



Working in Luxembourg

How to thrive in one of the world's most business-friendly jurisdictions

Broadwing Recruitment Agency

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Working in Luxembourg

A highly business-oriented outlook is combined with political stability, modern infrastructure, solid and predictable banking, legislative traditions and accommodating government policies toward foreign investment – making the Grand Duchy a favourite to countless businesses and people.

Introducing Luxembourg

- Introduction of Luxembourg
- Financial Services: Roles for Accounting & CoSec positions
- Hierarchy/Salary brackets
- Internal Accounting **VS** External Accounting
- Segmentation



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EU founding member Luxembourg

- Luxembourg officially called Grand Duchy of Luxembourg is part of European Union (one of founding members) landlocked country in Western Europe and is bordered with 3 countries being Germany, France and Belgium.
- Population of 647,000 and Area of 2,586 km².
- Capital City is Luxembourg (10 countries in the world have the capital city with same name of country).
- National Day is 23 June.



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Representative democracy

Luxembourg

- Luxembourg is a representative democracy headed by a constitutional monarch, Grand Duke Henri and Prime Minister Xavier Bettel, making it the world's only remaining sovereign grand duchy.
- Official languages - French, Luxembourgish, and German. Other languages being Portuguese and English.
- Just recently, Luxembourg is listed as top richest country in world of its GDP per Capita.



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EU's highest minimum wage Luxembourg

- Has highest minimum wage in EU for an approx.. amount of EUR 2,000 per month and cost of living is one of the highest in the world.
- Nearly half of Luxembourg's workforce commutes to work in Luxembourg from another country.
- Cross-border workers are in almost every sector of the Luxembourgish economy.



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A major financial centre

Luxembourg

- Most non-Luxembourg nationals traveling across the border are French (78,500 workers), Belgians (39,400 workers), and Germans (39,100 workers).
- Public transportation in Luxembourg also makes it easy to hop across the border.
- Public Transportation for Buses, Trains, Trams, shuttles, etc. is free as from 2020.
- Luxembourg is one of the world's major financial & business centres, and a tax haven.



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Home to over 150 investment banks Luxembourg

It's home to the European Investment Bank and more than 150 others.

At the end of 2014, investigative journalists leaked some 28,000 tax agreements, tax returns and other documents – exposing how around 350 of the world's largest companies, including Pepsi, IKEA, Procter & Gamble, JP Morgan, and FedEx, were able to save millions by using schemes made possible by Luxembourg's favourable corporate tax laws.



Low-Tax Luxembourg

‘LuxLeaks’ showed how companies set up complicated accounting and legal structures to legally move their profits from the high-tax countries where they have their HQs to low-tax Luxembourg – and in some cases, pay less than 1% in tax.

Reforms are on their way.

Along with Luxembourg, **10** European countries appear among the **20** wealthiest. Here is the list:

1. Luxembourg, GDP - \$140,694
2. Singapore - \$131,580
3. Ireland - \$124,596
4. Qatar - \$112,789
5. Macao, SAR - \$85,611
6. Switzerland - \$84,658
7. United Arab Emirates - \$78,255
8. Norway - \$77,808
9. United States - \$76,027
10. Brunei Darussalam - \$74,953

Along with Luxembourg, **10** European countries appear among the **20** wealthiest. Here is the list:

CONTINUED

- | | |
|-------------------------------|------------------------|
| 11. Hong Kong, SAR - \$70,448 | 16. Austria - \$64,571 |
| 12. San Marino - \$70,139 | 17. Iceland - \$64,621 |
| 13. Denmark - \$69,273 | 18. Andorra - \$63,600 |
| 14. Taiwan - \$68,730 | 19. Germany - \$63,271 |
| 15. Netherlands - \$68,572 | 20. Sweden - \$62,926 |

Financial Services

Financial services is key part in Luxembourg where it attracts talent from EU countries and Non-EU countries.

Industries being part of financial services are banks, Audit firms, Corporate service providers, Asset Managers, etc.

Most of them are regulated by government body called CSSF (Commission de Surveillance du Secteur Financier).

HIERARCHY IN SERVICE PROVIDER & SALARY BRACKETS (ASSUMPTIONS)

| TITLE HIERARCHY | SALARY RANGES |
|--------------------------|-------------------|
| Managing Director | 200,000 & Above |
| EVP/Executive Director | 125,500 – 170,000 |
| SVP/Director | 105,000 – 125,000 |
| VP/Senior Manager | 85,000 – 110,000 |
| AVP/Manager | 65,000 – 90,000 |
| Senior Associate/Officer | 55,000 – 70,000 |
| Associate/Officer | 45,000 – 55,000 |
| Junior Associate/Officer | 35,000 – 45,000 |

Here is link to check your net salary:

<https://www.calculatrice.lu/calculator>

Internal Accounting vs External Client Service Accounting

- a) Internal Accounting is in-house/Finance department of a Company (usually large Group) which would have setup job roles for certain subsection departments for Accounts Receivable, Accounts Payable, Cash Management, Finance Reporting, etc.
- b) External Accounting is a third party providing usually full scope of services from A to Z to Clients.



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Segmentation of Client Types

- **Private Equity** - Equity/investment in a business that is raised from private sources (big Power firms such as Blackstone, Blackrock, Goldman, etc.), as opposed to shares that can be traded publicly.
- **Corporate/Multinationals** - Clients that are well known globally such as Coca-Cola, Pepsi, Fox, Disney, etc. They would set up structures in Luxembourg for business tax-optimisation.



Segmentation of Client Types

- **Private Wealth** - Client that are Ultra High Net Individuals investing their wealth through family offices and banks and setting up different corporations.
- **Real Estate** - Clients directly or indirectly holding Real Estate such as Retail, Student Housing, Logistic Centers, etc. These clients can be by Asset Managers, Fund Managers, etc.



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Segmentation of Client Types

- **Capital Markets/Securitisation** - Clients setting up lending platforms such as Issuance of Bonds through Luxembourg Stock exchange and investing through compartments/investment vehicles.
- **Funds** - Entity or arrangement that is being regulated or unregulated, or that is operated as or as part of, a private equity fund, hedge fund or other pooled investment vehicle or similar arrangement.





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Thank You

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