Clifford Chance

Alternative investment funds

The Luxembourg Toolbox
September 2026

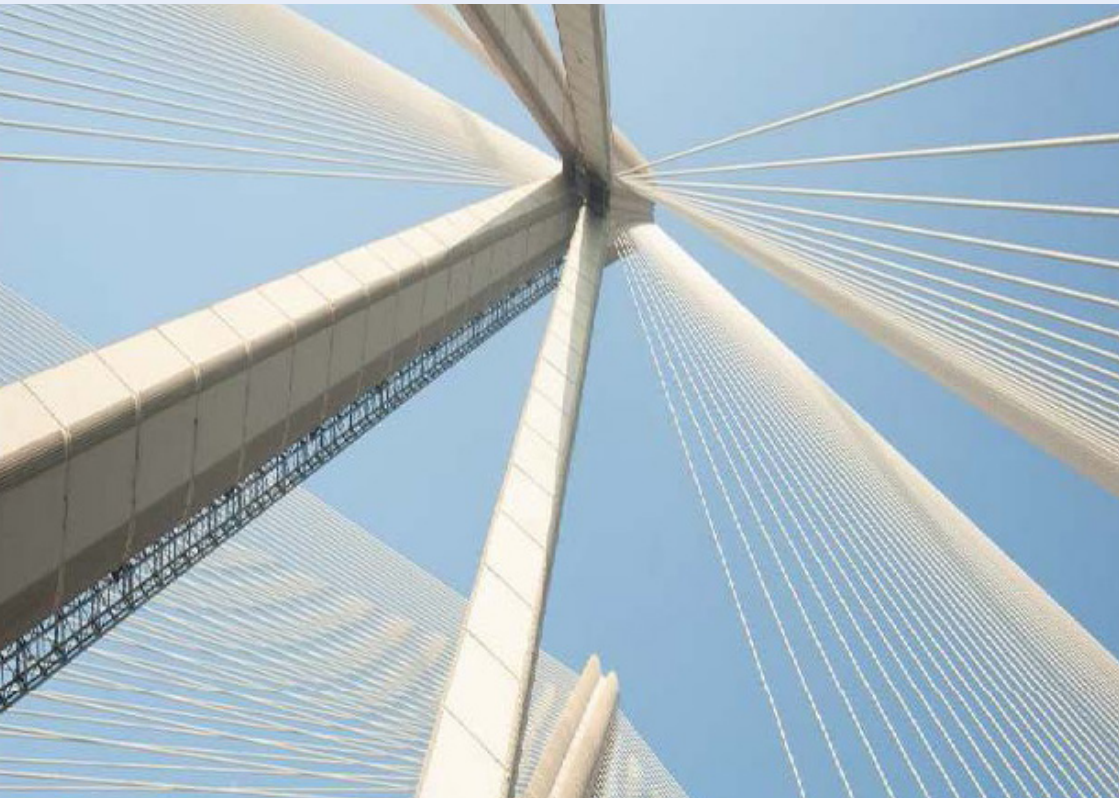


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01

Why Luxembourg?



Why Luxembourg?

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Luxembourg, your gateway to Europe and beyond

02
Steady growth in alternative investment sectors

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A unique and innovative toolkit of investment products

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Flexible structuring options for operating AIFs

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A stable and trusted jurisdiction

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Established experience in servicing alternative assets

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An international and multilingual environment

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A pragmatic legal and supervisory framework

