



CHEVALIER & SCIALES  
LUXEMBOURG LAW FIRM

# Comparison table of Luxembourg investment vehicles

JANUARY 2023

# INVESTMENT FUNDS



*'Investment funds work informs much of boutique independent law firm Chevalier & Sciales' deal flow and it is this determined focus on work in the sector which ensures that clients receive 'very client focused and pragmatic' advice to fund managers on their fund structuring, regulatory and operational requirements. Although it also handles work in the retail space, the firm has gained most traction within the alternatives space, including on debt, private equity and hedge funds.'*

*Testimonial: 'The practice is very client focused and pragmatic. But most importantly, the partners have an extensive knowledge in their respective fields.'*

*'Well-positioned to handle alternative funds, whether first-time managers or historical players, the firm advises on time-to-market vehicles with a high demand for RAIFs and SCSPs. Concerning asset classes, Chevalier & Sciales practice covers a diversity of assets, such as PE and real estate and is increasingly active in relation to crypto, hedge and debt funds.'*



# LITIGATION, ARBITRATION & DISPUTE RESOLUTION



*'The boutique combines creative strategies with a practical, business-centric approach, whether managing high-stakes disputes for private entities and financial institutions, advising on contentious matters or in alternative dispute resolutions. They successfully represented a financial institution in the enforcement of a €500 million arbitral award against a European State in the Grand-Duchy of Luxembourg.'*

*'Headed by Rémi Chevalier, the arbitration department recently handled the defense of claimants in an investment arbitration regarding the application of the \$1 billion bilateral investment treaty between Switzerland and the Czech Republic. Chevalier has been appointed counsel before the European Courts of Human Rights.'*



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*Restructuring & Insolvency*

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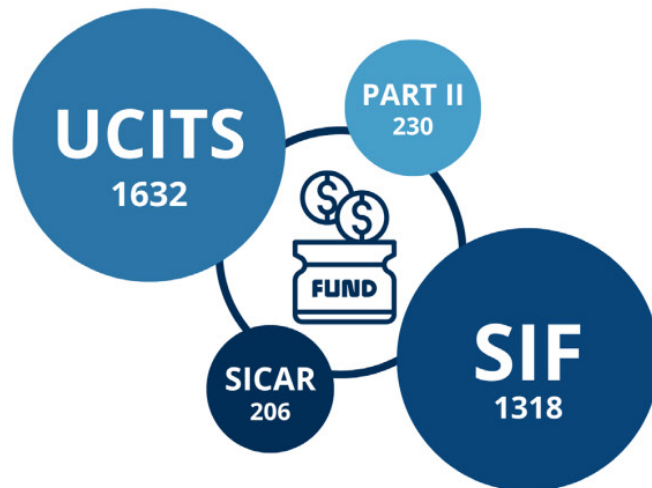
## Comparison table of Luxembourg investment vehicles //

This table shows at a glance the most important features of the Luxembourg investment vehicles. It includes UCITS, Part II funds, SIFs, SICARs, RAIFs, SPFs, securitisation vehicles, unregulated common and special limited partnerships (SCS/SCSp) as well as ordinary Luxembourg companies (soparfis). It covers aspects such as eligible investors and assets, AIFMD status, regulatory oversight,

service provider requirements, sub-funds and taxation.

Please find below an overview of the Luxembourg fund industry's figures for regulated vehicles (*source CSSF as at 31 December 2022*).

