

Tax in Luxembourg

GLOBALLY CONNECTED

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Tax in Luxembourg

With more than 380 tax advisors in offices throughout the world, we help multinational companies address the complex challenges of international commerce and business operations as well as manage and resolve tax disputes.

Companies operating in the global economy experience complex tax issues, both in their home country and in the jurisdictions in which they do business or invest in; this requires a coordinated global delivery of services incorporating both knowledge of national legislation and the appropriate international perspective, including tax treaties.

In Luxembourg

Our tax team in Luxembourg has an approach that not only covers all aspects of Luxembourg tax, including direct tax, VAT, registration taxes, transfer pricing, tax compliance, tax litigation, mutual agreement procedures, but also provides deep knowledge of most foreign tax aspects relating to fund structuring and acquisitions/financing through Luxembourg vehicles.

We advise a large number of international clients on their Luxembourg tax requirements. We have particular expertise in the alternative fund industry, working on numerous private equity, real estate and fund formation matters.

‘...expertise in the alternative fund industry, working on numerous private equity, real estate and fund formation matters.’

Our full services tax capabilities



Tax planning

Tax planning is a critical element of almost every transaction and investment and offers an opportunity to add value and minimize financial risk. We advise clients including private equity and hedge funds, major multinational corporations, large pension funds, investment and commercial banks and family offices on their tax planning. Frequently our clients are not domiciled in Luxembourg and we work closely with our colleagues in jurisdictions across the world to provide seamless cross-border advice.

We often collaborate with our clients' internal tax and accounting departments, as well as outside accounting firms, to design tailor-made structures enabling our clients to achieve their commercial and tax goals.

Mandatory exchange of information



We provide our clients with a full range of services with respect to the exchange and reporting of information (DAC6, FATCA and CRS) including but not limited to FATCA/CRS classification of an entity concerned, filling self-certification forms or other forms or reporting.



Transfer pricing

A well-designed, documented and implemented transfer pricing strategy can be a key competitive advantage for multinational companies, especially as regimes become ever-more demanding and complex and governments intensify enforcement.

Our advice in Luxembourg is part of a global transfer pricing team and we advise clients on the intricacies on transfer pricing in the context of international tax law. We advise on compliance with local legislation, planning of transfer pricing policies, valuation of transfer prices and support with dispute resolution and litigation.



VAT

At 17%, Luxembourg has the lowest standard VAT rate in the European Union, one of the reasons it is such an attractive destination for businesses. We advise clients on matters including the incidence of VAT on transactions, structuring to minimise irrecoverable input VAT, the VAT impact of transfer pricing issues, the effect of VAT rules on commercial real estate transactions and all aspects of VAT disputes.



Real estate tax

The structuring of property acquisitions, investment and development is heavily influenced by tax considerations. With large

number of acquisitions being cross-border and structured via Luxembourg vehicles, we work with international colleagues on all stages of real estate transactions.



