EU Administrative Law and the accompanying commentary contain a wide-ranging and innovative set of considerations on possibilities of improving rule-making and decision-making by executive powers in Europe. They are oriented towards developing an understanding of EU public law as a field which ensures that the constitutional values of the Union are present and complied with in all instances of exercise of public authority. They aim at contributing to the development of a legal framework for implementation of EU law by non-legislative means through a set of accessible, functional and transparent rules which make visible rights and duties of individuals and administrations alike.

Among the many innovative features of the ReNEUAL project started and conducted by Prof. Hofmann of the Faculty of Law, Economics and Finance, is the treatment of the increasingly composite administration in Europe, in which one procedure often has input from various regulatory levels and actors. This was achieved inter alia by including two parts on cooperation and information management. Other parts of the Model Rules cover the important areas of non-legislative rule-making procedures, single case decision-making and public contracts.

Despite their brief existence, the ReNEUAL results have made their way from their



KATRIN HUSSINGER
Professor

“The University of Luxembourg offers a highly desirable research environment featuring advantageous funding opportunities and a lot of freedom for research.”

I joined the University of Luxembourg in March 2013, after working at Maastricht University in the Netherlands and having received a PhD from the Catholic University of Leuven in Belgium.

The University of Luxembourg offers a highly desirable research environment featuring advantageous funding opportunities and a lot of freedom for research. Having been founded in 2003, joining such a young university allows researchers to realise visions and ideas of their own, benefitting from an increased degree of flexibility and proactivity vis-a-vis the more mature institutes.

My research interests mainly regard the fields of innovation and entrepreneurship. With a background in economics and management, I specifically focus on innovation policy, the strategic behaviour of companies and its impact on innovation as well as corporate entrepreneurship and start-up activities.

Understanding the microeconomic underlying, such as the reactions of companies and individuals to incentives provided by institutional frames and the emergence of unintended behaviour through existing rules, is an essential part of formulating sensible economic policies.

academic origin to practice. After an invitation to present the results of the project to the European Parliament's JURI Committee, the European Parliament decided to embark on preparing a draft EU legislative act addressing in a first approach some of the key elements of the Model Rules. Prof. Hofmann currently acts as an advisor to the European Parliament in these procedures.

The European Ombudsman has also announced to review activities of the European Central Bank against this set of rules. Other agencies of the EU are to follow. The Model Rules have also found an echo in the European Commission's Better Regulation package of May 2015 on procedures for participation in executive rule-making. The influence of the ReNEUAL Model Rules has also extended to national legislation. For example, on the basis of his work with the ReNEUAL network Prof. Hofmann was named member of an advisory committee to the French prime minister's office's legislative service advising on the French procedure.

Therefore, by popular demand, an English edition of the ReNEUAL Model Rules is being published with Oxford University Press. They have also been translated and published in Spanish, Italian, Polish, French and German with well-known publishers in the respective countries. A Romanian version is in preparation.

The overwhelming reaction to the work of ReNEUAL is particularly rewarding since, at the beginning, much of the plans were criticised as impossibly ambitious and not realistically feasible. Nonetheless, support for the research elements was secured by a great number of research institutions and universities including Luxembourg's Fonds National de la Recherche, which co-sponsored some of the research work in cooperation with the German research fund DFG.

3.4. FDEF as a powerhouse for Innovative research in criminal justice

The Criminal Law Group of the University of Luxembourg's Faculty of Law, Economics and Finance aims at strengthening knowledge in criminal law, criminal procedure and fundamental rights. The Group participates in the EU debate and takes part in the most relevant EU and international research organisations and networks. Moreover, it has been active in increasing the visibility of the University of Luxembourg both by organising events open to international participation and by applying for external funding with successful results.

During the academic year 2014-2015, Prof. Katalin Ligeti inter alia organised two international conferences. The first one was organised in the framework of the Challenges in the Field of Economic and Financial Crime in Europe (CAEF) project. This project aims at examining how various criminal justice systems in the EU and the US deal with contemporary challenges in the field of economic and financial crime. As various speakers highlighted during the event, there is a need for a clear legal framework for EU and international cooperation. The second conference was organised in the framework of the ASREC project, which deals with analysis of obstacles to efficient asset recovery in the EU. The title of the conference was 'Chasing criminal money in the EU: new tools and practices?'. The aim was to generate discussion with academics and practitioners from different EU and non-EU countries. Both conferences succeeded in attracting more than 100 participants each, from Luxembourg and abroad.

During the same academic year, Prof. Silvia Allegranza was inter alia exceptionally successful in obtaining prestigious external funding for three new research projects. In particular, concerning the research project Effective Defense Rights in Criminal Proceedings:



MARK COLE
Professor

*“Being here now
for eight years I
can see my original
expectations matched
and surpassed.”*

When I joined the Research Unit in Law in spring 2007 both the Faculty and University as a whole were still in their very early building stage but growing rapidly. Being here now for eight years I can see my original expectations matched and surpassed: to be offered a research-oriented professorship that focuses fully on ICT law, media law and issues connected to it, which was and still is an innovative focus looking around in Europe.

I research all aspects of law that are connected to media activities both from a user as well as a “producer” perspective. This means my research covers related fields such as intellectual property and data protection law as well as fundamental rights issues combined with communication processes. My legal research is completed by more technically oriented questions through our University’s interdisciplinary centre SnT.

I always attempt to look at ICT/media problems in combination with more general EU law principles and problems. One of my main projects of the past (and future years) concerns the EU Audiovisual Media Services Directive, for which we have prepared a comparative commentary showing similarities and differences between national implementations and applications of EU law. The idea of this is to identify best practice models which can serve as role models for future steps in EU integration.

A European and Comparative Study on Judicial Remedies (JURECRIPRO), the University of Luxembourg was the only academic institution, among consultancies and NGOs, selected by the European Commission's Directorate General Justice & Consumers for funding.

Finally, during the academic year 2014-2015, the kick-off meetings of two new externally-funded research projects took place successfully, with the participation of several experts, practitioners and representatives of the EU institutions, thus contributing to the reputation of the FDEF as a powerhouse for innovative research in criminal justice. These were the kick-off meetings of the project Prevention and Settlement of Conflicts of Exercise of Jurisdiction in Criminal Law (CJCL), led by Prof. Katalin Ligeti, and of the project "The Enforcement Dimension of the European Banking Union Regulations (EUBAR)", led by Prof. Silvia Allegrezza.

■ 3.5. SMEs, crucial but complex players of the European economy

Small and medium-sized enterprises (SMEs) play a crucial role in the European economy. They represent more than 99% of all businesses in the European Union and provide two thirds of private sector jobs. Despite their importance they have not yet been fully explored in academia due to lack of appropriate data and the complexity of their nature. SMEs are typically financed by private instead of public sources, mainly debt financing from banks. This makes these firms informationally opaque.

The research project 'Benchmarking European SME Credit Performance', funded under a three-year grant (2011-2014) of the EIB University Research Sponsorship Programme (EIBURS), focused on analysing key credit performance indicators of SMEs. Identifying the determinants of corporate credit performance and measuring it correctly is of crucial importance for banks,

investors and policy makers. The FDEF team's work focused on the aspect of default risk in particular. It explored default risk in private firms, listed firms and companies that are in the transition phase between private and public ownership (IPOs). The work contributes to the existing literature by (i) uncovering regional corporate default risk vulnerabilities, (ii) explaining the observed anomalous pricing of default risk in the stock market and (iii) exploring the impact of alternative investment funds such as private equity and venture capital on the default risk of their portfolio companies.

The first paper under the project – 'Forecasting Distress in European SME Portfolios' – explores the performance of distress prediction hazard models for non-financial SMEs using a dataset from eight European countries over the ten-year period 2000-2009.

The second paper – 'Pricing Default Risk: The Good, The Bad, and the Anomaly' – sheds more light on the recent contradictory literature that explores the relation between default risk and stock returns.

The third paper – 'Are Private Equity Backed Initial Public Offerings Any Different? Timing, Information Asymmetry and Post-IPO Survival' – studies the role of both Buyout (BO) and Venture Capital (VC) sponsors, with the IPO market a setting of high information asymmetry.

The work is of high importance and relevance for the European SME market and its major financing actor, the EIB, in particular. The EIB Group is strongly active in the areas of SME lending, guarantees and credit enhancement as well as in SME equity investing in the form of private equity and venture capital. The research work not only touches upon the above mentioned areas, but delivers important findings and policy implications for the European SME funding environment in general. The main researchers involved in the programme were Dimitra Michala, Sara Ferreira Filipe and Prof. Theoharry Grammatikos.