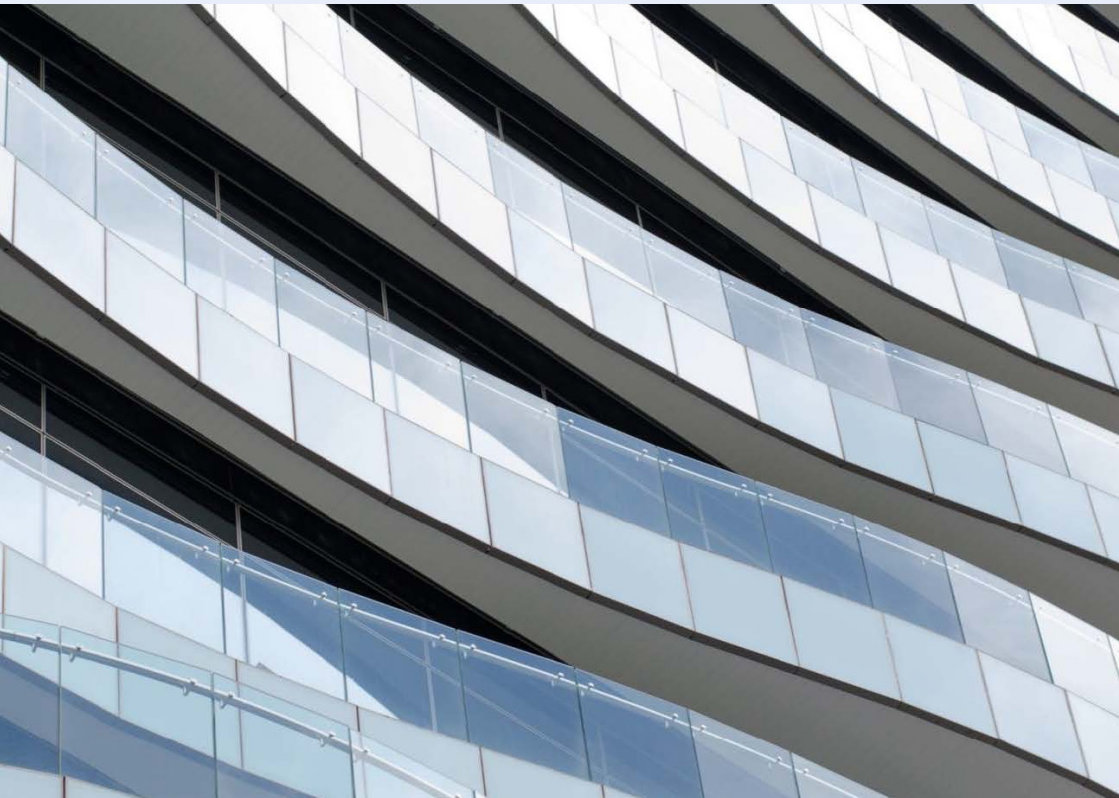
09
A favourable and predictable tax environment

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A forward-looking and innovative global player

"The Luxembourg Toolbox for alternative investment funds offers tailored solutions for fund managers and investors, allowing a combination of features from different jurisdictions. Notably, thanks to its limited partnership regime, the needs of clients from both common law and civil law jurisdictions can be accommodated."

02

Luxembourg's fund industry



Luxembourg's fund industry

Luxembourg is an overachiever when it comes to its investment fund industry. As of July 2026, the net assets under management in Luxembourg funds amounted to EUR 6,686.574 billion. As this only reflects regulated funds – while most alternative funds in Luxembourg are unregulated – this is a remarkable success.

This places the Grand Duchy of Luxembourg in the top league, qualifying as the second largest fund centre worldwide, following the United States, but leading global rankings when looking at funds distributed cross-border.

The Luxembourg market is attractive to a wide number of fund sponsors from various jurisdictions. The top three (in terms of assets under management) as of July 2026 were the United States, the United Kingdom and Germany. Luxembourg has been a first mover in the implementation of European fund regulation since 1988, including the European Union's Alternative Investment Fund Managers Directive (the AIFMD).

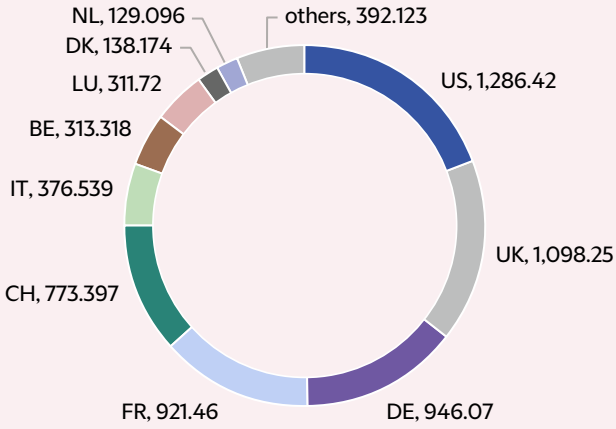
Origin of sponsors of Luxembourg funds (net assets in bn EUR*)

Number 1
Worldwide cross-border fun distribution

Number 1
Investment fund centre in Europe

Number 2
Investment fun centre in the world

* As of July 2026



The country has played a pivotal role in opening up markets for international fund distribution due to its long history of creating products that enable firms to develop their businesses.

Luxembourg is characterised by a highly flexible regulatory framework and has continually adapted its legislation to the needs of the market. This particularly innovative legal framework gives a real advantage in the development of new products and investment vehicles.

The trend of 'retailisation' of private/institutional funds in Europe is growing and, although there is no single fund structure for such funds that can be freely marketed (i.e., passported) to retail investors throughout Europe, Luxembourg is increasingly a domicile of choice for accessing European investors.

