

Financial assistance rules not applicable to private limited liability companies (sociétés à responsabilité limitée)



Mrs. Isabelle Charlier

Partner

isabelle.charlier@wildgen.lu

The draft law 7791 aiming at clarifying whether the rules regarding financial assistance contained in the Luxembourg law on commercial companies of 10 August 1915, as amended (LSC) shall apply to private limited liability companies (SARL), as previously explained in the BSP publication "Amendment to the Luxembourg company law to clarify financial assistance rules", has been adopted by the law of 6 August 2021 amending the LSC and comes into force on 16 August 2021.

Further to this amendment, references to "parts sociales" as well as the superfluous reference to "sociétés anonymes" have been deleted from article 1500-7, 2° of the LSC, thus clarifying the fact that the regime of the financial assistance rules is not applicable to SARL.

This necessary amendment will put an end to the difficulties of interpretation amongst practitioners and the corresponding debates resulting from this clerical error raised following the draft law 5730 significantly amending the LSC in view of its modernisation on 10 august 2016.