THEOHARRY GRAMMATIKOS
Professor

“Working for the University of Luxembourg you have the feeling that you contribute directly to the creation of an educational center of excellence.”

I joined the University in September 2009. The country offers a very rich and varied international environment. Working for the University of Luxembourg you have the feeling that you contribute directly to the creation of an educational centre of excellence. The Luxembourg School of Finance finds itself at the centre of a vibrant finance industry, one of the main pillars of the Luxembourg economy.

My research interests span a number of areas. A major topic has to do with the unfolding euro crisis. I notably examine how the news about the various acts of the crisis have affected capital markets. Another topic I study is credit risk, particularly for small and medium-sized enterprises (SMEs). I also investigate various aspects in banking.

My research activity has a number of implications for EU integration. Just to give some examples, the study of the unfolding euro crisis transmission mechanism generates reflections on how an integrated EU can “protect” itself from future economic calamities. Further, SMEs account for more than 90% of employment in Europe and yet this engine of growth is severely hampered by the credit squeeze following the crisis. I also investigate the identification of systemic banks, methods for measuring their safety and soundness, and techniques for assuring that their reporting standards are not subject to manipulation.



4. WORKING WITH AND FOR THE LUXEMBOURG ECONOMY AND SOCIETY

4.1. A strong relationship with Luxembourg partners

PRIVILEGED PARTNERSHIP

Luxembourg Chamber of Commerce

Following on from the success of the establishment of the Luxembourg Business Academy asbl and the foundation of the Master in Entrepreneurship and Innovation, the Luxembourg Chamber of Commerce and the University of Luxembourg signed a four-year privileged partnership programme in 2014. The partnership is aimed at further developing Business Education within the University of Luxembourg based on research and development, educational programmes, knowledge transfer and exchange, and internships. The Chamber of Commerce and



the Faculty of Law, Economics and Finance are both committed to enhancing student experience on existing programmes, supporting academic and professional exchange, as well as supporting research and teaching in Business Education, especially in the areas of entrepreneurship and innovation, business administration, accounting and audit, and other topics related to Luxembourg's economic attractiveness. The Luxembourg Chamber of Commerce was first founded in 1841 and continues to defend the business interests of its members today.

CHAIRS FUNDED BY THIRD PARTIES



ADA Chair

Specialised in inclusive finance, Luxembourg non-governmental organisation ADA in 2014 signed a memorandum of understanding with the Faculty of Law, Economics and Finance to fund the ADA Chair in Financial Law (Inclusive Finance). The Chair will contribute to teaching and research activities in the field of inclusive finance, with a view to giving the University of Luxembourg international visibility in this area. Annual conferences, publications and the launch of executive programmes in financial law relating to inclusive finance also form part of the cooperation. ADA stands under the patronage of Her Royal Highness the Grand Duchess Maria Teresa of Luxembourg, providing a range of sustainable banking products and financial services to poor populations, helping them finance their activities, save money, provide for their families and protect themselves from everyday life risks.



Atoz Chair

Advisory company ATOZ and the Faculty of Law, Economics and Finance in July 2009 signed an agreement for the creation of a Chair for European and International Taxation. The ATOZ Chair aims to provide high quality teaching and research in the areas of international and European tax law, as well as connecting the Faculty with some of the challenges the Luxembourg economy is facing. Prof. Werner Haslehner in June 2015 was appointed the second ATOZ Chair, succeeding Prof. Alexander Rust. ATOZ is an independent Luxembourg-based advisory company offering a range of tax and corporate implementation services in sectors ranging from, but not limited to, private equity and real estate, venture capital, and consumer goods and services.



Deutsche Bank

Deutsche Bank Chair

Deutsche Bank Luxembourg S.A. in September 2010 announced that it would fund the Deutsche Bank Chair at the Faculty of Law, Economics and Finance, in celebration of its 40-year anniversary in the country. Based at the Luxembourg School of Finance (LSF) the Chair specialises in research on banking and finance that finds application in the Luxembourg banking sector. Prof. Rajnish Mehra, world-renowned in the field of financial economics, in 2012 was appointed Deutsche Bank Chair of Finance. Deutsche Bank was the first German financial institution to arrive at the growing Luxembourg financial centre in 1970 and remains one of the country's top banks today, offering services in areas as varied as private wealth management, international loans and agency services, treasury and global markets, and corporate services.



SES Chair

In 2010, the University of Luxembourg and global satellite operator SES S.A. entered into a partnership with the aim of developing Luxembourg as a centre of excellence and innovation for advanced Information Communications Technology in satellite systems. Prof. Mahulena Hofmann in September 2011 was appointed SES Chair in Satellite Communications and Media Law at the Faculty of Law, Economics and Finance, which forms a key part of this collaboration, contributing to existing media law research by integrating space law and global telecommunications issues. Additionally, the Chair works with the University's Interdisciplinary Centre for Security, Reliability and Trust (SnT). SES S.A. with its network of 54 geostationary satellites, teleports and offices around the globe, reaches around 99% of the world's population, providing solutions to broadcast, telecom, corporate and government customers worldwide.

PRIVATE PARTNERSHIP

C L I F F O R D C H A N C E

Clifford Chance

The Luxembourg branch of multinational law firm Clifford Chance supports the Faculty of Law, Economics and Finance through a generous annual contribution to finance the FDEF's moot court teams. Moot courts allow law students to practice and train their research and advocacy skills by presenting them a hypothetical case, with arguments presented to a panel of judges. Students from the Faculty of Law, Economics and Finance take part in a number of international moot court competitions every year, with great success so far. Clifford Chance opened its Luxembourg office in 2000 and today counts a team of 70 lawyers and eight partners, with particular strengths in the areas of M&A and corporate investment funds, regulatory, capital markets, finance and tax, but also offering services in real estate, employment, litigation and dispute resolution.

INSTITUTIONAL PARTNERSHIPS



European Investment Bank

The European Investment Bank Group (EIB), which also includes the European Investment Fund, and the Faculty of Law, Economics and Finance cooperate in a number of areas, such as internships, teaching and research but also training of EIB staff, publications, and other professional collaborations and joint institutional initiatives. The mutually beneficial partnership helps both the EIB and the FDEF build on each other's expertise and resources, profiting from each other's proximity in the Luxembourg context. Founded in 1958, the EIB works towards implementing EU policy by providing finance and expertise for sound and sustainable investment projects. The European Investment Fund, specialised in SME risk finance, was established in 1994.



Liser

In October 2012, LISER (formerly CEPS/INSTEAD) and the Faculty of Law, Economics and Finance agreed to cooperate on the development of PhD training. In particular, LISER agreed to host and supervise PhD candidates registered at the Faculty's Doctoral School in Economics and Finance. When a PhD candidate is hosted by LISER, LISER's researchers act either as a thesis co-supervisor or as a reference person. Through this joint development of PhD candidates, a wider collaboration of researchers of both institutions is encouraged. LISER is a Luxembourg public research institute under the jurisdiction of the Ministry of Higher Education and Research. Its research focus lies in the field of social and economic policy including the spatial dimension.



MPI Luxembourg

The collaboration between the Max Planck Institute (MPI) and the Faculty of Law, Economics and Finance (FDEF) started in 2012, the year the Institute was established in Luxembourg. The collaboration came naturally as both institutions aim at creating a lively and attractive environment for research and teaching, and more specifically for law. To reach this common goal, MPI and FDEF created links through exchange of expertise and knowledge, and by working together on research projects and teaching. Among other activities, they work together on supporting young academics in law to help foster the next generation of researchers.



Private Banking Group Luxembourg

In 2010 the PBGL and the University of Luxembourg started working on a university degree in Wealth Management, and were invaluable in developing a curriculum that is unique in the world as it covers all aspects of the profession. The PBGL supplies mentors, instructors, internship and job opportunities. The PBGL and several constituent banks have offered scholarships and prizes. Their continuing support has been crucial to the success of the Master in Wealth Management developed by the Faculty of Law, Economics and Finance. The Private Banking Group Luxembourg (PBGL) is a group within the Luxembourg Bankers' Association. Its purpose lies in defending and fostering the professional interests of its members, mostly private banks. One of its key objectives is to develop professionalism in the field of private banking through training, best practice transfer and ethical standards for the profession.