Luxembourg's fund industry – AIFMD

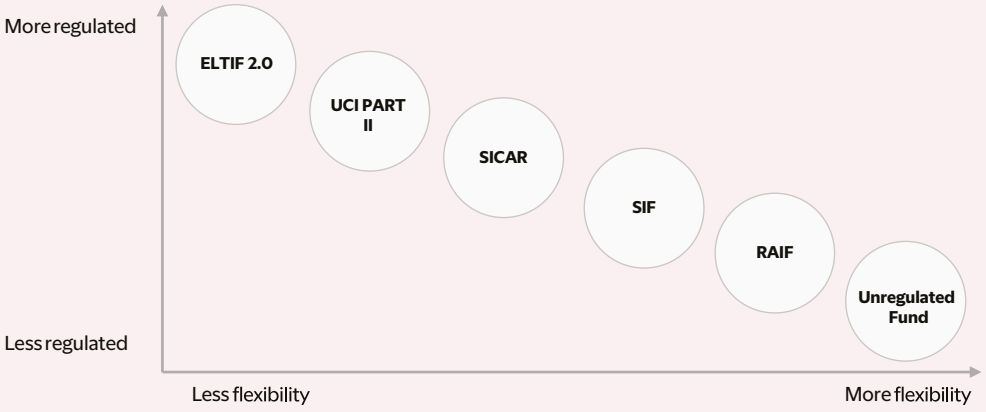
The AIFMD, implemented in Luxembourg in 2013, created the first regulated environment for alternative investment funds worldwide and has considerably transformed the way the global alternatives industry operates.

The Luxembourg legislator and its supervisory authority (Commission de Surveillance et du Secteur Financier or CSSF) has developed extensive expertise in alternative investment funds (AIFs) and alternative strategies, and has achieved a strong competitive position. This has contributed to the strength of Luxembourg's role as a global platform for alternative investments whose regulatory quality is internationally recognised.

The AIFMD creates a harmonised and stringent regulatory and supervisory framework for the activities of all alternative investment fund managers (AIFMs) within the European Union (EU).

Under the AIFMD, AIFMs benefit from a 'passport' to provide management services to AIFs and to market AIFs to professional investors within the EU.

This brochure provides an overview of the Luxembourg AIFs available for fund managers, but does not address in detail all legal, regulatory and tax aspects.



03

Fund regimes



Unregulated funds

Unregulated funds are mainly governed by the Luxembourg law of 10 August 1915 on commercial companies (the Company Law). Various types of vehicle are available, with limited partnership regimes being the most popular for alternative investment funds.

An unregulated fund qualifies as an alternative investment fund (AIF) if its activities fall within the scope of the AIFM Law and no exemption is available.

Unregulated funds are useful for private equity, venture capital, debt, infrastructure and real estate investment structuring, as well as for holding and financing activities.

Key features

Legal form

An unregulated fund is typically organised in the form of a special or common limited partnership (SCSp or SCS). An unregulated fund can be open-or closed-ended but cannot be set up as an umbrella fund.

Capital

No minimum capital requirements apply to SCSs or SCSps.

Supervision

An unregulated fund is not subject to the approval of the CSSF.

Investment restrictions

An unregulated fund may invest in any asset class and according to any investment policy or strategy.

Marketing

AIFMs may market an unregulated fund to professional investors within the EU through a regulator-to-regulator notification regime, if the unregulated fund qualifies as an AIF.



Key restrictions

AIFM

An unregulated fund qualifying as an AIF and not benefiting from an exemption contained in the AIFM Law must appoint an AIFM.

Eligible investors

Eligibility of retail investors willl depend on local requirements.

Taxation

Tax treatment dependent on the legal form of the vehicle.

RAIF

The reserved alternative investment fund (RAIF) was introduced by the Luxembourg law of 23 July 2016 (the RAIF Law). The RAIF regime was introduced to allow fund sponsors to structure alternative investment funds that combine the legal and tax features of the well-known SIF and SICAR regimes (discussed below) without being regulated.

The RAIF regime aims to minimise planning uncertainty that may arise during fund launches, by eliminating the need for prior authorisation and ongoing direct prudential oversight by the CSSF.

Key features

Legal form

A RAIF may be constituted as a contractual-type mutual fund (FCP) or as an investment company with variable capital (SICAV) or fixed capital (SICAF).

A RAIF can be open- or closed-ended and may be set up as a stand-alone fund or as an umbrella structure consisting of multiple sub-funds or compartments.

