



Luxembourg



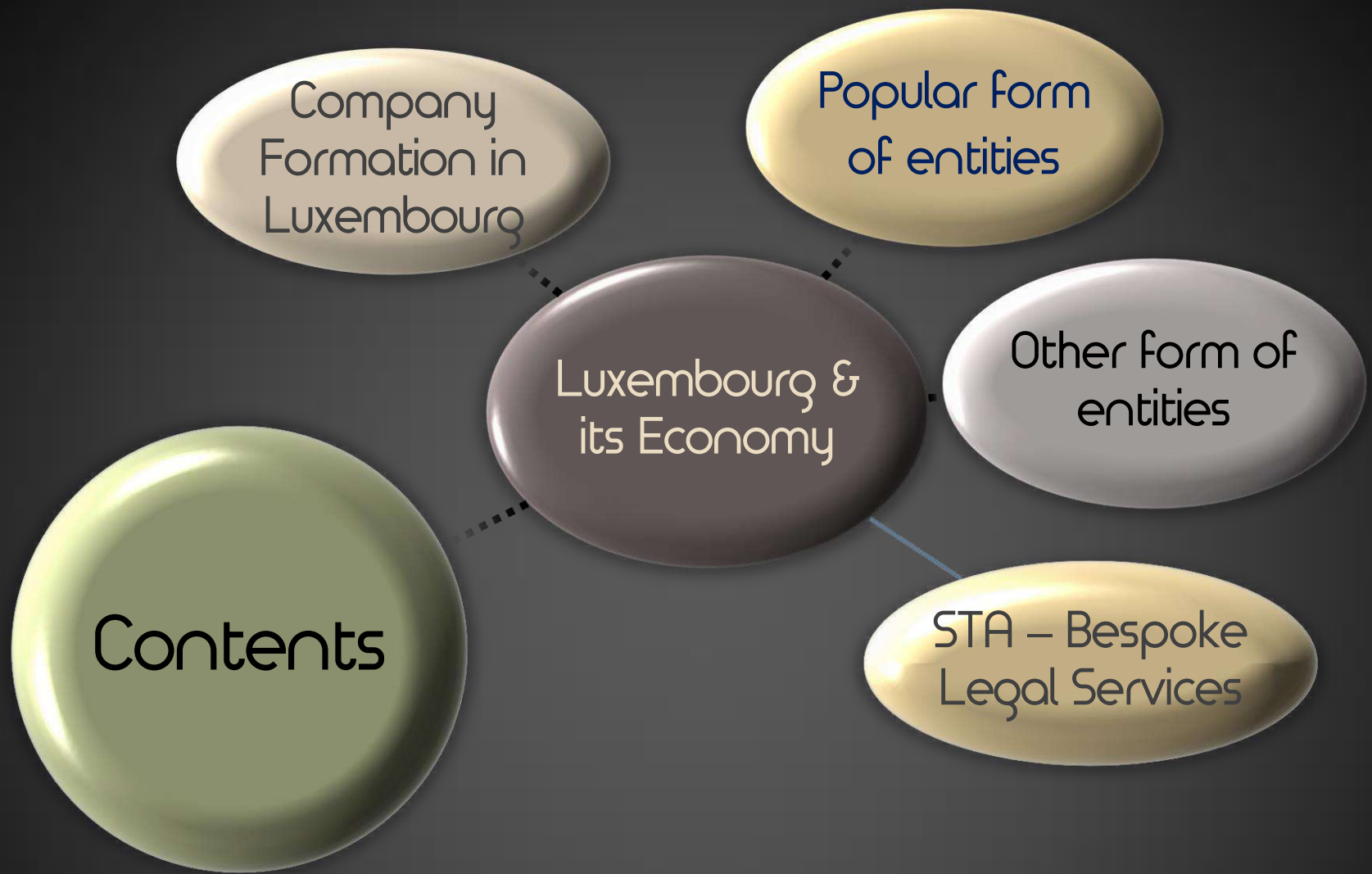
Formation



Company Formation...
Luxembourg at a Glance

2013-2014

STA
SUNIL THACKER
ASSOCIATES



Company Formation...
Luxembourg at a Glance
2013-2014

Luxembourg & its Economy

The Country:

- Luxembourg is a landlocked country in western Europe, bordered by Belgium, France, and Germany with Oesling and Ardennes being two principal regions.

Luxembourg's Economy:

- According to the World Bank, Luxembourg is a developed country, with an advanced economy and the world's highest GDP (PPP) per capita.

Political Framework:

- Luxembourg is a parliamentary democracy headed by a constitutional monarch wherein legislative powers are vested with the Chamber of Deputies elected for a five year term from four constituencies.

Ranking:

- United States Department of Treasury ranked Luxembourg as tenth highest foreign holder (\$147 billion) of treasury securities



Company Formation...