STATEC

Institut national de la statistique
et des études économiques

STATEC

The cooperation agreement signed in December 2012 between STATEC and the Faculty of Law, Economics and Finance has the objective of promoting research studies related to the Luxembourg economy and its specificities. In particular, both parties agreed on cooperating on the training, hosting and supervision of PhD candidates. PhD candidates at the Faculty's Doctoral School in Economics and Finance can be hosted by STATEC, with STATEC's researchers acting either as a thesis co-supervisor or as a reference person. STATEC is the National Institute for Statistic and Economic Studies of Luxembourg. It coordinates the statistic system of Luxembourg. STATEC aims at producing statistical data, analysis and studies giving a detailed, reliable and objective picture of Luxembourg society.



4.2. How can high-quality statutory auditing of financial statements be assured?

In only a few of the recent major corporate failures have audit reports provided clues that major asset write-downs would be necessary. One course of action is to revise existing legal regulations and auditing standards and establish new ones to improve auditing quality. Another is to implement and improve oversight systems over statutory auditors to ensure that audits are conducted in accordance with professional, regulatory and legal requirements. This research project assesses current developments in establishing profession-independent auditor oversight systems. The overall aim is to explore the origins of and reasons for the diversity of current, profession-near oversight systems, despite the fact that all countries encounter similar pressure to establish public (i.e. profession-independent) oversight systems. Finally, an evaluation will be made of the characteristics of an oversight system that would best meet the public's expectations and enhance confidence in the capital markets.

4.3. International Migration Policy and Law Analysis Database (IMPALA)

On January 1, 2015 statistics showed 563.000 inhabitants for Luxembourg with 45.94% foreigners (6.48% of the total population came from outside Europe and 39.46% were foreign European citizens). The migrants fully take part in society and the European and national migration policies are making sense.

The Luxembourg government adopted a variety of approaches to regulate immigration after 1972 (the first real policies after the Second World War to regulate immigration) and then again in 2008, to be more suitable for day-to-day immigration life and the needs of private companies, but also to be compliant with European regulation, and continues to make adjustments to these policies frequently. But currently there is no database on Luxembourg immigration laws and policies and even less cross-nationally comparable data on immigration laws and policies and how they have changed over time. This is a major problem for ongoing

**GEORGES RAVARANI**

Honorary Professor
Judge at the European Court of Human Rights

“I was strongly convinced that a country must generate its own knowledge.”

I supported the creation of a university in Luxembourg a long time before its actual establishment as I was strongly convinced that a country must generate its own knowledge. It makes even more sense when talking about the national legal system, which can be considered by its nature as a “national” topic. It is true that Luxembourg law is largely inspired by foreign sources but it also presents many specific aspects. As the scientific study of case law is essential to the development of a national legal system and as judges have to be able to rely on doctrinal critic of their judgments, the establishment of a faculty of law in Luxembourg was of paramount importance for the quality of Luxembourg law in general and case law in particular.

As a Luxembourg citizen, but also as an administrative and constitutional judge, I am in close contact with other judges, practitioner lawyers and representatives of different ministries. This enables me to be a link between the academic world and the Luxembourg legal society. Without neglecting the scientific aspects, I try to focus my teaching on practical aspects of law.

research on the determinants and impacts of immigration policies.

The IMPALA project is aimed at addressing this problem by compiling and analysing comparable data on immigration laws and policies in 26 major recipient countries from 1960 until the present, with annual updates to follow.

The Luxembourg government (and governments in general) give different meanings to basic concepts such as citizenship and residency. For instance, they adopt different criteria for granting asylum and refugee status, and they place different weights on occupational skills, family reunification, and cultural and ethnic diversity when selecting immigrants. The IMPALA will allow investigating which dimensions of immigration policies make a difference and for a comparative analysis of the effectiveness of immigration policies in their various dimensions across European countries.

The Luxembourg part of the project was financed by the Fond National de la Recherche and it has been carried out in partnership with Harvard University, the University of Amsterdam, the University of Sydney and the London School of Economics. Prof. Michel Beine, head of the Centre for Research in Economics and Management (CREA), led this project for the University of Luxembourg.

4.4. Best Master Thesis in Economics and Finance 2014 awarded by the Economist Club Luxembourg

In 2014, Ms. Ni Zhen (see Focus on) was awarded best Master Thesis and Ms. Sigita Senulyte

received an Honourable Mention for her Master thesis. The students were recompensed €2,000 and €1,000 for their brilliant work, respectively. The jury, composed of representatives of both CREA and the Economist Club Luxembourg (ECL), attributed the prizes following criteria based upon quality of research and relevance to Luxembourg economic and financial issues.

The ECL was founded in 1998. Since its inception, the ECL's mission is to promote a space for discussion between economists, offering them the opportunity to forge links of collegiality and solidarity. The Economist Club Luxembourg is Luxembourg's association of more than 330 professional economists, which organises, on a monthly basis, conferences with guest speakers from the various domains of the Luxembourg economy. On the basis of the Prize for the best Master Thesis on Economics and Finance as well as the Honourable Mention, the ECL aims at motivating and encouraging young people to invest their time and energy in understanding economic and financial issues, thus contributing to pushing the frontier of knowledge further, and at recognising their efforts and achievements in this field. "The participation of the Economist Club Luxembourg in the graduation ceremony will further strengthen our good cooperation with the University of Luxembourg", underlines Daniel Becker, President of the Economist Club Luxembourg.

"With this prize, we aim to show our support for this initiative as it will contribute to the development of high quality research in economics in Luxembourg. The prize, generously awarded by the ECL, reflects a long-lasting and fruitful collaboration between our two organisations. The CREA hopes this



JULIAN PRESBER

Coordinator - Relations with the Financial Centre

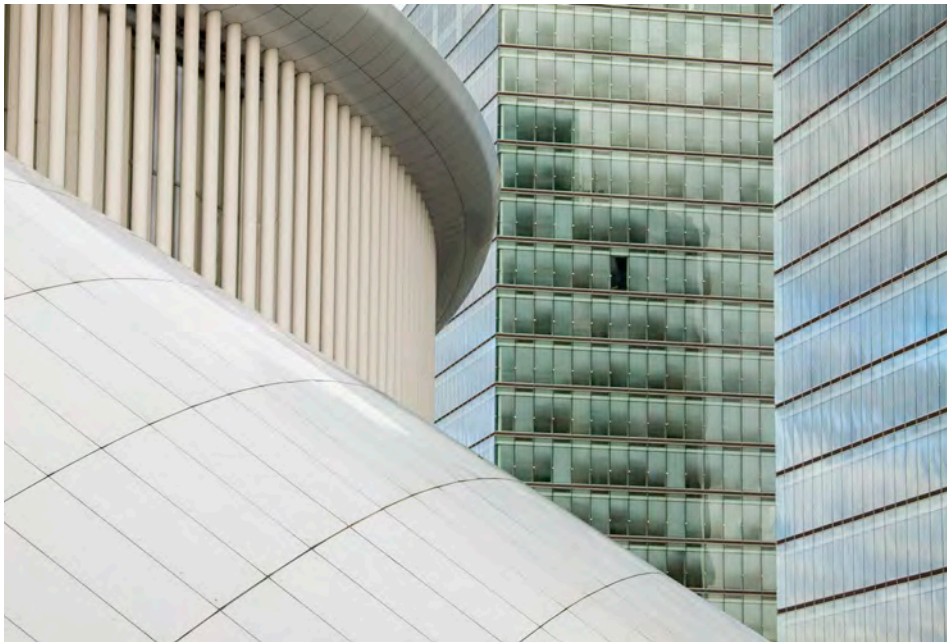
“The next challenge will be to attract more students from the Greater Region, in order to build local highly qualified students in finance.”

I have worked in the financial sector for more than two decades. In 2009, I joined the University of Luxembourg with a view of contributing to the growth of FDEF, in particular by widening and deepening the relationship with the financial sector.

My main role is to build partnerships, formal or even informal, with the financial sector, taking into account its diversity. Each player is different and it is my role to ensure that the Faculty answers best to each individual need. And it seems to be successful, as the awareness about the Faculty is growing, with the direct consequence that more companies are involved in the Faculty's activities for the financial side.

The partnership with the financial sector is taking different aspects, including the sponsorship of their employees to participate in Master programmes, sponsoring of research project, donations to the School of Finance Foundation, participation as lecturer in some Master programmes, etc.

Nowadays, students in finance from the Greater Region represent a minority at the Faculty. The next challenge will be to attract more students from the Greater Region, in order to build local highly qualified students in finance.



will encourage students to pursue a research career in economics and management”, explains Michel Beine, head of the Centre for Research in Economics and Management (CREA).

