



Establishing

your insurance

intermediary business

in Luxembourg

Luxembourg has long been recognised as a leading international insurance centre and a place from which to serve EU and world markets. Many international and global insurers choose Luxembourg as an access path to EU markets, as do captive insurance entities, reinsurance specialists and insurance intermediaries.

There are a number of advantages in choosing Luxembourg for your business. The country has a dedicated regulator for the insurance sector, the Luxembourg Insurance Commission (*Commissariat aux Assurances*), and has active industry bodies such as the Professional Association of Insurance Brokers of Luxembourg (*Association Professionnelle des Courtiers en Assurances du Luxembourg*) and the Association of Insurance and Reinsurance Companies (*Association des Compagnies d'Assurances et de Réassurances*). The sector is served by a diverse international workforce, including some 7,000 insurance personnel. Moreover, the sector is truly multilingual with English, German and French all commonly spoken by participants including regulators. The country also boasts a talented pool of expertise, comprising a network of experienced accountants, lawyers, analysts, and professionals from the IT and other sectors, that provides support in change management. Finally, Luxembourg offers a truly international and cosmopolitan community lifestyle, which is valued by individuals and families alike.

Here at PwC Luxembourg, we have been helping many insurers and intermediaries transfer their European operations to Luxembourg. Our team of sector experts in Luxembourg, together with specialists from our PwC network, will help you move and maintain your business in an efficient and secure manner as you grow your business.

Your challenges

Licensing and approval

- What does regulation look like in Luxembourg?
- What are the application requirements and how can you manage the process? What about approvals for operating under FoS or FoE?
- How will you take care of all questions related to local regulators?
- Are there any specific requirements relating to handling client monies?

Operating model design and implementation

- What are the required resources for a successful market entry? What are the barriers?
- How can we maintain our business model and competitive advantage with least disruption?
- How will the move affect your IT infrastructure? What will be the resources required? How long will it take to implement changes?
- What can we outsource and what do we need to directly manage?

Regulatory and taxation

- What are the Luxembourg attributes and constraints (regulatory, operational, tax, etc.)?
- What do you need to take into consideration to make sure your products/contracts are fully compliant with local and European rules?
- What are the Luxembourg requirements for Insurance Distribution Directive ("IDD"), Anti-Money Laundering ("AML") etc.?
- How does the tax system work in Luxembourg (both direct and indirect) and what is the impact of having a European branch network?
- How do we exit our current location to minimise tax effect?

Governance and accountability

- What are the intermediary company (reporting) obligations, and how does that compare with our current location?
- How to ensure that you meet those obligations with existing resources?
- What are the Luxembourg requirements for governance systems and structures, and how can you make sure you "right size" this for the business?

Talent management

- How do we ensure we have the right people in the right locations to meet both business and regulatory needs? How do we source the right talent?
- What are the social obligations in each country? What is the impact of relocating from a non-EU country on the company, and on our employees, with respect to social benefits and pensions?
- What can we do to structure remuneration of key employees to maximise tax efficiencies?

M&A and Strategy

- What are the key market drivers? What is the competitive landscape?
- How would any potential acquisition fit within our Group? What are the potential synergies and how do we add value to our existing business?
- How can we identify the businesses to meet our growth strategy? What are the key value drivers?
- What is our transaction strategy? How should we plan the process?
- What are the key considerations in structuring and financing the transaction? What are the key negotiating points for us?

Our solutions

1.

Authorisation and licencing applications

We coordinate the legal, regulatory, and tax expertise to assist you with your application for authorisation.

2.

Overall analysis of regulatory and tax prerequisites

We have in-depth expertise and a pragmatic solution-based approach that bring together skills and knowledge of our people in Luxembourg, and across Europe. Based on your business plan an operational model pre- and post- implementation, we can provide you with a thorough analysis of the European tax and regulatory environment and how it interplays with the Luxembourg requirements.

We will agree upfront on the level of detail required so that you know exactly what to expect in terms of:

- Regulatory requirements: EU regulations, reporting obligations, marketing constraints and attributes.
- Tax aspects: reporting to tax/regulatory authorities, stamp duties, exit taxes, VAT structuring, employment taxes etc.

3.

Strategy, operating model design and implementation

We can help work out the appropriate operating model based on your ambition, resources and regulatory requirements. We assist you in determining the key elements of your reorganisation and suggest resources required to successfully run your European market operations. We can support all areas including relocation activities, recruitment, provide short term resource solutions, etc.

Should M&A be the right strategy for you, we have the experience to support you from landscape analysis, transaction planning and execution through to post transaction implementation.

4.

Business-as-usual activities

Working across our specialisms, we deliver full back office support from accounting, financial reporting, tax reporting and compliance (direct and indirect) for the business.

We operate payroll services, together with assisting you in meeting your social obligations relating to employment and we have relocation experts who can provide support.

For those complex areas, we discuss and advise on personal tax matters.



Your contacts



Matt Moran

Insurance Leader, M&A
+352 49 48 48 2071
matt.moran@lu.pwc.com



Géraud de Borman

Partner, Insurance Tax
+352 49 48 48 3161
geraud.de.borman@lu.pwc.com



Marc Voncken

Partner, Audit & Regulatory
+352 49 48 48 2461
marc.voncken@lu.pwc.com



Frédéric Wersand

Partner, VAT
+352 49 48 48 3111
frederic.wersand@lu.pwc.com



Anthony Dault

Partner, Audit & Advisory
+352 49 48 48 2380
a.dault@lu.pwc.com

About PwC Luxembourg

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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