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Luxembourg Private Equity & Venture Capital Association

LPEA Newsletter

Issue: #14

JUNE 2014

Dear LPEA Member, Dear Reader:

Welcome to the second issue of 2014 of LPEA's quarterly Newsletter. In addition to relevant technical and industry information developed and assembled especially for you, in this edition you will also find the **Chairman's Address** and our first **Annual Report**. I encourage you to spend a few minutes and review it as it revisits the history of the organization and outlines its future plans.

As always, please feel free to reach out to us with any industry related questions and comments. We look forward to staying connected and working together.

With best regards,

Hans-Jürgen Schmitz, Chairman of LPEA

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FUTURE EVENTS

LPEA

[July 4 2014 LPEA Breakfast Conference:](#)

LPEA Annual Report 2013

Chairman's Address

"This year marks the Association's fifth anniversary and I am proud to have the opportunity, with this letter, to revisit its past development, outline current projects and introduce you to the future plans of the Association.

The idea of LPEA was first discussed by a small group of 25 Private Equity and Venture Capital (PE / VC) industry players, who took the initiative and committed time and resources to make LPEA the success that it is today. Thanks to the hard work of LPEA's leadership team, its Managing Director, the Executive committee, the Board of Directors, the Technical committee leaders, and not to forget all other key contributors - all on a voluntary basis, we have delivered on LPEA's mission to become the recognized de facto spokesperson for the industry in Luxembourg and abroad in little time."

To access the full letter of the Chairman and the 2013 Annual Report, please [CLICK HERE](#).

The Office of LPEA

LPEA contributes to LFF's promotional video

LPEA is excited to have had the opportunity to participate in LFF's promotional efforts. [CLICK HERE](#) to view the recent video: "Luxembourg Financial Centre: Be part of the future"

The Office of LPEA

Update on Asian-pacific double tax treaty network with Luxembourg

BEPS

Luxembourg,
Luxembourg

July 14 2014
[LPEA Board Meeting](#)

Luxembourg,
Luxembourg

August 20 2014
[LPEA Roadshow: "Luxembourg: a conducive environment for Private Equity"](#)

Stockholm,
Sweden

October 2014
[LPEA Roadshow NYC, USA](#)

October 27 2014
[LPEA Board Meeting](#)
Luxembourg,
Luxembourg

OTHERS

July 3 2014
[IFE Conference: "Reporting sous AIFM"](#)

Luxembourg,
Luxembourg

October 9 2014
[BVCA Summit London, UK](#)

October 21 2014
[IFE-LPEA: Private](#)

According to the World Bank report "East Asia Pacific Economic Update- April 2014", the East Asia and Pacific region ("EAP") grew at 7.2% in 2013, after 7.5% in 2012. Despite the fact that the growth is slowing down, the region remains the most important growth driver by contributing 45% of the global growth. EAP countries are not only growth countries in terms of macro-economic but they are also growth for private equity actors investing in those countries.

In this respect, Luxembourg offers opportunities for private equity (including real estate) investments in this region with 10 double tax treaties ("DTTs") in force and two others applicable as from 01/01/2015 (Laos and Sri Lanka). [READ ON](#) for the full article.

Yves Knel, Raphaël Louage, Bertrand Levy, LPEA Associate Members

The best way to combine SPV cash accounts and Funds' Depositary services...

Luxembourg has traditionally been a very strong and attractive market for PE players in terms of structuring their investments via the use of Luxembourg domiciled holding companies. Private Equity sector will experience a strong growth in the coming months and years. The key for PE players will be to find service providers that can combine the traditional cash account opening service together with the fund depositary services in order to reduce costs and increase operational efficiencies.

To access the full article, please [CLICK HERE](#).

Yves Verhuslt, LPEA Associate Member

BEPS Action Plan: everybody's talking about the Usual Suspects

The BEPS Action Plan is an initiative by the OECD Committee of

**Equity
Luxembourg**
Luxembourg,
Luxembourg

**November 6
2014**
**EVCA Venture
Capital Forum**
Berlin, Germany

**November 18-21
2014**
SuperInvestor
Paris, France

**November 25-26
2014**
**ALFI: European
Alternative
Investment Funds
Conference**
Luxembourg,
Luxembourg

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information:
[CLICK HERE](#)**

Fiscal Affairs[1]. It was adopted in a meeting of the Committee on 25 June 2013 and has been endorsed by the G20 at a meeting in St. Petersburg, on 5-6 September 2013. The inspiration for BEPS is to be found, in a growing annoyance among both politicians and the general public, with certain high profile tax avoidance cases. The cases that have received press the most press coverage in this regard essentially pertain to major corporate multinationals such as Google, Apple and Starbucks. To access the full article [**CLICK HERE**](#).

[1] OECD (2012), Action Plan on Base Erosion and Profit Shifting.

LPEA TAX Committee

DUE DILIGENCE OF LUXEMBOURG TARGET COMPANIES

M&A transactions regularly involve the acquisition of Luxembourg target companies. The purpose of this article is to raise awareness of the importance of effective buy-side due diligence, and some of the issues that frequently arise in relation to acquisitions of Luxembourg companies. **To access the full article, please [**CLICK HERE**](#).**

Peter Myners, LPEA Associate Member

How does FATCA impact Private Equity?

How are Private Equity structures in Luxembourg impacted by FATCA?

Luxembourg authorities finalized an Inter Governmental Agreement ('IGA') with the IRS on March 28, 2014. As a result, Luxembourg will transpose the IGA requirements into Luxembourg Law and Foreign Financial Institutions under FATCA ('FFI's) will need to comply with the requirements of this local law.

Is FATCA applicable to Private Equity structures which do not have US beneficial owners and do not invest in the US?

All investment entities and FFIs are within the scope of the IGA

between the IRS and the local legislations which entered into IGAs regardless of the origin of beneficial owners and destination of investments performed. The investor categorization will support the entity pre-classification under FATCA but will not exclude investment entities and FFIs from its scope.

To access the full interview [**CLICK HERE**](#).

Patrice Fritsch, LPEA Associate Member

Sincerely,

Paul Junck, Managing Director of LPEA

About LPEA

LPEA is a non-profit organization serving a threefold mission:

- Towards its members, represent and promote the interests of Private Equity and Venture Capital players based in Luxembourg;
- Towards Luxembourg, support government and private initiatives to enhance the attractiveness, competitiveness and efficiency of the Luxembourg economic, legal, regulatory and operational framework as an international hub for carrying out Private Equity and Venture Capital business and / or servicing the industry in all its dimensions.
- Towards the European Venture Capital and Private Equity Association (EVCA) and other relevant international industry bodies, represent the interests of the members of the LPEA and the industry as well as Luxembourg as a place for doing Private Equity and Venture Capital business.



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