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Deloitte.

The Future of Private Debt in Funds Industry

24 April 2025

Luxembourg-Poland 
Chamber of Commerce

Agenda

- ✓ Welcome & Introduction
- ✓ Private debt in Poland: key economic insights
- ✓ Legal Framework
- ✓ Tax considerations
- ✓ From structuring to execution:
Panel discussion & Q&A
- ✓ Networking lunch



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Private debt in Poland: key economic insights

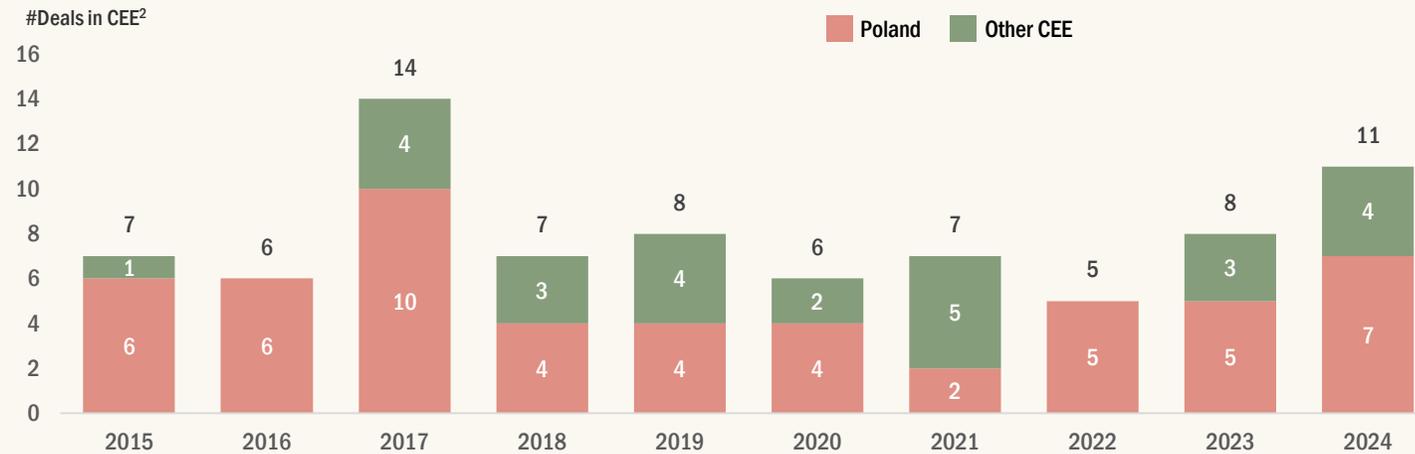
Vanessa Vandaele – Deloitte

Maria Thorsted - Langham Hall

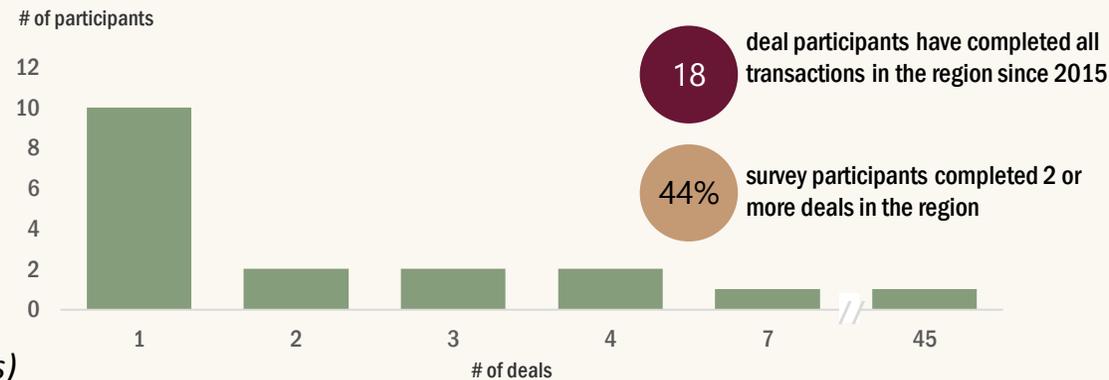
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Private debt activity has rebound in the CEE region with deal numbers nearing peak

Private Debt Deal Tracker



Deals completed by survey participants (2015 - 1H 2024)



54
Polish
deals

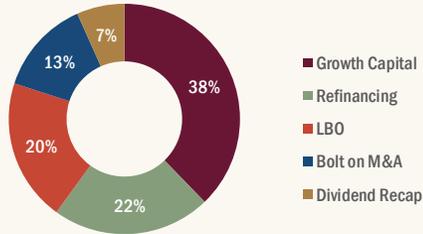
26
other CEE
deals

(Source: Deloitte Analysis)

Private debt lenders continue to expand through a broad universe of sectors

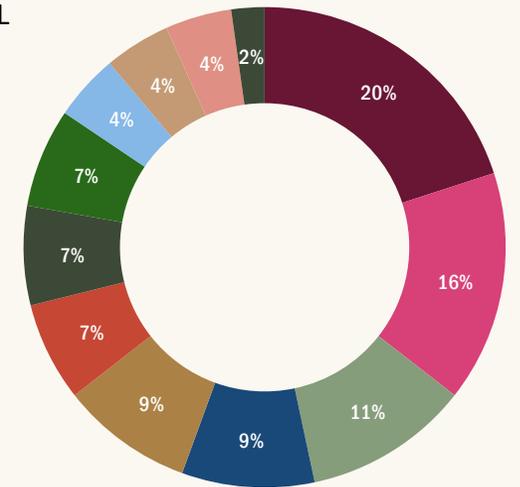
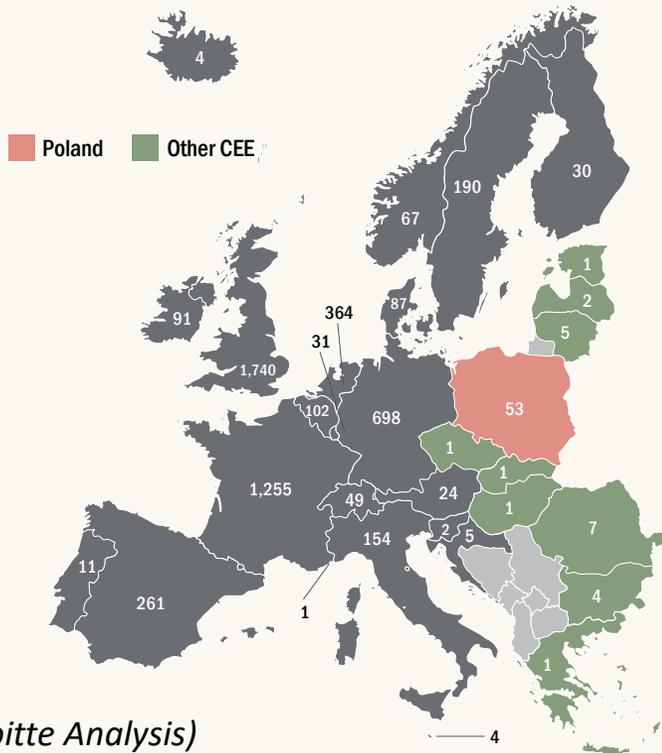
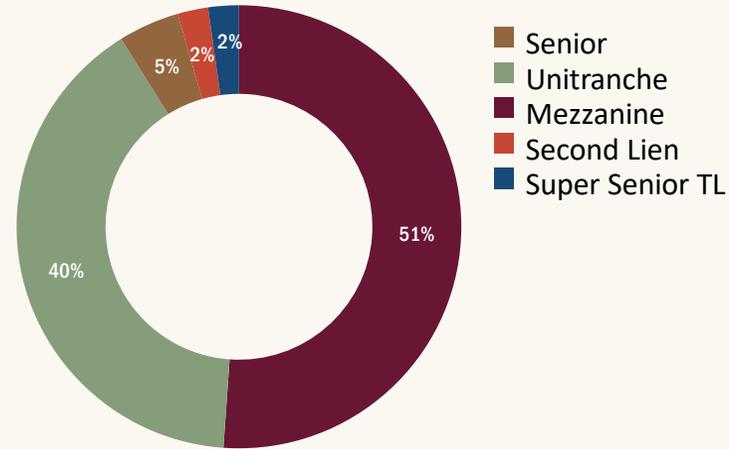
Deal type (2015 – H1 2024)