### Number of funds



### Assets under management (bn EUR)





Regulated			Lightly Regulated		Unregulated				
UCITS		Part II UCI	SIF	SICAR	RAIF	SPF	Securitisation vehicle	Unregulated SCS / SCSp	Ordinary Luxembourg company
<b>Applicable legislation</b>	Law of 17 December 2010 - Part I ("UCITS Law")	Law of 17 December 2010 - Part II ("UCI Law")	Law of 13 February 2007 ("SIF Law")	Law of 15 June 2004 ("SICAR Law")	Law of 23 July 2016 ("RAIF Law")	Law of 11 May 2007 ("SPF Law")	Law of 22 March 2004 ("Securitisation Law")	Law of 10 August 1915 ("Company Law")	Law of 10 August 1915 ("Company Law")
<b>Authorisation and supervision by the CSSF</b>	Yes.	Yes.	Yes.	Yes.	No.	No.	No, unless issue on a continuous basis of financial instruments offered to the public. The securitisation vehicle issues on a continuous basis when it carries out more than three issuances of financial instruments offered to the public during the financial year. All the issuances by the compartments should be added up. The issuance of financial instruments is offered to the public when it is not intended for professional clients, the denominations are less than 100,000 euros and it is not distributed as private placement.	No.	No.
<b>Qualification as an AIF</b>	No.	Always an AIF.	Yes, unless exempt. It is exempt if it does not raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors.	Yes, unless exempt. It is exempt if it does not raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors.	Always an AIF.	In principle, no (as it would not be considered as "raising" capital from a number of investors as the structure generally serves for the investment of the private wealth of a "pre-existing group" (as defined in the Esma guidelines on key concepts of the AIFMD)).	No, in case <ul style="list-style-type: none"> <li>such vehicle meets the definition of "securitisation special purpose vehicle" under the AIFM Law;</li> <li>it issues collateralised debt obligations;</li> <li>it only issues debt instruments;</li> <li>such entity is not managed according to an investment policy within the meaning of the AIFM Law.</li> </ul>	Non-AIF, unless activities fall within the scope of article 1 (39) of the AIFM Law.	Non-AIF, unless activities fall within the scope of article 1 (39) of the AIFM Law.



Regulated			Lightly Regulated		Unregulated				
UCITS	Part II UCI		SIF	SICAR	RAIF	SPF	Securitisation vehicle	Unregulated SCS / SCSp	Ordinary Luxembourg company
<b>Exemption from AIFMD full regime under lighter regime (AIFMD registration regime)</b>	Not applicable.	Possible.	Possible.	Possible.	No.	Not applicable.	Possible.	Possible.	Possible.
<b>External authorised AIFM requirement</b>	Not applicable.	Required in case the entity is an AIF that is not self-managed and above the AIFMD threshold.	Required in case the entity is an AIF that is not self-managed and above the AIFMD threshold.	Required in case the entity is an AIF that is not self-managed and above the AIFMD threshold.	Always required.	Not applicable.	Required in case the entity is an AIF that is not self-managed and above the AIFMD threshold.	Required in case the entity is an AIF that is not self-managed and above the AIFMD threshold.	Required in case the entity is an AIF that is not self-managed and above the AIFMD threshold.
<b>Eligible investors</b>	Unrestricted.	Unrestricted.	Well-informed investors.	Well-informed investors.	Well-informed investors.	Restricted to: <ul style="list-style-type: none"> <li>natural persons acting in the context of the management of their personal wealth;</li> <li>management entities acting solely in the interest of the private wealth (e.g. trusts, private foundations); and intermediaries acting for the account of the above mentioned eligible investors (e.g. bank acting under a fiduciary agreement).</li> </ul>	Unrestricted.	Unrestricted.	Unrestricted.



Regulated			Lightly Regulated		Unregulated				
UCITS		Part II UCI	SIF	SICAR	RAIF	SPF	Securitisation vehicle	Unregulated SCS / SCSp	Ordinary Luxembourg company
<b>Eligible assets</b>	<p>Restricted to transferable securities admitted or dealt on a regulated market, investment funds, financial derivative instruments, cash and money market instruments that are in compliance with article 41 of the Ucits law and the relevant EU directives and regulations.</p> <p>Please note that the eligibility of the asset must be ascertained on a case-by-case basis in view of the applicable laws and regulatory practice.</p>	<p>Unrestricted. The investment objective and strategy of the fund is subject to the prior approval of the CSSF.</p>	<p>Unrestricted.</p>	<p>Restricted to investments in securities representing risk capital.</p> <p>According to the CSSF Circular 06/241, investment in risk capital is to be understood as the direct or indirect contribution of assets to entities in view of their launch, their development or their listing on a stock exchange.</p> <p>The SICAR is not allowed to invest directly in real estate (except for its own use or through its participations).</p>	<p>Unrestricted, unless it invests in a portfolio of risk capital (such as a Sicar).</p>	<p>Restricted to acquisition, detention, management and realisation of financial assets. The SPF is not allowed to carry out commercial activities or to hold directly real estate (except for its own use or through its participations).</p>	<p>Unrestricted. The securitisation vehicle may acquire or assume, directly or through another undertaking, risks relating to claims, other assets, or obligations assumed by third parties or inherent to all or part of the activities of third parties and issues financial instruments or contracts, for all or part of it, any type of loan, whose value or yield depends on such risks.</p>	<p>Unrestricted.</p>	<p>Unrestricted.</p>

