

The **R**eliable Lawfirm

Avocats à la Cour **R**eding

INCORPORATING A COMPANY IN LUXEMBOURG

A Company is incorporated by an authentic deed received by a public notary («notaire») and exists as soon as the deed is signed.

It is also the notary who will undertake to register the company on the official trade register («registre de commerce et des sociétés») and to publish the articles of incorporation in the official gazette.

Each notary or law firm has a sample of articles of incorporation containing all clauses required by law. They are usually drafted in french or german – often with english translation.

The steps are:

1. DECIDE WHICH TYPE OF COMPANY SHOULD BE USED:

- S.A.: société anonyme (public limited liability company)
- SARL: société à responsabilité limitée (private limited liability company)
- etc.

2. CHOOSE A NAME!

Or even 2 or 3 as your lawyer / the notary will have to verify if the name is «available» and get a certificate of «free denomination» from the trade register.

3. THE CHOSEN CAPITAL HAS TO BE PAID (min. 12.500 € for SARL and 31.000 € for S.A.)

- a. either in cash:** then the notary will request a «blocking certificate» issued by a bank and confirming that said amount was paid in and is blocked until the notarial deed is signed.

Be aware: Given the «KYC» rules, setting up a bank account may take several days!

- b. or in kind:** then the notary will require a proof that the evaluation is correct or even (S.A.) a report from a qualified auditor.

The capital can be expressed in any traded foreign currency!

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4. WHERE WILL BE THE REGISTERED OFFICE?

You may either rent/purchase premises or sign a domiciliation agreement with a qualified professional. Our firm offers this service. Please request a quotation!

5. OTHER QUESTIONS

- Who will be the founding shareholder(s)? (Can be represented by a lawyer by proxy)
- What will be the activities? («objet social»)

6. WHO WILL RUN THE COMPANY?

- An S.A. may have a sole director if there is a sole shareholder. Otherwise minimum 3 directors are required.
- An SARL is managed by at least 1 «gérant» – manager.

Depending on the activities a business licence may be necessary. Such licence is granted on basis of the manager's/director's qualification.

If no such licence is required any person – residing or not – may be appointed. Even a company.

Special licences are needed for banking/insurance activities.

Once incorporated the company will have to establish annual accounts: (balance sheet etc.) and to file a short version with the trade register.

If turnover exceeds 6,25 million and the balance sheet 3,12 million and/or if more than 50 fulltime employees are on payroll, the accounts have to be audited by a «réviseur d'entreprise».

And of course an annual tax declaration has to be filed with the tax authorities.



*„Our firm and its partners
would be honoured to
assist you if you choose
Luxembourg as your
headquarter in Europe.“*

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