



LUXEMBOURG

Taxation – Key facts and figures

Comparison between a traditional asset portfolio and a life assurance policy

	Traditional asset portfolio	Life assurance policy																																																
Income Tax	<p>Interest payments in the scope of the Relibi law are normally subject to a 20% withholding tax for Luxembourg resident individuals.</p> <p>Dividend payments are subject to the following sliding scale:</p> <table border="1"> <thead> <tr> <th>Taxable income (EUR)</th> <th>Tax Rates (%)</th> </tr> </thead> <tbody> <tr><td>Up to 11,265</td><td>0</td></tr> <tr><td>11,265 to 13,137</td><td>8</td></tr> <tr><td>13,137 to 15,009</td><td>9</td></tr> <tr><td>15,009 to 16,881</td><td>10</td></tr> <tr><td>16,881 to 18,753</td><td>11</td></tr> <tr><td>18,753 to 20,625</td><td>12</td></tr> <tr><td>20,625 to 22,569</td><td>14</td></tr> <tr><td>22,569 to 24,513</td><td>16</td></tr> <tr><td>24,513 to 26,457</td><td>18</td></tr> <tr><td>26,457 to 28,401</td><td>20</td></tr> <tr><td>28,401 to 30,345</td><td>22</td></tr> <tr><td>30,345 to 32,289</td><td>24</td></tr> <tr><td>32,289 to 34,233</td><td>26</td></tr> <tr><td>34,233 to 36,177</td><td>28</td></tr> <tr><td>36,177 to 38,121</td><td>30</td></tr> <tr><td>38,121 to 40,065</td><td>32</td></tr> <tr><td>40,065 to 42,009</td><td>34</td></tr> <tr><td>42,009 to 43,953</td><td>36</td></tr> <tr><td>43,953 to 45,897</td><td>38</td></tr> <tr><td>45,897 to 100,002</td><td>39</td></tr> <tr><td>100,002 to 150,000</td><td>40</td></tr> <tr><td>150,000 to 200,004</td><td>41</td></tr> <tr><td>Above 200,004</td><td>42</td></tr> </tbody> </table> <p>A solidarity tax will also apply. The maximum aggregate income tax rate, including this additional solidarity tax and dependency contributions, shall not exceed 45.78%.</p> <p>A 50% tax exemption is available for dividend payments received from fully taxable Luxembourg resident corporations or corporations resident in foreign countries with which Luxembourg concluded a double tax treaty and that are subject to a corporate income tax that is comparable to the Luxembourg corporate income tax rate. Furthermore the first EUR 1.500 (EUR 3.000 for jointly taxed spouses) are fully tax exempt.</p> <p>The Luxembourg resident individual will also benefit from a tax credit for foreign withholding tax suffered on the dividend received.</p>	Taxable income (EUR)	Tax Rates (%)	Up to 11,265	0	11,265 to 13,137	8	13,137 to 15,009	9	15,009 to 16,881	10	16,881 to 18,753	11	18,753 to 20,625	12	20,625 to 22,569	14	22,569 to 24,513	16	24,513 to 26,457	18	26,457 to 28,401	20	28,401 to 30,345	22	30,345 to 32,289	24	32,289 to 34,233	26	34,233 to 36,177	28	36,177 to 38,121	30	38,121 to 40,065	32	40,065 to 42,009	34	42,009 to 43,953	36	43,953 to 45,897	38	45,897 to 100,002	39	100,002 to 150,000	40	150,000 to 200,004	41	Above 200,004	42	<p>Proceeds arising from a life assurance policy are exempt from tax. Any partial or full surrender can be carried out without incurring a tax liability unless the Luxembourg resident individual surrenders or cancels the life assurance policy within 6 months further to the subscription of the policy.</p> <p>If no surrender, the life assurance policy is fully tax neutral. Under conditions and to a certain extent, this favourable tax treatment allows active portfolio management.</p>