Regulated			Lightly Regulated		Unregulated				
UCITS		Part II UCI	SIF	SICAR	RAIF	SPF	Securitisation vehicle	Unregulated SCS / SCSp	Ordinary Luxembourg company
<b>Risk diversification requirements</b>	<p>Risk diversification requirements are provided by articles 42 et seq. of the UCITS Law, e.g. (not exhaustive):</p> <ul style="list-style-type: none"> <li>a UCITS may not invest more than 10% of its assets in transferable securities or money market instruments issued by the same body;</li> <li>a UCITS may not invest more than 20% of its net assets in deposits made with the same body;</li> <li>the global exposure relating to derivative instruments does not exceed the total net value of the UCITS portfolio.</li> </ul>		<p>Risk diversification requirements are defined by CSSF Circular n° 07/309. Such requirements are less stringent than the ones applicable to UCITS and UCI.</p> <p>In particular, a SIF is not allowed to invest more than 30% of its net assets in securities of the same type issued by the same issuer.</p>	No risk diversification requirements.	<p>Risk diversification requirements are aligned with those applicable to SIFs, unless the RAIF chooses to invest in risk capital only and such choice is mentioned in its constitutive documents.</p>	No risk diversification requirements.	No risk diversification requirements.	No risk diversification requirements.	No risk diversification requirements.
<b>Legal Form</b>	<ul style="list-style-type: none"> <li>FCP</li> <li>SICAV (SA)</li> <li>SICAF (SA,SCA)</li> </ul> <p>All of these entities must be open-ended.</p>	<ul style="list-style-type: none"> <li>FCP</li> <li>SICAV (SA)</li> <li>SICAF (SA, Sàrl, SCA, SCS, SCSp)</li> </ul> <p>The entities may be open-ended or closed-ended.</p>	<ul style="list-style-type: none"> <li>FCP</li> <li>SICAV (SA, Sàrl, SCA, SCoSA, SCS, SCSp)</li> <li>SICAF (SA, Sàrl, SCA, SCoSA, SCS, SCSp)</li> </ul> <p>The entities may be open-ended or closed-ended.</p>	<ul style="list-style-type: none"> <li>SA</li> <li>Sàrl</li> <li>SCA</li> <li>SCS</li> <li>SCSp</li> <li>SCoSA</li> </ul> <p>The entities may be open-ended or closed-ended.</p>	<ul style="list-style-type: none"> <li>FCP</li> <li>SICAV (SA, Sàrl, SCA, SCoSA, SCS, SCSp)</li> <li>SICAF (SA, Sàrl, SCA, SCoSA, SCS, SCSp)</li> </ul> <p>The entities may be open-ended or closed-ended.</p>	<ul style="list-style-type: none"> <li>SA</li> <li>Sàrl</li> <li>SCA</li> <li>SCoSA</li> </ul>	<p>A securitisation vehicle may be set up in one of the following forms:</p> <ul style="list-style-type: none"> <li>a securitisation company (SA, Sàrl, SCS, SCSp, SENC, SCA, SAS, SCSA); or</li> <li>a securitisation fund consisting of one or several co-ownerships or one or several fiduciary estates and managed by a management company.</li> </ul>	<ul style="list-style-type: none"> <li>SCS</li> <li>SCSp</li> </ul>	<ul style="list-style-type: none"> <li>SA, Sàrl, SCA</li> <li>SAS</li> <li>SCoSA</li> <li>SCS</li> <li>SCSp</li> </ul>
<b>Umbrella structure</b>	Yes.	Yes.	Yes.	Yes.	Yes.	No.	Yes.	No.	No.

