

Luxembourg Special Limited Partnership (SCSp)

GENERAL OVERVIEW

Legal Basis: Governed by the Luxembourg Law of 10 August 1915 (Company Law) and the Law of 12 July 2013 on Alternative Investment Fund Managers (AIFM Law).

Regulatory Oversight: Not subject to direct CSSF supervision unless managed by an AIFM.

Legal Personality: No separate legal personality; acts through its General Partner (GP).

Target Investors: Institutional, professional, and private investors seeking flexibility and tax efficiency.

Setup Timeframe: The setup timeframe typically ranges from 1 to 3 weeks. However, this can vary depending on several factors, such as the complexity of the partnership agreement, the involvement of various stakeholders, and the specific requirements of the fund or investment structure.

Key Features

Corporate Flexibility: Operates under a partnership agreement with broad structuring options.

Legal Structure:

- At least one General Partner (GP) with unlimited liability.
- One or more Limited Partners (LPs) with liability limited to their contributions.
- No minimum capital requirements.

Investment Scope: Used for private equity, real estate, venture capital, hedge funds, debt, and other alternative investments.

Quick Time-to-Market: No regulatory approval required; operational immediately upon registration.

Contractual Freedom: Terms and conditions fully customizable in the Limited Partnership Agreement (LPA).

Taxation

Tax Transparent: SCSp is not subject to corporate income tax, net wealth tax, or municipal business tax in Luxembourg.

Taxation at Partner Level:

- Limited Partners are taxed in their jurisdiction of residence.
- General Partner may be subject to Luxembourg taxation if receiving management fees.

No Withholding Tax on profit distributions.

Potential Tax Treaty Benefits: Can benefit from tax treaties if structured correctly.

Advantages of SCSp

1. **No Direct Regulation:** Not supervised by the CSSF unless managed by an AIFM.
2. **High Flexibility:** No restrictions on governance, investment strategy, or distributions.
3. **Tax Efficiency:** Full tax transparency and no withholding tax.
4. **Investor-Focused Structure:** Suitable for institutional, professional, and private investors.
5. **Cost-Effective Setup:** No capital requirements, no depositary needed (unless under AIFM Directive), and low compliance burden.
6. **Efficient Transferability:** LP interests can be transferred as per the LPA.

Governance & Service Providers

General Partner (GP): Responsible for fund management and decision-making.

Alternative Investment Fund Manager (AIFM):

- Required if the SCSp qualifies as an Alternative Investment Fund (AIF).
- If appointed, enables EU passporting for cross-border fundraising.

Depositary Requirement: Only necessary if managed by an AIFM.

Central Administration: Must maintain books and records in Luxembourg.

Auditor: Not mandatory unless classified as an AIF.

Use Cases

- Private Equity & Venture Capital Funds
- Real Estate Investment Vehicles
- Debt & Credit Funds
- Hedge Funds & Family Office Structures

Setup & Support

- Assistance with structuring and registration of an SCSp in Luxembourg.
- Drafting of the Limited Partnership Agreement (LPA) and legal documentation.
- Ongoing administration, management, and tax compliance services.

For further details or assistance in setting up a Luxembourg SCSp, please contact **KENDRIS Capital Limited**.

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