



BRIS GROUP

LUXEMBOURG

PRIVATE LIMITED LIABILITY COMPANY (SARL)

CLIENT GUIDE 2026

EU company formation, taxation, holding structures and annual compliance

Professional company formation and ongoing corporate administration

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Luxembourg Private Limited Liability Company (SARL) at a Glance

A Luxembourg **société à responsabilité limitée (SARL)** is a limited liability company formed by notarial deed and registered with the Luxembourg Trade and Companies Register (RCS). It is a widely used corporate form for operating companies, private investment structures and international holding activities.

Topic	Current legal / practical position
Shareholders	One or more natural or legal persons; a single-member SARL is permitted.
Minimum capital	Minimum share capital: EUR 12,000 , fully subscribed and fully paid at incorporation.
Liability	Shareholders are liable to the extent of their contributions, subject to statutory founder/manager liability provisions.
Formation	A conventional SARL must be incorporated before a Luxembourg notary .
Registered office	A Luxembourg head office / registered office is required and recorded in the RCS.
Business permit	Persons establishing a business in Luxembourg must obtain the authorisations/approvals required for the activity where applicable.
Corporate income tax	For 2026: 15% where taxable income does not exceed EUR 175,000 and 17% where it exceeds EUR 200,000; an intermediate formula applies between those amounts. A 7% employment-fund surcharge is added to corporate income tax.
Other corporate taxes	Capital companies may also be subject to communal business tax and net wealth tax.

Key Benefits for International Clients

- Highly established EU and international financial/business jurisdiction.
- EUR 12,000 minimum capital for a conventional SARL.
- Single-member and corporate-shareholder structures are permitted.
- Luxembourg parent-subsidiary regime can exempt qualifying participation dividends and, subject to conditions, outbound dividends from withholding tax.
- Extensive double-tax treaty and EU framework for qualifying cross-border structures.
- Suitable for operating, investment, holding, financing and international business structures, subject to substance and tax analysis.

The Tax Position for a Non-Resident Owner

Luxembourg is NOT a blanket 0% foreign-source company jurisdiction

A Luxembourg SARL is a Luxembourg capital company and is itself a taxpayer. Foreign shareholders, foreign clients or foreign-source revenues do not automatically create a 0% Luxembourg tax result. Corporate income tax, communal business tax and net wealth tax must be considered, together with any participation exemption, treaty or other statutory relief.

The genuine Luxembourg tax advantages are primarily found in its **participation exemption / parent-subsidiary framework**, treaty network and EU-compatible holding environment rather than a general foreign-source exemption.

Formation / Registration Requirements

Topic	Current legal / practical position
Articles	Articles of association must contain the legally required company, capital, governance and duration information.
Notarial deed	The SARL is formed before a notary; the articles are filed in full with the RCS for publication.
RCS / RESA	The deed and subsequent amendments are filed with the RCS and published through the Electronic Compendium of Companies and Associations (RESA).
Company purpose	An SARL may generally be formed for commercial purposes, subject to restrictions for certain regulated sectors and required approvals.

Topic	Current legal / practical position
Shareholder(s)	Natural persons or legal persons may hold SARL shares; one shareholder is sufficient.
Managers	The company is managed by one or more managers under its articles and Luxembourg company law.
Shares	SARL interests are registered shares; public issues of shares are not permitted.
Capital contributions	Cash and contributions in kind are permitted; contributions in kind are valued in the articles.
Registered office	Luxembourg registered/head office required.

Share Capital

The official Luxembourg business portal confirms that a conventional SARL requires minimum share capital of **EUR 12,000**. It must be **fully subscribed and fully paid** at incorporation. Contributions may be made in cash or in kind.

Do not confuse SARL with SARL-S

Luxembourg also offers a simplified SARL-S with capital from EUR 1 to EUR 12,000, but it is a different legal form restricted to natural persons and subject to additional conditions. This BRIS Group guide concerns the conventional **SARL**, which is generally more appropriate for international corporate ownership structures.

Corporate Income Tax - 2026

Guichet.lu's official April 2026 guidance confirms corporate income tax rates of **15%** where taxable income does not exceed EUR 175,000 and **17%** where taxable income exceeds EUR 200,000. A statutory intermediate calculation applies between EUR 175,000 and EUR 200,000. Corporate income tax is increased by a **7% contribution to the employment fund**.

Communal Business Tax

Luxembourg businesses may also be liable to communal business tax. The statutory base rate is **3%**, which is multiplied by a communal factor set by the relevant municipality. The effective communal business tax therefore depends on the company's location.

Participation / Parent-Subsidiary Regime

Luxembourg's official guidance confirms that qualifying income from significant participations can be exempt under the parent-subsidiary regime. The regime can also eliminate Luxembourg dividend withholding tax on qualifying distributions by a Luxembourg subsidiary to an eligible parent. Conditions include the nature of the entities, minimum participation or acquisition-cost thresholds and the required holding period.

Dividend Withholding Tax

The normal Luxembourg withholding tax on dividends is **15%**. For non-resident shareholders, a lower treaty rate may apply. Where the parent-subsidiary regime conditions are satisfied, a qualifying distribution may be exempt from Luxembourg withholding tax.

Inbound Dividends

Official Luxembourg guidance also provides for full participation exemption in qualifying cases. Where full exemption conditions are not met because the percentage/holding-period test is missing but other eligibility conditions are satisfied, a **50% exemption of the gross dividend** may be available.