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Income Tax (continued)	<p>Long term capital gains (more than 6 months) deriving from the sale of securities are taxed as follow:</p> <ul style="list-style-type: none"> – Participation of 10% or less: tax exempt – Participation of more than 10%: 1/2 tax rate <p>A tax deduction of up to EUR 50,000 (double for couple taxed jointly) valid every ten years may be claimed on the capital gain.</p> <p>Short term capital gains (less or equal to 6 months) are fully taxable at the normal rate.</p>																																									
Wealth Tax	No Wealth Tax is applied in Luxembourg to individuals.																																									
Inheritance Tax	<ul style="list-style-type: none"> • Descendants: Transfers are exempt* from tax. • Spouses and partners under a civil solidarity pact for more than 3 years, with or without common descendants: Transfers are fully exempt from tax. • Siblings: Transfers are subject to a 6% tax*. • Uncles, aunts, nephews, nieces and adopted children: Transfers are subject to a 9% tax*. • Great-uncles, great-aunts, great-nephews, great-nieces, descendants of adopted children: Transfers are subject to a 10% tax*. • Any other beneficiary: Transfers are subject to a 15% tax*. <p>Transfers (except to descendants and to spouses/ partners under a civil solidarity pact for more than 3 years) will also be subject to a surcharge as follows:</p> <table border="1"> <thead> <tr> <th>Taxable estate (EUR)</th> <th>Surcharge</th> <th>Taxable estate (EUR)</th> <th>Surcharge</th> </tr> </thead> <tbody> <tr> <td>10,000 to 20,000</td> <td>1/10</td> <td>250,000 to 380,000</td> <td>12/10</td> </tr> <tr> <td>20,000 to 30,000</td> <td>2/10</td> <td>380,000 to 500,000</td> <td>13/10</td> </tr> <tr> <td>30,000 to 40,000</td> <td>3/10</td> <td>500,000 to 620,000</td> <td>14/10</td> </tr> <tr> <td>40,000 to 50,000</td> <td>4/10</td> <td>620,000 to 750,000</td> <td>15/10</td> </tr> <tr> <td>50,000 to 75,000</td> <td>5/10</td> <td>870,000 to 1,000,000</td> <td>16/10</td> </tr> <tr> <td>75,000 to 100,000</td> <td>6/10</td> <td>1,000,000 to 1,250,000</td> <td>18/10</td> </tr> <tr> <td>100,000 to 150,000</td> <td>7/10</td> <td>1,250,000 to 1,500,000</td> <td>19/10</td> </tr> <tr> <td>150,000 to 200,000</td> <td>8/10</td> <td>1,500,000 to 1,750,000</td> <td>20/10</td> </tr> <tr> <td>200,000 to 250,000</td> <td>9/10</td> <td>Above 1,750,000</td> <td>22/10</td> </tr> </tbody> </table> <p>*Tax rate for the legal portion (extra legal portion is subject to different tax rates)</p>		Taxable estate (EUR)	Surcharge	Taxable estate (EUR)	Surcharge	10,000 to 20,000	1/10	250,000 to 380,000	12/10	20,000 to 30,000	2/10	380,000 to 500,000	13/10	30,000 to 40,000	3/10	500,000 to 620,000	14/10	40,000 to 50,000	4/10	620,000 to 750,000	15/10	50,000 to 75,000	5/10	870,000 to 1,000,000	16/10	75,000 to 100,000	6/10	1,000,000 to 1,250,000	18/10	100,000 to 150,000	7/10	1,250,000 to 1,500,000	19/10	150,000 to 200,000	8/10	1,500,000 to 1,750,000	20/10	200,000 to 250,000	9/10	Above 1,750,000	22/10
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The information in this document is based on OneLife's understanding of current laws and taxation practice in Luxembourg as of March 2023, which may change in the future. This document provides a summary and does not attempt to cover all related matters or situations. It is not intended to give specific legal and fiscal advice. Investors should seek their own independent advice relating to their specific circumstances. OneLife and the life assurance companies which form part of the Group will not be held liable for any errors or omissions in this document, nor for the use or the interpretation of the information contained herein.