The majority of the deals are categorised by growth capital, followed by refinancings and LBO's.



Industries (2015 – H1 2024)

Across the Poland and CEE, private debt has, in recent history, been concentrated across four industries: *Real Estate, Financial Services, Healthcare & Life Sciences* and *Financial Services*.



- Real Estate
- Financial Services
- Healthcare & Life Sciences
- Leisure
- TMT
- Consumer Goods

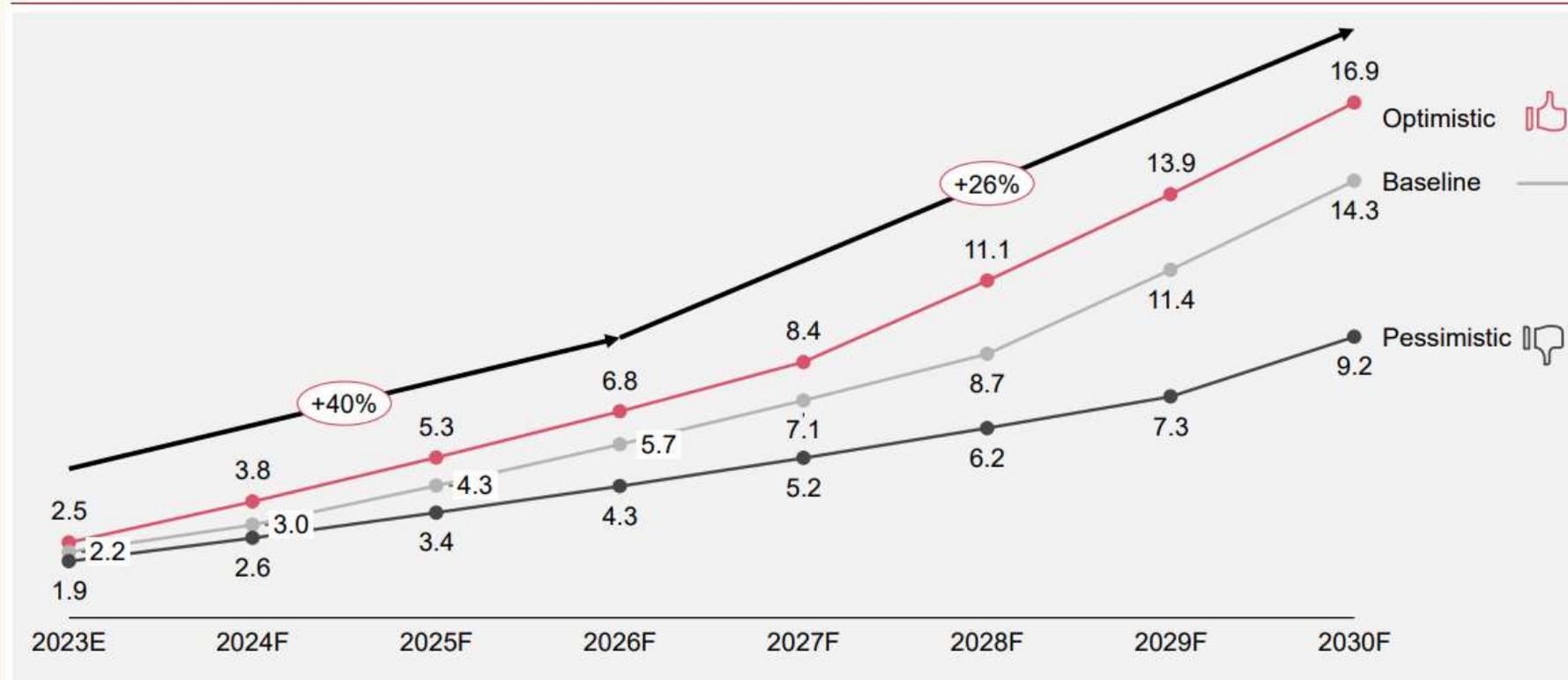
- Business, Infrastructure & Professional Services
- Energy, Resources & Industrials
- Specialised Consumer Services
- Transport and Logistics
- Manufacturing

(Source: Deloitte Analysis)

Why Poland is an attractive market for private debt financing?

Poland's private debt financing is underdeveloped compared to Western Europe, creating a strong opportunity for growth.

Private debt outstanding financing volume in Poland, PLN bn, 2023F-2030F



- ✓ From PLN 2.5bn to up to PLN 16.9bn in an optimistic scenario
- ✓ CAGR:
 - +40% (2023–2026)
 - +26% (2027–2030)
- ✓ 56% of current private debt is concentrated in IT and healthcare.
- ✓ Private debt is a market response to SME financing gap, worsened by strict bank capital rules.

