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one-stop shop

to guide

How to create my
company in Luxembourg?

Essentials




HOUSE OF _____
ENTREPRENEURSHIP

powered by the Luxembourg Chamber of Commerce

Mission and operation

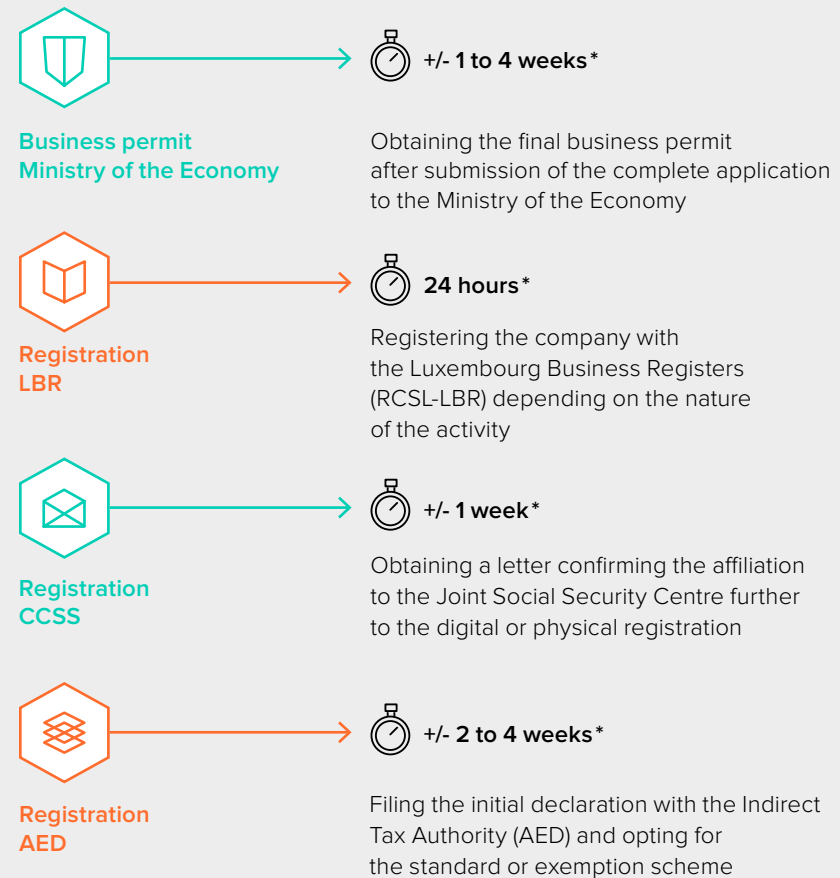
The Luxembourg Chamber of Commerce's House of Entrepreneurship is the national point of contact for nascent and established entrepreneurs.

The House of Entrepreneurship can provide guidance on any aspect of business life. Entrepreneurs can meet with advisors at the info desk each working day from 8:30 am to 5:30 pm without appointment, in order to:

-  discuss their projects of business setup or takeover,
-  understand how to grow/sustain/cease their activities in Luxembourg,
-  get access to partner entities that are most likely to help them achieve their objectives.

Overview

The overall timeframe for obtaining a business permit may vary depending on the chosen legal form and nature of the concerned activity. Indeed, additional procedures may be involved.



* Approximate time period given for reference only

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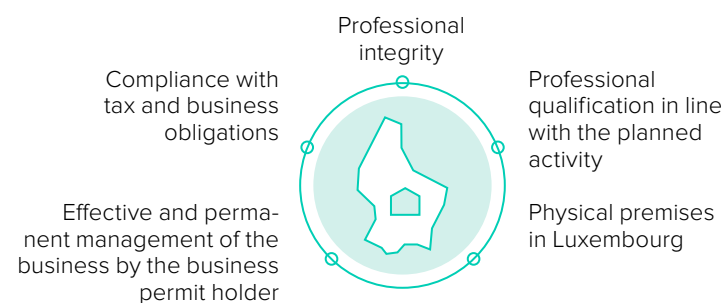
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1 Business Permit