Capital

A RAIF's net assets must reach EUR 1.25 million within 24 months following its launch.

Supervision

A RAIF is not subject to approval by the CSSF. As a RAIF must be managed by an authorised external AIFM, the CSSF is informed about the RAIF's activities via its manager.

Investment restrictions
A RAIF may invest in any asset class and according to any investment policy or strategy, except when opting for the SICAR's tax regime, in which case a RAIF is restricted to investing in risk capital.

Disclosure requirements
A RAIF must prepare a prospectus, a PRIIP Key Investor Information Document (KIID) if open to retail-type investors, and an annual report. There is no obligation to prepare a semi-annual report.



Key restrictions

AIFM
A RAIF is required to appoint an authorised external AIFM. The AIFM can be established in Luxembourg, in another EU Member State or in a third country.

Risk diversification
A RAIF is subject to mandatory risk-spreading requirements. The RAIF Law does not set out any specific limits, however, the market generally applies the same exposure limits to RAIFs as apply to SIFs, i.e., exposure to a single investment may not exceed 50% of the RAIF's assets or commitments. (or 70% in relation to infrastructure investments).

However, the risk diversification rules do not apply to a RAIF that has opted for the SICAR tax regime and is therefore restricted to investing in risk capital.

Eligible investors
A RAIF is limited to 'well-informed' investors that are able to adequately assess the risks associated with an investment in such a vehicle, including retail investors investing at least EUR 100,000.

Marketing

A RAIF can be marketed to professional investors within the EU through a regulator-to-regulator notification regime.

Taxation

By default, a RAIF has the same taxexempted status as a SIF (see below) but is subject to an annual subscription tax of 1 bps of net assets. However, if the RAIF is investing in risk capital only, it can opt for the tax treatment of a SICAR (see below).

SIF

The exclusive object of Luxembourg specialised investment funds (SIFs) governed by the Luxembourg law of 13 February 2007 (the SIF Law) is the collective investment in assets to ensure the spreading of investment risk and to provide investors with the benefits resulting from the management of their assets.

Key Features

Legal form
A SIF may be constituted as an FCP, SICAV or SICAF. A SIF can be open- or closed-ended and may be set up as a stand-alone fund or as an umbrella structure consisting of multiple sub-funds or compartments.

Capital
A SIF's net assets must reach EUR 1.25 million within 24 months following the CSSF's approval.

Investment restrictions
Other than the risk diversification requirement, the SIF Law does not impose particular investment restrictions or borrowing limits, which allows for significant flexibility with regard to the assets in which a SIF may invest.

Disclosure requirements

A SIF must prepare a prospectus, a PRIIP Key Investor Informati`on Document (KIID) if open to retail-type investors, and an annual report. There is no obligation to prepare a semi-annual report.

Marketing

A SIF qualifying as an AIF and managed by an authorised EU AIFM benefits from a passport allowing the AIFM to market the SIF's shares or partnership interests to professional investors within the EU through a regulator-to-regulator notification regime.

Key restrictions

Supervision

Prior to commencing its activities, a SIF must be authorised by the CSSF. Mandatory ongoing supervision comes at the price of a small annual fee.

AIFM

A SIF that qualifies as an AIF and does not benefit from an exemption contained in the AIFM Law is required to appoint an AIFM.

Risk diversification

A SIF is subject to mandatory risk-spreading requirements. In particular, a SIF's exposure to a single investment may not exceed 50% of the SIF's assets or commitments (or 70% in relation to infrastructure investments).

Eligible investors

A SIF is limited to 'well-informed' investors that are able toadequately assess the risks associated with an investment in such a vehicle, including retail investors investing at least EUR 100,000.

Taxation

A SIF has a tax-exempt status but is subject to an annual subscription tax of 1 bps based on net assets. It only has limited entitlement to double taxation treaties if established as an investment company.

SICAR

The Luxembourg investment company in risk capital (SICAR) was specifically designed for investments in private equity and venture capital. The regime is to promote raising funds from investors that accept the increased risks associated with investments in risk capital (i.e. lower liquidity, higher price volatility and lower credit quality) in the expectation of a better return.

The SICAR is governed by the law of 15 June 2004 (the SICAR Law).



Key features

Legal form

A SICAR must always be constituted as a corporate entity with fixed or variable share capital. The SICAR may be set up as a stand-alone fund or as an umbrella structure with multiple compartments.

Capital

The share capital (including share premiums, if any) must reach EUR 1 million within 24 months following the CSSF's approval.

