alfi
association of the
luxembourg fund industry

REAL ESTATE INVESTMENT STRUCTURES IN LUXEMBOURG

Table of contents

CHAPTER I – INTRODUCTION

1. Foreword

This brochure purports to provide general background information on the set-up as well as the servicing of real estate investment vehicles in the Grand Duchy of Luxembourg.

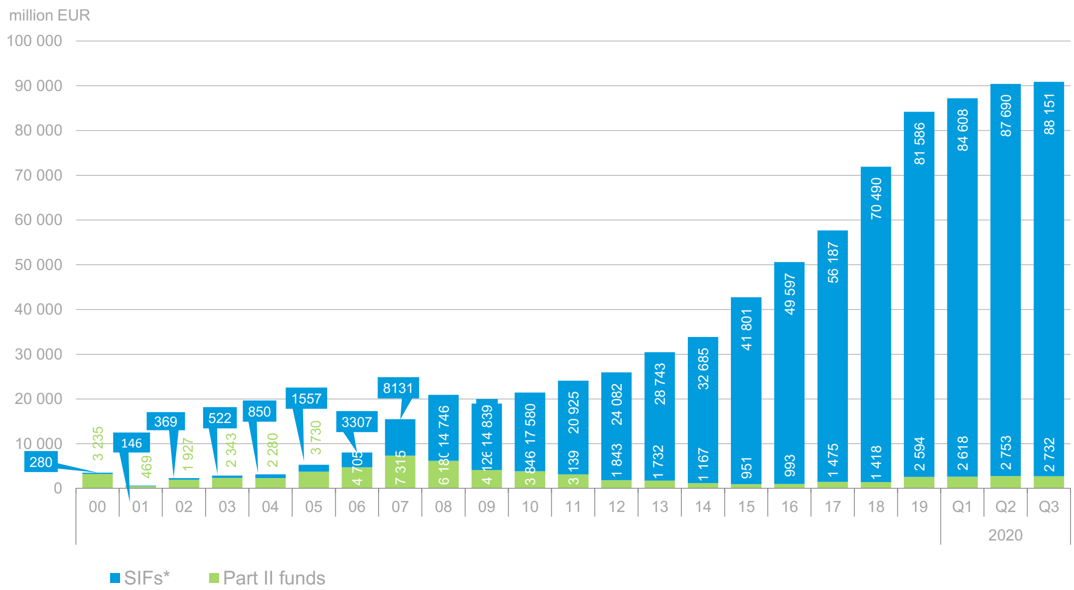
Choosing the right location for the set-up of real estate investment vehicle requires to take into consideration many different factors. Understanding the ecosystem in the European fund industry, its participants and the organisational requirements that a fund manager faces when considering setting up a fund in Luxembourg as well as understanding the structures available is of utmost necessity.

This brochure is supposed to provide a high-level view to industry players new to the Luxembourg real estate investment fund world and features the strengths that make Luxembourg a very attractive location for real estate investment vehicle initiators.

2. Market update

ALFI conducts an annual survey, the [ALFI Real Estate Investment Fund ("REIF") Survey], to which 449 regulated and manager-regulated funds responded in 2020. The main objective of producing this survey is to gain an understanding of market trends rather than claiming to provide complete and comprehensive data, although a significant proportion of the Luxembourg REIF market is covered.

Net AuM of Luxembourg real estate funds



*ALFI/CSSF figures

- Assets under management ("AuM") of regulated REIFs increased by 7.22% in 2020, which sees AuM soar to EUR 88.2 billion;
- Multi-sector strategies are most popular for investors, with a 42% allocation;
- For single-sector strategies, residential had the highest allocation at12%, followed by retail and office (10%):
- Smaller funds make up the majority of REIFs, with 53.5% smaller than EUR 100 million.

CHAPTER II –
Organisational aspects

1. Legal framework

Real estate investment vehicles in Luxembourg may either be any normal commercial companies, i.e. structures which are not supervised at all or indirectly supervised by an appointed alternative investment fund manager ("AIFM"), or investment structures that are (potentially in addition to the appointed AIFM) supervised by the Luxembourg regulator, the Commission de Surveillance du Secteur Financier ("CSSF"), and therefore regulated structures.