Regulated			Lightly Regulated		Unregulated						
UCITS			Part II UCI		SIF	SICAR	RAIF	SPF	Securitisation vehicle	Unregulated SCS / SCSp	Ordinary Luxembourg company
Capital requirements	<ul style="list-style-type: none"><li><b>FCP:</b> EUR 1,250,000 to be reached no later than 6 months following the authorisation by the CSSF.</li><li><b>Self managed SICAV / SICAF:</b> EUR 300,000 at the date of authorisation and EUR 1,250,000 within 6 months following its authorisation.</li></ul>	<ul style="list-style-type: none"><li><b>FCP:</b> EUR 1,250,000 to be reached no later than 6 months following the authorisation by the CSSF.</li><li><b>Self managed SICAV / SICAF:</b> EUR 300,000 at the date of authorisation and EUR 1,250,000 within 6 months following its authorisation.</li></ul>	EUR 1,250,000 to be reached no later than 12 months following the authorisation by the CSSF.	EUR 1,000,000 to be reached no later than 12 months following the authorisation by the CSSF.	<ul style="list-style-type: none"><li><b>FCP:</b> EUR 1,250,000 to be reached within 12 months from the entry into force of the management regulations.</li><li><b>SICAV:</b> EUR 1,250,000 to be reached within 12 months from the incorporation of the SICAV.</li></ul>	Depends on the form: <ul style="list-style-type: none"><li>SA / SCA: EUR 30,000</li><li>Sàrl: EUR 12,000</li><li>SCSA: no minimum capital.</li></ul>	If the securitisation vehicle is set up as a company, it depends on the form: <ul style="list-style-type: none"><li>SA / SCA: EUR 30,000</li><li>Sàrl: EUR 12,000</li></ul> If the securitisation vehicle is set up as a fund, there is no minimum capital requirement.	No minimum capital requirement.	Depends on the form: <ul style="list-style-type: none"><li>SA / SCA: EUR 30,000</li><li>Sàrl: EUR 12,000</li></ul> No minimum capital requirement for other legal forms.		
Required service providers	<ul style="list-style-type: none"><li>Management company in case of an FCP.</li><li>Depository institution.</li><li>Administrative agent.</li><li>Registrar and Transfer Agent.</li><li>Approved statutory auditor.</li></ul>	<ul style="list-style-type: none"><li>Management company in case of an FCP.</li><li>Depository institution.</li><li>Administrative agent.</li><li>Registrar and Transfer Agent.</li><li>Approved statutory auditor.</li></ul>	<ul style="list-style-type: none"><li>Management company in case of an FCP.</li><li>Depository bank or professional of the financial sector providing depository services, subject to conditions.</li><li>Administrative agent.</li><li>Registrar and Transfer Agent.</li><li>Approved statutory auditor.</li></ul>	<ul style="list-style-type: none"><li>Depository bank or professional of the financial sector providing depository services, subject to conditions.</li><li>Administrative agent.</li><li>Registrar and Transfer Agent.</li><li>Approved statutory auditor.</li></ul>	<ul style="list-style-type: none"><li>Management company in case of an FCP.</li><li>Depository bank or professional of the financial sector providing depository services, subject to conditions.</li><li>Administrative agent.</li><li>Registrar and Transfer Agent.</li><li>Approved statutory auditor.</li></ul>	Registered auditor in principle not required unless two of the following criteria are met: (i) net turnover above EUR 8.8 million, (ii) balance sheet above EUR 4.4 million and (iii) average number of employees above 50. However, depending on the legal form of the company, there may be an obligation to appoint a <i>commissaire aux comptes</i> .	<ul style="list-style-type: none"><li>Alternative Investment Fund Manager (if the securitisation vehicle qualifies as an AIF).</li><li>Management company (if the securitisation vehicle is set up in the form of a fund).</li><li>Independent auditor.</li><li>No depository institution (unless for regulated securisation vehicles).</li><li>No administrative agent.</li></ul>	For SCS: <ul style="list-style-type: none"><li>Alternative Investment Fund Manager (if the SCS qualifies as an AIF).</li><li>No requirement to appoint a depository (except if the SCS qualifies as an AIF and is managed by a duly authorised AIFM).</li></ul> For SCSp: <ul style="list-style-type: none"><li>Alternative Investment Fund Manager (if the SCSp qualifies as an AIF).</li><li>No requirement to appoint a depository (except if the SCSp qualifies as an AIF and is managed by a duly authorised AIFM).</li></ul>	Registered auditor in principle not required unless the company is an AIF managed by an AIFM with AUM above the threshold or two of the following criteria are met: (i) net turnover above EUR 8.8 million, (ii) balance sheet above EUR 4.4 million and (iii) average number of employees above 50. However, depending on the legal form of the company, there may be an obligation to appoint a <i>commissaire aux comptes</i> .		