Investment restrictions

Other than the requirement to invest in risk capital only, the SICAR Law does not contain investment rules or restrictions and does not impose borrowing limits. Furthermore, a SICAR is not required to comply with the principle of risk diversification.

Disclosure requirements

A SICAR must prepare a prospectus, a PRIIP Key Investment Information Document (KIID) if open to retail-type investors, and an annual report. There is no obligation to prepare a semi-annual report.



Key restrictions

Supervision
Prior to commencing its activities, the SICAR must be authorised by the CSSF. Mandatory ongoing supervision comes at the price of a small annual fee.

AIFM
A SICAR that qualifies as an AIF and does not benefit from an exemption contained in the AIFM Law is required to appoint an AIFM.

Eligible assets
A SICAR must invest in risk capital. The notion of risk capital is characterised by the following elements:

- a high risk associated with the relevant assets;
- an intention to develop target entities; and
- an exit strategy.

A SICAR may also marginally hold financial derivative instruments on an exceptional basis.

Eligible investors
A SICAR is limited to 'well-informed' Investors that are able to adequately assess the risks associated with an investment in such a vehicle, including retail investors investing at least EUR 100,000.

Marketing

A SICAR qualifying as an AIF and managed by an authorised EU AIFM benefits from a passport allowing the AIFM to market the SICAR's shares or partnership interests to professional investors within the EU through a regulator-to-regulator notification regime.

Taxation

A SICAR is a fully taxable entity if established as a company but exempt from income tax and capital gains tax derived from risk capital securities, and is entitled to double taxation treaty benefits.

Part II UCI

The trend of 'retailisation' of private/institutional funds in Europe is growing and, although there is no single fund structure for such funds that can be freely marketed (i.e.passported) to retail investors throughout Europe, the Part II UCI is a key tool in the Luxembourg funds toolkit when considering structuring options for private/institutional funds seeking access to retail investors.

A fund established under Part II of the Luxembourg Law of 17 December 2010 on undertakings for collective investment (Part II UCI) may invest in any type of assets and may be marketed to retail and professional investors.

Key features

Legal form
A Part II UCI may be constituted as an FCP, SICAV or SICAF. A Part II UCI can be open- or closed-ended and may be set up as a stand-alone fund or as an umbrella structure consisting of multiple sub-funds or compartments.

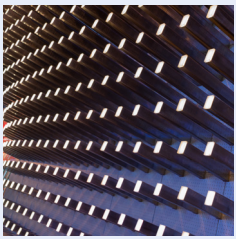
Capital
The capital of a Part II UCI must reach EUR 1.25 million within 12 months following the CSSF's approval.

Supervision
Prior to commencing its activities, a Part II UCI must be authorised by the CSSF, and is subject to mandatory ongoing supervision, at the price of a small annual fee.

Investment restrictions
Other than the borrowing and diversification restrictions mentioned below, there are no restrictions on the types of investment that may be made by a Part II UCI.

Eligible investors
A Part II UCI may be marketed to both retail investors (subject to local requirements) and professional investors.

Disclosure requirements
A Part II UCI must prepare a prospectus, a PRIIP Key Investment Information Document (KIID) if open to retailtype investors, an annual report and a semi-annual report.



Key restrictions

AIFM

A Part II UCI that qualifies as an AIF and does not benefit from an exemption contained in the AIFM Law is required to appoint an AIFM.

Risk diversification

Subject to a ramp-up period of up to four years, where a Part II UCI is marketed to :(a) retail investors, a maximum of 25% of its capital may be invested in a single asset or issuer (or 50% in relation to infrastructure investments) and (b) only well-informed and professional investors, a maximum of 50% of its capital may be invested in a single asset or issuer (or 70% in relation to infrastructure investments).

Borrowing restrictions

Borrowing by a Part II UCI is in principle capped at 70% of the net asset value.

Marketing

A Part II UCI can be marketed to retail investors subject to local marketing requirements and restrictions.

Under the AIFMD regime, a Part II UCI may be marketed to professional investors within the EU through a regulator-to-regulator notification regime.

ELTIF (2.0)

The European Long-Term Investment Fund (ELTIF) was originally introduced by the ELTIF regulation of 2015 (the ELTIF Regulation). The ELTIF regime has undergone a review and modification process and the updated 'ELTIF 2.0 regime' described here has been in force since January 2024.

The ELTIF is an EU label granted to alternative investment funds targeting EU long-term investments, with the ability to pool capital from both retail and professional investors. The ELTIF is authorised and supervised by its relevant national competent authority and typically operates as an overlay to existing specific fund vehicles, such as the Part II UCI, the SIF or the RAIF.