The specific (legal) features of all of these structures are outlined in section 3.3 of the ALFI REIF Brochure.

All of the aforementioned structures may – depending on their characteristics – qualify as an alternative investment fund ("AIF") under the Luxembourg implementation of the AIFMD, i.e. the Luxembourg law on AIFM of 12 July 2013, as amended (the "AIFM Law"). They would then potentially need to appoint an AIFM for the performance of the respective AIF's portfolio and risk management services within the meaning of the AIFM Law.

2. Structure types

Luxembourg offers a platform of services and structuring opportunities to the real estate investment vehicles industry. Products include a range of regulatory wrappers for setting up real estate funds, such as the Reserved Alternative Investment Fund ("RAIF") or the Specialised Investment Fund ("SIF") as well as limited partnerships that may be set up as alternative investment funds without having an additional regulatory wrapper:

		SIF	**RAIF**	**Other AIF in the form of limited partnership**[1]
Distribution		EU passport available[2]	EU passport available	EU passport available
Structuring	Type of companies	Limited companies/ limited partnerships	Limited companies/ limited partnerships	Limited partnerships with or without legal personality
	Contractual vehicles	Mutual funds	Mutual funds	No
	Umbrella structures	Available	Available	No
	Open-ended/ closed-ended	Available	Available	Available
	Listing	Available	Available	Available
	Service providers	Central administration Depositary	Central administration Depositary	Depositary
	Auditor	Yes	Yes	Yes
Diversification		30% risk diversification rule	30% risk diversification rule (unless fully invested in risk capital; "SICAR-like")	n/a
Eligible asset classes		All	All	All
Supervision		Yes	Indirectly via AIFM	No or indirectly via AIFM

[1] *Not subject to a specific fund regime, but qualifying as AIF and having appointed a fully authorised EU AIFM.*
[2] *In case a fully authorised EU AIFM has been appointed.*

		SIF	RAIF	Other AIF in the form of limited partnership[1]
Tax treatment		- Annual subscription tax (*taxe d'abonnement*) at a rate of 0.01% Some SIFs are exempted from the subscription tax - SIFs are not subject to any Luxembourg taxes on capital gains or income (exceot on income from properties located in the Grand Duchy of Luxembourg) - The corporate vehicles may in principle benefit from certain double tax treaties.	RAIFs respecting the principle of risk spreading: - Annual subscription tax (*taxe d'abonnement*) at a rate of 0.01% Some RAIFs are exempted from the subscription tax - RAIFs are not subject to any Luxembourg taxes on capital gains or income (except on income from properties located in the Grand Duchy of Luxembourg) - The corporate vehicles may in principle benefit from certain double tax treaties.	Tax-transparent

Such vehicles may take the form of commercial companies such as the SA, the Sàrl, the SCA, the SCS and the SCSp (for more detailed corporate features of each such form, please see Appendix I) which are not subject to any particular regulatory framework but may qualify as AIF, and are frequently used to structure real estate funds. Luxembourg has thus emerged as a prime jurisdiction for the structuring of real estate investment vehicle acquisitions and financings.

The ELTIF Regulation (EU) 2015/760 establishes a legislative framework for long-term investment funds (each qualifying as an AIF required to appoint an AIFM) which only invest in businesses that need money to be committed for long periods of time and which target not only professional but also retail investors across the EU. Furthermore it also aims at increasing the non-bank financing available for companies that are investing in the real economy within the EU.

Features of Luxembourg real estate investment vehicles – see section 3.3 of the ALFI REIF Brochure.

3. Management

3.1. Legal management of the AIF

Luxembourg AIF will usually have either (i) a managing general partner (associé gérant commandité) ("General Partner") in case of partnerships or (ii) an internal management body in case of a limited company (i.e. board of managers or board of directors depending of the corporate form) ("Board" and together with the General Partner, "Legal Management").

The Legal Management shall have exclusive responsibility for the operation of the AIF as well as the management and control of its business and affairs and shall take all decisions on behalf of the AIF, except where such power has been delegated to another entity (e.g. AIFM, investment manager).