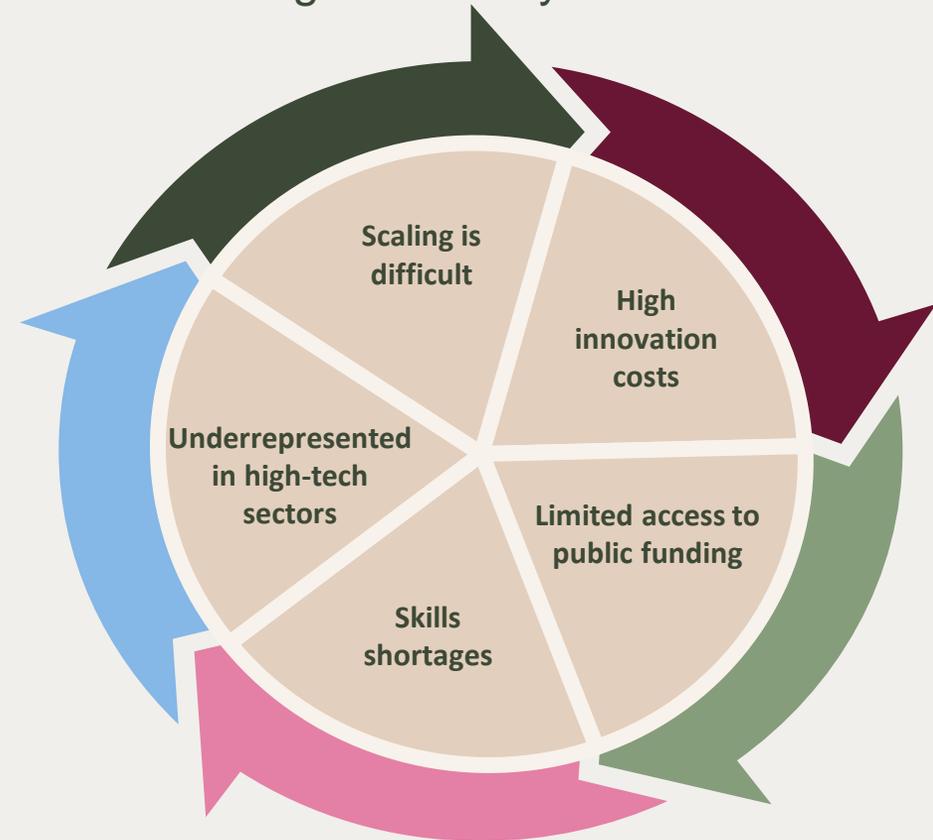
(Source: EF Congress – Private Debt Conference, 2024)

Financing gap for SMEs in Poland

SMEs - a strategic role in the economy



Challenges faced by Polish SMEs

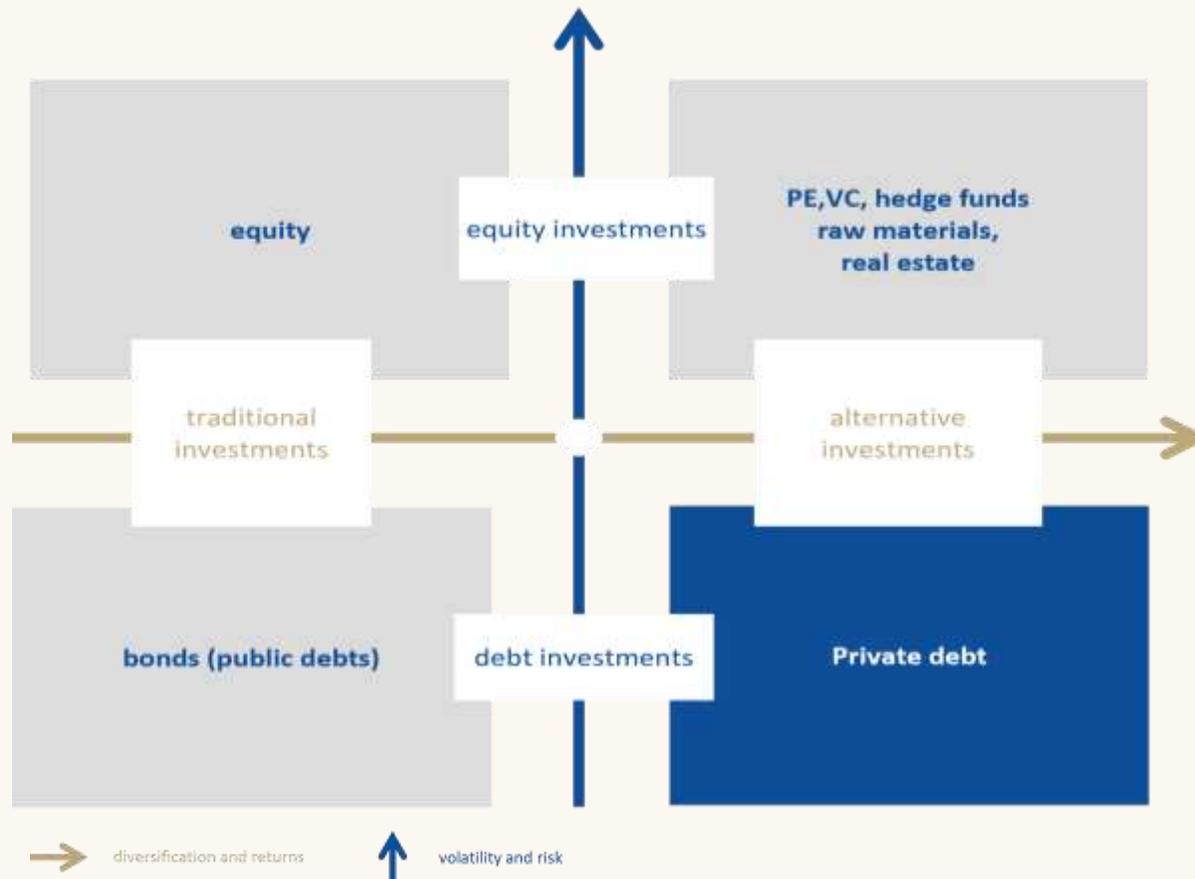


Access to finance becomes essential

(Source: OECD, *Strengthening FDI and SME Linkages in Poland*, 2024)

From opportunity to structuring: Private debt's path via Luxembourg

Private debt stands at the intersection of fixed income and alternative investments. It combines yield potential with diversification, making it a strategic choice in today's volatile environment.



Luxembourg as the launch pad for private debt strategies

- ✓ Proven and flexible structuring options (RAIF, SCSp, ELTIF 2.0)
- ✓ Strong legal, tax, and regulatory framework
- ✓ Trusted by global investors
- ✓ Efficiency and cross-border scalability

Luxembourg's ecosystem enables the transformation of market potential into structured, scalable investment solutions

Why Luxembourg ?