■ 4.5. Informing about Luxembourg social and political matters

Luc Heuschling, Professor of Constitutional Law at FDEF since 2011, firmly believes that the University of Luxembourg is also a university for Luxembourg. For him, scholars should not only pursue the highest standards of scientific excellence but should also engage in social and political debates, even when the topics are controversial. In the tradition of Max Weber's epistemology, one of the most important roles of a scientist is to shed light on public issues by clarifying the presuppositions, internal logic and potential consequences (whether positive or negative) of the difficult decisions to be taken. Thus, Prof. Heuschling published, over the last few years, innovative and in-depth analyses of Luxembourgish Constitutional Law (in 2013,

a book, supported by the FNR, on the voting rights of the Grand-Duke and the members of his family; in 2014, a 70-page article on dissolutions of Parliament and Customary Constitutional Law in Luxembourg in reaction to controversial statements made by the Council of State; and, in 2015, a 50-page paper on the sensitive issue of the legal value of referenda, which, to that point, had been a blind spot in Luxembourg Constitutional Law scholarship).

He also tried to disseminate this new scientific knowledge as widely as possible, using various means (e.g. interviews and articles in the media, academic conferences and talks targeting the general public). Furthermore, he continues to follow the ongoing total reform of the Constitution. His article, published on October 31, 2014 in the *Lëtzebuerger Land* newspaper entitled 'Abrogation, ou vers un nouvel objet juridique non identifié: l'Etat à deux Constitutions', had a major impact on such reform as it persuaded the parliamentary standing committee in charge of the reform to approve, in 2015, a fundamental change to articles 130 to 132 of the new Constitution's draft.



DENISE E. FLETCHER
Professor

“What appealed to me most of all was being part of a smaller university that had ambitious plans”

I joined the University of Luxembourg in 2011 in order to run a Master's programme in Entrepreneurship & Innovation and to have an active role in shaping the growth of management education. Previously, I worked at the University of Sheffield (UK). What appealed to me most of all was being part of a smaller university that had ambitious plans and where you could have an active role in shaping new initiatives. I also appreciated the multi-cultural environment and strong links to the business sector, e.g. the Luxembourg Chamber of Commerce who is a privileged partner on many projects.

My work starts from the premise that entrepreneurial endeavors begin in relationships. This means seeing entrepreneurial forms of work as relational activities and drawing attention to the relatedness of individuals, identities, discourses, actions and contexts. Furthermore, I examine how relationships, boundaries, roles and resources are co-constructed within entrepreneurial work and how these are legitimised in the production of a new business entity.

Research on entrepreneurship enhances the employability of students; it helps to challenge the dominant perception that entrepreneurial behaviours are present only in special people. Through my research we can see that entrepreneurial forms of work occur in families, sibling partnerships, teams as well as spousal businesses. This means that entrepreneurship is a natural and inherent feature of society. Understanding how entrepreneurship is realised in practice through relationships also helps individuals and organisations to make economic and social assessments about the ways in which their knowledge, skills, resources and productive capacities can be translated into commodities that have market or social value.

Luc Heuschling also made major contributions to the general debate on the referendum of June 7, 2015. In cooperation with Philippe Poirier, head of the Research Chair on Parliamentary Studies, he organised an international and interdisciplinary conference on the rights of foreigners to vote in national parliamentary elections. In addition, he personally arranged a series of public meetings around the country (in Luxembourg City, Dudelange, Ettelbruck, Consdorf and Beckerich) to offer members of the public an opportunity to ask questions about the referendum, as well as giving numerous interviews to national and international media about the various legal facets of the three questions of the referendum.

4.6. The Master in European Banking and Financial Law – an incubator for young talents for the industry

The specialisation European Banking and Financial Law at the University of Luxembourg's Faculty of Law, Economics and Finance covers all theoretical and practical aspects in the field of banking and financial law. European law is taught both as a subject matter (European securities law, European banking law, European investment funds law and European company law) but also on a comparative basis. The programme includes lectures on banking and securities law of several European jurisdictions. With an option to further specialise in Collective Investment Schemes (CIS) during the last semester, students can enhance their knowledge of all legal aspects of investment funds law - Undertakings for Collective Investments in Transferable Securities (UCITS) and different types of Alternative

Investment Funds (AIF). With no other university offering legal training in CIS law of comparable depth, the features of this programme are unique in Europe.

The proximity of the EU institutions and Luxembourg's role as the leading financial centre for investment funds in Europe make the Faculty of Law, Economics and Finance an ideal place for gaining expertise in banking and financial law. The programme benefits from the support of prestigious private and public partners at European and national level: the European Investment Bank, the European Investment Fund, the Ministry of Finance, the Luxembourg Central Bank, the Securities Regulatory Commission and the insurance regulator, the Luxembourg Bankers' Association (ABBL), the Association of Luxembourg Compliance Officers (ALCO), the Luxembourg Bankers' Association, Arendt & Medernach, Bonn & Schmitt, Bonn Steichen & Partners, Elvinger Hoss & Prussen, and Linklaters.

Moreover, a large number of lectures and seminars are delivered by the very best in their respective fields (academics and first-rate practitioners from law firms, banks and consultancies) chosen for their individual expertise, which allow students to directly make the link between theory and real-life practice.

Carefully selected, the students of the Master programme are multilingual, adaptable and dynamic. With its unique practical orientation and its case-based learning, this Master prepares its students to start their legal careers and promises future employers valuable, competent and skilled graduates as trainees or employees.

4.7. When econometrics meets art

Current empirical research at the Faculty of Law, Economics and Finance's Luxembourg School of Finance evaluates whether investing in art might be a serious alternative to current standard asset classes such as equities and bonds.

It appears that art markets are booming. Investing and trading in art has risen sharply over the last years. Both the total turnover and the number of lots sold have more than doubled over the period 1990 to 2008. Moreover, record prices for individual paintings have been achieved in recent years. Parallel to this development, private banks seem to show an increased interest in investing in art as well. Knowing that Luxembourg represents the largest private banking centre in the eurozone with 300 billion euros, it is easy to see how important this topic is for the Luxembourg economy.

However, in comparison with financial assets, art appears to be an unattractive investment. Investing in art is associated with high levels of risk caused by incorrect attribution, fakes, forgery, theft and physical damage. Furthermore, it is related to high expenditures like transaction, auction, insurance, maintenance and restoration costs. In addition, it is a heterogeneous and illiquid good, which is sold on a highly subjective, segmented and almost monopolistic market that pays no dividends. Financial assets, on the other hand, are (more) homogeneous and are characterised by being sold on numerous, more diverse and highly liquid markets. Besides, they can be selected through a relatively small number of objective criteria, have lower transaction costs and do usually pay out dividends.

The question remains how we can assess whether investing in art is a reasonable alternative. The current research at the Faculty of Law, Economics and Finance takes a closer look at the risk-return trade-off of investing in art, namely of investing in paintings. For this kind of research we have built different art indices such as the "Old Masters 30", "Contemporary 100", "Chinese Art Index" and the "30 Major German Painters", among others. While the empirical results may vary, our general conclusion is that art investments have a low correlation with the broad financial markets and provide a lower, though positive, average risk-adjusted return. Because of this low but often slightly positive correlation of art with the broad financial markets, investing in art could serve as a useful function in a diversified portfolio, by hedging against financial market risk.

In the paper 'Does it Pay to Invest in Art? A Selection-Corrected Returns Perspective' (Arthur Korteweg – USC Marshall, Patrick Verwijmeren – Erasmus University and Roman Kräussl – University of Luxembourg, 2015), the authors present a new and flexible econometric model of art indices. Broadly, this paper highlights the importance of accounting for sample selection for performance evaluation and portfolio optimisation of illiquid assets with endogenous sales. The methodology developed in this paper should also have important implications for other illiquid asset classes that trade endogenously.



5. FOSTERING NATIONAL AND INTERNATIONAL COOPERATION

■ 5.1. MWM academic module in Singapore

During the last week of September 2014, the first cohort of full-time Master in Wealth Management (MWM) students enjoyed a week of classes and presentations at Singapore Management University (SMU), one of the leading business schools in Asia and particularly renowned for its strength in wealth management.

The module was developed by the SMU academic director of Wealth Management programmes, Prof. Francis Koh, in close collaboration with his Luxembourg counterpart, Prof. Jos van Bommel. The classes offered in Singapore complemented the courses that students had already followed in Luxembourg and deepened their understanding of specific wealth management topics, especially focusing on the Asian market. Courses were taught by SMU professors and industry specialists. The programme included an overview of the Asian market, East-West culture differences, structured products, Asia family business, private equity in Asia, wealth management and the law, trust and estate planning in Asia, client advisory in Asia, wealth management solutions and external asset management.

