

LUXEMBOURG SUBSIDIARY OR BRANCH (*FILIALE OU SUCCURSALE LUXEMBOURGEOISE*)

Any company or association incorporated or having its registered office abroad may conduct its business and appear in court in the Grand Duchy of Luxembourg. For this purpose, they may have recourse to different forms of establishment, such as a subsidiary or branch. The choice of the appropriate form affects the formalities for the incorporation and registration of the company, those of the day-to-day administration and the liability of the mother company.

The **subsidiary** is a company of **local nationality** that is legally independent of and majority controlled by the mother company; this implies

- limited liability of the mother company for the liabilities of its subsidiary up to the amount of its subscribed capital;
- separate legal personality of subsidiary and mother company;
- more extensive formalities for the establishment and registration of the subsidiary;
- more extensive formalities for day-to-day management.

The **branch** is an establishment which enjoys a **certain independence** vis-à-vis the company or firm which establishes it, **without having its own legal personality**; this means:

- full liability of the mother company for its branch;
- no legal personality of its own, detached from the mother company;
- less extensive formalities for incorporation and registration;
- less extensive formalities for day-to-day administration.

LEGAL BASIS

- Law of 10 August 1915 on commercial companies (*Loi du 10 août 1915 concernant les sociétés commerciales*)