- ✓ **EU passport:** Ability to market funds across the EU with a single authorization
 - ✓ **Legal clarity:** Well-established and transparent legal and regulatory framework for private debt funds
 - ✓ **Service ecosystem:** Robust network of service providers (AIFM, administrators, custodians) to support fund operations
 - ✓ **Speed-to-market:** Efficient and streamlined setup process for private debt funds
 - ✓ **Reputational stability:** Luxembourg's reputation as a leading international financial center for alternative investments
- ✓ **Number of banks:** +123 from 26 countries
 - ✓ **AM/Funds:**
 - 76% of top 58 AM firms;
 - Over 330 ManCos, 260 AIFMs and 600 registered AIFMs 18 of the top 20 global PE houses have operations in Luxembourg;
 - 57% global market share in cross border investment funds
 - 1st Fund centre in Europe;
 - 2nd Fund centre in the world €5.5 Trillion AuM Distribution in 80 countries
 - ✓ **ESG:** 1st largest market of listed green bonds in the world 21.2% of ESG fund assets in the world

(Source: www.luxembourgforfinance.com)



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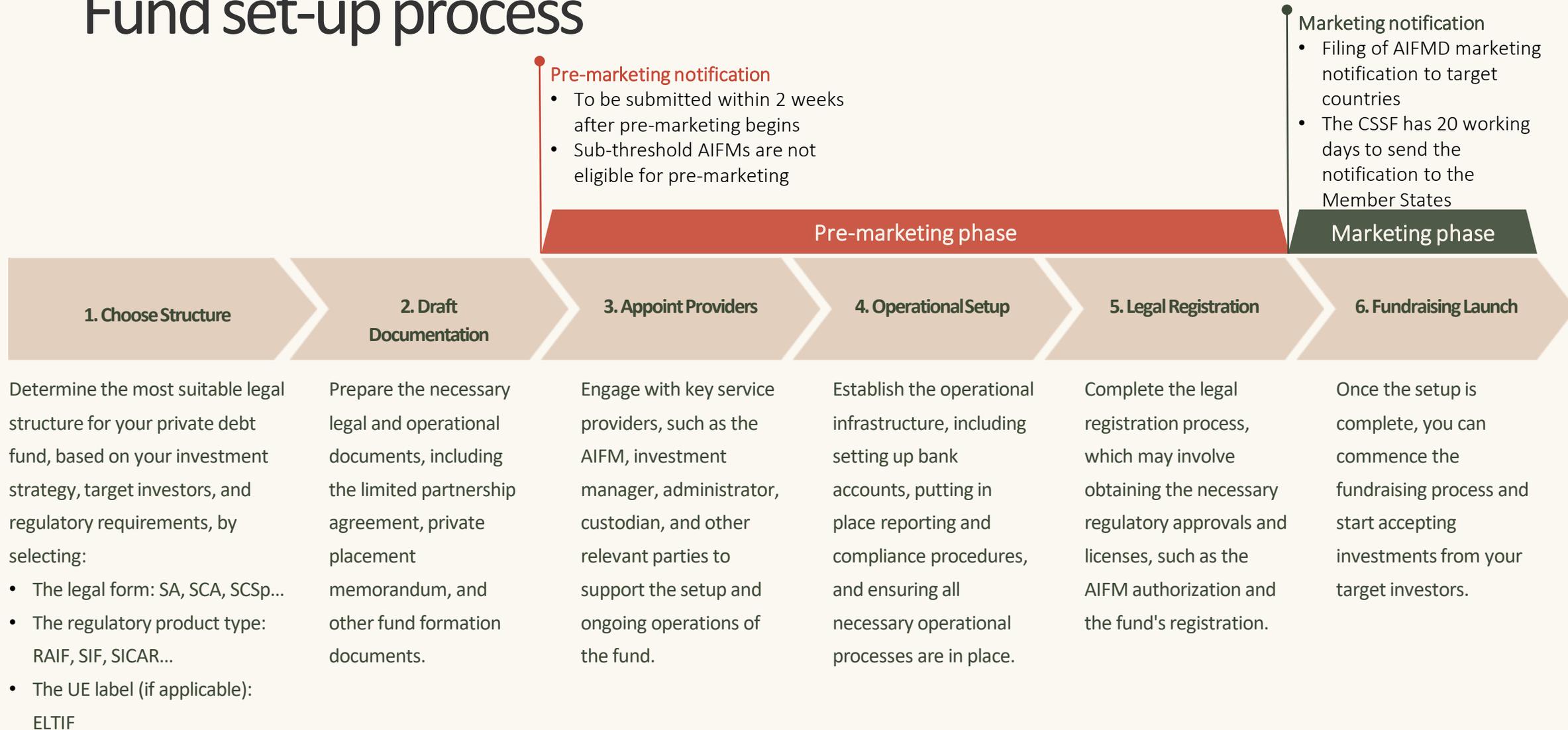
Legal Framework & Tax considerations: overview of investment structures in Luxembourg

Thibaut Partsch - Elvinger Hoss Prussen

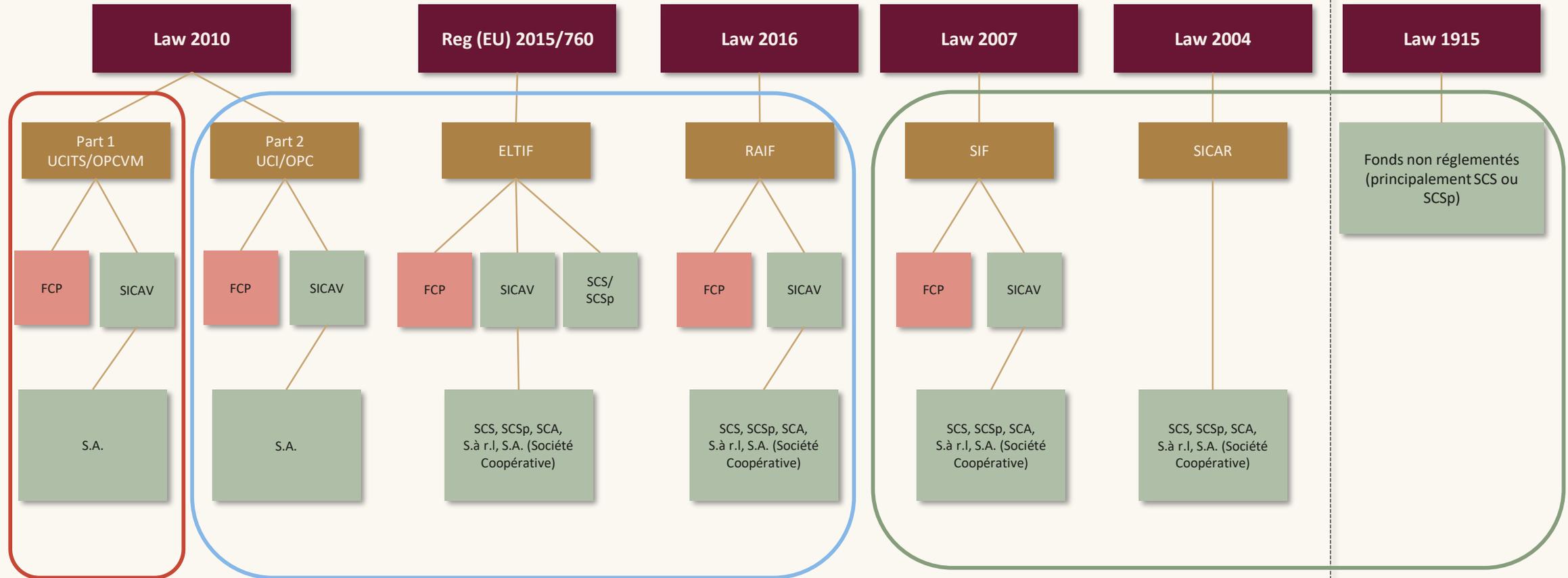
Vanessa Vandaele – Deloitte

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Fund set-up process



Luxembourg investment vehicles



Légende :



