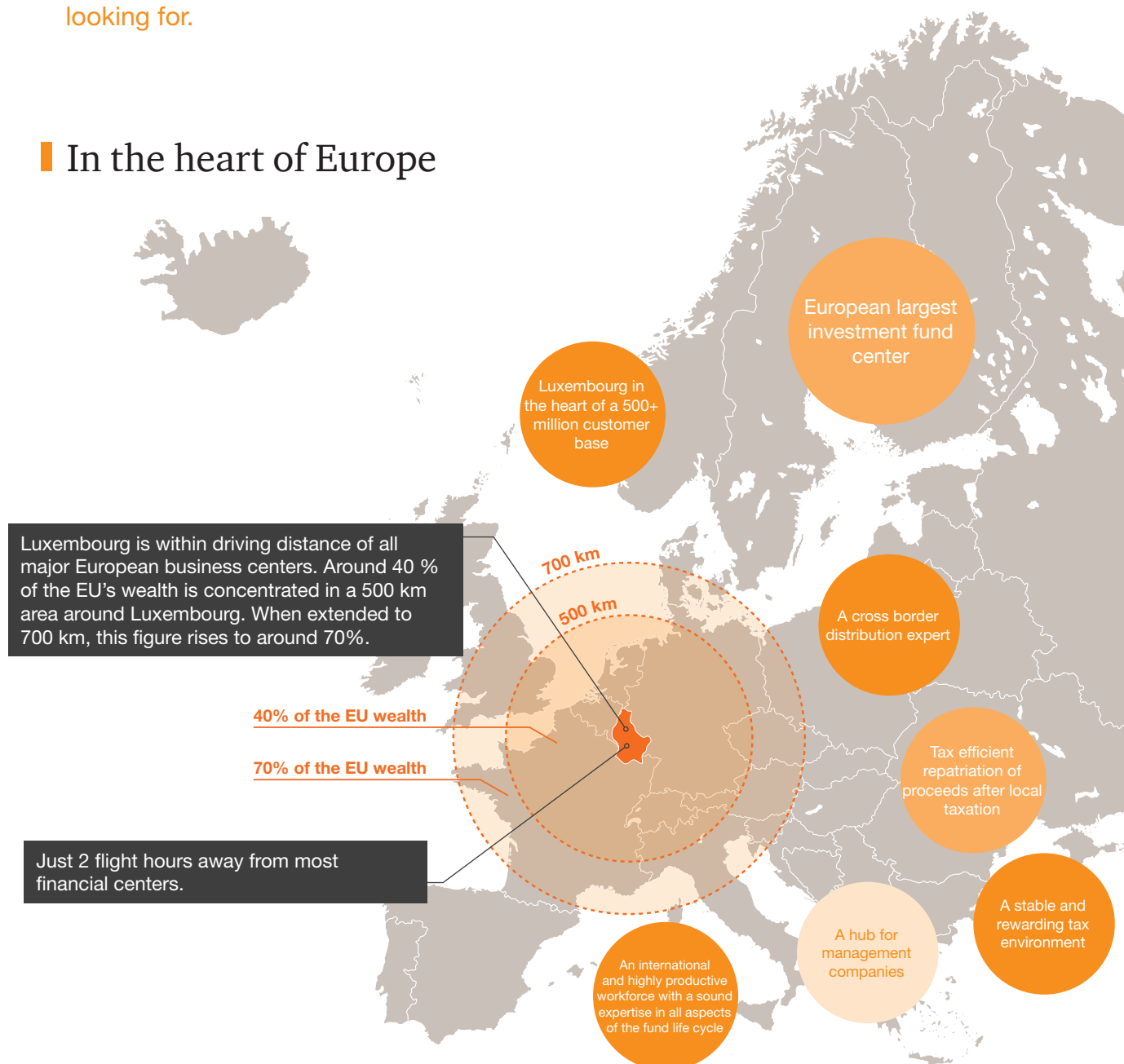


Luxembourg,
a location ideally
suited to Chinese
investors

Why Luxembourg?

