

# Limited partnership (LP.) in Luxembourg

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## Limited partnership (LP.)

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The following text is an extract from LCG's brochure "Business Luxembourg Company Formation".

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*Your LCG Team*

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# Limited Partnership (LP./SCS) in Luxembourg

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## I. Legal structure of a Limited Partnership (LP./SCS)

### 1. Concept

A Limited Partnership in Luxembourg (LP./Société en commandite simple, SCS) is a partnership having at least two shareholders, namely a 'general' partner and a 'limited' partner.

The general partner is subject to unlimited liability for the liabilities of a Limited Partnership (LP./SCS) in Luxembourg. If a Limited Partnership (LP./SCS) in Luxembourg has multiple general partners, the liability of such partners is secondary, joint and several and unlimited. The duties of the the general partners include the management of the Limited Partnership (LP./SCS) in Luxembourg. In contrast thereto, the limited partners are liable for the liabilities of a Limited Partnership (LP./SCS) only to the extent of that amount which they have contributed (the limited liability sum). Such partners are consequently not permitted to perform the management of the business and have restricted controlling rights.

### 2. Formation

A Limited Partnership (LP./SCS) in Luxembourg is formed through the conclusion of a partnership agreement between at least two persons and will subsequently be registered in the Trade and Companies Register. The registration in the Trade and Companies Register is of declaratory effect only.

### 3. Minimum capital

There is no minimum capital requirement for a Limited Partnership (LP./SCS) in Luxembourg.

### 4. Company name

The company name of a Limited Partnership (LP./SCS) in Luxembourg must contain the surname of at least one of the partners subject to unlimited tax liability (general partners). The use of the names of other persons, particularly the names of the limited partners, is not permitted.

## II. Tax structure of a Limited Partnership (LP.)

A Limited Partnership (LP./SCS) in Luxembourg is not subject to taxation as such. Instead, every shareholder of a Limited Partnership (LP./SCS) is liable to taxation in Luxembourg on their share of the income and assets of the company as well as on their private income and assets.

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