The primary advantage of the ELTIF is its EU marketing passport, which enables distribution to retail investors within the EU on a cross- border basis

Key features

Supervision

Prior to commencing its activities, an ELTIF must be authorised by the CSSF. Depending on the underlying specific fund vehicle chosen, the ELTIF may be subject to mandatory ongoing supervision, at the price of a small annual fee.

Investment restrictions

A minimum of 55% of the ELTIF's capital must be invested in eligible alternative investments (i.e. long-term investments in the real economy (including equity and quasi-equity instruments issued by 'qualifying portfolio undertakings', which, subject to certain conditions, may be based outside the EU), EU-based real assets, eligible target funds and SMEs).

The remaining capital of the ELTIF may be invested in assets which are eligible for investments by Undertakings for Collective Investments in Transferable Securities (UCITS) (including equities, bonds, money market instruments and the units of other UCITS).

Borrowing restrictions

Different borrowing limits apply to ELTIFs depending on the type of investors to which the ELTIF may be marketed.

In respect of ELTIFs that are marketed to retail investors, the borrowing in cash limit is capped at 50% of the ELTIF's net asset value. In respect of ELTIFs that are only marketed to 'professional investors', the borrowing in cash limit is capped at 100% of the ELTIF's net asset value.

Eligible investors

An ELTIF may be marketed to both retail and professiona investors. A more lenient set of rules, including lighter investment restrictions and no diversification requirement, applies to ELTIFs marketed only to professional investors.

Key restrictions

AIFM

As the ELTIF qualifies as an AIF and cannot benefit from an exemption contained in the AIFM Law, it will be required to appoint an AIFM.

Risk diversification

A maximum of: (a) 20% of the ELTIF's capital may be invested, directly or indirectly, in a single real asset, qualifying portfolio undertaking or target fund, and (b) 10% of the ELTIF's capital may be invested in UCITS eligible assets issued by a single body.

ELTIFs that are only marketed to professional investors may disregard the risk diversification thresholds.

Redemptions

The manager of a semi-open-ended ELTIF has discretion to set a redemption notice period; however, this must be determined based on the liquidity profile of the ELTIF's underlying assets and the time it takes to sell those assets under normal and stressed market conditions. The ELTIF's redemption policy must ensure that redemptions are limited to a percentage of the ELTIF's liquid assets. Maximum redemption percentages linked to the ELTIF's redemption notice period apply. Where redemptions will take place more frequently than on a quarterly basis, the

ELTIF's manager must justify to the competent authority the appropriateness of the redemption frequency and its compatibility with the features of the ELTIF.

Liquidity management tools

The manager of a semi-open-ended ELTIF may select at least one anti-dilution mechanism among anti-dilution levies, swing pricing and redemption fees. In addition, the ELTIF's manager may also select other liquidity management tools; provided, that it justifies to the competent authority the reasons why another set of liquidity management tools is appropriate for the ELTIF, given its individual features and taking into account the interests of investors.

Redemption gates may also be implemented, in particular if the amount of liquid assets is not sufficient to cover a reasonable expected redemption at the redemption dates

Marketing

An ELTIF can be marketed to retail and professional investors within the EU through a regulator-to-regulator notification regime. ELTIF status is typically applied as an overlay to a fund that is subject to the RAIF, SIF or Part II UCI regimes, in order to enable marketing to retail-type investors on the basis of a passport.

04 AIF comparison table



AIF comparison table

Regulated investment vehicles

	ELTIF (2.0)	Part II UCI	SIF	SICAR
CSSF prior authorisation and supervision	Yes	Yes	Yes	Yes
Full scope AIFMD vehicle	Yes	Yes, unless specific exemption under AIFMD	Yes, unless specific exemption under AIFMD	Yes, unless specific exemption under AIFMD
Eligible assets	At least 55% eligible investments(i.e. certain long-term assets); remaining capital may be invested in UCITS eligible assets	Unrestricted, but prior approval of investment objective and strategy by CSSF	Unrestricted, but prior approval of investment objective and strategy by CSSF	Risk capital only and prior approval ofinvestment objective and strategy by CSSF
Risk diversification	(a) Maximum 20% exposure to single real asset, qualifying portfolio undertaking or target fund and (b) maximum 10% exposure to UCITS eligible assets issued by a single body. (Diversification requirements may be disapplied for ELTIFs that are marketed only toprofessional investors.)	Subject to ramp-up period of up to 4 years, if marketed to (a) retail investors, maximum 25% exposure to single investment (or 50% for infrastructure investments) or (b) only wellinformed and professional investors, a maximum of 50% exposure to a single investment (or 70% in relation to infrastructure investments)	Maximum 50% exposure to single investment (or 70% in relation to infrastructure investments), subject to ramp-up period of up to 4 years	Not required