UCITS



Necessarily subject to AIFMD



Subject to AIFMD unless exempted

Luxembourg investment vehicles

General

	Part II Funds	SIF	SICAR	RAIF	Partnership
Legal Forms	Corporate form (including partnership) or contractual form (FCP)	Corporate form (including partnership) or contractual form (FCP)	Corporate form (including partnership)	Corporate form (including partnership) or contractual form (FCP)	Partnership
Eligible Investors	No restrictions	Well-informed investors	Well-informed investors	Well-informed investors	No restrictions
CSSF supervised entities	Yes	Yes	Yes	No	No
Diversification requirement	Yes (20%) – look through for FoF	Yes (30%) – look through for FoF	No	Yes (30%) (Unless "SICAR-type" tax regime) – look through for FoF	No
Umbrella	Yes	Yes	Yes	Yes	No (although tracking class mechanism can be structured)
Marketing	EU Passport to professional investors + in select jurisdiction possibility to tap into retail market	EU Passport to professional investors	EU Passport to professional investors	EU Passport to professional investors	EU Passport to professional investors
Time to market	12-15 weeks CSSF approval process	12-15 weeks CSSF approval process	12-15 weeks CSSF approval process	As soon as documents are ready	As soon as documents are ready
Listing	Yes	Yes (Yet under specific conditions)	Yes (Yet under specific conditions)	Yes (Yet under specific conditions)	Yes (Yet under specific conditions)
Regulated	Highly	Lightly	Lightly	No	No

Tax

Tax status	Exempt. Small subscription tax with exemptions	Exempt. Small subscription tax with exemptions	Taxable with exemption on income & gain of qualifying securities	By default, SIF regime or SICAR regime for risk capital assets	Full tax transparency (under conditions)
Tax transparency	Available	Available	Available	Available	Yes
Treaty access	Limited (under certain forms)	Limited (under certain forms)	Yes	Yes or limited (depending on form)	No
WHT on distribution	No	No	No	No	No

Which regime to choose: SCA RAIF vs SCSp AIF

	SCA RAIF	SCSp AIF	
General	Legal personality	Yes	No
	Form of constitutional documents	Notarial deed	Notarial deed or private deed
	Share capital	Minimum capital of EUR 1,250,000 to be reached within 12 months	No capital as such (concept of capital/loan account)
	Umbrella structure	Yes (multiple sub-funds allowed)	Not legally, but contractually structured as umbrella via LPA (although tracking class mechanism can be structured)
	Governance	Managed by general partner(s), with supervisory board required (<i>conseil de surveillance</i>), 3 or more, appointed by shareholders meeting	One or more managers (possibly constituted in a board) who do not need to be unlimited partners, almost always a S.à r.l acting as GP
	Statutory audit	Mandatory audit by approved statutory auditor (RAIF regime)	Audit required if AIF is managed by a full-scope AIFM. No audit legally required for sub-threshold AIFMs unless imposed by LPA
	Regulatory supervision	Not supervised by the CSSF, but must appoint a licensed AIFM	Not supervised by the CSSF directly. However, regulatory obligations apply to its AIFM
	Transferability of interests	Freely transferable unless restricted in the articles	Usually requires GP/unlimited partner consent, can be tailored in the LPA
Tax	Tax transparency	Not tax transparent (but check-the-box eligible for US purposes)	Tax transparent to the extent that the unlimited partner holds less than 5% of the partnership interests and the SCSp does not carry out a commercial activity (as defined taxwise)
	ATAD II impact	Fully applicable (entity subject to CIT)	Generally excluded if tax transparent and no economic activity
	Typical use case	Structured funds with shareholder governance (incl. listed or open-ended)	Private equity, real estate, infrastructure, private credit – contractual, flexible structure



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Success of ELTIF: European Fund Label for private debt

Maria Thorsted - Langham Hall

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ELTIF - key features

	ELTIF	ELTIF - UCI Part II	ELTIF - RAIF, SIF or SICAR
Eligible investors	<ul style="list-style-type: none"> ➤ No restrictions <ul style="list-style-type: none"> ▪ Professional investor ▪ Retail investor 	<ul style="list-style-type: none"> ➤ No restrictions 	<ul style="list-style-type: none"> ➤ Only well-informed investor <ul style="list-style-type: none"> ▪ Institutional investor ▪ Professional investor ▪ Any other investor who: <ul style="list-style-type: none"> ✓ confirmed in writing adhesion to the status of well-informed investor, <u>AND</u> ✓ invests a minimum of EUR 100,000 <p><small>(or has been the subject of an assessment by a credit institution, an investment firm, a management company or an authorised AIFM certifying his expertise, his experience and his knowledge in adequately appraising the contemplated investment)</small></p>
Distribution	<ul style="list-style-type: none"> ▪ EU marketing passport for professional and retail investors 	<ul style="list-style-type: none"> ▪ EU marketing passport for professional and retail investors 	<ul style="list-style-type: none"> ▪ EU marketing passport for professional and retail investors (but retail investors must qualify as well-informed investors)
	<ul style="list-style-type: none"> ✓ The ELTIF Regulation is directly applicable in all EU countries. ✓ Member states are not allowed to add requirements in the field covered by the ELTIF Regulation (art. 1 paragraph 3) ✓ Notification procedure as per AIFMD for both professional and retail investors ✓ Delegating to / appointing distributor(s) possible 		

ELTIF - key features

	ELTIF	ELTIF - UCI Part II	ELTIF - RAIF, SIF or SICAR
Authorisation and supervision (on top of ELTIF process)	<ul style="list-style-type: none">➤ No restrictions▪ Professional investor▪ Retail investor	<ul style="list-style-type: none">➤ No restrictions	<ul style="list-style-type: none">➤ Only well-informed investor▪ Institutional investor▪ Professional investor▪ Any other investor who:<ul style="list-style-type: none">✓ confirmed in writing adhesion to the status of well-informed investor, AND✓ invests a minimum of EUR 100,000 <p>(or has been the subject of an assessment by a credit institution, an investment firm, a management company or an authorised AIFM certifying his expertise, his experience and his knowledge in adequately appraising the contemplated investment)</p>

