



10 Reasons why Luxembourg is the ideal place to create an Investment Fund

Despite its small size, Luxembourg is one of the leading financial centers of Europe. One of the basis of Luxembourg as a financial center is the investment funds industry. Luxembourg is the largest investment fund center in Europe and second only to the United States in the world.

What is the reason for the success of Luxembourg and what attracts funds professionals from all over the world to come to Luxembourg?

Sedlo Law Firm lists **10** main reasons why operators choose Luxembourg for funds:

1. **Variety:** For any type of investment or investor, there is an ideal Luxembourg fund.
2. **Onshore:** Luxembourg funds are “onshore” and UCITS and AIFs take advantage of EU-passporting mechanisms.
3. **Flexibility:** Luxembourg laws applicable to funds ensure the most possible flexibility.
4. **Tax efficiency:** Luxembourg legislation ensures tax efficiency and tax transparency.
5. **Experience:** There is an extensive experience in dealing with almost any type of fund existing in the financial markets, be it on the level of the service providers or the competent authorities.
6. **Sophisticated legal mechanisms:** there are regulated and unregulated funds, the possibility to create segregated compartments and ring-fence the assets, as well as a wide choice of other legal mechanisms.
7. **Business friendly environment:** the licensing process is quick and the industry is highly specialised in providing financial and commercial services at a high level to a variety of clients.
8. **Stability:** There is political, economic and legal stability.
9. **Speed:** Luxembourg is fast in implementing favorable fund legislation.
10. **Reputation:** Luxembourg funds are well known, distributed in more than 70 countries and have been tested for many years internationally.

For more information about the formation of Luxembourg funds, please contact **Yevgeniy Sadov** at ysadov@sedlo.lu or **Adrian Sedlo** at asedlo@sedlo.lu.