Regulated			Lightly Regulated		Unregulated				
UCITS		Part II UCI	SIF	SICAR	RAIF	SPF	Securitisation vehicle	Unregulated SCS / SCSp	Ordinary Luxembourg company
<b>Possibility of listing</b>	Yes.	Yes.	Yes.	Yes, but difficult in practice.	Yes.	No.	No.	In principle, no. The SCS/SCSp may however issue debt securities that are eligible to be listed on the stock exchange.	Yes.
<b>European passport</b>	Yes.	No, unless it falls under the scope of the full AIFMD regime.	No, unless it falls under the scope of the full AIFMD regime.	No, unless it falls under the scope of the full AIFMD regime.	Yes.	No.	No, unless it falls under the scope of the full AIFMD regime.	No, unless it falls under the scope of the full AIFMD regime.	No, unless it falls under the scope of the full AIFMD regime.
<b>Net asset value (NAV) calculation and redemption frequency</b>	The UCITS must make public the issue, sale and repurchase price of their units each time they issue, sell and repurchase their units, and at least twice a month.	The UCIs must make public the issue, sale and repurchase price of their units each time they issue, sell and repurchase their units, and at least once a month.	At least once a year for reporting purposes.	Not required.	At least once a year for reporting purposes.	Not required.	Not required.	Not required.	Not required.

Regulated			Lightly Regulated		Unregulated				
UCITS		Part II UCI	SIF	SICAR	RAIF	SPF	Securitisation vehicle	Unregulated SCS / SCSp	Ordinary Luxembourg company
Overall income tax (corporate income tax and municipal business tax)	No income tax.	No income tax.	No income tax.	<ul style="list-style-type: none"> <li>General aggregate rate: 24.94%.</li> </ul> <p>In certain cases, reduced corporate income tax rates may apply. Income derived from transferable securities (e.g. dividends received and capital gains realised on the sale of shares) is exempt. Income on cash held for the purpose of a future investment is also exempt (for one year).</p>	No income tax, unless investing only in risk capital, then SICAR tax regime applicable.	No income tax.	<ul style="list-style-type: none"> <li>General aggregate rate for taxable securitisation companies: 24.94%.</li> </ul> <p>Securitisation vehicles should be able to deduct from their gross profits their operational costs and the dividends or interests distributed to the shareholders / creditors. Therefore securitisation companies should not generate significant taxable profits and should therefore to a large extent be tax neutral.</p>	<p>No corporate income tax applicable.</p> <p>Municipal business tax of 6.75% applicable in very limited circumstances, namely in case the SCS/SCSp (i) carries out a commercial activity or (ii) is deemed to carry out a commercial activity. A SCS/SCSp is deemed to carry out a commercial activity if its general partner is a Luxembourg public or private limited liability company holding at least 5% of the partnership interests.</p> <p>With a proper structuring of the GPs partnership interest it should be possible to avoid the deemed commercial characterisation of the SCS/SCSp.</p>	General aggregate rate: 24.94%, but 100% exemption for dividends, liquidation proceeds and capital gains from qualifying participations.



