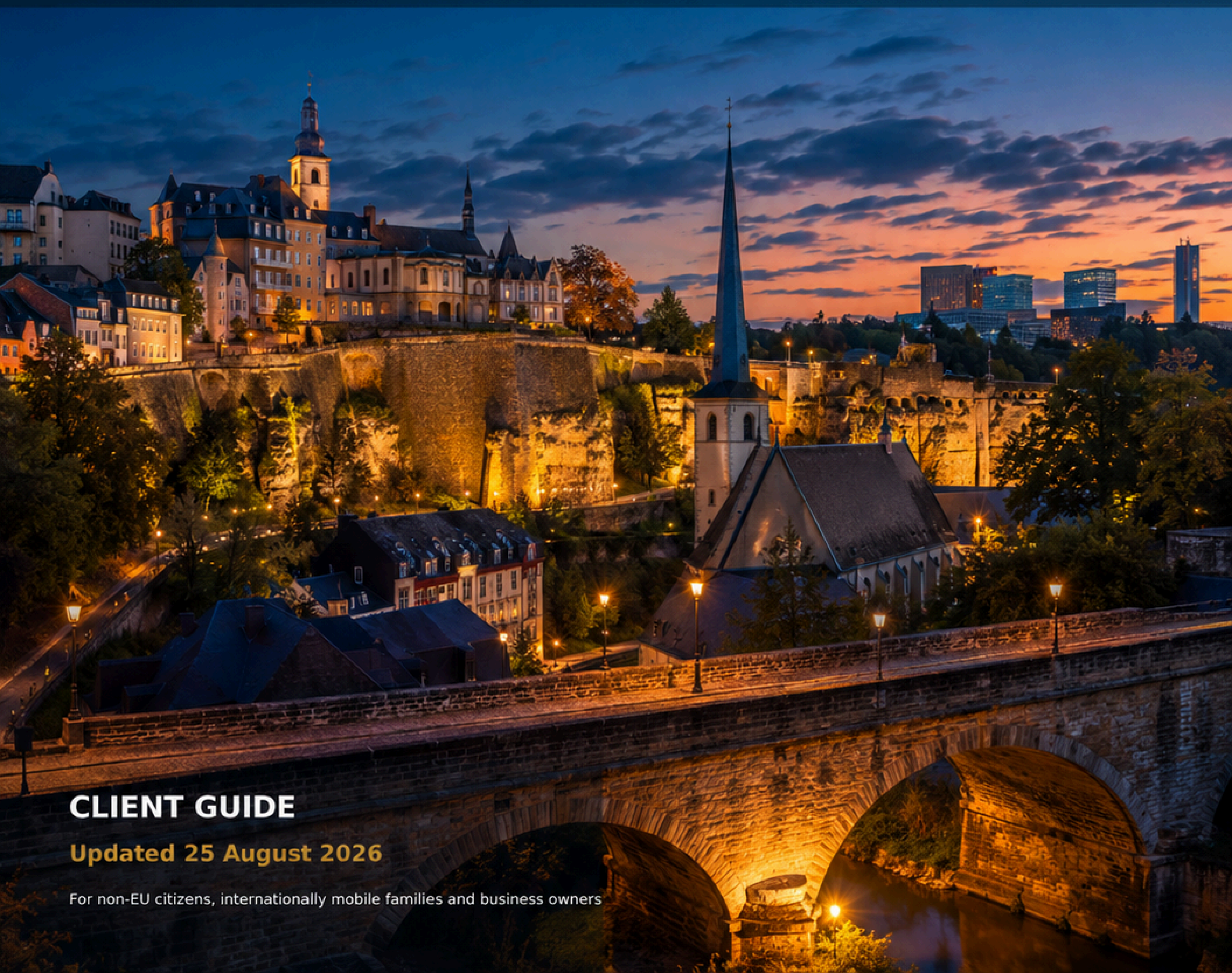
ELYSIUM WEALTH ADVISORS
GROUP OF COMPANIES

MOVING TO LUXEMBOURG

Residence, company formation and taxation for non-EU citizens



CLIENT GUIDE

Updated 25 August 2026

For non-EU citizens, internationally mobile families and business owners

Employment / high-

skilled route

Entrepreneur / founder

route

Family reunification /

study

Country-specific; verify

eligibility

BEFORE COMMITTING TO A ROUTE Confirm nationality, intended activity, salary / business eligibility, family position, funding and tax residence. A company-registration certificate does not itself confer a right to live or work in Luxembourg.