In practice, the General Partner of partnerships is a Luxembourgish private limited liability company (société à responsabilité limitée). For the purpose of effective management, strategic business decisions should be taken in Luxembourg.

3.2. AIFM

Each Luxembourg AIF shall have a single authorised AIFM responsible for ensuring compliance with the provisions of the AIFM Law. This AIFM could be either registered or authorised by the CSSF or the respective supervisory authority of the EU Member State the AIFM is located in.

A registered AIFM is an alternative investment fund manager benefitting from the de minimis exemption under the AIFM Law provided that the AuM of such entity do not exceed a threshold of:

- EUR 500 million in case the portfolio of AIFs consist of AIFs which are not leveraged and without redemption rights for a period of five years;
- EUR 100 million in case the portfolio of AIFs consist of AIFs with AuM, including any assets acquired through the use of leverage.

AIFMs exceeding the above-mentioned thresholds or choosing to opt in have to request the necessary authorisation from the respective national competent authority ("NCA").

Registered AIFMs are only subject to reporting requirements, whereas authorised AIFMs have to comply with all obligations of the AIFM Law but benefit from the EU passport (i.e. while registered AIFMs cannot benefit from the EU passport).

An AIFM is defined as any legal person whose regular business is managing one or more AIFs in accordance with the definition under Art. 1(46) of the AIFM Law.

An AIFM shall at least provide the following investment management functions to one or more AIFs:

- Portfolio management services; and
- Risk management services.

AIFs can choose to be managed by an external AIFM or internally, where the legal form of the AIF permits such internal management. In the latter case, the AIF itself is authorised as an AIFM according to Chapter 2 of the AIFM Law. An external AIFM managing a Luxembourgish AIF can be established in Luxembourg, in another EU Member State or in a third country. At present, third-country AIFMs may not apply for an authorisation and have therefore no access to the AIFM passport. In order to conduct its activities more effectively, one or more of the functions of an AIFM may be delegated (and sub-delegated) to third parties, comprising functions included in the activity of collective portfolio management, risk management, central administration and valuation.

It is however to be noted that the delegation of functions is only permitted to the extent that the AIFM still fulfils its key functions in substance.

3.3. Investment management/investment advisor

Luxembourg AIF managed by the Legal Management benefitting from the de minimis exemption or an AIFM (depending of the AIF's structure) may delegate the investment management to one or more entities (affiliated or not). In the case of delegation of the investment management function, the investment manager shall ensure that it has the relevant authorisation to provide such services under its local law.

In this respect, the investment manager should be entitled to carry out, evaluate and resolve upon investments and disinvestments of the AIF (including, the real estate assets in compliance with the investment management agreement and the constitutive documents of the AIF (limited partnership agreement, articles of association and private placement memorandum) without the prior approval of Legal Management or the AIFM, as appropriate.

The delegation of the investment management function by an AIFM shall be construed on the basis of criteria provided under article 18 of the AIFM Law:

Article 18. Delegation

(1) Where AIFMs intend to delegate to third parties the task of carrying out functions on their behalf, they shall notify the CSSF thereof before the delegation arrangements become effective. The following conditions must be met:

(a) The AIFM must be able to justify its entire delegation structure on objective reasons;

(b) The delegate must dispose of sufficient resources to perform the respective tasks and the persons who effectively conduct the business of the delegate must be of sufficiently good repute and sufficiently experienced;

(c) Where the delegation concerns portfolio management or risk management, it must be conferred only on undertakings which are authorised or registered for the purpose of asset management and subject to supervision or, where that condition cannot be met, only subject to prior approval by the CSSF;

(d) Where the delegation concerns portfolio management or risk management and is conferred on a third-country undertaking, in addition to the requirements in point (c), cooperation between the CSSF and the supervisory authority of this undertaking must be ensured;

(e) The delegation must not prevent the effectiveness of supervision of the AIFM, and, in particular, must not prevent the AIFM from acting, or the AIF from being managed, in the best interests of its investors;

(f) The AIFM must be able to demonstrate that the delegate is qualified and capable of undertaking the functions in question, that it was selected with all due care and that the AIFM is in a position to monitor effectively at any time the delegated activity, to give at any time further instructions to the delegate and to withdraw the delegation with immediate effect when this is in the interest of investors. The AIFM must review the services provided by each delegate on an ongoing basis.