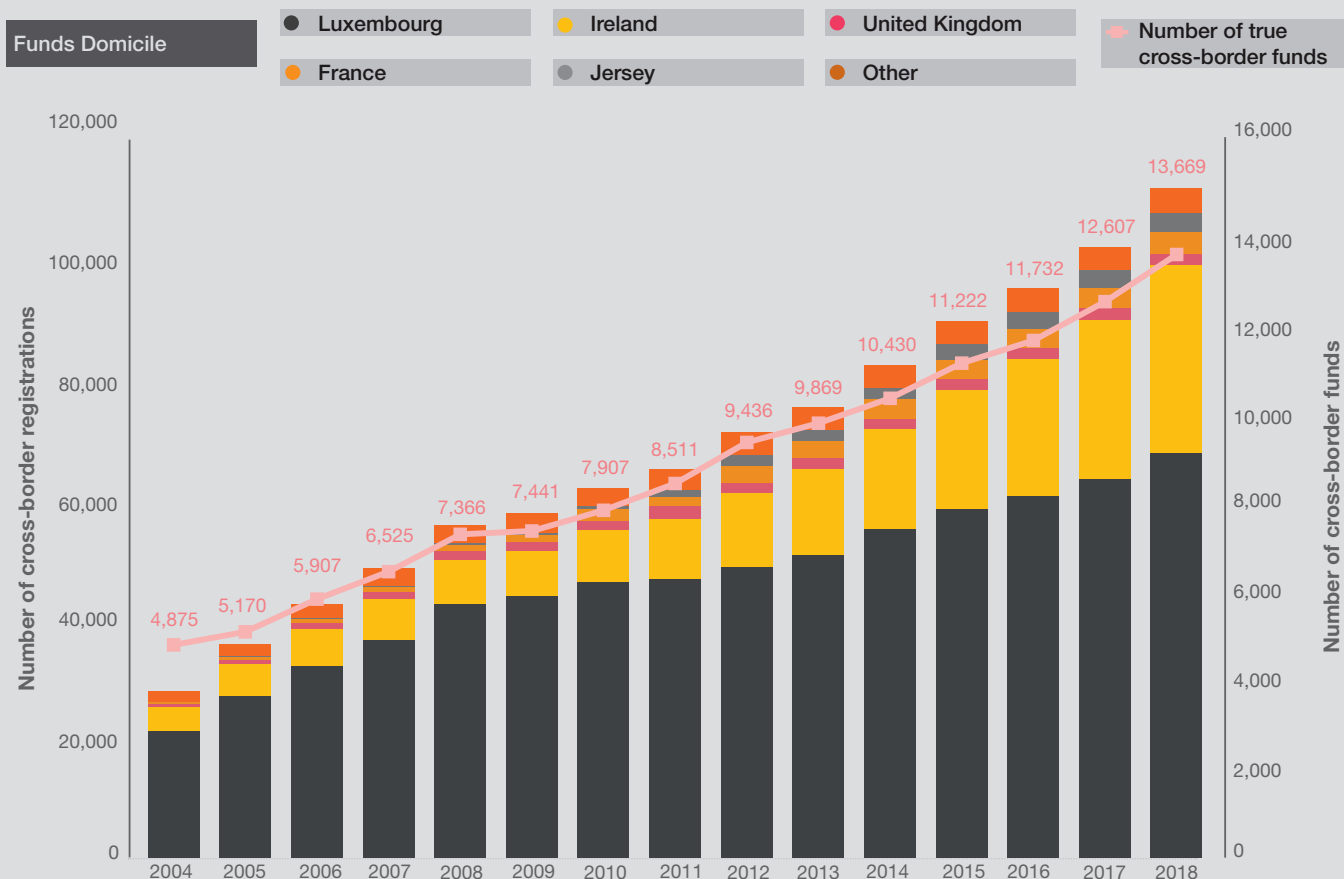
Many Asian sovereign wealth funds, pension funds and other investors allocate their investments to European alternative assets such as private equity and real estate. These investors need to consider various holding locations that would be the most suitable as an investment platform and we are convinced that a Luxembourg investment platform provides a competitive solution to their global investment strategy. The establishment of seven of the largest Chinese banks in Luxembourg during recent years stands as proof of our viewpoint. In addition, major Chinese financial services companies like Alipay and PingPong have already established their EU headquarters in Luxembourg. In the same sense, a growing number of Chinese multinational enterprises have also incorporated their EU headquarters through Luxembourg. In this brochure we provide an overview of the attractiveness of Luxembourg in the eyes of Chinese investors. We want to be your partner for an open discussion and help you find the solution that helps create the value you are looking for.

