

## **FAMILY WEALTH MANAGEMENT COMPANIES (*SOCIÉTÉ DE GESTION DE PATRIMOINE FAMILIAL – SPF*)**

The SPF was introduced by the Law of 11 May 2007 on the creation of a family wealth management company (*Loi du 11 mai 2007 relative à la création d'une société de gestion de patrimoine familial – SPF*) and is an appropriate private wealth management vehicle for high net worth and high net worth individuals wishing to accumulate, protect and transfer their wealth.

### **REQUIREMENTS**

It may **only take the form of the following companies:**

- Limited liability company (*Société à responsabilité limitée*);
- Public limited company (*Société anonyme*);
- partnership limited by shares (*Société en commandite par actions*);
- Cooperative organised in the form of a joint-stock company (*société coopérative organisée sous forme d'une société anonyme*).

Furthermore, their **purpose must be exclusively to acquire, hold, manage and dispose of financial assets, to the exclusion of any commercial activity.** Their shares or units are reserved for certain investors defined by law. Their articles of association must expressly provide that the SPF has submitted to the provisions of the aforementioned law.

### **TAXES**

The SPF is exempt from income tax (*impôt sur le revenu*), communal business tax (*impôt commercial communal*) and net wealth tax (*impôt sur la fortune*).

However, it is subject to an annual subscription tax (*taxe d'abonnement*) of 0.25%, the revenue from which may not be less than the annual amount of EUR 100. The maximum amount of the tax is limited to EUR 125,000 per year. The assessment base for the subscription tax (*taxe d'abonnement*) payable by SPF is:

- the amount of its paid-up share capital,
- increased, if applicable, by (i) the capital reserves and (ii) that part of the debts, in whatever form, exceeding eight times the paid-up share capital and the capital reserves existing on 1 January or, for the year of its incorporation, on the date of incorporation.

### **SUPERVISION**

The authority charged with exercising fiscal control over the SPF is the Luxembourg Registration Duties, Estates and VAT authority (*Administration de l'enregistrement, des domaines et de la TVA – AED*).

The right of inspection and investigation is exercised under the supervision of the Luxembourg Registration Duties, Estates and VAT authority (*Administration de l'enregistrement, des domaines et de la TVA – AED*). This is limited to searching and examining the facts and data relating to the tax status of SPFs, as well as the elements necessary to ensure and verify the fair and accurate collection of taxes and duties charged to SPFs. As part of the audit assignment, the books of SPF may be inspected at the registered office of the company.

The SPF's compliance with certain legal conditions is verified by the SPF's [domiciliary holder](#) or, failing that, by a statutory auditor (*réviseur d'entreprises*) or by a chartered accountant (*expert-comptable*).

#### **LEGAL BASIS**

- Law of 11 May 2007 on the creation of a family wealth management company (*Loi du 11 mai 2007 relative à la création d'une société de gestion de patrimoine familial – SPF*)