Another important topic is the appointment of an investment advisor. In such case, the Legal Management or the AIFM can appoint one or more investment advisors (no authorisation required from a Luxembourg law perspective) in order to receive advise in relation to the possible investment of the AIF. This structure is, for example, used in cases where the initiator of the AIF is a new player on the market and/or does not have any regulated entity to act as investment manager. It should be noted that an investment advisor may under no circumstances take any investment or divestment decision in relation to the AIF and shall have no decision-making power in relation thereto.

4. Administration

AIFM

Each Luxembourg AIF shall have a single AIFM responsible for ensuring compliance with the provisions of the AIFM Law. This section is described in detail under section 3 (Management) above.

Central administration

The Luxembourg real estate fund administration sector basically falls into two categories: large international administrators servicing all fund ranges, including real estate funds, as well as independent local specialist administrators.

Today, the vast majority of real estate investment vehicle administrators offer the full range of central administration services, including domiciliation, administration, accounting, tax filing, FATCA/CRS/CbC/DAC 6 reporting and company secretarial services to AIFs including their controlled SPVs located in Luxembourg or abroad, as well as any additional vehicles, such as carry and co-investment vehicles, for example.

Depositary services

Depositary services within the scope of the AIFM Law for certain real estate investment vehicle structures, i.e. in the form of a SIF, RAIF or any AIF managed by an AIFM, comprise the following two main components: the safekeeping of non-financial assets and the monitoring of the structure's assets.

The depositary services for the aforementioned vehicles may in principle only be performed by credit institutions. The AIFM Law permits certain closed-ended AIFs to appoint as depositary non-banking institutions or investment firms provided the relevant AIF and assimilated structures generally do not invest in assets that must be held in custody (i.e. financial instruments).

This depositary function is only open to qualifying investment firms under Luxembourg law serving as professional depositaries of assets other than financial instruments.

Banking services

Luxembourg banks offer cash management services, treasury, foreign exchange management, bridge financing and management of escrow accounts to their real estate clients.

Legal, tax and audit services

Luxembourg avails itself of significant expertise in legal and tax matters through numerous local and international law firms, tax advisors and audit firms experienced in structuring and servicing real estate investment vehicles.

One-stop-shop service providers

Many asset managers and General Partners are seeking to minimise costs by using one provider across multiple asset classes and fund types. There are numerous well-established administrators who can provide clients with a one-stop-shop for all services that are needed for an AIF structure: management and central administration of the fund vehicle, underlying SPVs, GP and carried interest vehicles, providing local substance with experienced local directors, office solutions, regulatory and tax reporting, AIFM and depositary services. Some of these service providers have a dedicated real estate team with professionals focusing solely on the administration of these structures.

5. Financial reporting

5.1. Components of annual reports

Generally, for REIFs the financial reporting frameworks most used are Luxembourg GAAP, IFRS and US GAAP. Other reporting frameworks and GAAPs might be used depending on the need of the investors, strategies and other legal considerations.

Annual reports of Luxembourg REIFs prepared in accordance with the Luxembourg legal and regulatory requirements (Laws and accounting principles):

- Financial statements;
- Independent auditor's report;
- Additional optional and supplementary information; and
- Investment activity report and management report.

In the case of REIFs qualifying as AIFs and managed by an authorised AIFM, the annual report must include additional information such as certain remuneration disclosures. For more details, please refer to specific guidance and Q&A issued by ALFI in connection with AIFMD reporting.

Additional reporting requirements may arise when the AIF requires NAV adjustments e.g. to determine the subscription or redemption price or to follow industry specific guidelines as the preparation of INREV NAV.