1. Main routes to Luxembourg residence

The correct route depends on nationality, intended activity, qualifications, salary or business plan, family relationships, funding and whether the person will work locally.

Employment and high-skilled routes

Third-country nationals may use salaried-worker or EU Blue Card residence routes. Labour-market, salary and qualification requirements depend on the permit.

Salaried worker / EU

Blue Card

Third-country nationals may use salaried-

worker or EU Blue Card residence routes.

Permission linked to the qualifying

job / route and its conditions.

Self-employed /

business residence

A self-employed third-country national must

obtain the required authorisation and

Permission linked to the approved

business / self-employed activity.

Family / study Documented relationship or eligible study

programme; financial and insurance conditions

may apply.

Permission depends on sponsor / programme and may have work

limits.

> OWNER-MANAGED COMPANY Forming a Luxembourg company does not automatically allow its shareholder or director to work in Luxembourg. The immigration basis must authorise the actual role and activity.

Salaried worker / EU Blue Card

Work-route eligibility, salary thresholds and labour-market conditions should be checked immediately before application because they can change during the year.

Family and study

Family reunification and study routes are available in defined circumstances. Requirements commonly include evidence of relationship or admission, sufficient funds, insurance and accommodation. Work rights depend on the specific Luxembourg permission.

2. Residence without work / independent means

Luxembourg does not have a general retirement visa solely for wealthy applicants. Residence without work must fit a recognised statutory category and sufficient-resources conditions.

Practical implications

- Company ownership, investments or property ownership should never be assumed to create a residence right.
- Passive ownership should be distinguished from active management, employment or self-employment. • The permission wording and actual day-to-day activity should be reviewed before relocation. • Proof of funds, health insurance and accommodation may be required depending on the route. • Tax residence is separate from immigration residence and requires its own analysis.

> NO-WORK RESIDENCE Luxembourg does not have a general retirement visa solely for wealthy applicants.

Residence without work must fit a recognised statutory category and sufficient-resources conditions.

> WORK RESTRICTION Passive investment should not be confused with employment, self-employment or active company management. A person carrying out work must hold an immigration basis that permits it.

Passive ownership versus active management

Holding shares as an investment Potentially possible, subject to company law, sanctions, tax and sector

rules.

Receiving dividends / investment returns

Potentially possible, with local and cross-border tax consequences.

Managing daily operations Work activity; an appropriate immigration basis is normally required.

Providing services to the company Employment / self-employment activity; authorisation should be

confirmed.

Drawing salary or management fees

for work

Requires immigration, payroll and tax analysis.

Long-term residence caution

Temporary residence, permanent residence, citizenship residence and tax residence are separate tests. Whether time under a particular permit counts toward a long-term objective depends on the rules in force at the relevant time.

3. Entrepreneur and founder routes

Self-employed / business residence

A SARL can be foreign-owned. Founder residence, business permit requirements and day-to-day management authority should be coordinated before trading.

Core planning requirements

- A credible business plan and evidence that the proposed activity is genuine and viable. • Appropriate funding and source-of-funds documentation. • Evidence of founder skills, qualifications or commercial track record where relevant. • A residence permission that expressly permits the proposed founder, management or self-employed activity.

More likely to support a founder application Generally weaker case

Innovative or commercially credible venture with

documented funding

Passive investment or shell company

Business plan showing market need and economic

substance

Company formed only to obtain residence

Founder capability and lawful source of funds Unclear activity, funding or local economic rationale

Permit duration and limits

Founder permissions are normally conditional on continuing to satisfy the qualifying business and personal requirements.

- Material changes to the business, ownership, employer or activity can trigger a notification or new immigration

application. • Unrelated employment may require separate authorisation. • The application evidence should be prepared before committing to relocation or local payroll. • Passive investment should not be confused with a founder or self-employment residence route.

> CONDITION OF PERMISSION A founder must comply with the conditions of the residence route actually granted.