Unregulated investment vehicles

	RAIF	Unregulated fund
CSSF prior authorisation and supervision	No	Yes
Full scope AIFMD vehicle	Yes	Yes, unless specific exemption under AIFMD
Eligible assets	Unrestricted, except for RAIFs opting for special tax regime (investment in risk capital only, like SICAR)	Unrestricted
Risk diversification	The RAIF Law does not set out specific limits, however, the market generally applies the same diversification rules as SIFs, except for RAIFs opting for special tax regime (no risk diversification, like SICAR)	Not required

AIF comparison table (continued)

Regulated investment vehicles

	ELTIF (2.0)	Part II UCI	SIF	SICAR
Eligible investors	Retail and professional investors	Retail and professional investors	Well-informed investors only, i.e. institutional investors, professional investors as well as any other sophisticated retail or private investor that: has declared in writing his/her status as a well-informed investor; and invests a minimum of EUR 100,000 in the SIF/SICAR/ RAIF; or has obtained an assessment from a credit institution, a MiFID investment firm or a UCITS management company certifying his or her expertise, his or her experience and his or her knowledge in appraising in an appropriate manner an investment in a SIF/SICAR/RAIF.	
Legal form	Typically, overlay to existing fund vehicles, such as Part II UCI, SIF or RAIF	FCP, SICAV/ SICAF (SA, SCA, S.à r.l., SCSA, SCS, SCSp)	FCP, SICAV/ SICAF (SA, SCA, S.à r.l., SCSA, SCS, SCSp)	SA, SCA, Sàrl, SCSA, SCS, SCSp (fixed or variable capital)
Open or closed-ended	Semi-open-ended (with appropriate redemption policy and liquidity management tools) or closed -ended	Open or closed-ended		
Multiple sub-funds	Yes, depending on underlying fund regime	Yes	Yes	Yes
Cross sub-fund investments	Yes	Yes	Yes	No

Unregulated investment vehicles

	RAIF	Unregulated fund
Eligible investors	Well-informed investors only, i.e. institutional investors, professional investors as well as any other sophisticated retail or private investor that: has declared in writing his/her status as a well-informed investor; and invests a minimum of EUR 100,000 in the SIF/SICAR/ RAIF; or has obtained an assessment from a credit institution, a MiFID investment firm or a UCITS management company certifying his or her expertise, his or her experience and his or her knowledge in appraising in an appropriate manner an investment in a SIF/SICAR/RAIF.	Unrestricted but subject to local requirements
Legal form	FCP (except for RAIFs opting for special tax regime) SICAV/SICAF (SA, SCA, Sàrl, SCSA, SCS, SCSp)	Most commonly SCS and SCSp, but other legal forms are available
Open or closed-ended		
Multiple sub-funds	Yes	No
Cross sub-fund investments	Yes	N/A

AIF comparison table (continued)

Regulated investment vehicles

	ELTIF (2.0)	Part II UCI	SIF	SICAR
Multiple share classes	Yes			
Minimum capital requirements	Requirements will depend on the fund vehicle	EUR 1,250,000 to be reached within 12 months from CSSF authorisation	EUR 1,250,000 to be reached within 24 months from CSSF authorisation	EUR 1,000,000 to be reached within 24 months from CSSF authorisation
EU marketing passport	Cross-border marketing passport to retail and professional investors in EU	May be marketed to retail investors in Luxembourg. Local regulatory approval required for retail offerings in other jurisdictions.Cross-border marketing passport for marketing to professional investors in EU	If full scope AIF: AIFMD passport for marketing to professional investors in EU.	
Required service providers	Luxembourg management company in case of FCP	Luxembourg management company in case of FCP	Luxembourg management company in case of FCP	N/A

Unregulated investment vehicles

	RAIF	Unregulated fund
Multiple share classes		
Minimum capital requirements	EUR 1,250,000 to be reached within 24 months from launch	No minimum capital requirement for SCSs and SCSps
EU marketing passport	If full scope AIF: AIFMD passport for marketing to professional investors in EU.	
Required service providers	Luxembourg management company in case of FCP	N/A

AIF comparison table (continued)