In addition to courses, students visited one of the largest banks in Singapore and enjoyed a panel discussion with local opinion leaders and decision makers. One of the highlights of the week was the networking event with SMU alumni. Organisers invited SMU alumni and SMU professors to join the Luxembourg delegation for a dinner party during their visit. The SMU returned the favour by hosting a goodbye lunch after the certificate conferment.

The feedback from the students was very positive. They considered the Singapore module as the highlight of the programme. The module was also a success for the further curriculum development of the MWM. Participants learned valuable lessons regarding the organisation and delivery of the different courses. An immediate synergy is that Ms. Anthonia Hui, Chief Executive Officer of the company AL Wealth Partners, met during this Singapore week, was retained to teach a class on client acquisition and relationship management in Luxembourg.

■ 5.2. PET 2015: where leading practitioners and academics met

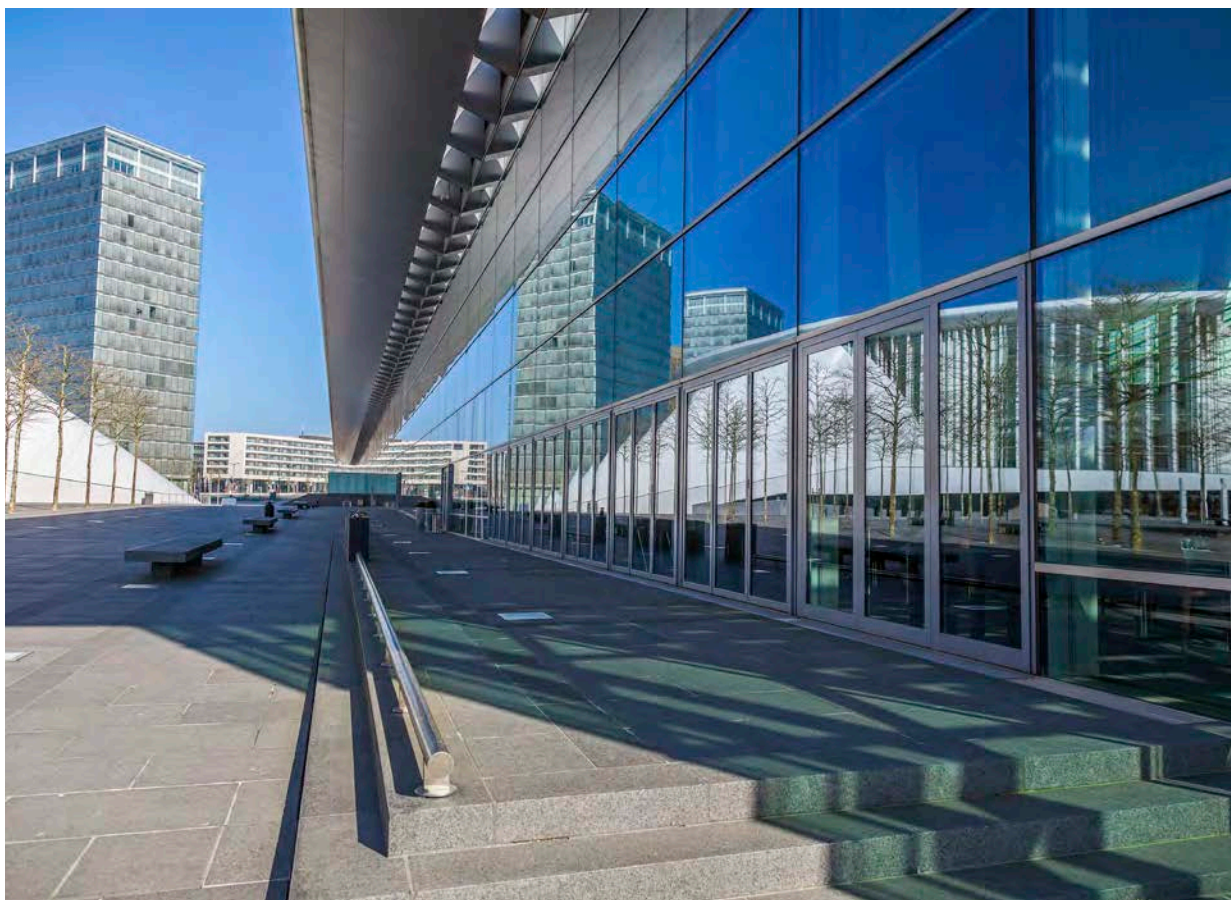
The 16th annual Public Economic Theory (PET 2015) Conference had a particular flavour this year, not only because it was hosted by the Faculty of Law, Economics and Finance's Centre for Research in Economics and Management at the University of Luxembourg, but also because Nobel Prize-winning economist Prof. Roger Myerson participated as one of the keynote speakers. The other two keynote speakers were Prof. Martin Hellwig, Director of the Max Planck Institute for Collective Goods (Germany) and Prof. Robin Boadway, Queens University (Canada).

The main purposes of the Association for Public Economic Theory (APET), the organisation managing the PET conferences, is to promote public economic theory generally and to foster interaction between theorists, applied and empirical researchers in public economics and related fields. Thus, PET 2015 Luxembourg followed the tradition of the Association for Public Economic Theory conferences in encouraging the diffusion of high quality

research in public economics, both applied and theoretical. Papers were especially invited (but not exclusively) in the following broad categories of topics: taxation (including transfers, social security, etc.), local public economics and geographical economics, fiscal federalism, provision of public goods, externalities, political economy, auctions and public markets, regulation of firms, law and economics, environment, health economics, education, normative foundations of public intervention and social choice, income inequalities and macroeconomic policy.

PET 2015 Luxembourg attracted more than 350 scholars from all over the world for the three-day conference, July 2 to 4.

The conference was also the occasion to launch the first edition of the PET Award for an Outstanding Submission by a researcher. The award consisted of \$1,000 and free registration for PET 2016 in Rio de Janeiro.



5.3. Collaboration with the Higher School of Economics of Moscow

Since 2009, the Higher School of Economics – National Research University of Moscow and the University of Luxembourg have been collaborating in the field of law. This year, this cooperation has been enhanced in the area of economics and finance.

One of the main features of the new collaboration foresees student exchanges, with an emphasis on Master's students in the area of economics and finance. A select number of top Russian students will be chosen every year to pursue their second year of study in

Luxembourg and receive a diploma from the UL Master's programme in Economics and Finance. Another element of the collaboration is the possibility for reciprocal research and teaching visits from faculty members and researchers.

For Luxembourg students, studying for a semester in Moscow will be a great bonus to their CV. Being immersed in a competitive and high calibre academic environment, while living in one of the most vibrant and global capitals in the world, will be a unique opportunity.

5.4. Developing cooperation with the universities of Bamako

The new bilateral cooperation agreement Luxembourg – Mali (2015 -2019) foresees the continuation of activities between the University of Luxembourg's Faculty of Law, Economics and Finance on the one hand, and the University of Legal and Political Sciences and the University of Social Sciences and Management in Bamako on the other. The university component for the first time rounds off the Luxembourg cooperation strategy in West Africa, focused on rural development and food security, professional training and insertion, as well as good governance.

Mali, a country of the Sahel with a fragile economy and experiencing strong demographic growth (+3% per year, with half the population under the age of 15), founded its first university in 1996, organised into five universities today. These universities experience structural difficulties in facing the demand of training the Malian youth. Student numbers are overwhelming, for courses that are too general (24,000 in law, 20,000 in social sciences and management) and suffer from a significant lack of highly-qualified teaching staff, as well as understaffed administrative and documentation services. For the benefit of efficiency and impact, our cooperation focuses on support for advanced students and young researchers in law and economics.

Since 2010, a cooperation project is maintained by the University of Luxembourg with the universities of Bamako in law and economics. Every year, a number of professors from the University of Luxembourg travel to Bamako to teach in an economics Master programme and to young researchers in law. Additionally, some researchers from Bamako are invited to Luxembourg. This first experience is

substantially expanded by the Luxembourg cooperation from 2015, in accordance with the principle to strengthen capacity on site, in Africa. Our strategy is also based on "South-South" cooperation, as we have started to build a network of West African partner universities for Bamako. The action plan has been discussed with professors at universities in Senegal (Dakar and Saint-Louis), Burkina Faso (Ouagadougou and Bobo-Dioulasso) and Ivory Coast (Abidjan and Bouaké), who are ready to participate in operations.

Starting 2015, the first action to come out of the partnership is the organisation of annual topical seminars dedicated to young researchers (doctoral candidates), one in law and the other in economics, on specific topics deepening methodological understanding, favouring exchange between doctoral students of different West African universities and enabling contact with experienced professors. An annual colloquium will be organised in Bamako in partnership with other African universities and established networks in order to promote research and development. Additionally, the contribution of documentation resources and econometric software, accompanied by training, will complement the effort undertaken to support advanced teaching in law and economics. In this area, concrete help for the management of libraries will involve training in access portals and electronic documentation resources.