Incorporation alone does not expand work rights.

4. Establishing a Luxembourg private limited company

The usual owner-managed vehicle considered in this guide is the Société à responsabilité limitée (SARL). It has separate legal personality and shareholder liability is generally limited, subject to statutory exceptions and capital rules.

Coordinated Luxembourg planning sequence

1 IMMIGRATION Choose a permission that authorises the intended activity.

2 COMPANY Design the ownership, management, capital and governance arrangements.

3 REGISTRATION Complete company, tax, VAT, payroll and ownership registrations.

4 REMUNERATION Model salary, dividends, pension and social-security exposure.

5 COMPLIANCE Maintain books, annual accounts, tax returns and sector licences.

SEQUENCE MATTERS Immigration, company substance, payroll and personal tax residence are legally distinct, but they interact in practice and should be planned together.

Core formation requirements

Company form Société à responsabilité limitée (SARL)

Share capital A standard SARL requires minimum share capital of EUR 12,000, fully subscribed and paid at incorporation. A simplified SARL-S has separate rules and lower capital.

Shareholder One or more shareholders are generally possible; foreign ownership is subject to any sector-specific rules.

Management Local company-law requirements for directors / managers must be satisfied.

Registered office A valid registered office / business address in Luxembourg is generally required.

Registration Complete the prescribed commercial / company register process.

Tax registrations Register for corporation tax, VAT, payroll and employer obligations where relevant.

Beneficial ownership Maintain and file beneficial-owner information where required.

Registration and ongoing obligations

1. Confirm the company form, name, founders, management and registered office.
2. Prepare and execute the constitutional / incorporation documents and contribute the required capital.
3. Complete company, tax, VAT, payroll and employer registrations where relevant.
4. Register legal and beneficial ownership information where required.
5. Maintain accounting records and prepare annual accounts / filings under local law.
6. File corporation tax, VAT, payroll and other returns and maintain sector licences where required.

FOREIGN OWNERSHIP A non-EEA person can generally own a Luxembourg company, but ownership is separate from immigration permission. Banking, sanctions, regulated-sector and tax-residence issues may require additional review.

5. Company taxation

A Luxembourg resident company is generally subject to local corporation tax under the rules described below. Cross-border management, permanent establishments, transfer pricing and treaty residence require specialist analysis.

Principal company tax rates

Corporation tax For 2026, corporate income tax is 14% where taxable income does not exceed EUR 175,000; EUR 24,500 plus 30% of the amount above EUR 175,000 where taxable income is between EUR 175,000 and EUR 200,001; and 16% where taxable income exceeds EUR 200,000. A 7% employment-fund surcharge applies to the corporate income tax. Municipal business tax also applies and varies by commune; in Luxembourg City the corporate municipal business tax rate is 6.75%.

Standard VAT 17%

Dividend / withholding Domestic withholding and treaty relief depend on recipient and

structure.

Payroll / social security Separate employer and employee charges may apply.

Transfer pricing / cross-border Arm's-length and documentation rules can apply to related-party

transactions.

Trading-profit illustration

Illustrative taxable company profit EUR 100,000

Indicative company tax EUR Illustrative calculation

depends on profit band and

municipality

Profit after company tax EUR See local combined-rate

analysis

This simplified illustration excludes payroll taxes, VAT, withholding taxes, local taxes, incentives and cross-border adjustments. The actual taxable base can differ from accounting profit.

PLANNING POINT The headline company-tax rate is not the owner's final tax rate. Additional personal tax, social charges and withholding can arise when profits are extracted.

Company residence and management

If a Luxembourg company is effectively managed from another country, or a foreign company is managed from Luxembourg, dual-residence, permanent-establishment and treaty issues can arise. Board process, decision-making, personnel and operating substance should match the intended structure.

6. Personal Income Tax - 2026

Luxembourg individual income tax is progressive, with multiple bands plus the employment-fund surcharge and social-security contributions. Tax class and household status affect liability.

Principal personal-tax considerations

Employment / business income Luxembourg individual income tax is

progressive, with multiple bands plus

the employment-fund surcharge and

Dividends / investment income Dividends are generally subject to

Luxembourg withholding tax,

commonly 15%, with exemptions and

treaty relief possible

Social security Separate rules may materially affect

salary / director remuneration.

