KENDRIS

Luxembourg Investment Company in Risk Capital (SICAR)

GENERAL OVERVIEW

Legal Basis: Governed by the Luxembourg Law of 15 June 2004, as amended.

Regulatory Oversight: Fully regulated and supervised by the Commission de Surveillance du Secteur Financier (CSSF).

Target Investors: Reserved for well-informed and professional investors.

Setup Timeframe: The setup timeframe ranges from 2 to 3 months, though it can vary depending on the complexity of the structure.

Key Features

Corporate Flexibility: Can be structured as:

- Investment Company with Variable Capital (SICAV)
- Investment Company with Fixed Capital (SICAF)
- Limited Partnership (SCS or SCSp)

Investment Scope: Focuses exclusively on risk capital investments (private equity, venture capital, and similar asset classes).

No Diversification Rules: Unlike SIFs, SICARs are not subject to asset diversification requirements.

Umbrella Structure: Can include multiple sub-funds with segregated liability.

EU Passporting: If managed by an authorized AIFM, SICARs can be marketed across the EU.

Taxation

Corporate Tax Exemption: Exempt from corporate income tax on qualifying risk capital investments.

No Subscription Tax: Unlike SIFs, SICARs are not subject to the 0.01% subscription tax.

No Withholding Tax on distributions to non-resident investors.

Access to Luxembourg's Double Tax Treaty Network for tax efficiency.

Advantages of SICAR

1. **No Diversification Rules:** Investors have full flexibility to focus on risk capital investments without restrictions.
2. **Tax Efficiency:** Exempt from corporate tax on eligible investments, making it attractive for private equity and venture capital.
3. **EU Passporting:** If managed by an AIFM, allows crossborder fundraising within the EU.
4. **Strong Market Recognition:** Well-established framework widely accepted by institutional investors.
5. **Scalability:** Can be structured as an umbrella fund with multiple sub-funds.

Governance & Service Providers

AIFM Requirement: Must appoint an Alternative Investment Fund Manager (AIFM) if structured as an Alternative Investment Fund (AIF).

Depositary Requirement: Must appoint a regulated depositary in Luxembourg.

Central Administration: Required in Luxembourg.

Auditor: A Luxembourg-registered auditor must be appointed.

Use Cases

- Private Equity & Venture Capital Funds
- Debt & Mezzanine Financing Structures
- Infrastructure Investments
- Real Estate Development with Risk Capital Element

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

Setup & Support

Assistance with CSSF approval and SICAR structuring.

Drafting of regulatory documentation (Offering Memorandum, Limited Partnership Agreement, etc.).

Ongoing fund management, administration, and compliance services.