Without lapsing into naïve optimism, our motivation for this type of university cooperation is based on the profound conviction that it represents a contribution, however modest, to the effort of training and the development of sub-Saharan Africa, which will undoubtedly be a major phenomenon in the decades to come.



JOHAN VAN DER WALT
Professor

“I stretch the importance of good research contact with internationally recognised legal and social scientific scholars.”

I joined the University of Luxembourg in 2011. I specialise in General Theory/Philosophy of Law with an emphasis on (i) the theory of constitutional law and (ii) the relation between law and other spheres of culture such as art and literature.

I always stress the importance of maintaining research contact with internationally recognised scholars. Since joining the UL, I have dedicated much time and effort to invite leading scholars like Frank Michelman, Joe Singer (both Harvard University Law School), Dieter Grimm (former Judge of the Federal Constitutional Court of Germany/currently Professor Emeritus of the Humboldt University in Berlin and Yale University), Fritz Scharpf (former Director of the Max Plank Institute for Social Studies in Cologne), Ulrich Preuss (Hertie School of Governance) and André van der Walt (University of Stellenbosch). Future guests already include Martin Loughlin (London School of Economics).

All these scholars are world leaders in their respective fields of expertise. Cultivation and sustenance of good working relations with scholars like these evidently contribute significantly to the scholarly environment in Luxembourg, for the more it becomes known that such eminent scholars have ties with Luxembourg, the more will it become interesting for other scholars of similar calibre to also work with the Faculty.

■ **5.5. Leading International Tax Law
Commentary developed in
cooperation with international team
of experts published in 2015**

Following more than five years of research, an international team of tax academics and practitioners published a 2,000 page strong treatise on international tax law. The team included Prof. Alexander Rust, former holder of the ATOZ Chair for European and International Taxation at the Faculty of Law, Economics and Finance, and Prof. Werner Haslehner, the current ATOZ Chair holder. The book represents an extensively updated and in most parts entirely rewritten new edition of Prof. Klaus Vogel's world-leading commentary, whose latest previous edition was published in 1997.

The research was launched in 2009 by Prof. Alexander Rust in Luxembourg and Prof. Ekkehart Reimer in Heidelberg as a joint project following in the footsteps of their common academic mentor, with the objective to maintain the signature analytical writing style of German legal scholarship while expanding the book's content considerably beyond its original scope. For that purpose, they assembled a team of international tax experts from academia and practice in various European countries to ensure the ability of the team to analyse and implement in the commentary administrative practice and scholarship written in English, German, French, Dutch, Spanish and Portuguese. During the several years of the project's development, frequent physical as well as virtual authors' meetings ensured a coherent approach to the tasks assigned to the different authors. The project aimed to follow the structure of the OECD Model Tax Convention and its closely related "competitor", the UN Model Tax Convention, which together form the

basis of over 3,000 bilateral tax treaties that are in force today and constitute the international tax system. As a result, the final book is divided into two volumes and 34 sections that each comprehensively analyse a separate provision of the treaty models. In addition to the analysis of the model provisions, and in contrast to the more limited scope of the original treatise edited by Prof. Vogel, the book also extensively covers deviations from these model provisions that are (more or less) commonly found in the global tax treaty network. For that purpose, the authors also included analysis of jurisprudence from tax courts around the world.

Crucial elements of the book were completed at the University of Luxembourg, including the general introduction, the sections on the personal scope of tax treaties, the main international tax rules on capital income taxation (dividends and interest), the chapter on the mechanism for the relief of double taxation and the section covering the tax treaty non-discrimination rule. In addition, Suzanne Larsen, research assistant at the Faculty of Law, Economics and Finance has been responsible for the English-language editing of the entire project.

The book, which is published by Kluwer Law International, is also available as part of an online subscription, which further adds the opportunity to keep its content up to date and ensure its relevance over the next decades to maintain its status as the world's leading commentary and benchmark reference for tax practitioners and academics alike.



SKERDILAJDA ZANA
Associate Professor

“The growth rate of the University has been impressive and most importantly has involved very high quality researchers.”

I joined the University of Luxembourg as an Associate Professor in May 2011. The growth rate of the University has been impressive and most importantly has involved very high quality researchers. This is a necessary condition to create a research hub that is attractive for young researchers, like myself. I chose Luxembourg also because the University allows to build research synergies with other foreign universities being strategically well located and offering several ways to fund such international research bridges.

My main field of interest is imperfect competition among firms that operate in successive markets and among governments that face mobile labour and capital. To do so, I use theoretical and empirical techniques developed in public economics, international economics and environmental economics

I develop my research projects with coauthors belonging to other European universities. Hence, international cooperation is at the heart of my daily activity. Furthermore, I present my research in national and international workshops on a regular basis. Finally, at the beginning of July 2015, I was the local organiser of the Annual Conference in Public Economic Theory (PET 2015), which is a well-known scientific event that brings together more than 350 researchers from all around the world, including other research institutes in Luxembourg. This event is a perfect example of how research activities and their divulgation foster international cooperation.



6. PREPARING THE NEW GENERATION

6.1. Social and solidarity economy and development

Given the economic and financial crisis the world has known for several years, social and solidarity economy brings renewed and sustainable solutions to improve the living standards of populations, especially the poorest.

The social and solidarity economy consists of social, economic or cultural activities, carried mainly by cooperatives, mutual societies and associations. This concept is based on the following principles: the purpose of service to the community or the members, rather than a systematic profit; autonomy; democratic and participatory management; and the primacy of people and labour over capital in the distribution of income. Despite the clear benefit of this concept, the legal analysis of social and solidarity economy remains marginalised in education and research despite the potential of cooperatives, mutual societies and associations.

At present, in Africa, there is a legal framework for cooperatives for the 17 states party to the Treaty of the Organization for the Harmonization of Business Law in Africa (OHADA) on one hand. On the other hand, a law for mutual societies exists among the eight states of the West African Economic and Monetary Union (WAEMU). It is within this framework that Willy Tadjudje produced his PhD research at the University of Luxembourg from 2009 to 2013, on the theme (translation from French) 'Towards a law for cooperatives and mutual societies in the OHADA area - Contribution to the development of a law for social and solidarity economy'. The purpose of the thesis was to show that, taking into account that all WAEMU member states are parties to the OHADA Treaty, the development of a joint legal framework for cooperatives and mutual societies in West and Central Africa would help pave the way for a law for social and

solidarity economy. It also allowed highlighting the complementarities between cooperatives and mutual societies.

In the framework of this thesis, and to contribute to the development of research and practice, Dr. Tadjudje worked with his supervisor Prof. David Hiez on a research-action project on the occasion of the entry into force of the new OHADA law for cooperative societies in 2011. The project was funded by the University of Luxembourg. Models of articles of association and explanatory brochures, following research trips to Mali and Cameroon, were developed. Training sessions were organised in both countries. A symposium was held in June 2013 at the University of Yaoundé and publication of acts is scheduled the end of 2015.

In December 2014, Willy Tadjudje received the first Award for the Best Thesis by the Advanced School of Magistracy (ERSUMA) of OHADA. Furthermore, the thesis was published at Éditions Larcier in January 2015 under the title: (translation from French) 'The law for cooperatives and mutual societies in the OHADA zone'.

Thanks to this experience, Dr. Willy Tadjudje is now part of the Cooperative Law Committee of the International Cooperative Alliance (ICA), which figures as a worldwide federation of cooperatives. He is one of the few experts worldwide to lead consultations in cooperative law in Africa.

6.2. European Consumer Law Clinic – a first for Europe

In reality, substantive law blends with the proceedings, public law with private law, and the conflict is sometimes resolved outside of the law. In order to best prepare its students for the realities of the field, the Faculty of Law, Economics and Finance has set up a European Consumer Law Clinic. The aim is to train students in the treatment of concrete legal issues in the framework of "clinics", offering the public a free review of their questions.

After an initial learning phase, where students study real files rendered anonymous and reflect on solutions – judicial or not – that could be offered, they will be confronted by concrete cases in real time. The clinic will be open to Luxembourg and cross-border consumers in dispute with a Luxembourg professional via a page on the university website. The students, together with the support of the clinic's teaching staff, will inform consumers about their rights.

