



Debt Funds in Luxembourg

www.pwc.lu/debt-funds



Why is Luxembourg the best place for debt funds?



1st European fund domicile and 2nd worldwide

Jurisdiction compliant with latest international recommendations (e.g. transfer pricing, BEPS, etc.)

Full range of local experts to serve debt funds (lawyer, administrator, custodian, administrative agent, auditor, third party AIFM)

Political stability and triple A rating country

Access to the EU fund passport for funds managed by authorised Alternative Investment Fund Managers

Strong know-how in debt funds and investment platforms

9 out of the top 10 fundraisers in private debt have funds domiciled in Luxembourg*

Government and financial regulator pro-active in the development of investment solutions and products

Multilingual workforce

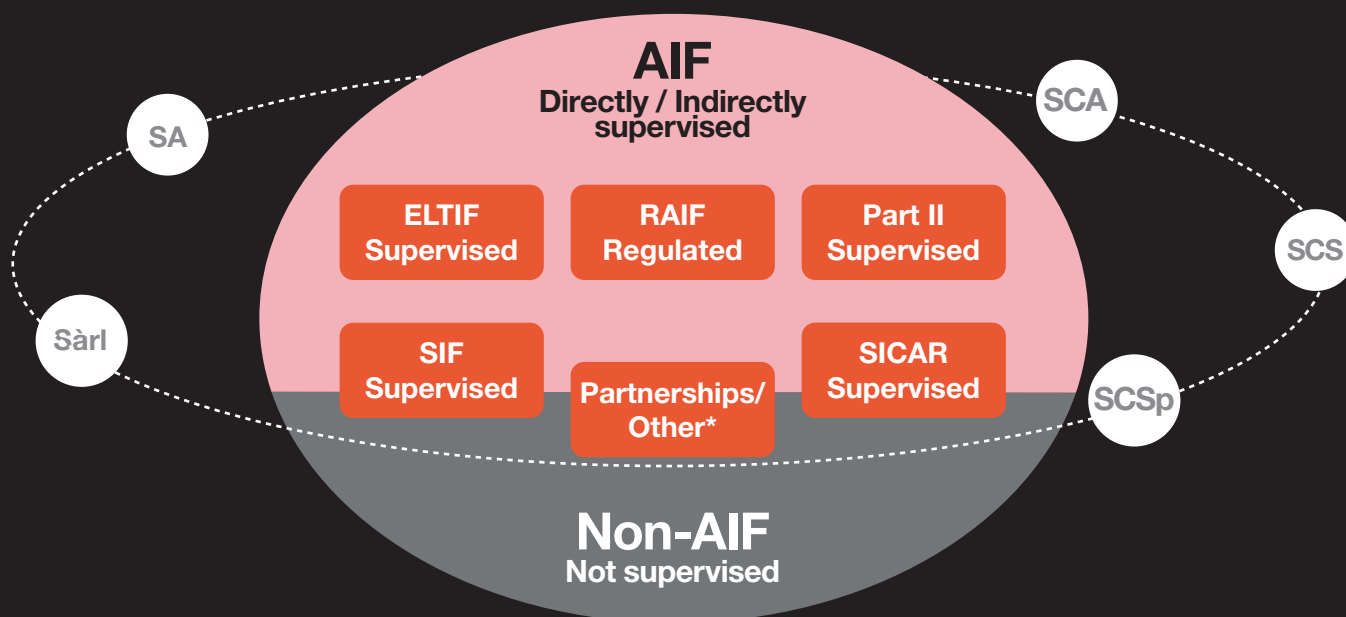
Digital innovation and artificial intelligence initiatives are at the heart of Luxembourg's strategy to become a leader in digital technology services (LHoFT, Ministry for Digitalisation)

Tackle sustainability issues with sustainable financing thanks to innovation and continuous development of LuxSE



* According to PDI 100 (<https://www.privatedebttinvestor.com/>)

Debt Fund vehicle insight



All legal forms (SA, Sàrl, SCA, SCS, SCSp) can be combined with any type of product (ELTIF, RAIF, Part II, SIF, SICAR, Partnerships / Other). RAIF and SIF can be used for loan origination.

* SCS and SCSp can qualify as AIF if they meet criteria of art 1(39) AIFM 2013 law

A favourable legal, regulatory and tax environment for debt funds



- Choice of open or closed-ended funds
- Possibility of satisfying any time-to-market constraints
- Marketing passport within the EU
- Segregation of asset options
- Accommodation of different strategies (loan origination, secondary loans, distressed debt, leverage and other real asset strategies in the same vehicle)
- Multiple choices of accounting standards
- Luxembourg legal environment allowing for flexibility and legal certainty
- VAT exemption on management fees
- Internationally recognised stock exchange
- Sustainability standards and labels: LGX platform ("Luxembourg Green Exchange criteria") dedicated to Green, Social, Sustainable and ESG securities

Your challenges



To set up a structure investing in debt, you'll need to:

- Choose the most appropriate fund structuring to run and develop your business
- Choose the appropriate accounting principles
- Find the most suitable valuation model
- Set up the process to comply with accounting and financial reporting requirements and obligations
- Assess potential impact of the EU Securitisation Regulation on your Luxembourg structures
- Assess the impact of Anti-Tax Avoidance Directive 1 (interest limitation rules) and of Anti-Tax Avoidance Directive 2 (anti-hybrid mismatch rules)
- Cope with all the applicable reporting and disclosure requirements (i.e. KID, AIFMD, Risk reporting, etc.)
- Comply with investor tax reporting rules that remain specific to each country
- Decide my strategic position towards Sustainable Finance both at entity and product level
- Setup robust and efficient operations to comply with the EU Sustainable Finance regulations (SFDR, Taxonomy, NFRD/CSRD, etc.): stakeholders reporting, data integrity and process efficiency

Our solutions



From the set-up of the structure to its winding-up, we are by your side at each stage of your product life cycle. Our unique knowledge is just a phone call away.

- We advise you in selecting the appropriate vehicle from tax, regulatory and legal perspectives
- We help you to implement the right investment platform
- We offer AIFMD services — complete front-to-end support
- We assist you in the loans-valuation process
- We provide tax compliance and bookkeeping services
- We have a fully integrated (from a team and data management standpoint) set of solutions covering all the reporting requirements
- We assist you in all audit and accounting matters.
- We can assist you in your digital transformation
- We can assist you in performing compliance regulatory checks such as 18/698 CSSF circular
- We assist you in choosing the best solution for your product listing
- We provide a Pan-European investor tax and regulatory reporting services
- We assist you in positioning your funds vis-à-vis SFDR and taxonomy implementation
- We assist you in complying with and operationalising the EU Sustainable Finance regulations
- We assist you in the issuance of Attestation reports to demonstrate trust and transparency about your Sustainable Finance journey

Why PwC Luxembourg?



We have already worked with many top players in the market on both regulated funds and unregulated structures with all types of investment strategies. We have extensive experience in helping our clients succeed at each stage in the life of debt structures. Let us help bring your debt project to the next level.



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At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 156 countries with over 295,000 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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