Luxembourg at a Glance

2013-2014

Popular Form of Entities

1

Société Anonyme (S.A.) Public Limited Liability Company

2

Société à Responsabilité Limitée (S.A.R.L.) Private Limited Company

Formation and share capital requirements

The company is formed by a notarial deed. Company's constitutive documents (articles of association) are filed with Luxembourg trade and companies registry (the **Registry**) .

The company is formed pursuant to a notarial deed. Company's constitutive documents (articles of association) are filed with Luxembourg trade and companies registry.

Minimum share capital of S.A. form of company must be € 31,000 and 25% of this must be paid at time of incorporation.

Minimum share capital of S.R.P.L. form of company must be € 12,500 and 100% of this must be paid at time of incorporation.

Number of Shareholders & liability

Minimum one (1) shareholder and there is no maximum limit (individuals, companies or foreign nationals). Shareholder's liability is limited to the extent of share-capital held.

Minimum one (1) shareholder with a ceiling of maximum forty (40) shareholders. Shareholder's liability is limited to extent of share-capital held by them.

General Assembly

Shareholders' meeting must take place once annually.

Shareholders' meeting is required if there are more than 25 shareholders.

Accounts & Audit Requirements

Annual accounts must be filed before the Registry. A commissaire monitors accounts of small companies and large entities have to appoint independent auditors.





Annual accounts must be filed before the Registry. A commissaire monitors accounts of small companies and large entities have to appoint independent auditors (external auditor's report is not required).

Company Formation...

Luxembourg at a Glance





2013-2014

Other Forms of Entities

	SOCIETE EN COMMANDITE PAR ACTIONS (S.C.A.)	SOCIETE EN NOM COLLECTIF (S.N.E.C.)	SOCIETE EN COMMANDITE SIMPLE (S.C.S.)
 Partnership Type	Partnership Limited by Shares	General Partnership	Limited Partnership
 Formation	The company is formed by a notarial deed. Company's constitutive documents (articles of association) are filed with Luxembourg trade and companies registry (the <i>Registry</i>)	Formed by notarial or a private deed. The extracts of company's articles of association are published in Memorial C (duly signed by notary)	Formed by notarial or a private deed. The extracts of company's articles of association are published in Memorial C (duly signed by notary)
 Minimum Shareholders	Minimum 2 limited liability partners, or a company (resident or non-resident)	Minimum 2 investors or a company (resident or non-resident)	Minimum 2 investors or a company (resident or non-resident)
 Share Capital	Minimum share capital must be € 30,987 and 25% of this must be paid at time of incorporation. Shares are freely transferable	No minimum share capital requirement. Share capital as defined in company's bye-laws must be fully subscribed.	No minimum share capital requirement. Share capital as defined in company's bye-laws must be fully subscribed.

Company Formation...
Luxembourg at a Glance
2013-2014

Other Forms of Entities .. (cont'd.)

	SOCIETE EN COMMANDITE PAR ACTIONS (S.C.A.)	SOCIETE EN NOM COLLECTIF (S.N.E.C.)	SOCIETE EN COMMANDITE SIMPLE (S.C.S.)
 Partnership Type	Partnership Limited by Shares	General Partnership	Limited Partnership
 Liability	General partners have joint and several liability for their contributions in the company; The limited partners are only liable up to the level of their contributions.	In SNEC form of company, shareholders' liability is unlimited. Shareholders are jointly as well as severally liable.	General partners have joint and several liability for their contributions in the company; The limited partners are only liable up to the level of their contributions.
 Shareholders meeting	Ordinary shareholders' annual meeting must be held once every calendar year	As provided in company's constitutive documents	As provided in company's constitutive documents
 Accounts & Auditing	Shareholders are under legal obligation to file balance sheet, profit and loss, annexes and management report once approved in the shareholders' meeting. A commissaire monitors accounts of small companies and large entities have to appoint independent auditors.	Shareholders are under legal obligation to file balance sheet, profit and loss, annexes and management report once approved in the shareholders' meeting. A commissaire monitors accounts of small companies and large entities have to appoint independent auditors.	Shareholders are under legal obligation to file balance sheet, profit and loss, annexes and management report once approved in the shareholders' meeting. A commissaire monitors accounts of small companies and large entities have to appoint independent auditors.

Company Formation...