Treaty relief Can affect residence, withholding and

double taxation.

Annual changes Thresholds and reliefs should be

reconfirmed before implementation.

The final liability depends on residence, deductions, family position, social-security classification, municipality or local taxes where relevant, and treaty relief.

2026 planning point

Personal tax thresholds and social-security rules should be confirmed for the taxpayer and payment type at the time remuneration is implemented.

> PERSONAL TAX Do not use a single headline rate as a personal forecast. Residence, deductions, social contributions, family position and treaty relief can materially change the result.

Dividends and investment income

Dividends are generally subject to Luxembourg withholding tax, commonly 15%, with exemptions and treaty relief possible in qualifying cases.

Tax residence is separate from immigration

An individual is generally resident if domiciled or habitually resident in Luxembourg, subject to treaty tie-breakers.

7. Salary, director remuneration and dividends

Owner-directors commonly extract value through salary, director remuneration, dividends, pension contributions or a combination. Each route has different company, personal-tax, payroll, social-security, cash-flow and immigration consequences.

Salary / employment remuneration

- Normally deductible for the company where commercially supportable and incurred for the business. • Subject to payroll withholding and the applicable personal income-tax and social-security rules. • Employer social contributions, pension and other payroll obligations may apply depending on the country and

arrangement. • A non-EEA owner must hold permission that authorises the underlying work or management activity.

Director / management remuneration

Board or management fees require separate tax and payroll analysis. The treatment can depend on whether the individual is an employee, executive director, board member or non-resident and on any applicable treaty.

Dividends

- Paid from distributable profits after company tax and subject to proper corporate approval. • Not normally deductible in calculating company taxable profit. • Domestic withholding tax may apply to dividends depending on recipient and structure. • Dividends are generally subject to Luxembourg withholding tax, commonly 15%, with exemptions and treaty relief

possible in qualifying cases. • Dividends are investment returns and do not by themselves create a right to work or manage the company.

IMMIGRATION CHECK Changing the extraction method does not cure an immigration mismatch. Salary or

management activity requires a permit that authorises the underlying work.

8. Combined company and shareholder illustration

This simplified example shows the company-level position before any personal tax on distribution. It is not a recommendation or a complete shareholder tax calculation.

Company taxable profit EUR 100,000

Company tax EUR Illustrative calculation

depends on profit band and

municipality

After-tax amount before distribution EUR See local combined-rate

analysis

Personal tax on distribution Depends on residence, dividend

rules, withholding and treaty

relief.

Net amount personally retained Requires case-specific calculation.

EFFECTIVE RESULT The combined company-and-shareholder burden cannot be stated reliably from the company-

tax rate alone. This guide therefore avoids presenting a single combined effective rate as a recommendation.

Salary versus dividend comparison

Usually deductible for the company if properly

incurred.

Not normally deductible for the company.

Payroll tax and social contributions may apply. Dividend / investment-income tax and withholding may apply.

May support pension / employment contribution

history.

Investment return rather than earned remuneration.

Requires work permission where the owner performs

the activity.

Does not itself authorise work or management.

Must be commercially supportable. Requires distributable reserves and corporate

approval.

This comparison is deliberately high-level. The appropriate mix depends on company profitability, the owner's tax residence, immigration permission, pension strategy, payroll classification, treaty relief and whether profits are retained or distributed.

9. Recommended planning sequence

The sequence matters. Incorporating first and addressing immigration or tax residence later can create a company that the founder is not legally permitted to operate in Luxembourg, or can create unintended cross-border tax exposure.

1. Confirm nationality, current residence and whether an entry visa or preclearance is required for Luxembourg.

2. Identify the immigration route before committing to relocation, employment or active company management.

3. Test the relevant employment, Blue Card, entrepreneur, family, study or no-work route against the actual facts.

4. Define ownership, management, registered office, capital and banking arrangements for the Société à

responsabilité limitée (SARL).

5. Prepare the employment file or founder business plan, funding and source-of-funds evidence.

6. Incorporate and complete company, tax, VAT, payroll and beneficial-ownership registrations.

7. Agree a compliant salary, dividend, pension and payroll strategy with Luxembourg advisers.

8. Review personal and company tax residence, treaty exposure, permanent establishments and continuing

obligations elsewhere.