Clinical teaching introduces a contextualisation of the study of the law, largely excluded from the curriculum, and encourages questions on this legal phenomenon starting with a dispute. The clinic thus also presents itself as a law laboratory allowing the identification of difficulties in the application of texts and to think about their improvement. It therefore gives an empirical dimension to research in law.

Tied to the Master in European Private Law, the consumer law clinic allows to put into place an innovative teaching system, inspired by the American model but adapted to the Luxembourg context. It offers practical training to students in the second year of their Master, in compliance with the monopoly on pleading in court and offering legal advice, posed by the law of August 1991 on the profession of lawyer. The Bar was consulted on the subject of its creation and actively takes part in its operation, which, in addition, allows students to interact directly with professionals.

The University of Luxembourg's European Consumer Law Clinic is the first clinic for European consumer law open to the public. As such it forms part of an international research project on innovative methods for the training of legal professionals under the patronage of the CNRS and the French ministry of justice.

The initiator of this innovative project is Elise Poillot, professor in civil law at the University of Luxembourg's Faculty of Law, Economics and Finance and director of the Master in European Private Law and of the cross-border clinic for consumer law at the University of Luxembourg.

6.3. LSF Challenge : when students give their best

On June 21, 2015, the world's first international wealth management case study competition, the LSF Challenge, took place in Luxembourg. The event was organised by students of the Luxembourg School of Finance and was targeted at international students interested in investment and wealth management. In the competition, students were exposed to various finance topics such as portfolio management, estate planning, alternative investments, asset structuring, and philanthropy, among others.

In total, 70 students, from 16 nations and eight top-business schools participated in the three-day event. Students with various backgrounds (e.g. entrepreneurship, law, finance, business administration and economics) competed in front of a jury consisting of seasoned industry professionals (bankers, tax lawyers, former and current CEOs).

The first prize of €5,000 was sponsored by industry partners, such as the Banque Internationale à Luxembourg (BIL), ING, Banque de Luxembourg, Banque et Caisse

d'Epargne de l'Etat (BCEE), Deloitte, Lombard International Assurance, the Chamber of Commerce and the Private Banking Group of Luxembourg (PBGL).

Student teams consisted of three or four students. They submitted a written proposal in the first round, a solution to a realistic case-study written by the organising students. The case involved the typical needs and issues of a hypothetical high net worth client and his family. Out of 19 teams who submitted a proposal, the six best were invited to Luxembourg.

During the three-day event the teams further developed their proposals while being mentored by consultants and industry experts. The event also included a "meeting with the client" session: a consultant from SGG played the wife of the high net worth client and provided additional information to the student teams.

Several heads of private banking divisions, students, prospective students and other interested parties attended the final round that took place in the packed auditorium of the BIL, and with their presence actively participated in the competition.

The competition was fierce and differences were minimal between the three teams that were selected to deliver presentations to the jury and audience during the grand final. In the end, it was team 'AB Wealth', composed of two EDHEC students and one student from WU Vienna, to whom the jury awarded the first prize.

Although the primary aim of the competition was to give business school students the opportunity to become familiar with the wealth management sector in all its facets, an additional goal of the LSF Challenge was to showcase Luxembourg, the Luxembourg wealth management sector, the Luxembourg School of Finance, and the Master in Wealth Management.

The LSF Challenge was a major success, and clearly achieved its objectives. First, the LSF Challenge brought together several industry specialists from the Luxembourg financial centre. Secondly, several of the participating students applied for the MWM and/or recommended the programme to their friends. The winning team wrote a glowing report on the LSF Challenge, which was posted on their school's website. The event was also covered by the local press, e.g. the Luxemburger Wort. The sponsors were very pleased too and we already received promises to sponsor and collaborate in the second LSF Challenge, to be organised in 2016.

6.4. Accreditation approach: quality assurance of teaching and learning

Nowadays, "no modern University can continue to operate successfully without a reliable and effective working system of quality assurance."¹

¹ Committee for the Evaluation of the University of Luxembourg, Second External Evaluation Report, March 2013, p. 24.



ANTHI BEKA
PhD alumna

“The academic staff strive for excellence and innovation while promoting visibility of its research for society.”

Following my Master studies in European Union law at the College of Europe, Bruges, I aspired to pursue doctoral studies in European private law. The Faculty of Law, Economics and Finance is a pioneer in this field, which motivated my decision to join as a PhD research assistant.

I devoted my dissertation to the role of national courts for the protection of the consumer as the weaker party in litigation. The Faculty of Law, Economics and Finance is a very dynamic institution; the academic staff strive for excellence and innovation while promoting visibility of the Faculty's research for society. During my studies, I have benefited from valuable support from the professor supervising my PhD and members of our Faculty, which was essential for building a young researcher profile.

Following the award of my PhD with distinction, I will work as a legal administrator at the chambers of a Member of the Court of Justice of the European Union. I would recommend the Faculty of Law, Economics and Finance for the extraordinary research facilities and for the diversity in the academic culture.

This statement, made in 2013 by the Committee for the external evaluation, constitutes one the University of Luxembourg's key concerns since its inception ten years earlier. It is also a central component of the strategy and the activities of the Faculty of Law, Economics and Finance.

A significant step forward was already made in 2010 with the designing and implementation of a Quality Management System (QMS) based on the ISO 9001 standard. With the QMS, the FDEF is fundamentally committed to improving its relations with internal (students, academic staff, central administrative services) and external partners by understanding and satisfying their needs and expectations, as well as continually improving the quality of its administration.

Since then, and with two ISO certifications obtained at the end of 2010 and 2013, quality has become part of the regular vocabulary within the Faculty, and subject of discussion and feedback between and among its members. It is not only focused on the organisation and functioning of its administration anymore, but expands further and targets all of its activities, as shown by the efforts made by the FDEF to put its study programmes into conformity with quality criteria and standards recognised at European and international level regarding, in particular, the contents, processes and outcomes, instruments and programme documentation.

In line with its ongoing commitment to enhance the quality of its teaching and learning activities, as well as with the recommendation of the Committee for the external evaluation to introduce "a more coherent overall quality assurance system for teaching and learning"²,

² Committee for the Evaluation of the University of Luxembourg, Second External Evaluation Report, March 2013, p. 40

the Faculty decided in 2013 to engage in an accreditation process for two clusters of Master programmes in cooperation with the Foundation for International Business Administration Accreditation (FIBAA).

Established in 1994 by the leading organisations of German, Austrian and Swiss industry, FIBAA assesses and accredits Bachelor, Master and PhD degree programmes in law, social and economic sciences, and management studies at European and non-European higher education institutions. It is accredited as accreditation agency in Austria, Germany, Switzerland and the Netherlands, full member of the European Association for Quality Assurance in Higher Education (ENQA) since 2002, and also registered in the European Quality Assurance Register for Higher Education since 2009.

Currently, the cluster in finance, economics and management, which includes five implemented programmes in Economics and Finance, Banking and Finance, Entrepreneurship and Innovation, Wealth Management, and Accounting and Audit, is beginning the final phase of the process with FIBAA. After generating very substantial self-documentation, the Faculty will receive the visit of an external panel of international experts. The final decision is expected towards the end of November 2015.

The second cluster, comprising Master programmes in law, will follow and give rise to another accreditation process starting by the end of 2015.

The accreditation approach undertaken by the FDEF, through its voluntary character and thanks to a third party involvement, responds to new needs and requirements of all modern higher education institutions striving for excellence.



NI ZHEN
PhD student

“The University of Luxembourg provides excellent research conditions for researchers.”

I finished my first Master's degree in Economic Analysis at the Autonomous University of Barcelona, Spain. I did an internship at STATEC, the National Institute of Statistics and Economic Studies of the Grand Duchy of Luxembourg, and worked there shortly as a junior researcher. I like the multilingual and multicultural environment of Luxembourg. As for the University, it provides the possibility of a double degree with other first-rate universities.

My research interests focus on innovation, especially the relationship between types of innovation and employment in Luxembourg. More specifically, I will study the dynamic relationship between technological innovation and employment using unbalanced panel enterprise-level data from four waves of the Luxembourg Community Innovation Survey (CIS). In addition, the dynamics of innovation and firm performance will be studied using a Luxembourg firm dataset. Hopefully it will shed light on the cases of small open economies.

The University of Luxembourg provides excellent research conditions for researchers, with numerous conferences and exchange opportunities, competitive salaries for doctorate students, a great and motivating environment and a large variety of free extracurricular activities. People at the Faculty of Law, Economics and Finance are friendly and supportive, truly caring about the students, which is valuable. As a non-EU citizen, perspectives on employment in the European Union are challenging.

After my PhD, I would like to work for international research institutes, such as the United Nations or the World Bank, to promote growth and equality of developing countries.