Regulated			Lightly Regulated		Unregulated				
UCITS		Part II UCI	SIF	SICAR	RAIF	SPF	Securitisation vehicle	Unregulated SCS / SCSp	Ordinary Luxembourg company
<b>Subscription tax (NAV: net asset value)</b>	<ul style="list-style-type: none"> <li>• <b>Rate:</b> 0.05% of the NAV annually.</li> <li>• <b>Reduction:</b> 0.01% of the NAV annually in certain specific cases.</li> <li>• Where the proportion of net assets of a UCITS or one of its compartments in certain Taxonomy-sustainable activities represents at least 5 per cent of the aggregate net assets of the UCITS or of its relevant compartment, the subscription tax rate is 0.04 per cent. Where the proportion of such assets is at least 20 per cent, this rate amounts to 0.03 per cent. Where the proportion is at least 35 %, the subscription tax rate amounts to 0.02 per cent. Where the proportion is at least 50 per cent, this rate amounts to 0.01 per cent. However, net assets in nuclear energy and fossil gaseous fuel are excluded from such decreased rates.</li> <li>• <b>Tax exemptions:</b> special institutional money market cash funds, special pension funds (including pension pooling vehicles) and funds investing in other funds which are already subject to subscription tax.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Rate:</b> 0.05% of the NAV annually.</li> <li>• <b>Reduction:</b> 0.01% of the NAV annually in certain specific cases.</li> <li>• Where the proportion of net assets of a UCI or one of its compartments in certain Taxonomy-sustainable activities represents at least 5 per cent of the aggregate net assets of the UCI or of its relevant compartment, the subscription tax rate is 0.04 per cent. Where the proportion of such assets is at least 20 per cent, this rate amounts to 0.03 per cent. Where the proportion is at least 35 %, the subscription tax rate amounts to 0.02 per cent. Where the proportion is at least 50 per cent, this rate amounts to 0.01 per cent. However, net assets in nuclear energy and fossil gaseous fuel are excluded from such decreased rates.</li> <li>• <b>Tax exemptions:</b> special institutional money market cash funds, special pension funds (including pension pooling vehicles) and funds investing in other funds which are already subject to subscription tax.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Rate:</b> 0.01% of the NAV annually.</li> <li>• <b>Tax exemptions:</b> certain money market and pension funds or SIFs investing in other funds which are already subject to subscription tax.</li> </ul>	No subscription tax.	<ul style="list-style-type: none"> <li>• <b>Rate:</b> 0.01% of the NAV annually.</li> <li>• Exemptions apply.</li> </ul>	Annual subscription tax of 0.25% on the amount of paid up capital and issue premium (if any).	No subscription tax.	No subscription tax.	No subscription tax.



Regulated			Lightly Regulated		Unregulated				
UCITS		Part II UCI	SIF	SICAR	RAIF	SPF	Securitisation vehicle	Unregulated SCS / SCSp	Ordinary Luxembourg company
<b>Wealth tax</b>	No wealth tax.	No wealth tax.	No wealth tax.	No wealth tax.	No wealth tax.	No wealth tax.	No wealth tax.	No wealth tax.	<p>0.5% on the NAV on 1 January.</p> <p>Since 2017, this minimum net wealth tax for holding and finance companies (known as the Soparfis)—the fixed financial assets, intercompany loans, transferable securities and cash at bank of which exceed both 90% of their gross assets and EUR 350,000—is fixed at EUR 4,815 per year. The minimum net wealth tax for all other corporations has not changed; in other words, it is EUR 535 for companies with a total balance sheet up to EUR 350,000.</p>
<b>Withholding tax on dividends</b>	Not subject to withholding tax.	Not subject to withholding tax.	Not subject to withholding tax.	Not subject to withholding tax.	Not subject to withholding tax.	Not subject to withholding tax.	Not subject to withholding tax.	Not subject to withholding tax.	Dividends distributed by a Luxembourg company are in principle subject to withholding tax at a rate of 15%, unless a domestic law exemption or a lower tax treaty rate applies.