Tax controversy

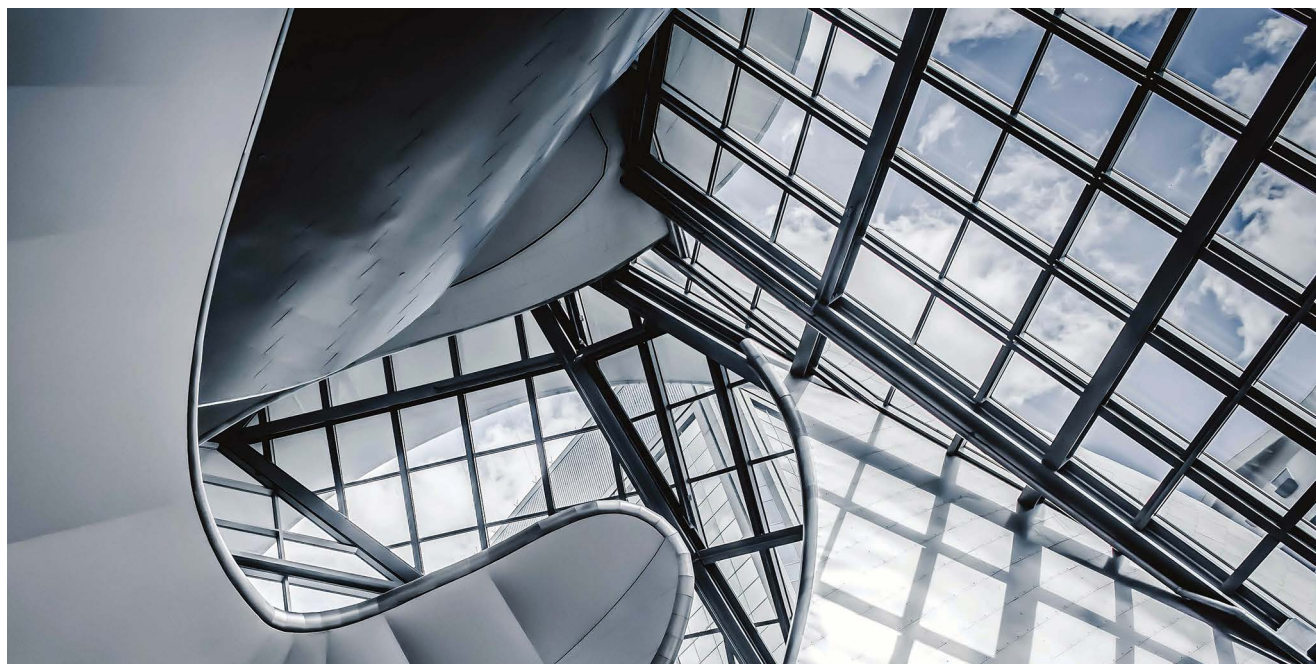
Our Luxembourg tax controversy practice focuses on matters such as tax audits, administrative appeals, mutual agreement procedures, exchange of information requests and tax litigation before administrative and civil courts. Close cooperation between our international offices and the regular involvement of colleagues in neighboring fields such as litigation, commercial law, employment law and corporate law allows us to provide comprehensive and solution-orientated advice in the representation of our clients.



Mutual Agreement Procedure (MAP)

MAP can be used to resolve a wide range of disputes and to obtain a variety of benefits for taxpayers: eliminating double taxation, enforcing treaty limitation, determining the resident country of dual resident persons, securing non-discriminatory tax treatment.

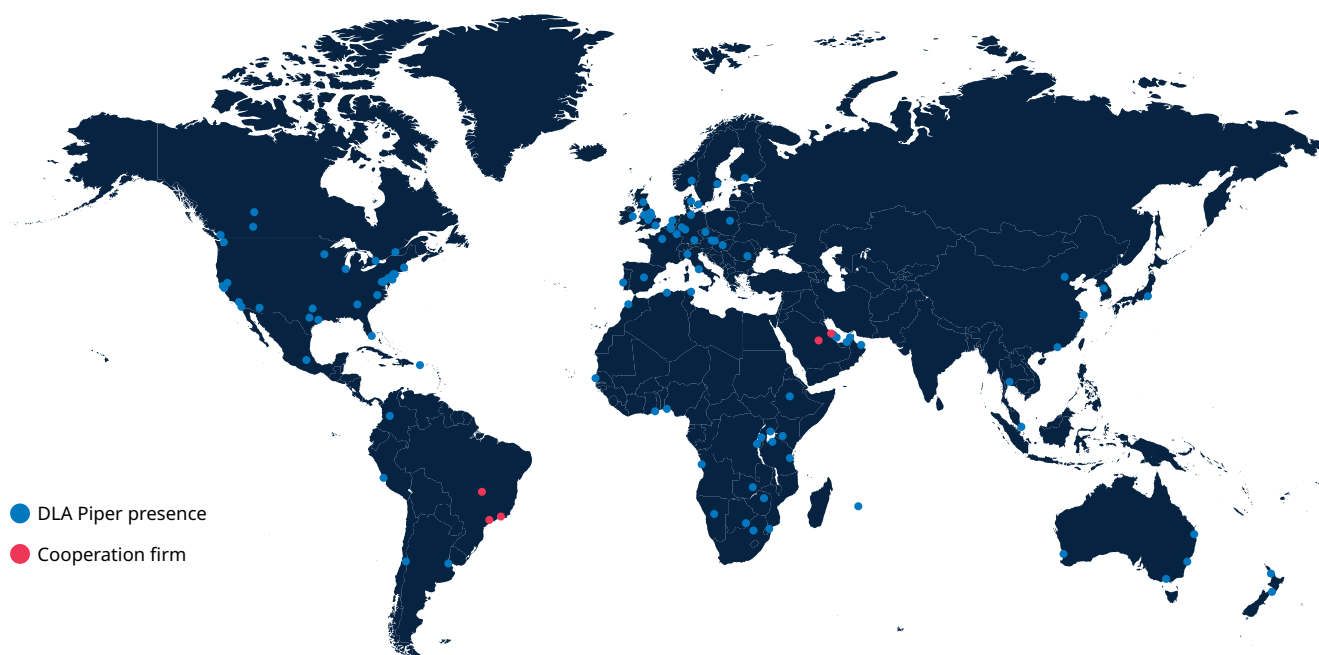
Our team in Luxembourg can advise on the possibility to make an application for MAP in your country or on your cross-border tax controversy strategy more generally.