ELTIF – Eligible assets

“Forbidden Investments”

- ✗ Short selling
- ✗ Direct or indirect exposure to commodities
- ✗ Securities lending, borrowing, repurchase transactions or equivalent, if more than 10% of the assets are affected
- ✗ Financial derivative instruments, except for hedging purposes

“Eligible Investments”

2 sets of rules

“Eligible Investment Assets”

- ✓ Category with specific rules created to achieve the purpose of the ELTIF Regulation
- ✓ **At least 55% of the ELTIF capital after ramp-up period**

Assets eligible under UCITS Directive

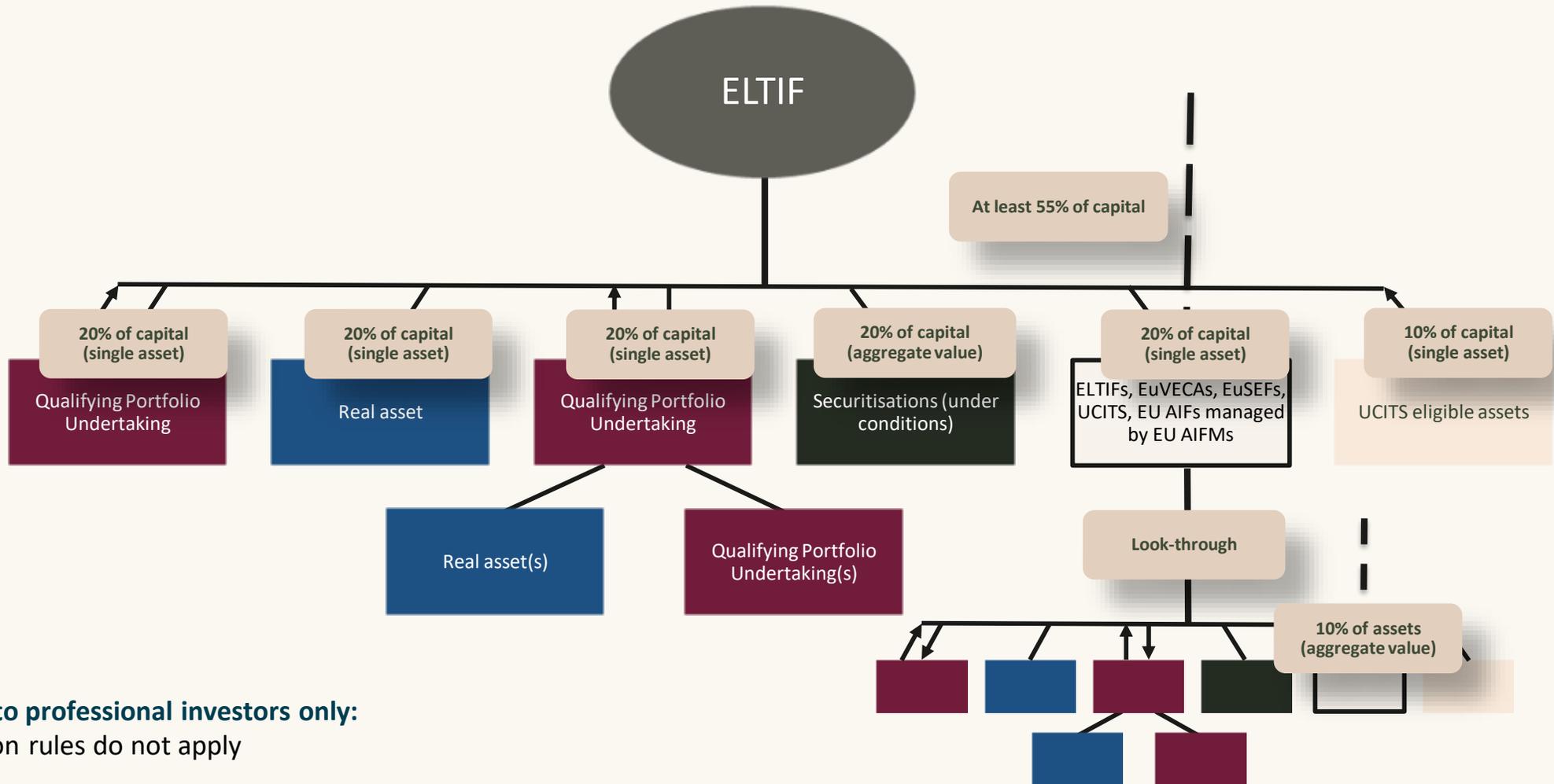
- ✓ Transferable securities
- ✓ Money market instruments
- ✓ Deposits
- ✓ Units/shares of investment funds
- ✓ **Up to 45% of the ELTIF capital after ramp-up period**

Fund-of-funds strategy: units/shares/interests of ELTIFs, EuVECAs, EuSEFs, UCITS, EU AIFs managed by EU AIFMs are eligible, provided that investments are in Eligible Investments (look-through).

Master-Feeder ELTIFs: at least 85% of feeder ELTIF invested in master ELTIF

ELTIF – investment restrictions and diversification rules

- Equity
- Quasi-equity
- Debt instruments
- EU environmentally sustainable bonds