Regulated			Lightly Regulated		Unregulated				
UCITS		Part II UCI	SIF	SICAR	RAIF	SPF	Securitisation vehicle	Unregulated SCS / SCSp	Ordinary Luxembourg company
Benefit from Double Tax Treaty network	<ul style="list-style-type: none"> <li><b>SICAV/SICAF:</b> Limited to certain double tax treaties (see circular L.G. -A n°61 of the tax administration of 8 December 2017).</li> <li><b>FCP:</b> see circular L.G.-A n°61 of the tax administration of 8 December 2017.</li> </ul>	<ul style="list-style-type: none"> <li><b>SICAV/SICAF:</b> Limited to certain double tax treaties (see circular L.G. -A n°61 of the tax administration of 8 December 2017).</li> <li><b>FCP:</b> see circular L.G.-A n°61 of the tax administration of 8 December 2017.</li> </ul>	<ul style="list-style-type: none"> <li><b>SICAV/SICAF:</b> Limited to certain double tax treaties (see circular L.G. -A n°61 of the tax administration of 8 December 2017).</li> <li><b>FCP:</b> see circular L.G.-A n°61 of the tax administration of 8 December 2017.</li> </ul>	Yes in case the SICAR is set-up as a corporate entity (except if set-up under the form of a SCS/SCSp).	<ul style="list-style-type: none"> <li><b>RAIFs investing in a portfolio of risk capital (such as a SICAR)</b> Access if set-up as a corporate entity (except if set-up under the form of a SCS/SCSp).</li> <li><b>RAIFs not investing in a portfolio of risk capital (such as a SICAR), but set-up as:</b> SICAV / SICAF: Limited to certain double tax treaties (see circular L.G. -A n°61 of the tax administration of 8 December 2017). FCP: see circular L.G.-A n°61 of the tax administration of 8 December 2017.</li> </ul>	No.	Yes for securitisation companies.	No.	Yes.
Benefit from the EU Parent Subsidiary Directive	No.	No.	No.	In principle yes, but certain jurisdictions where the target companies are located may challenge the application of the directive.	No, unless RAIF that invests in a portfolio of risk capital (such as a SICAR).	No.	Yes.	No.	Yes.



Regulated			Lightly Regulated		Unregulated				
UCITS		Part II UCI	SIF	SICAR	RAIF	SPF	Securitisation vehicle	Unregulated SCS / SCSp	Ordinary Luxembourg company
<b>Thin capitalization rules (debt-to-equity ratio)</b>	Borrowings of up to 10% of net assets to finance redemptions (it should be a short term borrowing and cannot be for investment purposes) or to buy real estate for its business. The total borrowing under the above may not exceed 15% of net assets.	Borrowings of up to 25% of net assets without any restrictions are allowed.	No debt-to-equity ratio.	No debt-to-equity ratio.	No debt-to-equity ratio.	Tax of 0.25% on the debt that exceeds 8 times the paid-up capital increased by the issue premium.	No debt-to-equity ratio.	No debt-to-equity ratio.	No provision in Luxembourg law. However, there is a specific administrative practice.
<b>Practical use</b>	Highly regulated vehicle which can be sold through a EU passport to all types of investors (such as retail investors, professional investors, institutional investors).	Investment funds which could be used for investment strategies that do not meet the criteria set by the UCITS directives.	Hedge funds, private equity funds, venture capital funds, real estate funds, crypto funds, infrastructure funds, distressed debt funds, Islamic finance funds, microfinance funds, socially responsible investment funds, tangible assets funds and any other type of alternative funds.	Private equity and venture capital transactions.	Hedge funds, private equity funds, venture capital funds, real estate funds, crypto funds, infrastructure funds, distressed debt funds, Islamic finance funds, microfinance funds, socially responsible investment funds, tangible assets funds and any other type of alternative funds.	Individuals wishing to optimise their personal tax planning (private wealth management purposes).	<ul style="list-style-type: none"> <li>• True sale and synthetic securitisations.</li> <li>• Securitisation of a portfolio of securities.</li> <li>• Securitisation as structure for intra group financing activities.</li> <li>• Securitisation of non-performing loans.</li> <li>• Securitisation of leasing receivables.</li> <li>• Securitisation of both tangible and intangible assets.</li> <li>• CLOs (possibility of active management).</li> </ul>	Private equity, venture capital and real estate investments and any other alternative investments.	Holding and financing activity, commercial activity, holding of IP, etc.

## Glossary of terms:

**AIF:** Alternative Investment Fund as defined by article 1 (39) of the AIFM Law, namely collective investment undertakings, including investment compartments thereof, which (a) raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and (b) do not require authorization pursuant to article 5 of Directive 2009/65/EC (i.e. UCITS).

**AIFMD:** Directive 2011/61/EU on alternative investment fund managers.

**AIFMD registration regime:** An AIFM that wishes to make use of the registration regime must have assets under management of less than EUR 100 million, or EUR 500 million if it manages only funds closed for at least 5 years not using leverage.

**AIFM:** A legal person whose regular business is managing one or more AIFs.

**AIFM Law:** Luxembourg law of 12 July 2013 on alternative investment fund managers (transposing the AIFM directive into Luxembourg law).