Documents Required from the Client

- Passport / acceptable identification for each shareholder, manager and UBO.
- Recent proof of residential address.
- For corporate shareholders: incorporation, constitutional, management and complete ownership-chain documents.
- Proposed company name, Luxembourg registered-office arrangement and detailed business purpose.
- Expected countries of activity, customers/suppliers, turnover and transaction profile.
- Source-of-funds and, where appropriate, source-of-wealth evidence.
- Information required for the Luxembourg notary, RCS, business permit, bank and professional onboarding.
- Certified translations, apostilles/legalisation or powers of attorney where required.

Formation Process & Documents Received

1. Structure/tax review 2. KYC/AML approval 3. Capital/notarial preparation 4. Notarial incorporation & RCS filing 5. Tax/VAT/business-permit setup 6. Banking and annual-compliance setup

Typical corporate file: notarised deed/articles of association; RCS registration/extract; shareholder and capital information; manager/representation information; registered-office details; beneficial-owner and business-permit documentation where applicable; and tax/VAT records.

Accounting Records & Annual Financial Statements

A Luxembourg SARL is subject to Luxembourg accounting and financial-reporting requirements. The official Guichet.lu guidance states that SARL annual financial statements must be filed with the RCS within **7 months after the close of the financial year**: normally 6 months to hold the shareholders' meeting plus 1 month from the meeting date for filing.

Audit / Statutory Oversight

Audit or statutory oversight requirements depend on the company's size, shareholder structure and statutory thresholds. The exact requirement should be confirmed annually against the current Luxembourg accounting and company-law thresholds.

Annual Compliance Checklist

- Maintain Luxembourg registered office and current RCS particulars.
- Maintain proper accounting books and supporting records.
- Prepare annual financial statements and obtain required shareholder approval.
- File annual financial statements electronically with the RCS within the applicable deadline.
- File corporate income tax, communal business tax and net wealth tax returns as applicable.
- Review VAT registration and periodic VAT filing obligations.
- Maintain and update beneficial-owner information as required.
- Review dividend withholding tax and parent-subsidiary/treaty relief before distributions.
- Maintain business permit / regulatory authorisations where required.
- Report manager, shareholder, registered-office and constitutional changes where required.
- Review payroll/social-security obligations where personnel or remunerated managers are involved.
- Review transfer pricing, financing and related-party transactions where relevant.

Bank Account & Operational Setup

A Luxembourg SARL may apply for corporate banking in Luxembourg or elsewhere in the EEA/internationally, subject to provider policy. Account opening is not automatic. Banks may request RCS/notarial documents, UBO details, source of funds/wealth, contracts, business plans, expected turnover, customer/supplier countries and evidence of commercial substance.

Why Luxembourg Can Be Attractive

Topic	Current legal / practical position
EU jurisdiction	Established EU legal, tax and financial-services environment.
Holding regime	Participation exemption / parent-subsidiary regime can be valuable for qualifying international holding structures.
Treaty access	Luxembourg's treaty and EU framework can support properly structured cross-border investment.
Flexible ownership	One or more natural or legal persons can own a conventional SARL.
International reputation	Widely used for genuine investment, holding, financing and operating structures.
Professional infrastructure	Strong ecosystem of notaries, accountants, banks, administrators and regulated professionals.

How BRIS Group Supports You

Structure review - Assess whether a Luxembourg SARL fits the client's ownership, activity, tax and investment objectives.

Formation - Coordinate Luxembourg notarial incorporation and RCS registration.

Registered office - Coordinate Luxembourg registered-office / domiciliation services where available and legally appropriate.

Business permit - Coordinate local professional assistance with required business authorisations where applicable.

KYC / UBO - Coordinate shareholder, manager, UBO and source-of-funds/wealth due diligence.

Accounting & tax - Coordinate annual accounts, corporate tax, communal business tax, net wealth tax and VAT support.

Banking preparation - Prepare the corporate/KYC package and coordinate banking introductions where available.

Annual compliance - Coordinate RCS filings, annual accounts, corporate changes and ongoing administration.

Professional Fees & Quotations

Tailored quotation

This brochure is an informational guide to Luxembourg SARL formation and maintenance and is not a fee quotation. BRIS Group professional fees, Luxembourg notarial/RCS costs, registered-office or domiciliation services, business-permit work, accounting/tax, UBO compliance, certified documents, banking support and other optional services are quoted separately according to the structure and required work.

Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute Luxembourg or foreign legal, tax, accounting, regulatory or investment advice. **A Luxembourg SARL is not a blanket 0% foreign-source structure.** The company is itself taxable, with corporate income tax, communal business tax and net wealth tax potentially relevant. The parent-subsidary/participation regime can nevertheless provide significant exemptions where all statutory conditions are met.

Primary official/legal sources reviewed: Guichet.lu (Grand Duchy of Luxembourg) current 2026 guidance on SARL formation, constitutional documents, corporate income tax, communal business tax, dividend distributions, parent-subsidary regime and annual-account filing; together with the Luxembourg tax/company-law framework referenced in that official guidance.

Information reviewed: August 2026. Tax rates, municipal multipliers, minimum net wealth tax, participation-exemption eligibility, business-permit requirements and filing procedures should be reconfirmed for the client's facts before incorporation.

PREPARED BY BRIS GROUP



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