

Luxembourg Trading Company

General	
Type of entity	990 SOPARFI Holding S.A. or S.A.R.L.
Type of law	Civil
Shelf company availability	No
Our time to establish a new company	2 days
Minimum government fees (excluding taxation)	Not applicable
Corporate Taxation	Normal rates
Double taxation treaty access	Yes
Share Capital or Equivalent	
Standard currency	Euro
Permitted currencies	Any
Minimum paid up	Euro 31,000
Usual authorised	S.A. Euro 31,000, S.A.R.L. Euro 12,500
Directors or Managers	
Minimum number	S.A., S.A.R.L. One
Local required	No
Publicly accessible records	Yes
Location of meetings	Anywhere
Members	
Minimum number	One
Publicly accessible records	No
Location of meetings	Anywhere
Company Secretary	
Required	No
Local or qualified	No
Accounts	
Requirement to prepare	Yes
Audit requirements	Yes
Requirement to file accounts	Yes
Publicly accessible accounts	Yes
Other	
Requirement to file annual return	Yes
Change in domicile permitted	Yes

GENERAL INFORMATION

The 1990 Soparfi is a normally taxed European company, subject to full taxation and is fully protected and subject to the provisions of Luxembourg's double tax treaties. Luxembourg has however managed to conform to the European Commission Directives on dividends and capital gains in such a way that the Luxembourg Soparfi is one of the most efficient holding companies in Europe.

Taxable holding companies may also carry out commercial, financial, and/or industrial activities. In the case of a Soparfi Trading company, a trading authorisation or license (delivered by the Luxembourg Ministère des Classes Moyennes) is necessary

COMPANY INFORMATION

Type of Company

S.A.R.L. (Société à Responsabilité Limitée) and S.A. (Société Anonyme)

Procedure to Incorporate

The Articles of Incorporation (The Acte de Constitution) must be prepared in the form of a deed. This deed should include:

- Description regarding the nature of the activities envisaged.
- Copy of the police record (or equivalent) of the land of origin.
- Personal declaration of non-bankruptcy, done under oath and in front of a notary.
- Certified true copy of the studies diploma.
- Attestation from the CEE regarding the activities done by the company in his own country duly conformed to the directive of 15/10/1968 (68/364/C.E.E) to be delivered by the Chamber of Commerce (or equivalent). (Normally, the person who requests a trading permit must be able to justify three years experience in the concerned activity.)
- Copy of the inscription from the Register of Companies (in case of similar activity in another country).
- Any other document in support to the above list.

A Certificate of Name Acceptability issued by the Trade Register is also required, together with a Certificate of Blockage produced by the proposed company's Luxembourg bankers, confirming that the paid capital has been deposited with them. These documents and information must then be presented before a Notary Public by the proposed company's appointed representative. After notarisaton, the Notary Public lodges the Articles of Incorporation and By-Laws with the Department of Registration and Trade Register. The Articles of Incorporation are then published in the Official Gazette.

Powers of Company

As dictated by the objects in the Articles of Incorporation.

Language of Legislation and Corporate Documents

The Legislation is published in either French or German. The corporate documents can be in any language, provided they are accompanied by a French or German translation.

Registered Office Required

Yes, must be maintained in Luxembourg.

Shelf Companies Available

Due to the costs associated with incorporation and paid up capital requirements, shelf companies are not available.

Time to Incorporate

Subject to adhering to the pre-requisite criteria, a company can be incorporated in two days.

Name Restrictions

Any name that is similar or identical to an existing name. Any name of a major international corporation, where written consent to incorporate is not available. Any name which in the opinion of the Trade Register is undesirable or offensive. There are no other specific rules regarding name restrictions. However, it is normal practice for the Trade Register to refuse names that are associated with the banking and insurance industries and any name that would suggest government patronage.



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Language of Name

The name can be in any language using the Latin alphabet. The Public Register may request a French or German translation if a foreign language is used.

Names Requiring Consent or Licence

The French, German and foreign names for bank, buildings society, savings, insurance, assurance, reinsurance, fund management, investment fund, council, municipal, co-operative or the foreign language equivalent.

Suffixes to Denote Limited Liability

Société Anonyme, SA or AG.

Disclosure of Beneficial Ownership to Government Authorities

No.

COMPLIANCE**Authorised and Issued Share Capital**

S.A.	EUR 31,000
S.A.R.L.	EUR 12,500

Classes of Shares Permitted

Registered shares, bearer shares (only for S.A.), preference shares and shares with or without voting rights.

Taxation

Corporate Income Tax (IRC) for Luxembourg trading companies is charged at 22.88% on worldwide income exceeding EUR 15,000, subject to foreign tax relief, in accordance with applicable double tax treaties.

A Municipal Business Tax (ICC) on profits of 6.75% is charged on taxable income exceeding EUR 17,500. The maximum effective rate is 29.63%. Losses may be carried forward indefinitely. Fiscal integration is also possible if the parent company owns at least 75% of the subsidiary. Capital gains for corporation are treated as ordinary income and taxed accordingly. Wealth Tax is charged on the net asset value of a company as at 1st January of each year. There is a Withholding Tax of 15% on dividends (zero on dividends paid to an EC parent), one of 10% on royalties, but no one on interest. These may be reduced by tax treaties. The Capital Registration Duty of 1% (Droit d'Apport) is also to be paid on incorporation and substantial capital increases. Trading companies can benefit from Investment Tax Credit. These companies are subject to the Value Added Tax and must register for VAT when their turnover exceeds EUR 10,000.

Double Taxation Agreements

Luxembourg has entered into many double tax agreements. Correctly structured Luxembourg Companies may access Luxembourg's network of double tax avoidance treaties.

Treaties have been concluded with: Austria, Belgium, Brazil, Bulgaria, Canada, China, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Indonesia, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Malaysia, Malta, Mauritius, Mexico, Mongolia, Morocco, Netherlands, Norway, Poland, Portugal, Romania, Russia, South Africa, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, Thailand, Trinidad and Tobago, Tunisia, Turkey, United Kingdom, United States of America, Uzbekistan and Vietnam

Non-ratified treaties: Argentine, Azerbaijan, United Arab Emirates, Estonia, Georgia, Moldavia, San Marino and Ukraine.

In negotiation: Lebanon, Serbia and Montenegro and Yugoslavia.

Licence Fees

Not as such.

Financial Statement Required

Yes. An annual audit is compulsory for S.A. Not for S.A.R.L. (exception).



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Directors

The minimum number of directors is one for S.A. Companies and one for S.A.R.L Companies. They may be natural persons or bodies corporate. They may be of any nationality and need not be resident in Luxembourg.

Company Secretary

The Luxembourg Companies Acts do not provide for the appointment of a company secretary.

Shareholders

The minimum number of shareholders is one for S.A. Companies and one for S.A.R.L. Companies.

Disclaimer

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