

## Private wealth management – have you considered the SPF?

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The family wealth management company (*société de gestion de patrimoine familial* – SPF) is a special investment vehicle dedicated to individuals and their relatives (and any intermediate entity) for managing their private financial assets.

### | Luxembourg tax considerations

From a Luxembourg tax perspective, the SPF benefits from a broad tax exemption regime combined with low legal and regulatory requirements which offers lots of flexibility.

For more information on the legal status of an SPF, consult our dedicated article "[The Luxembourg SPF: a private wealth management company of choice](#)".

Structured as a tax opaque company, an SPF may constitute a tax blocker allowing its investors to manage the timing of income receipts as they deem fit.

Due to its particular tax exemption regime, an SPF is generally not eligible for European Directives or double tax treaty provisions. Therefore, in view of taking full advantage of the SPF, implementing a more sophisticated structure may be required in some circumstances, depending on the type of assets it is envisaged to invest in and the objectives set by the investors.

Based on the above, the SPF may constitute an appropriate vehicle for financial asset holding and transmission planning for both resident and non-resident private investors, entrepreneurs and international families.

A well-considered SPF structure can be close to tax neutral both locally and internationally, allowing investors to take full advantage of Luxembourg's prime European location and well-established position in the global asset management ecosystem.

# Residency certificate

On 4 June 2024, the Luxembourg tax authorities (**LTA**) issued a new administrative circular no.159/2 (the **Circular**) regarding the SPF.

The Circular clarifies the conditions under which an SPF is recognised as a Luxembourg resident for tax purposes, as outlined in the Luxembourg Income Tax Law (**LITL**). An SPF is thus considered as a tax resident of Luxembourg if the two following conditions are cumulatively met:

- the SPF is incorporated in one of the forms specified in the LITL - this condition should automatically be met as SPFs are required to be established under a capital company form
- the SPF has its statutory seat or central administration in Luxembourg

The Circular provides that, should an SPF have its statutory seat or central administration in Luxembourg, it is eligible to receive a certificate from the LTA confirming its residency status in accordance with Luxembourg law.

Furthermore, the Circular outlines the required information for the certificate application, which should 'inter alia' include the name, tax identification number, address of the SPF and date of obtention of SPF status. The application should also contain the preferred language for the certificate and the motivation behind the application.

## How can Ogier help?

If you want to know more about the SPF or wish to discuss your private and/or professional asset holding structure, contact our Luxembourg team. Our tax experts have extensive experience and offer tailor made and creative tax and legal solutions to help our clients achieve their objectives.

### About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

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