5.2. NAV – Net asset value

The NAV calculated in accordance with a GAAP is generally referred to as the "Accounting NAV". In this case the assets, liabilities, income, expenses, and equity (if applicable) are determined in accordance with the applicable GAAP.

The AIF documents of a REIF may sometimes define or refer to other NAVs, known as the "Fund NAV" or "Trading NAV".

These Fund NAVs may in practice be used for subscription, redemption purposes, etc., as set out in the AIF documents.

In addition to the above NAVs, the INREV Guidelines define an INREV NAV, which seeks to provide a more accurate economic value of the REIF. This INREV NAV is based on the Accounting NAV adjusted for by a number of different items. A REIF may elect to disclose or use the INREV NAV as the Fund NAV.

For details of the financial reporting requirements and the key considerations any fund manager is facing when setting up a real estate investment fund please refer to the ALFI guidelines "Real estate investment funds: financial reporting"(available to ALFI members only).

6. Tax aspects

6.1. Luxembourg tax environment

A stable tax framework, a highly competitive social security system (for companies, employers and employees) and the lowest VAT rate in the EU greatly contribute to making Luxembourg one of Europe's most attractive jurisdictions for real estate operations and investments.

Of key importance remains, however, the double tax treaty network that Luxembourg has built up over many years, with more than eighty treaties currently in force.

6.2. Taxation of Luxembourg real estate investment vehicle

6.3. The SOPARFI (*société de participation financière*)

As a regular company subject to ordinary corporate taxation rules and not subject to a specific regulatory regime, the SOPARFI benefits from Luxembourg's network of double tax treaties and from the Parent- Subsidiary Directive 2011/96/EU allowing, for qualifying participations, for the tax exemption of dividends, liquidation proceeds and capital gains under the Luxembourg participation exemption regime.

For completeness, under certain conditions, liquidation proceeds may also be tax exempt and interest and royalty payments should, in the majority of cases, be free from withholding tax.

6.4. The SIF

SIFs, irrespective of the legal form they take, are not subject to any Luxembourg taxes on income, gains or wealth. The sole tax due is an annual subscription tax of 0.01% which must be declared and paid quarterly based on the net asset value. However, certain exemptions from the subscription tax are available.

Further, SIFs organised under corporate form (e.g. SIFs organised as SA or SCA) can claim access to certain double tax treaties.

Alternatively, SIFs can also be organised under a transparent form, which could entitle its investors to benefit from exemptions or reductions in rate pursuant to a double tax treaty and/or EU Directives and/or the domestic law of the investment country.

Finally, there is no withholding tax on distributions from the SIF to its investors and, in the absence of a permanent establishment in Luxembourg, capital gains from non-resident investors should not be taxable in Luxembourg.

6.5. The RAIF

RAIFs are subject to the same tax regime as SIFs (see above). However, optionally, RAIFs investing into risk capital assets can opt for the SICAR regime.

Under the SICAR regime, a RAIF is subject to corporate income tax, municipal business taxes and to the minimum net wealth tax. However, income from risk capital assets remains tax exempt and no withholding tax should be levied on distributions to its investors. Similarly to the above, in the absence of a permanent establishment in Luxembourg, non-resident investor's capital gains should not be subject to tax in Luxembourg.

6.6. Special considerations in the case of real estate located in Luxembourg

The Luxembourg budget law of 2021 has introduced a 20% withholding tax on income from real estate located in the Grand-Duchy of Luxembourg, levied annually to which SIFs, RAIFs and Part II funds[3] are subject. Luxembourg funds taking the form of partnerships should not be affected by this measure.

6.7. Luxembourg's double tax treaty network

Luxembourg has bilateral tax treaties in force with all EU Member States and with a large number of other countries (including almost all OECD countries). This network of tax treaties is constantly expanded, and has, as already mentioned, more than eighty tax treaties currently in force.

RAIFs, which invest in risk capital being thus subject to the SICAR regime and SOPARFIs are, from a Luxembourg perspective, entitled to tax treaty benefits.