EXCEPTIONS

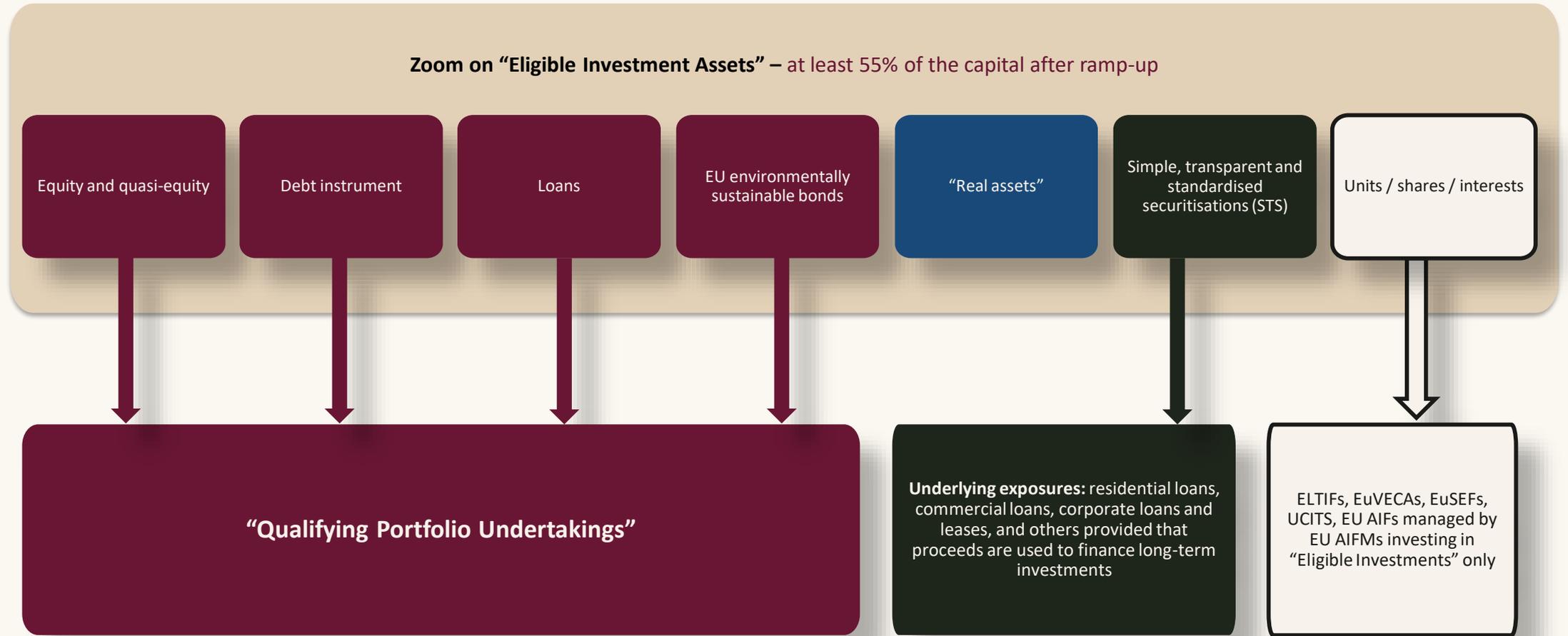
ELTIF marketed to professional investors only:

- Diversification rules do not apply

Feeder ELTIF:

- 85% of capital invested in master ELTIF

ELTIF – Eligible assets





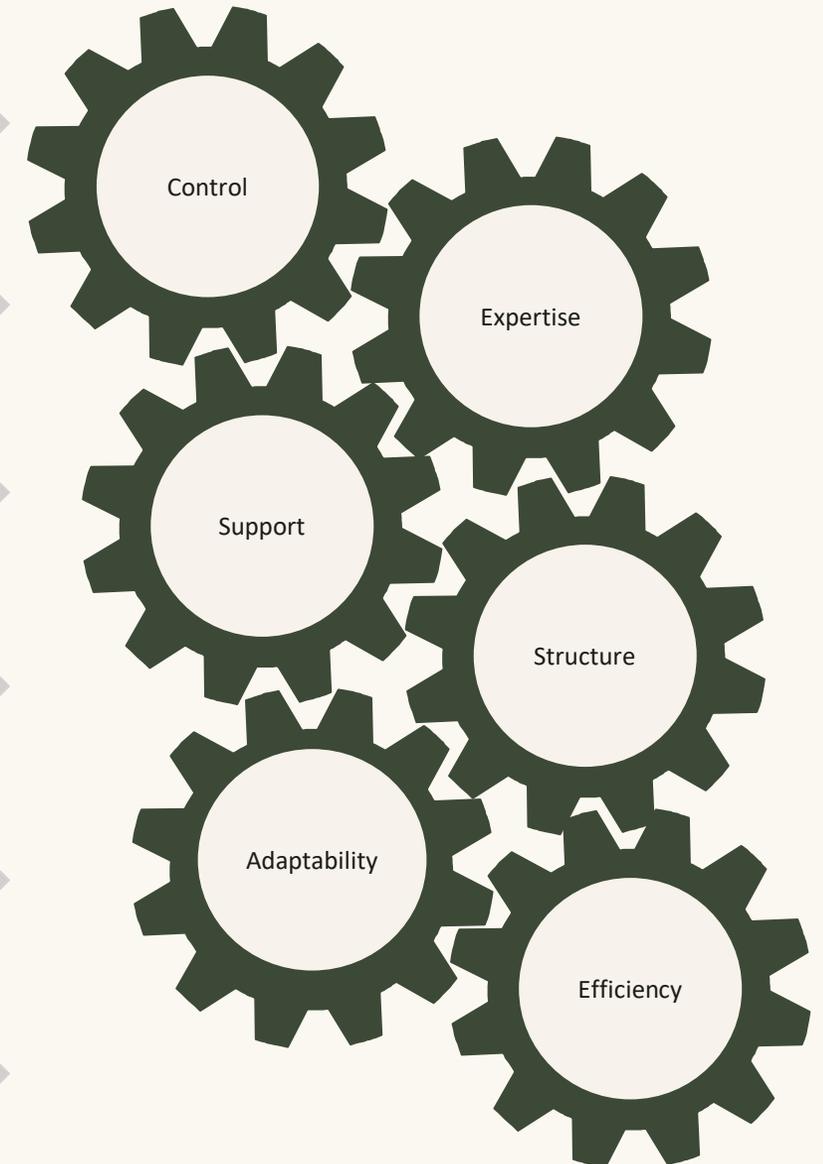
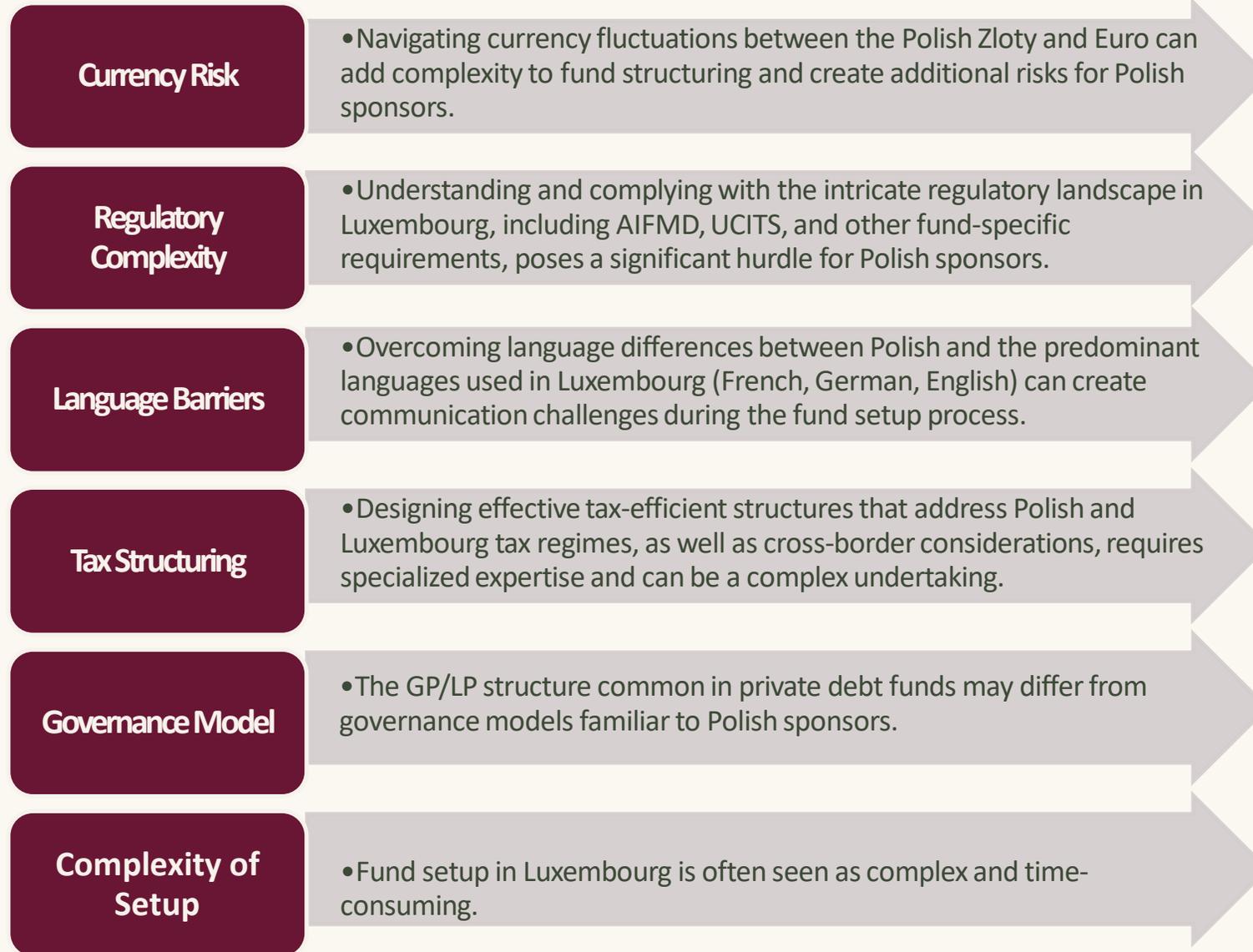
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From structuring to execution: operational success factors