■ In the heart of Europe



Evolution of cross-border distribution

Number of cross-border funds and registrations



Sources: Refinitiv and PwC analysis, 31 December 2018

Luxembourg has over
EUR 4.4 Trillion*/
USD 4.81 Trillion
Assets under Management.

* ALFI, as of March 2019

More than 2 out of 3
asset management giants

have chosen Luxembourg as the first domicile to set up their funds.

Unmatched political and budgetary stability

Luxembourg is famous for its long standing political stability and has one of the lowest debt to GDP ratio in EU (21.4% vs 80% for the EU 28). Standard and Poor's rate the country credit trustworthiness at AAA, with a stable outlook.

Source: Eurostat as of end Q4 2018, new confirmation in 2019

Government access and support

The Luxembourg government has always had an open and friendly ear for business players. The authorities are accessible, officials are easy to contact and open to dialogue. This close relationship between the government and the business community strengthens even more the Luxembourg's position as one of the most attractive fund centers.

An international and highly productive workforce with a sound expertise in all aspects of the fund life cycle

46.7% of Luxembourg residents are not originally from Luxembourg.

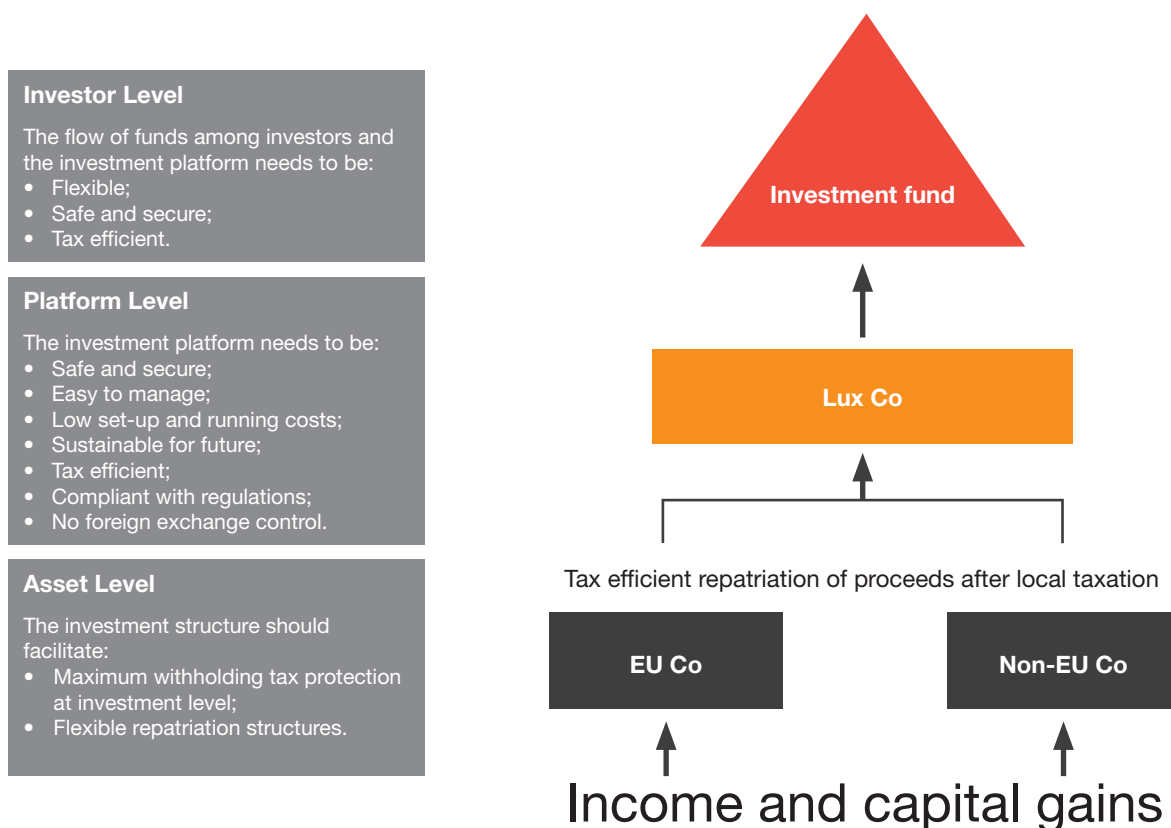
Each day, around 167,000 people commute to Luxembourg.