9. Complete post-arrival residence, population/tax registration and other local formalities where required.

Documents commonly required

Immigration and personal Company and commercial

Passport and civil-status documents Constitutional / incorporation documents

Immigration and personal Company and commercial

Employment contract or founder-route evidence Business plan and financial forecasts

Proof of qualifications / funds / insurance Funding and source-of-funds evidence

Family, study or accommodation evidence Management, address and ownership details

Tax-residence / social-security file Tax, VAT, payroll and beneficial-owner registrations

DO NOT RELY ON INCORPORATION A company-registration certificate proves that the company exists. It does not prove that a non-EEA founder may enter Luxembourg, live there, work for the company or manage it.

10. Cross-border and advisory considerations

Tax residence is separate from immigration residence

A Luxembourg residence permit does not by itself determine tax residence. Domestic residence tests and double-tax treaties must be analysed separately.

Operating from another country

A Luxembourg company managed from abroad can create foreign permanent-establishment, payroll, social-security, VAT and company-residence issues. The owner's home country may also tax salary, director fees, dividends or capital gains.

Remote work and foreign employers

Working physically in Luxembourg for a foreign employer can create local payroll, social-security or personal-tax exposure even where the employer is abroad. Treaty day-count rules are not a universal exemption.

Regulated and professional activities

Company registration does not replace professional licences or regulatory permissions. Financial services, insurance, legal work, healthcare, recruitment, transport, food, hospitality and other regulated sectors may require separate Luxembourg or EU authorisation.

Questions to resolve before proceeding

- What is the applicant's nationality and current country of tax residence? • Will the person be employed in Luxembourg, run a business, or remain only a passive shareholder? • Which immigration route actually authorises the intended activity? • How much funding is available and can its source be documented? • Where will company management decisions actually be taken? • Will profits be retained, paid as salary, contributed to pension arrangements or distributed as dividends? • Does the person have ongoing tax, company, social-security or estate-planning exposure elsewhere?

PROFESSIONAL REVIEW Immigration, corporate, tax, payroll, social-security and regulatory advice should be coordinated. A structure that works for tax may not satisfy immigration conditions, and a residence route may restrict the intended company role.

About the Founder - Gary Day

Founder and Senior Wealth Advisor

A DISCIPLINED INTERNATIONAL PERSPECTIVE Gary combines military discipline with decades of experience helping

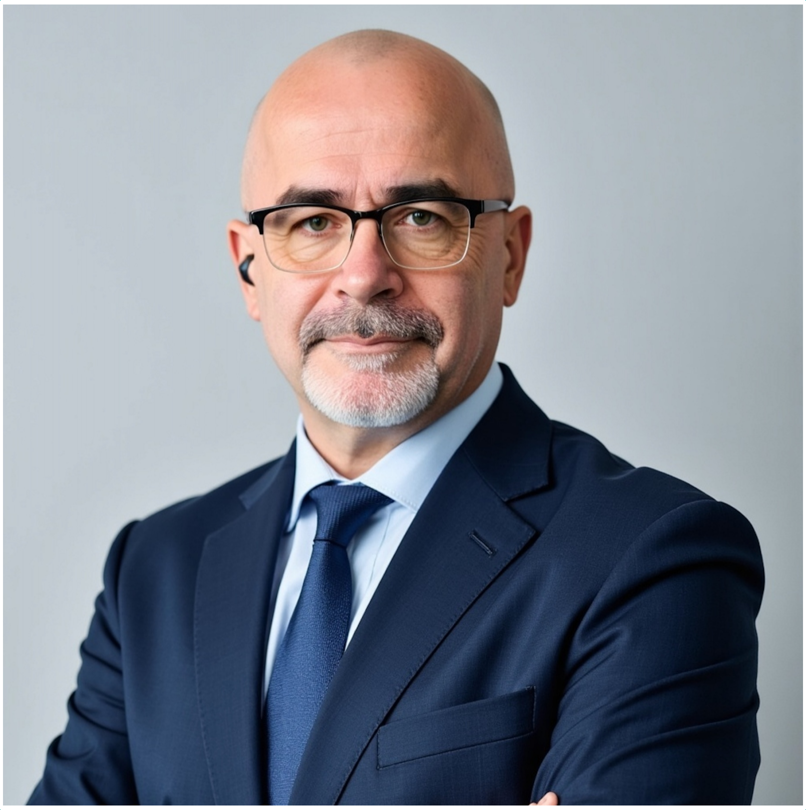
internationally mobile clients navigate cross-border financial decisions.