Maria Thorsted - Langham Hall

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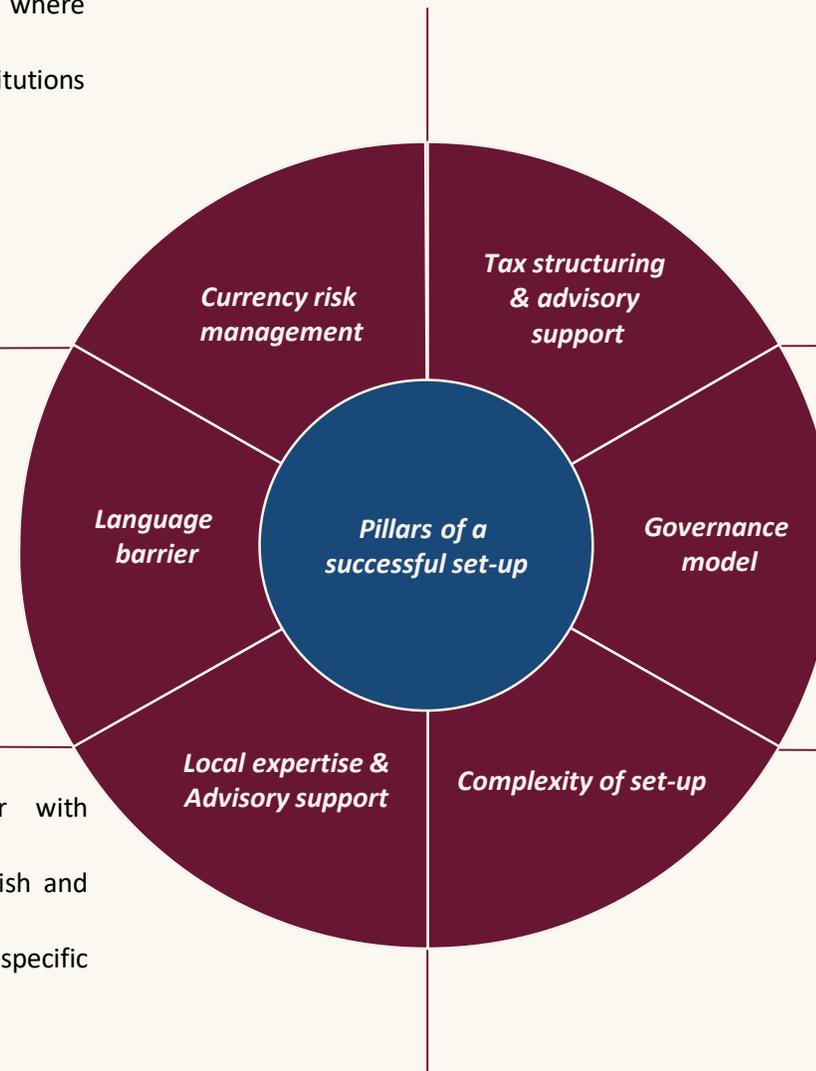
Key challenges faced by Polish clients



Turning challenges into opportunities

- Create PLN-denominated compartments where feasible
- Collaborate with local financial institutions experienced in FX risk management.

- Work with tax advisors specializing in Polish–Luxembourg cross-border structures.
- Design efficient SPV or holding structures for optimal tax and income repatriation.
- Plan tax structuring early in the fundraising process.
- Anticipate benefits from double tax treaties and ensure proper substance in Luxembourg entities.
- Assess the impact of EU tax directives (e.g. ATAD, DAC6) on fund structure.



- Provide practical examples and walkthroughs of standard GP/LP structures.
- Adapt governance frameworks to better align with Polish market expectations.

- Work with bilingual or Polish-speaking professionals to ensure smooth communication and understanding.
- Use teams who can explain key legal concepts in Polish without requiring full translation.

- Engage Luxembourg-based experts familiar with guiding Polish or Eastern European sponsors.
- Work with advisors who understand both Polish and Luxembourg market practices.
- Offer training to Polish teams on Luxembourg-specific regulations and practices.

- Use pre-approved or ready-to-deploy structures (e.g. RAIFs, umbrella platforms).
- Leverage standardized documentation and proven setup processes.
- Delegate operational and compliance functions to experienced third party providers (AIFMs, PSFs).
- Consider external AIFM platforms to reduce regulatory burden.

What's next?

1 Contact us for feasibility assessment

2 Review tailored structuring scenarios

3 Book a call meeting with our experts

4 Kickstart your Luxembourg fund setup

Panel discussion – Q&A





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