Modified law of 2 September, 2011

- Commercial & industrial activities**
Examples: Trader, Travel agent, Real estate agent, Int. carrier
- Liberal professions**
Examples: Architect, Consulting-engineer, Chartered accountant (CPA)
- Artisanal activities**
Examples: Baker, Hairdresser, Caterer, Beautician

Legal requirements to do business in Luxembourg



Focus on professional integrity

- Sworn declaration (form)
- Recent criminal records of all countries where applicant has lived in the last 5 years
- Notarial declaration of non-bankruptcy if residing in Luxembourg for less than 5 years or for non-residents

About fixed premises and effective management

- Physical installation in Luxembourg that includes an infrastructure suitable for the nature and scale of the concerned activity
- The business permit holder personally and regularly ensure the day-to-day management and direction of the business
- The business permit holder must be connected to the business

2 Legal form

Company or self-employed?

Preliminary thoughts

- What are my responsibilities and legal obligations as an entrepreneur?
- Which legal form is better suited to my situation (sole proprietorship vs business partnership)?
- Do I have the necessary managerial skills to run a business?
- What about taxation according to the chosen legal form?

	Sole proprietorship (self-employed)	Limited liability company	Simplified limited liability company
Incorporation	/	Notarial deed	Notarial or private deed
Legal personality	No legal personality Only the entrepreneur has the legal personality as a natural person	Distinct legal personality Has a legal form distinct from that of the partners in it	
Minimum capital required	/	€ 12 000	From € 1 to € 11 999
Legal obligation towards the RCSL	Tax declaration and annual financial statement if annual turnover exceeds 100,000 €	Annual accounts registered with the Luxembourg Business Registers	
Taxation	Personal income tax Communal business tax (ICC)	Corporate income tax (IRC) Communal business tax (ICC) Net wealth tax (IF)	

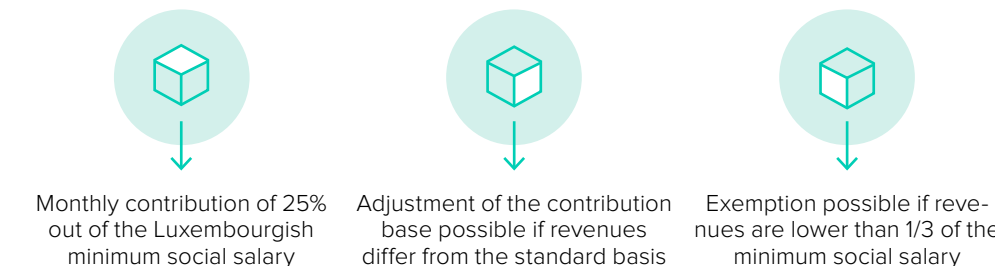
3 Registering with the authorities

Activating the business permit

- Luxembourg Business Registers (LBR-RCSL)**
- Registration of any activity governed by the law of 19 December 2002
- Registration of beneficial owners with RBE
- Joint Social Security Center (CCSS)**
- Affiliation of the self-employed person or director of the company
- Affiliation of employees
- Indirect Tax Authority (AED)**
- Initial declaration for VAT
- Choice of the standard or exemption scheme

Social protection

General framework



Salaried and self-employed workers are covered in the event of: illness, work-related accidents or illnesses, maternity, pension insurance, disability and dependency.

4 Taxation in Luxembourg

Self-employed or company?

- Company = moral person**
 - Corporate Income Tax (CIT/IRC): 19.26% on profit according to commercial balance sheet (contribution to employment fund included)
 - Municipal Business Tax (MBT/ICC) : between 6% and 12% depending on the municipality
 - Minimum Net Wealth Tax (Min NWT/IFM): progressive minimum income tax, depending on total assets and structure of balance sheet €535 to €32100
- Self-employed = natural person**
 - Income Tax (IR): slots from 0% to 42%
 - Municipal Business Tax (MBT / ICC) between 6% and 12%, depending on the municipality



Topics covered by the House of Entrepreneurship and its partners

- Incubation and early-stage support
- Growth and acceleration
- Financing and state aid
- Networking & information

Useful resources

- guichet.public.lu
- www.cc.lu
- www.ccss.lu
- www.aed.lu
- impotdirects.public.lu



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Open from Monday to Friday 8:30 am to 5:30 pm

Partners on-site on Tuesdays

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DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère de l'Économie

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