



# SPF 2.0

**Practical information and update on recent developments**

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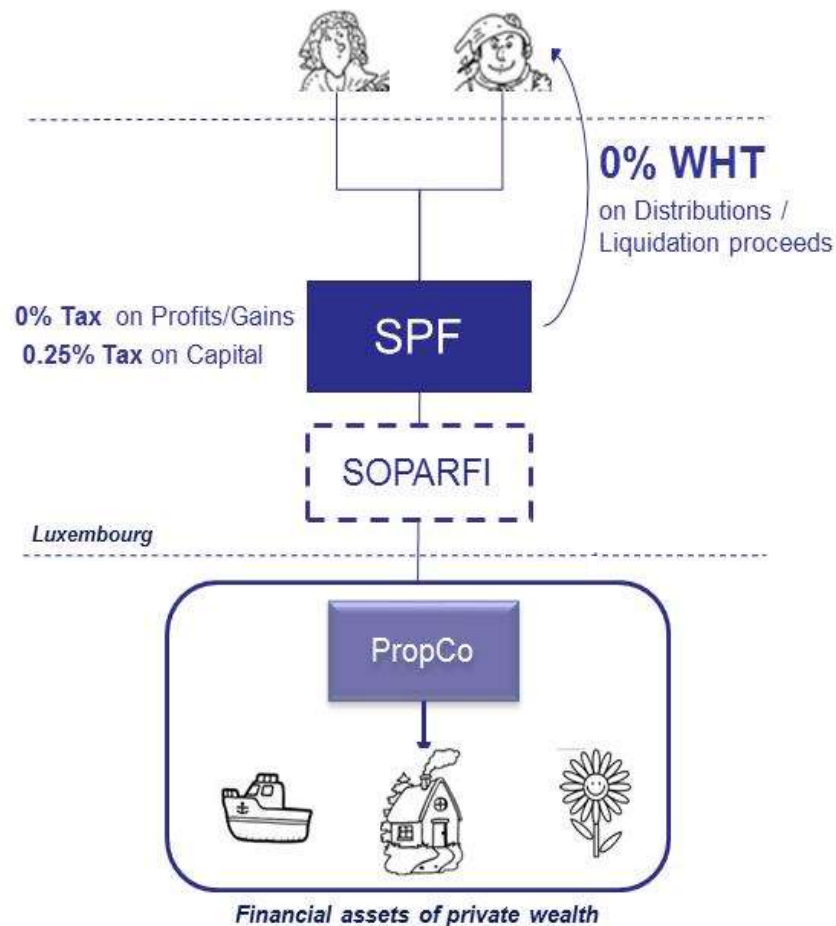
## Family Wealth Management Company (SPF)

- Non supervised and non regulated corporate vehicle governed by the Luxembourg law of 11 May 2007 on the Family Wealth Management Company, as amended
- Investment vehicle dedicated to the management of private, family wealth of individuals
- No family link between the shareholders necessary
- Eligible shareholders:
  - Any individual acting within the framework of the management of his private wealth
  - Any wealth management entity acting exclusively in the interest of the private wealth of individuals (Family Office – Trust – Private Foundation)
  - Any intermediary entity holding the shares on a fiduciary basis on behalf of the investors

## Family Wealth Management Company (SPF)

- SPF may acquire, hold, manage and sell any “financial assets” to the exclusion of any commercial activity
- SPF **cant** provide loans and engage in any commercial activities
- Investments allowed: “financial assets” (law of 5 August 2005 on collateral arrangements)
- No risk diversification rules
- A SPF company can be set up in the form of:
  - ✓ private limited liability company (S.à r.l.)
  - ✓ public limited liability company (S.A.)
  - ✓ partnership limited by shares (S.C.A.)
  - ✓ cooperative in the form of public limited liability company (Coop S.A.)  
*(variable share capital and strict non-transferability of shares to third party investors)*

# Family Wealth Management Company (SPF) (cont')



## Tax status

- No taxes on capital gains, profits or income tax
- No net wealth tax
- The SPF is subject to an annual subscription tax of 0.25% payable on the paid-up share capital and share premium with a maximum subscription tax of EUR 125,000 / year
- No withholding tax ("WHT") on distributions, whether in the form of dividends or interest payments or other, paid by the SPF to the shareholders outside Luxembourg
- No tax on the profits of liquidation earned by and repatriated to the shareholder outside Luxembourg

## Eligible investments

- Any type of financial assets such as shares in companies, bonds, undertakings for collective investment, derivatives and structured financial products as well as cash and precious metals certificates

## Points of attention

- No direct ownership or ownership through a tax transparent structure of real estate
- No access to tax treaties and EU Directives

## Eligible shareholders of SPF

Who checks the eligibility status of such shareholders?

Can a company be an eligible shareholder of an SPF?

## Are the following investments eligible for an SPF?



## Eligible activity of SPF



What happens if an SPF becomes the counterparty of a loan in case of a restructuring or a liquidation?



What happens if an SPF has a de-facto debt (a purchase price receivable which is outstanding)?



Can a portfolio of an SPF be used as a collateral for the benefit of a sister company or the shareholder?





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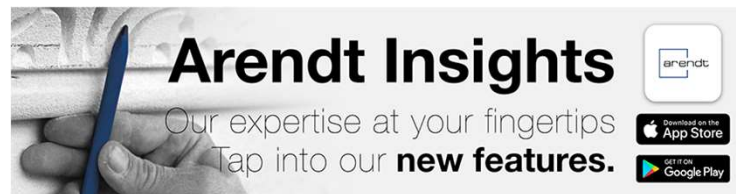
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