The application of tax treaties to SIFs and RAIFs which are organised under corporate form is to be assessed on a case-by-case basis depending on the wording of the treaty provisions and their interpretation by the relevant foreign authorities. Fiscally transparent SIFs and RAIFs themselves should generally not benefit from treaty provisions due to their tax transparency (but potentially investors may at their own level, depending on the terms of each individual treaty – see the comments made on the SIF, above).

6.8. Direct taxation of corporations

Fully taxable Luxembourg companies are subject to the following taxes:

- Income taxes at a combined rate of 24.94% in Luxembourg city in 2021, namely corporate income tax ("CIT") at 17%, added by a surcharge of 7% on the CIT rate by way of a contribution to the employment fund and the 6.75% municipal business tax;

- Annual net wealth tax levied at a rate of 0.5% on the company's worldwide net worth on 1 January up to a value of EUR 500 million, and 0.05% on any amount in excess, subject to certain adjustments (e.g. shareholdings qualifying for the participation exemption regime are exempt from net worth tax);

- Further, Luxembourg resident companies may be subject to a minimum net wealth tax instead of the traditional net wealth tax, described above. The minimum net wealth tax is set at EUR 4,815 for Luxembourg companies whose financial assets, receivable against related companies, transferable securities and cash deposits exceed cumulatively (i) 90% of their total balance sheet and (ii) EUR 350,000. All other companies which do not meet the aforementioned conditions are subject to minimum net wealth tax on the basis of their total balance sheet according to a progressive tax scale varying from EUR 535 to EUR 32,100.

6.9. Value added tax (VAT)

The Luxembourg VAT standard rate of 17% is the lowest in the EU, compared with an average of 21% in the other EU Member States. A VAT exemption applies to management services provided to investment funds and AIFs. This exemption is applicable on portfolio management, risk management, advisory services and certain administrative services. This exemption is however not available to SOPARFIs unless they qualify as AIF. If however their activity is limited to the ownership of shares, SOPARFIs are not obliged to register for VAT except in the case they acquire goods from abroad. They cannot recover the VAT incurred on their costs.

6.10. Implications of OECD BEPS project

The Organization for Economic Development (OECD) Base Erosion and Profit Shifting initiative (BEPS) and related action plan has led to the introduction in EU tax legislation of a number of new rules intended to prevent taxpayers operating internationally from shifting profits to low- or no-tax jurisdictions

[3] *Investment funds subject to Part II of the law of December 17, 2010 concerning undertakings for collective investment.*

and thereby reducing their tax base. While BEPS was not specifically aimed at the fund sector, many of the implemented measures have impacts on real estate funds and/or their portfolio companies such as rules dealing with hybrid instruments and entities, interest limitation rules, or rules against treaty abuse, which have been implemented in Luxembourg as follows:

- Luxembourg implemented into domestic law two EU Directives introducing anti-tax avoidance measures: Directive (EU) 2016/1164 of 12 July 2016 (ATAD 1) and Directive (EU) 2017/952 of 29 May 2017 amending ATAD 1 as regards hybrid mismatches with non-EU member states (ATAD 2). Most of the measures have been applicable since 1 January 2019 and 1 January 2020, the remaining being applicable as from financial years 2022;
- Luxembourg has ratified the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI), which has updated international tax rules by transposing the results from the BEPS project into more than 2,000 double tax treaties worldwide. The MLI entered into force for Luxembourg on 1 August 2019.

Luxembourg also implemented Directive (EU) 2018/822 on the mandatory disclosure and exchange of information on cross-border tax arrangements, also known as DAC 6.

As a result, certain intermediaries and, in certain cases, taxpayers are expected to report to the relevant tax authorities, within a specific timeframe, information on reportable cross-border arrangements (RCBA). RCBA covers any cross-border arrangement that contains at least one hallmark (i.e. a characteristic or feature that presents an indication of a potential risk of tax avoidance) as set out in the Luxembourg Law implementing DAC 6. The reporting obligation in Luxembourg started on 1 January 2021. The reported information is automatically exchanged by the Luxembourg tax authorities with the competent authorities of all other EU Member States. Late, incomplete or inaccurate reporting, or non-reporting, is subject to a fine of up to EUR 250,000.