Regulated investment vehicles

	ELTIF (2.0)	Part II UCI	SIF	SICAR
Required service providers (continued)	Depositary (being one of the entities also eligible to act as depositary of a SIF/ SICAR/RAIF)	Depositary (being one of the entities also eligible to act as depositary of a SIF/SICAR/RAIF)	Depositary (Luxembourg credit institution or Luxembourg branch of an EU credit institution, Luxembourg MiFID investment firm or Luxembourg branch of an EU MiFID investment firm (subject to specific requirements) or Luxembourg professional depositary of assets other than financial instruments) if the SIF/SICAR/RAIF (i) is closed-ended for a period of five years from the date of its initial investment and (ii) does generally not invest in assets to be held in custody or generally seeks to acquire control over the issuers or non-listed companies.	
	Central administration requirements will depend on the fund vehicle	Central administration in Luxembourg		
	Luxembourg-approved statutory auditor (réviseur d'entreprise agréé)			

Unregulated investment vehicles

	RAIF	Unregulated fund
Required service providers (continued)	Depositary (Luxembourg credit institution or Luxembourg branch of an EU credit institution, Luxembourg MiFID investment firm or Luxembourg branch of an EU MiFID investment firm (subject to specific requirements) or Luxembourg professional depositary of assets other than financial instruments) if the SIF/SICAR/RAIF (i) is closed-ended for a period of five years from the date of its initial investment and (ii) does generally not invest in assets to be held in custody or generally seeks to acquire control over the issuers or non- listed companies.	Depositary (being one of the entities also eligible to act as depositary of a SIF/SICAR/RAIF) if qualifying as an AIF
	Central administration in Luxembourg	No central administration expressly required
	Luxembourg-approved statutory auditor (réviseur d'entreprise agréé)	Luxembourgapproved statutory auditor if qualifying as an AIF

	RAIF	Unregulated fund
Taxation	Same tax regime as a SIF, except for RAIFs opting for a special tax regime that are subject to SICAR tax regime	Tax treatment dependent on the legal form of the company
	No withholding tax on dividends/capital gains VAT exemption on management services	

AIF comparison table (continued)

Regulated investment vehicles

	ELTIF (2.0)	Part II UCI	SIF	SICAR
Taxation	Tax regime dependent on the fund vehicle	No income tax	No income tax	Subject to income tax except if incorporated as an SCS/SCSp (tax transparent), but income from securities held by the SICAR are exempt
		No wealth tax	No wealth tax	No wealth tax
		No subscription tax	Annual subscription tax at a rate of 0.01% of the NAV, but SIFs investing in other funds already subject to the subscription tax, money market SIFs, SIFs set up as a pension pool vehicle for a group and microfinance SIFs are exempted under certain conditions	No subscription tax
		No withholding tax on dividends/capital gains VAT exemption on management services		

05

Why Clifford Chance?



Why Clifford Chance?

Our Luxembourg team offers a full legal, regulatory and tax service based on specialist knowledge of the local and international dynamics of this unique location.

Our 30+ investment fund specialists excel in cross-border fund structuring and work seamlessly across jurisdictions and continents. We work on a daily basis with clients and colleagues in all major financial centres of the world, giving our investment funds practice an unrivalled geographical footprint.

Fund managers benefit from our corporate, regulatory and tax expertise needed throughout a fund's life cycle, including fund structuring, establishment, marketing and capital raising, as well as on ongoing operational issues, fund financing and restructuring mandates.

We also advise retail and institutional investors on the full range of Luxembourg funds investing in all asset classes. Our knowledge of local markets means we can tailor transactions effectively from both a tax and marketing position.

Clifford Chance is often involved in regulatory discussions concerning Luxembourg investment funds with the CSSF and maintains a strong professional relationship with regulatory authorities.

"The team has a deep working knowledge of the Luxembourg alternative investment fund management industry and market. It has a very good understanding of how best to work with the CSSF."

LEGAL 500 2025
Investment funds – Luxembourg

"Their in-depth knowledge of Luxembourg fundstructures, combined with a pragmatic andcommercially minded approach, makes them atrusted advisor for sophisticated issues."

Chambers Europe 2026
Investment funds – Luxembourg

"Working with them feels like a true partnership"

Chambers Europe 2026
Investment funds – Luxembourg

Band 1

"Investment funds: Fund Formation"

Chambers Global 2026

"Tier 1: investment funds Luxembourg."

LEGAL 500 EMEA 2026

"Tier 1: investment funds Luxembourg."

IFLR 1000 2025





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