**Luxembourg at a Glance
2013-2014**

Guide to Luxembourg Holding Company

SOPARFI

company for capital management

Guide to Luxembourg Holding Company: SOFARI

Overview	SOPARFI: Definition	SOPARFI as Public Limited Company (SA)	SOPARFI as Private Limited Company (SARL)
<p>The SOPARFI is a Holding Company. A SOPARFI tax status was established on 24 December 1990 by a Grand Ducal regulation on tax provisions of parent companies and subsidiaries (Mémorial A No 82 of 31/12/1990).</p> <p>The term SOPARFI is an abbreviation of French term <i>Société de participations financières</i>. It is a Luxembourg resident and fully taxable entity that is limited by shares. In practice, SOPARFI is generally formed in form of <i>Société Anonyme</i> as it offers flexibility in operation and management.</p>	<p>There is no specific legal definition for the term 'SOPARFI'. In simplest terms, the term means 'a commercial entity formed pursuant to laws of Luxembourg and subject to tax whose primary activity is to act as 'holding company'.</p> <p>SOPARFI form of company may either be a <i>Société Anonyme</i> (S.A., a public limited company), a <i>Société à responsabilité limitée</i> (S.à r.l., a limited liability company), or a <i>Société en commandite par actions</i> (S.E.C.A., a partnership limited by shares) as discussed above in detail.</p>	<p>Features of SOPARFI as public limited company :-</p> <ul style="list-style-type: none">✓ securities forming part of share capital may be in form of bearer shares allowing shareholders to transfer shares in a simplified manner;✓ It is possible to denominate the share capital of the company in any currency;✓ It is possible to list company's shares on stock market;✓ no restrictions on nationality or residence of directors; and✓ minimal share capital requirement.	<p>Features of SOPARFI as private limited company :-</p> <ul style="list-style-type: none">✓ very easy to form and involves minimal formalities;✓ External auditor's report is not required for this form of entity;✓ minimal share capital requirement for setting up SARL (€ 12,500);✓ Shareholders liability is limited to their contribution;✓ minimal share capital requirement;✓ shareholders can be natural person, legal entity, resident or even non-resident in order to set up this form of company.

Our range of services

Our attorneys can provide legal and strategic advice on all forms of corporate, commercial and business matters including but not limited to banking and finance, company and commercial law including M&A, construction and real estate law, health-care, intellectual property, employment law, insolvency and restructuring law and so on.

At STA, each business area is split into separate practice group and each practice group is undertaken by a partner or senior attorney. Our corporate advisory covers and includes advising on operational arrangements, strategic alliances and joint venture and other arrangements including code sharing, frequent flyer programs and policies, e-commerce and business to business models, ground-handling, and maintenance and operational arrangements, fuel supply and intellectual property. We also handle and negotiate settlement and restructuring agreements, and give advice on bankruptcy and insolvency proceedings.

Bespoke Legal Advice:

- ✓ Our team advises on defining and structuring the form in which new businesses should be operated and/or controlled, advising on complex shareholding structures for existing business entities, domestic and cross border acquisition, advising on contentious shareholder disputes, setting forth the terms and conditions for the ownership and operation of the business and the disposition of the owners' respective interests in the business.
- ✓ advising on private equity/venture capital areas including strategizing over optimal deal structures, registration rights, put and call provisions, co-sale rights, drag along rights, preemptive rights, liquidation preferences and participation rights, anti-dilution provisions, exit strategies, preferential voting provisions, board membership and other corporate governance issues, conversion and redemption features, information rights and optimal allocations of equity (whether in the form of capital stock, options, warrants or otherwise);
- ✓ advising on franchise law including UAE Commercial Agencies law, franchise, distribution and area development contracts, structuring of franchise programs, advice on domestic as well as cross-border acquisition of franchise distribution companies, including preparing franchise offering circulars, complying with federal and local regulatory requirements, and registering the franchise agreement with relevant regulatory authorities; and
- ✓ advising on incorporation, administration and domiciliation of all types of entities across the United Arab Emirates, India, United Kingdom, Luxembourg, and Russia.



STA

Dubai

Office 1904 A,
Level 19, Boulevard Plaza Tower I,
Dubai, United Arab Emirates

Tel: +971 4 360 7311

www.ama.ae

Hamriyah

Office 48-1F, Level 1, Next to ADIB
Lease office building 1,
Near Hamriyah Free Zone Authority
P O Box 52130, Hamriyah, Sharjah

Tel: +971 6 526 4110

Fax: +971 6 526 4027

www.sunilthacker.com

✓ Dubai ✓ Hamriyah ✓ Luxembourg ✓ Mumbai ✓ Moscow

STA

1904, Level 19, Boulevard Plaza, Tower I
Opposite - Burj Khalifa, Downtown Burj
P O Box 18 4125, Dubai
United Arab Emirates
Tel: +971 4 360 7311
E: info@sunilthacker.com

✓ Dubai ✓ Hamriyah ✓ Luxembourg ✓ Mumbai ✓ Moscow

This Company Incorporation Pack is not intended to offer legal advice and you should not act upon the matters referred to within it without taking specific advice.

Notice: STA is a registered trademark of Al Marwan Advocates and Legal Consultants.

© Sunil Thacker 2013-2014. All rights reserved