7. Administration

The growing presence of real estate investment vehicle business in Luxembourg has prompted both GPs and the services industry to develop administrative service activities locally. A significant number of real estate investment vehicle houses have created considerable proprietary infrastructure in Luxembourg.

Administrative services are focused on compliance, risk management and corporate governance and are used to dealing with highly complex structures, financial instruments and the active participation in the ultimate investee companies held by the entities organised and operated in Luxembourg.

The RAIF law provides that every RAIF must be managed by an authorised AIFM, which may be established in Luxembourg or in another EEA country.

The AIFMD and its implementing regulations (Level 2) impose requirements on managers of (or self-managed) SIFs, RAIFs, and unregulated vehicles captured by the AIFMD. These requirements consist of, inter alia, retaining eligible conducting officers, the enhancement of the central administration and substance of the real estate investment vehicle structure, the necessity to introduce rules or policies on risk management, compliance, internal audit, transparency, remuneration and conflict of interest situations. The AIFMD, the Level 2 measures, the AIFM Law and CSSF circulars and regulations detail the level of functions that may be outsourced and if so, to which degree. Comparable organisational requirements are stipulated in detail by the ELTIF Regulation (EU) No. 2015/760.

CSSF Circular 18/698 on the authorisation and organisation of Luxembourg investment fund managers (“IFMs”) outlines the regulator’s requirements in terms of own funds and substance requirements. Moreover, it provides details on the concept of a central administration in Luxembourg and the internal governance framework. The organisation of the IFM’s functions and the delegation of functions form part of the sections on organisational requirements or arrangements. It is worth noting that registered AIFMs do not fall into the scope of the circular.

8. Distribution

Luxembourg real estate investment structures may either be distributed (i) across Europe via the AIFM passport or (ii) on a country-by-country basis due to the respective national private placement regimes (“NPPR”).

Every authorised AIFM located in the EU has access to the European passport. In order to activate the AIFM marketing passport, the AIFM has to submit a marketing notification for the respective AIF it is managing to its NCA. The NCA has up to 20 working days to submit the notification to the respective other NCAs where the AIF shall be marketed and is activating therewith the AIFM marketing passport.

At present, non-EU AIFMs do not have access to the AIFM passport and may only distribute an AIF based on NPPR. The NPPR is not harmonised in Europe, and each country may lay down whether it allows private placement and the respective conditions.

Regardless of the rules on the AIFM passport and the NPPR an investor may also subscribe for interests in a Luxembourg real estate investment structure in the case of reverse solicitation, i.e. where the investor (or an agent of that investor) contacts the AIF or the AIFM without any solicitation made by the AIF or its AIFM (or an intermediary acting on their behalf) in relation to the relevant AIF.

CHAPTER III – Your support in Luxembourg

1. Training opportunities

House of Training in partnership with ALFI – training for real estate investment fund professionals

The House of Training is the training institute of the Luxembourg Chamber of Commerce and the ABBL, offering multi-sectoral continuing professional training in a wide variety of domains. It is the reference partner accompanying companies, their leaders and employees in the development of their skills to prepare them for the challenges of the future. The House of Training is proud of the long-standing partnership that it shares with ALFI, under which it has created a comprehensive range of investment fund training modules, targeted directly at today's fund industry professionals.

As the real estate sector in Luxembourg continues to grow, both in terms of AuM and the number of funds, the need for competence and skills to service this business has also grown significantly. In collaboration with the ALFI Professional Training Committee, 15 real estate training modules have been developed, corresponding to the principal professional profiles and key training topics identified.

The real estate training modules complement other fund industry courses and certifications designed to build knowledge and skills towards identified professional profiles and competencies. They provide both certification opportunities ranging from the acquisition of the fundamentals, through business processes, to accountancy and specific training modules that take the learning further in important and specific areas.

The House of Training welcomes professionals to its courses developed in close collaboration with ALFI and for which full dates and details for the second semester courses are available at www.houseoftraining.lu.