6.5. Law moot court competitions, recurring successes for the Faculty

"It is one thing to know the law, another to speak it". This year the students of the Faculty of Law, Economics and Finance received the opportunity to put this adage into practice and, once again, our students stood out from the crowd.

Mooting gives students the opportunity to learn by doing. Students compete against other universities from around the world in competitions which highlight both written and oral pleading skills. In these competitions, students draft written submissions to a fictitious case which highlights current legal issues. This process demands high level legal research, involving multilingual sources and legal concepts. If the university scores within the top tier of these submissions, the team is invited to participate in the oral pleading rounds. This round is in either English or French, or a combination of both. This part of the competition often proves to be the most difficult part. Students learn to present their cases concisely and effectively, using relevant sources. International experts, acting as judges, challenge the students' legal assertions and interpretation of the facts. This often stressful exercise tests the students' knowledge of the law and their skills of argumentation and logic.

The University of Luxembourg is quite quickly becoming a powerhouse in the competitions. After great performances over the last few years, including taking first place in last year's Concours Européen des Droits de l'Homme René Cassin (the Cassin), Luxembourg continued its ascension this year in various international moot courts. In 2014-2015, the University participated in five moot court competitions: The Jessup International Law Moot Court, the Cassin, the Frankfurt Investment Arbitration Moot Court, the International & European Tax Moot Court and the European Law Moot Court.

Lawrence Siry, coordinator, coach and Research Assistant at the FDEF, commented: "We competed against universities renowned worldwide for their excellence, and even though we are a young university, in a small country, we managed to reach the top of the rankings."

Moot court competitions are becoming more and more important because of the considerable advantages they offer students, coaches and the faculty itself.

Through the competition, the students not only get a chance to apply theories which they have learned in class to a fact pattern which closely resembles a real legal problem, they also gain experience with trying to resolve impossible questions in court, understanding the 360 degrees of a case. They learn the soft skills of how to comport themselves in front of aggressive opponents, negotiate with judges, survive critical feedback, work together with colleagues from different backgrounds and deal with tight deadlines. Students also meet peers from all over the world and start building a professional network of contacts, in addition to friendships.

Students are trained to think smart, out of the box. They stand out by finding unique perspectives on a case. This innovative approach convinced Clifford Chance Luxembourg, of the global law firm Clifford Chance, to support the student teams, providing support in a number of ways to the moot court teams.

The objectives for upcoming years are ambitious, involving participation in two additional moot court competitions: The International Criminal Court and the Clara Barton International Humanitarian Law Competition.



BUCURA MIHAESCU-EVANS
PhD alumna

"I sincerely recommend the University of Luxembourg for various reasons: the teaching and the multilingual courses."

After having completed my Bachelor's degree in Law in France (Lille 2 University) and a double Master 1 LLM programme in Law and Political Sciences in the UK and France (Universities of Warwick and Lille 2), I joined the University of Luxembourg (UL) for the Master 2 LLM in European Litigation (double degree awarded by Robert Schuman University in Strasbourg).

During my studies at the UL, I was given the opportunity to carry out an internship at the Court of Justice of the European Union, at the end of which I was offered a position as a legal assistant in the cabinet of Advocate General Yves Bot, where I worked for three years. During that period, I started in parallel, on a part-time basis, my PhD project at the UL, which I continued full-time after being awarded a Marie Curie scholarship by the European Commission. My PhD thesis on 'The right to good administration at the crossroads of the various sources of fundamental rights in the EU integrated administrative system' was defended end of 2014 and was awarded the Distinction grade (publication soon available).

I sincerely recommend the UL for various reasons: (i) the teaching unit at the UL is made up of highly qualified academics, as well as professionals from the various EU institutions. (ii) the multilingual courses provided by the UL are a great opportunity for any student to develop in an international and intercultural context.

6.6. Preparing the new generation – alumni engagement at the Luxembourg School of Finance

The role of alumni in contributing to activities at academic institutions is well established. At universities around the world, alumni associations channel the energy and support of university graduates to promote their alma mater. As alumni progress in their careers, they stay in touch with fellow graduates, maintaining life-long close personal friendships, a network of professional contacts and, above all, engaging with the source of that bond – their former university.

The relative youth of the University of Luxembourg has not prevented the alumni of the Luxembourg School of Finance (LSF) from aspiring to these same objectives. A group of alumni created a formal Alumni Association in 2008, organised as a registered non-profit organisation. Since that time, their activities have been mainly focused on creating opportunities for learning and exchange among themselves. However, a constant objective of these activities is the inclusion of current LSF students.

An important form of alumni engagement is the organisation of seminar events on topical subjects in the area of banking and finance, bringing together both academics and finance professionals. In recent years, such events have included debates on the sustainability of pension regimes in Europe, models of banking strategy and developments in the Luxembourg insurance sector.

In addition, alumni are active at an individual level. Several of them volunteer each year to provide mentoring support to incoming students. Alumni working in the Luxembourg financial centre provide valuable contacts and information for current-year students in the internship and job markets. This is not only an enormous help for current-year students, but is of great benefit to the companies at which they work. Alumni are often involved in presenting their companies to students at company information events hosted by the LSF and in the recruitment process.

Making current-year students a prime objective of alumni activities, both as an association and individually, enhances the experience of students during their year at the LSF and brings them into contact with a group of which they will become future members.

In the meantime, at least one country outside Luxembourg has an active LSF alumni association. LSF graduates from Mongolia, now numbering close to 50, are active in their country in similar ways.

Thoughts for the future expansion of alumni activities include adding chapters in foreign countries hosting a larger number of LSF graduates as well as creating an IT platform linked to the University to allow alumni to maintain their contact and professional details.



SARA ABED MASROR KHAH
PhD student

“The programmes are well defined and provide the students with academic and practical knowledge.”

After completing my Master research track in economics and finance, I started my PhD in finance (funded by the FNR) in September 2014. I chose the University of Luxembourg, especially the Luxembourg School of Finance, because of its multinational, friendly and dynamic atmosphere. Though young, it is very well reputed in Europe and I believe it has a great potential to compete with well-established universities in the near future.

I am writing my thesis on contingent convertible bonds, their pricing and model testing. My main research interests concern the field of hybrid securities pricing. It encourages the use of these hybrids as a part of regulatory capital and in this way it brings about financial stability and more confidence in the banking system.

I believe that University of Luxembourg is an ideal platform for enthusiastic and goal-oriented students. The programmes are very well defined to provide the students with academic and practical knowledge. This elevates the graduated students' competency level in the European and global job markets and paves the way for the students to be placed successfully and efficiently. Even though non-EU students face some difficulties regarding their successful placement owing to immigration policies, the overall outcome seems to be promising.

I recommend the Faculty of Law, Economics and Finance to students of the same field especially to those who are striving for excellence and a bright future.



7. OUTLOOK

2015-2016

The Faculty of Law, Economics and Finance at the University of Luxembourg continues to grow and develop, and the activities outlined in this report will benefit the FDEF and its stakeholders in the long term. At the same time, the next academic year will bring new challenges and exciting developments.

In 2015-2016 we are looking forward to continue strengthening our existing partnerships, for example with the Luxembourg Chamber of Commerce in the area of Business Education. Elsewhere, the ADA Chair, which was founded in 2014, is expected to contribute to research and teaching at the Faculty from early 2016, exploring the new field of inclusive finance.

The international network of the FDEF will also grow further. Following an initial project with the National University of Laos in Vientiane, the FDEF is hoping to formalise a partnership to encourage exchange between the two institutions with a view to strengthening research, supporting PhD teaching and assisting with capacity building in the areas of administration and governance. Additionally, a previous visit to Brazil by Faculty Dean Stefan Braum is expected to lead to new international cooperations.

In other activities the Jean Monnet Centre of Excellence is set to launch.

Organised through its Jean Monnet Chairs, the University of Luxembourg was granted funds over three years for the study of European integration and the EU. The development of interdisciplinary activities, including the Faculty of Law, Economics and Finance, will start in 2016.

Preparations to welcome the next generation of young researchers meanwhile are also underway. At the time of publication, the FDEF was working on putting together applications for the Fonds National de la Recherche's Programme for Research-Intensive Doctoral Education (PRIDE), its new programme of funding for PhD students. A total of 120 positions are available and we wish the FDEF's researchers the best of luck with their applications to be able to recruit new candidates.

Other ongoing projects involve the accreditation of five Master programmes in economics, finance and management to ensure they comply with European quality assurance standards in higher education. First results are expected before the end of 2015.

For regular updates on Faculty activities please consult our website or find us on Facebook and Twitter.

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