A defining characteristic of the Grand Duchy of Luxembourg is the diversity of its people and the **ease of integration** into the community.

The labour market in Luxembourg offers a pool of highly skilled and multilingual resources, with around 75% of residents speaking English.

Luxembourg's quality of living, social security coverage, fine public infrastructure, rewarding packages and ideal gateway to European careers have attracted highly skilled profiles.

An example for your European investment structure



Investment structure commonly applicable to private equity or investment funds.

Investment structure should be tailored considering the specificities of the target investments/investors.

Depending on the types of income and the types of investor, different repatriation instruments are available.

A stable and rewarding tax environment

Total Tax Rate: Luxembourg ranks 21 out of 190 economies in the overall tax ranking analysed in the “Paying Taxes in 2018” survey led by PwC and the World Bank.

Stability: Luxembourg has one of the most stable and at the same time attractive corporate tax regimes in Europe.

Personal tax: Personal taxation and social security regimes are very competitive compared to other European countries; there are many allowances, deductions, and exemptions in the Luxembourg personal income tax regime.

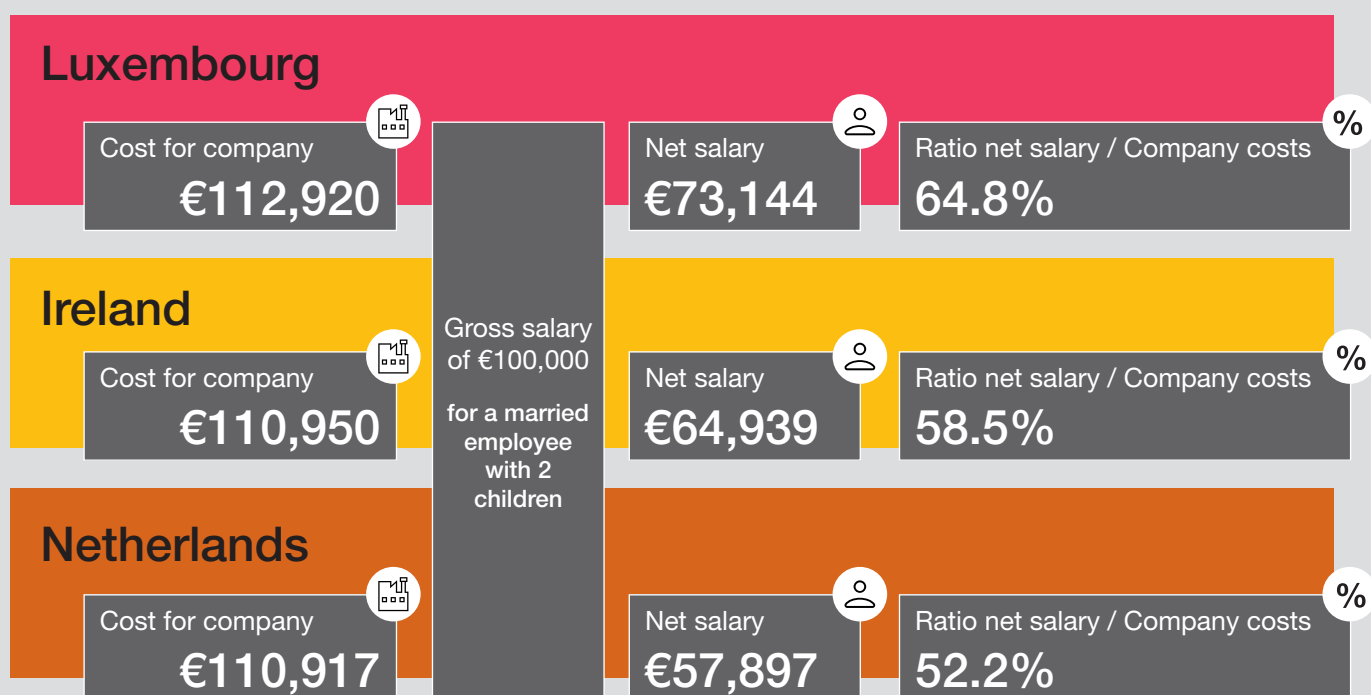
VAT: Luxembourg has always applied the lowest rates in the EU.