Gary Day is the Founder and a Senior Wealth Advisor at Elysium Wealth Advisors, bringing over 25 years of international financial-services experience across the United Kingdom, Europe and the Middle East.

Gary began his professional career in the British Army before moving into financial services in 1990. That background shaped the disciplined, structured and analytical approach that continues to underpin his work in wealth advisory and financial planning.

Gary Day

Founder and Senior Wealth Advisor



A DISCIPLINED INTERNATIONAL PERSPECTIVE

Gary combines military discipline with more than 25 years of international financial-services experience, supporting internationally mobile clients with structured cross-border planning.

Founder profile | Elysium Wealth Advisors Group of Companies

He has held senior advisory and leadership roles within FCA-regulated firms in the UK and has extensive experience advising expatriates, internationally mobile professionals and high-net-worth individuals. His work focuses on bringing clarity and coordination to complex, multi-jurisdictional financial arrangements.

Core areas of expertise

- Cross-border financial planning • Estate and succession planning, including UAE wills • Pension structuring and transfers • nvestment portfolio design and analysis • ndividual and corporate protection planning Professional qualifications and specialist education

PROFESSIONAL QUALIFICATIONS Level 4 Diploma in Financial Services; Financial Planning Certificate; CF2 Investment and Risk.

SPECIALIST ADVICE Mortgage Advice; Equity Release; Long-Term Care; Level 6 Award in Pension Transfers.

INVESTMENT & MARKETS Hedge Funds, Equity Portfolio Management and Fixed Income Portfolio Management - New York Institute of Finance.

INTERNATIONAL STUDY Programmes through KU Leuven, HarvardX and the IMF, together with specialist Islamic banking, insurance and investment certifications.

Gary regularly works with clients across the EU, the UAE and other international markets, supporting Elysium Wealth Advisors' commitment to bespoke, client-centred planning.

Official sources and further information

- Guichet.lu - immigration and SARL formation • Directorate of Immigration - residence • Administration des contributions directes - income and corporation tax • Registration Duties, Estates and VAT Authority - VAT • Luxembourg Business Registers - company filings • • • • • Official sources and thresholds should be checked again immediately before any application or transaction.

Important Disclaimer

This guide is provided for general information and client education only. It does not constitute legal, immigration, tax, accounting, investment, pension or regulatory advice, and it does not take account of any person's objectives, financial position, nationality, residence, domicile or individual circumstances. All tax figures and worked examples are illustrative only and must not be treated as personal calculations, forecasts or recommendations.

The information is based on public and official sources reviewed up to 25 August 2026. Laws, salary thresholds, occupation lists, administrative practices, tax rates and official interpretations may change. Before taking action, obtain written, case-specific advice from appropriately qualified Luxembourg immigration, legal, tax and accounting professionals and, where relevant, a suitably authorised financial adviser.

Particular points to reconfirm at the action date include immigration salary and funding thresholds, company-registration requirements, personal tax bands, social-security rates, dividend withholding and any treaty relief.

About this guide

Prepared as a client education document by Elysium Wealth Advisors Group of Companies. The guide is designed to support an initial professional discussion and should be supplemented by a written, case-specific assessment.

WhatsApp contacts

To arrange an initial discussion, contact Elysium Wealth Advisors using the most convenient regional WhatsApp number:

Region	WhatsApp
Spain / Europe	**+34 674 587 950**
United Kingdom	**+44 74444 13087**
France	**+33 7 54 05 63 86**
Portugal	**+351 966 961 200**

Publication note

This guide is a general overview of Luxembourg residence, company formation and taxation as at 25 August 2026. It is not legal, tax or immigration advice. Rules, thresholds and administrative practice can change, and individual circumstances can materially affect the outcome. Obtain country-specific professional advice before acting.