Experience

- Assisted with the drafting of a strategy paper for a leading multi-strategy US based asset manager in relation to the design of the downstream tax structures for their next generation of PE/RE and debt funds with the aim to mitigate the impact of the OECD BEPS project and the EU anti-tax avoidance directive.
- Advised a leading German bank on the tax structuring of a Luxembourg based debt fund and its downstream investment structure and coordinated tax input from more than 30 European target jurisdictions as well as several investor jurisdictions.
- Advised a leading infrastructure asset manager on the design of the downstream investment structure for its European infrastructure flagship fund and in the filing of a tax ruling in relation thereto.
- Assisted a large UK based real estate asset manager with the tax structuring of a multi-billion EUR European real estate fund and its downstream investment structure, advised on the Luxembourg tax aspects and coordinated input of tax advisors in target jurisdictions for more than a dozen investments.
- Advised several asset managers on the set-up of their Luxembourg operations, including in relation to substance, cost-sharing and employee sharing considerations.
- Advised a US based asset manager specialised in financing energy-related infrastructure projects on the setting-up of their Luxembourg operations and on the tax aspects of investments made through Luxembourg.
- Represented a Russian fashion retail company headquartered in Luxembourg in a pre-litigation phase with the Luxembourg tax authorities and in a litigation phase before the Luxembourg administrative tribunal in relation to an exchange of information request from the Russian to the Luxembourg tax authorities.
- Assisted a UHNW family residing in another EU jurisdiction with their relocation to Luxembourg as well as with the structuring of their wealth via a Luxembourg private wealth management company (SPF), benefiting from the step-up in basis available in Luxembourg for private clients.
- Advised one of the largest financial institutions in Saudi Arabia on the establishment of a Shariah-compliant and tax efficient Luxembourg structure to acquire through share deal the shares in a Belgian SPV entity full owner of an office building under development in Brussels, Belgium.

Our global presence



AMERICAS

Atlanta
Atlantic City
Austin
Baltimore
Bogota
Boston
Brasilia*
Buenos Aires
Calgary
Chicago
Dallas
Edmonton
Houston
Lima
Los Angeles
Mexico City
Miami
Minneapolis
Montreal
New York
Northern Virginia
Philadelphia
Phoenix
Raleigh
Rio de Janeiro*
Sacramento
San Diego
San Francisco
San Juan
Santiago
São Paulo*
Seattle
Short Hills
Silicon Valley
Toronto
Vancouver
Washington, DC
Wilmington

EUROPE

Aarhus
Amsterdam
Antwerp
Birmingham
Bratislava
Brussels
Bucharest
Budapest
Cologne
Copenhagen
Dublin
Edinburgh
Frankfurt
Hamburg
Helsinki
Leeds
Lisbon
Liverpool
London
Luxembourg
Madrid
Manchester
Milan
Munich
Oslo
Paris
Prague
Rome
Sheffield
Stockholm
Vienna
Warsaw

MIDDLE EAST

Abu Dhabi
Al Khobar*
Doha
Dubai
Manama
Muscat
Riyadh*

AFRICA

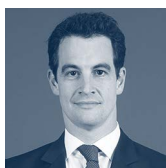
Algiers
Addis Ababa
Accra
Bujumbura
Casablanca
Dakar
Dar es Salaam
Ebène
Harare
Johannesburg
Gaborone
Kampala
Kigali
Lagos
Luanda
Lusaka
Maputo
Mwanza
Nairobi
Tunis
Windhoek
Zanzibar

ASIA PACIFIC

Auckland
Bangkok
Beijing
Brisbane
Hong Kong
Melbourne
Perth
Seoul
Shanghai
Singapore
Sydney
Tokyo
Wellington

* Cooperation firms

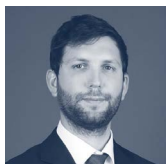
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*“Attentive to the customer’s
needs and responsive”*

— Chambers & Partners, 2021