2. Authorities

CSSF	*Commission de Surveillance du Secteur Financier*, Luxembourg supervisory authority,
ESMA	European Securities and Markets Authority, European regulator and independent EU authority that contributes to safeguarding the stability of the EU's financial system by enhancing the protection of investors and promoting stable and orderly financial markets

APPENDIX

Comparative table of the main Luxembourg corporate forms

	Common/special limited partnership (SCS/SCSp)	Corporate partnership limited by shares (SCA)	Private limited company (Sàrl)	Public limited company (SA)
Listing of shares	No	Yes	No	Yes
General meeting	Modalities freely set in the partnership agreement	1 annual general meeting required	1 annual general meeting required if the number of members/ partners is ≥60	1 annual general meeting required
Management	≥1 manager which does not have to be an unlimited partner	≥1 manager which does not have to be an unlimited partner	≥1 manager If several managers, may be structured as a board, possibility to put in place a daily manager, ad hoc committee	One-tier management structure with a board of ≥3 directors (if there is more than one shareholder) or two-tier management structure with a management board and a supervisory board Possibility to put in place an executive committee or a chief executive, a daily manager, ad-hoc committee
Amendments to constitutive documents	By all the partners, unless otherwise provided in the partnership agreement	Same as the SA, but the unlimited partner has a veto right (unless contrary provision in the articles of incorporation)	By a majority of the shareholders representing at least 3/4 of the share capital	By a quorum representing at least 1/2 of the share capital at first call and a 2/3 majority of shareholders
Accounts	Limited accounting obligation	Annual	Annual	Annual
Statutory auditor	Required only for large companies [4]	Required only for large companies (see section 5.1 of this brochure)	Required only if the number of partners is ≥60	Required

[4] *Subject to certain requirements being met.*

The Association of the Luxembourg Fund Industry (ALFI) represents the face and voice of the Luxembourg asset management and investment fund community, championing mainstream, private assets and sustainable investing. ALFI seeks to promote Luxembourg's fund sector internationally, and to cultivate for the benefit of its members a collaborative, dynamic and innovative ecosystem underpinned by the most robust regulatory framework. ALFI's ambition is to empower investors to meet their life goals.

Created in 1988, the Association today represents over 1,500 Luxembourg domiciled investment funds, asset management companies and a wide range of business that serve the sector. These include depositary banks, fund administrators, transfer agents, distributors, legal firms, consultants, tax advisory firms, auditors and accountants, specialised IT and communication companies. Luxembourg is the largest fund domicile in Europe and a worldwide leader in cross-border distribution of funds. Luxembourg domiciled investment funds are distributed in more than 70 countries around the world.

ALFI defines its mission as to "Lead industry efforts to make Luxembourg the most attractive international center".

Its main objectives are to:

Help members capitalise on industry trends

ALFI's many technical committees and working groups constantly review and analyse developments worldwide, as well as legal and regulatory changes in Luxembourg, the EU and beyond, to identify threats and opportunities for the Luxembourg fund industry.

Shape regulation

An up-to-date, innovative legal and fiscal environment is critical to defend and improve Luxembourg's competitive position as a center for the domiciliation, administration and distribution of investment funds. Strong relationships with regulatory authorities, the government and the legislative body enable ALFI to make an effective contribution to decision-making through relevant input for changes to the regulatory framework, implementation of European directives and regulation of new products or services.

Foster dedication to professional standards, integrity and quality

Investor trust is essential for success in collective investment services and ALFI thus does all it can to promote high professional standards, quality products and services, and integrity. Action in this area includes organising training at all levels, defining codes of conduct, transparency and good corporate governance, and supporting initiatives to combat money laundering.

Promote the Luxembourg investment fund industry

ALFI actively promotes the Luxembourg investment fund industry, its products and its services. It represents the sector in financial and in economic missions organised by the Luxembourg government around the world and takes an active part in meetings of the global fund industry.

ALFI is an active member of the European Fund and asset Management Association, of the European Federation for Retirement and of the International Investment Funds Association.

To keep up to date with all the news from the association and the fund industry in Luxembourg, join us on LinkedIn (The Luxembourg Fund Industry Group by ALFI), Twitter (@ALFIfunds), Youtube, or visit our website at www.alfi.lu.