

real estate vehicles

Luxembourg is currently the leading European domicile for vehicles investing directly or indirectly into Real Estate. The optimal choice of such an investment vehicle depends largely on the targeted investor base, on tax considerations and the type of investments. Luxembourg has much to offer in this respect.

The current Luxembourg legal framework is diverse and flexible enough to cover a wide range of investor needs, yet the tax rules and regulations are efficient and secure to achieve the desired tax optimization. The Luxembourg regulatory regime is also a key factor when considering whether to choose an unregulated or regulated real estate investment vehicle for international investors.



Unregulated real estate investment vehicles

The most common unregulated real estate investment vehicle is the so-called SOPARFI. A SOPARFI is a fully taxable corporation that may benefit from the common Luxembourg participation exemption regime. It may also benefit via applicable double tax treaties or the EU Parent-Subsidiary Directive from tax exemptions on income deriving from real estate situated abroad.

In general, one of the following legal form is chosen:

- a private limited liability company
(*Société à Responsabilité Limitée - Sàrl*)
- a public company limited by shares
(*Société Anonyme - SA*)
- a corporate partnership limited by shares
(*Société en Commandite par Actions - SCA*)
- a common or special limited partnership
(*Société en Commandite Simple - SCS or Société en Commandite Spéciale - SCSp*)

A core feature of these company forms is the limited liability of each shareholder to the amount of his participation in the company.

Through an appropriated legal and finance structuring, it is possible to leverage the SOPARFI investments through a mixture of equity and debt.

Therefore, Luxembourg SOPARFIs are often used as subsidiaries of Luxembourg regulated or foreign unregulated fund structures where they act as Master Holding companies or as Property Asset Holding companies.

Limited partnership regimes offer with their combination of the unlimited/limited liability balance between the general partner and the limited partners an unparalleled investment platform suited to the respective commitments of both promoters and investors. Both regimes are based on the well-recognised Anglo-Saxon model, whose success mainly lie in the corporate and contractual sophisticated flexibility and tax transparency they provide.

Regulated real estate investment vehicles

Luxembourg regulated real estate investment vehicles are subject to approval and ongoing prudential supervision by the Luxembourg regulator CSSF. The legal framework of these vehicles has been set up in a joint effort between the legislator and the business community.

The appropriate type of regulated vehicles to be used may typically be organized as:

■ SIF under the law of 13 February 2007

Real estate SIFs may be set up either in corporate form (SICAV or SICAF) or in a contractual common fund form (FCP). A key determining factor in the selection of one of these structures is the tax regime applicable, both to its investors and to its target investments. Real Estate SIFs have lighter risk diversification requirements than retail funds, and enjoy also other distinctive legal and regulatory features.

■ SICAR under the law of 15 June 2004

A SICAR is not subject to risk diversification requirements, and can invest directly into real estate asset vehicles provided these assets feature certain minimum risk capital characteristics. For instance, "opportunistic" strategies would qualify for the SICAR. Furthermore, SICARs are exempt from consolidation requirement, which has a positive impact on the cost-efficiency of Master RE SICAR structures.

SIFs and SICARs may adopt a multiple compartment structure (umbrella set-up) where, for instance, segregated compartments have a different investment policy or are restricted to certain investors. Additionally, different share classes can be set up in order to take into account different fee structures.

Common legal forms of the regulated investment vehicles are the SA, Sàrl, SC, SCS or SCSp.

PANDOMUS has the resources and the expertise to provide efficient central administration services and corporate services to all types of Luxembourg RE vehicles.



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PANDOMUS is a Luxembourg based service company, which offers high-end & exhaustive Luxembourg company domiciliation services.

PANDOMUS does not have any link with law firms, tax advisors, asset managers or banks.

An independent service provider

As a truly independent service provider, PANDOMUS does not have any conflict of interest and can thus guide its clients towards those specialists who are the best in their area of expertise. Similarly, PANDOMUS can work with any service provider, bank or asset manager of its client's choice.

PANDOMUS is owned by Luxembourg resident partners.

PANDOMUS is regulated by the Luxembourg Financial Supervisory Authority (CSSF) and approved by the Luxembourg Ministry of Finance.

The Formula

We believe that the best marketing is generated by satisfied clients. Thus, we have designed our business plan around a sound and simple philosophy: the clients of PANDOMUS get a good deal. This translates into the following formula:

high quality @ competitive price

We can perform at competitive prices since the company has a lean organization without any financial expenses. High quality is ensured through steadfast partner attention and a flat corporate hierarchy. Each client is allocated to one experienced partner, which emphasizes our personalized approach and ensures that each client faces a decision making person.

We firmly believe that this philosophy is a strong differentiator and that this concept will prove genuinely sustainable.

Our Clients

- Listed multinational companies
- Real Estate companies
- Private Equity and Venture Capital firms
- Financial institutions
- Insurance companies
- Investment and pension funds
- Private companies
- High Net Worth Individuals

Our Expertise

- Private Equity & Venture Capital
- Real Estate
- Intellectual Property (IP) structures
- Securitization Vehicles
- Middle Office
- Risk Management
- Institutional Client Services
- Services for Private Clients
- Liquidation Services

Our Services

- Incorporation and liquidation of Companies
- Company Domiciliation & Office Rental
- Resident & approved CSSF Directors
- Central Administration (SIF & SICAR)
- Accounting & Consolidation (LuxGAAP / IFRS / EVCA / INREV)
- Corporate Secretarial
- Tax Compliance

