

## KEY FACTS

# LUXEMBOURG INVESTMENT VEHICLES FOR LATAM COUNTRIES

Luxembourg, a leading financial center for investment fund management and private banking, is an attractive hub for multinationals looking to expand their business in Europe. Cooperation between Latin American (LATAM) countries and Luxembourg has grown substantially in recent years.

With robust market infrastructure, Luxembourg has become one of the world's most efficient global fund distribution platforms and is recognized as the place to be for high net worth (HNW) individuals and family offices, as well as LATAM asset managers wishing to sell their investment funds in Europe and globally. Luxembourg provides a wide range of investment possibilities and has considerable experience in global distribution.

### WHY LUXEMBOURG?

A part of OECD's "white list", Luxembourg is very highly ranked as a reliable and transparent jurisdiction with a stable political environment. These features have helped Luxembourg become a prime location for holding companies and limited partnerships. Currently, such Luxembourg investment vehicles are used by HNW individuals and families, international groups, private equity firms and investment funds.

### INVESTMENT VEHICLES

- > **Société de Participations Financières (SOPARFI)** are unregulated company vehicles, which have no restrictions on their field of activity and are commonly used as holding companies.
- > **Private Wealth Management Companies (Société de Gestion de Patrimoine Familial – SPF)** are aimed at private investors and individuals. They are fully tax exempt on income received from shares, bonds, notes, mutual funds, deposit accounts or any other financial instrument.
- > **Luxembourg's Limited Partnerships (SCS/SCSp)** are internationally recognized structures inspired by the Anglo-Saxon Limited Partnerships. Thanks to a wide choice of partnership structures, Luxembourg offers one of the most comprehensive ranges of fund structuring options for private equity, infrastructure, real estate and hedge funds globally.

### CASE STUDIES

- > A HNW individual based in Chile holds a portfolio of securities and financial assets which are currently managed by a Swiss bank offering private banking solutions. Considering the current regulatory environment and the reputation of Luxembourg investment vehicles, they have been considering using a Luxembourg holding company to hold his financial assets instead of a BVI company. Their Luxembourg tax advisor advised to set up an SPF in Luxembourg, dedicated to holding the financial assets whose performance will be managed by the Swiss bank.
- > A Mexican family is looking to invest in renewable energy as well as new technologies, media and telecom. The family wants to set up an investment fund that will serve for EU investors to co-invest in the family's Mexican fund. They have been advised by a Luxembourg law firm to set up an unregulated Luxembourg investment fund as an SCSp suitable for structuring SPVs, which will hold the foreign entities investing in renewable energy and new technologies.

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