Double tax treaties: Luxembourg has signed, and continues to sign, a large number of treaties with EU and non EU countries (84 tax treaties in force as at September 2019) to avoid double taxation of individuals and companies.

Tax area	Rates	
Corporate Tax	24.94%	Income tax
	0.5%	Net wealth tax
	0% - 15%	Withholding tax
Value added Tax (VAT)	17%	Standard rate (lower rates for specific services/goods)
Individual Tax	0% - 45.78%	Individual income tax

Luxembourg has one of the best salary benefits in Europe after taxes

Luxembourg comparative costs of employees



Why PwC Luxembourg?

■ Your worldwide trusted partner

As your trustful business partner, we are always there to accompany you to grow your business in all stages by providing you the best services that you need at the right time.

01 Investor Reporting	02 Legal Services*	03 Transfer Pricing
04 Tax Advisory and Compliance	05 Fund Structuring	06 Global Fund Distribution
07 Risk Management	08 Human Resource Services	09 VAT Services

* In Luxembourg legal services could also be provided with PwC Legal Luxembourg, an independent law firm of the PwC Network.

Locally:

2,870 employees from
76 different countries

We provide services in
Chinese



9th largest employer
in Luxembourg

An international network
composed of independent
offices present in **158**
countries and employing
more than 250,000
persons



A firm with a history of
over

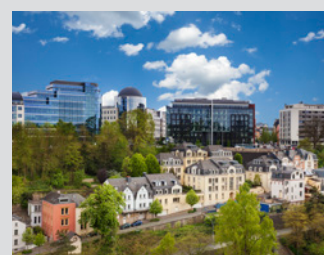
150
years



Turnover

Financial year 2017/2018

445 M€



Our credentials

Setting up of a **Luxembourg investment platform** by **a Middle-East sovereign wealth fund** for **USD 2bn**

Investor advised by 

PwC Luxembourg advised on set up of a Luxembourg investment platform with a view to acquire Brazilian private equity assets. The investment platform was provided with funds in excess of USD 2 bn. Our services included set up, accounting & tax compliance support.

Top-tier private equity Funds

Structuring services provided by 

Many real estate and private equity funds use Luxembourg as a fund location.

Advising Asian asset managers on the establishment of fund vehicles in Luxembourg to attract European investors 

Many Asian Asset Managers use Luxembourg as a fund location to attract European investors and invest in Asian assets.

Applying for Luxembourg banking licenses on behalf of a top tier Chinese bank




PwC Luxembourg helped the bank obtain the universal banking licenses in Luxembourg for a subsidiary and a branch, which enabled it to perform a wide range of activities in Europe and internationally.

Our services included banking licenses application, tax compliance, consultancy service and audit support.

Advising Asian pension funds on the establishment of investment holding platforms for real estate investments in Europe 

PwC Luxembourg structured funds and investment platforms for a number of Asian Funds. Our services include tax structuring and regulatory support in connection with regulated and unregulated fund vehicles.

Setting up of a **Luxembourg investment platform** by **a Middle-East sovereign wealth fund** for **USD 2,1bn** 

PwC Luxembourg structured funds and investment platforms for a number of promoters in the Middle East region.

Our services included tax structuring and regulatory support in connection with regulated and unregulated fund vehicles.

Advising a Chinese leading payment institution on operation and compliance framework and providing assistance 

PwC Luxembourg has a dedicated team in serving payment companies in Luxembourg and to help them settle down in Luxembourg/in EU, to further explore and to achieve sustainable growth.

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PwC Luxembourg (www.pwc.lu) is the largest professional services firm in Luxembourg with 2,870 people employed from 76 different countries. PwC Luxembourg provides audit, tax and advisory services including management consulting, transaction, financing and regulatory advice. The firm provides advice to a wide variety of clients from local and middle market entrepreneurs to large multinational companies operating from Luxembourg and the Greater Region. The firm helps its clients create the value they are looking for by contributing to the smooth operation of the capital markets and providing advice through an industry-focused approach.

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with over 250,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com and www.pwc.lu.

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