**AIFM Law threshold:** the thresholds provided for in article 3 (2) of the AIFM Law.

**CSSF:** The Luxembourg Supervisory Authority of the Financial Sector (*Commission de Surveillance du Secteur Financier*).

**CLO:** Collateralised Loan Obligation.

**Company Law:** The Luxembourg law of 10<sup>th</sup> August 1915 on commercial companies, as amended from time to time.

**FCP:** Common fund (*fonds commun de placement*).

**Part II UCI:** Undertaking for collective investment established under Part II of the Luxembourg law of 17 December 2010.

**RAIF:** Reserved alternative investment fund (*fonds d'investissement alternatif réservé*).

**S.A.:** Public limited liability company (*société anonyme*).

**S.à r.l.:** Private limited liability company (*société à responsabilité limitée*).

**SAS:** Simplified stock company (*société par actions simplifiée*).

**S.C.A.:** Corporate partnership limited by shares (*société en commandite par actions*).

**SCoSA:** Cooperative company organised as a public limited company (*société cooperative organisée comme une société anonyme*).

**SCS:** Common limited partnership (*société en commandite simple*).

**SCSp :** Special limited partnership (*société en commandite spéciale*).

**SICAF:** Investment company with fixed capital (*société d'investissement à capital fixe*).

**SICAR:** Investment company in risk capital (*société d'investissement en capital à risqué*).

**SICAV:** Investment company with variable capital (*société d'investissement à capital variable*).

**SIF:** Specialised investment fund (*fonds d'investissement spécialisé*).

**SPF:** Private wealth management company (*société de gestion de patrimoine familial*).

**UCITS :** Undertakings for collective investments in transferable securities.

**Well-informed investors:** A well-informed investor is an institutional investor, a professional investor or any other investor who has stated in writing that s/he adheres to the status of well-informed investor and invests a minimum of 125,000 Euro in the SIF/SICAR/RAIF, as applicable, or has been subject of an assessment made by a credit institution, by an investment firm or by a management company certifying his/her expertise, his/her experience and his/her knowledge to adequately appraise an investment in the SIF/SICAR/RAIF, as applicable.

# HOW CAN WE ASSIST YOU?

Our team:

- Supports clients in finding appropriate investment vehicles to meet their requirements and goals from a marketing, regulatory and legal perspective.
- Introduces clients to service providers that meet their requirements, including custodian banks, AIFMs, fund administrators, registrars and transfer agents and auditors.
- Assists with the establishment of UCITS and alternative investments funds such as SIFs, RAIFs, SICARs, special limited partnerships (SCSp and common limited partnerships (SCS), including drafting of PPMs, assistance with incorporation of the fund, the general partner, carried interest vehicles, the co-investment vehicles and SPVs and regulatory filing with the CSSF.
- Assists with the migration of offshore funds to Luxembourg.
- Provides corporate support services throughout a fund's lifetime, including amendment of fund documents, restructuring, and launch or closure of sub-funds or share classes.
- Assists with changes of service provider.
- Assists with the listing of fund share or units on the Luxembourg Stock Exchange's regulated or EURO MTF markets.
- Supports registration of the fund in other jurisdictions, in co-operation with local service providers.
- Advises on AIFMD-related issues.
- Advises fund promoters on domestic private placement rules for marketing their funds in Luxembourg.
- Keeps clients up to date with legal and regulatory developments.



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CHEVALIER & SCIALES  
LUXEMBOURG LAW FIRM

Chevalier & Sciales is a Luxembourg law firm established in 2005 with specialist expertise in investment management, litigation, arbitration and dispute resolution, tax, banking, finance and capital markets, private wealth management and corporate transactions. Our dynamic litigation and transaction teams have an international reputation for bringing together excellence and intellectual rigour with a practical and business-minded approach in serving our clients.

Our aim is to offer a one-stop-shop service to our clients and to provide tailored solutions to meet their needs, responsively and cost-effectively. Our practice areas are structured to ensure a comprehensive understanding of our clients' business and markets. We work with recognised service providers to provide you with the assistance and services you require through every aspect of your transactions and business.

Chevalier & Sciales is highly recommended for its expertise in investment funds, litigation, arbitration and dispute resolution.

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