

Outlook and future of a sector
navigating its digital transformation

Professionals of the Financial Sector (PSF) in Luxembourg

December 2025

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Foreword

Every year, Luxembourg reaffirms its status as a global financial hub, a success story anchored by its Professionals of the Financial Sector (PSF).

Renowned for their expertise, innovation and client-centric service, PSF continue to power the country's reputation for quality—an evolution reflected in figures published by the Commission de Surveillance du Secteur Financier (CSSF) and validated by market insights throughout the year.

In 2024, the PSF landscape operated with disciplined momentum and agility. According to CSSF newsletters, the total number of PSF saw a contraction of 2%—moving from 252 to 246—mirroring a sustained trend toward market consolidation. The refinement was led by investment firms (-2.2%) and specialized PSF (-4%), partially mitigated by a 1.7% rise in support PSF. Specialized PSF remain the largest cohort, closely followed by investment firms, with shifts resulting from new incorporations, conversions to PSF status, and broader structural recalibrations.

While strategic decisions—including mergers, liquidations, and the voluntary relinquishment of PSF status—continued to shape withdrawals, **the sector's intrinsic resilience was underscored by sharp gains in operational efficiencies and net results.** Employment stabilized, signaling a mature labor market successfully aligned with enhanced productivity and evolving business models.

Looking ahead, **the emergence of crypto assets and broader digital-asset initiatives is poised to open new frontiers.** A number of PSF have proactively extended their capabilities—spanning custody, tokenization and advisory services—within an evolving regulatory framework, positioning Luxembourg to effectively capture the next wave of financial innovation.

This brochure combines the latest CSSF data with expert analysis and commentary to illuminate the key trends, opportunities and risks defining this dynamic sector. We hope you find it both engaging and insightful.



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Introduction

PSF: a wide range of services in a regulated environment

Professionals of the Financial Sector (PSF) are defined as **entities regulated in Luxembourg that provide a wide range of financial and non-financial services**, with the key distinction that they do not receive deposits from the public (a specialized role strictly reserved for credit institutions).

Supervised by the Luxembourg regulatory authority, the CSSF, PSF enjoy special access to the financial market. They operate within a specific sphere of information confidentiality and security crucial to the financial sector.

This special access entails rigorous obligations regarding governance, risk management, structure and prudential supervision. The entire framework is governed by the Law of 5 April 1993 on the financial sector, as amended ("the Law"). The professional secrecy obligation, defined by Art. 41 of the Law, was reinforced by the implementation of the General Data Protection Regulation (GDPR) on 25 May 2018.¹

In recognition of these high demands for information confidentiality and security, many non-financial actors have pursued and obtained PSF status, often on a large scale. This strategic move allows them to provide regulated services directly to financial sector players.

There are **three main categories of PSF**, depending on the type of activity carried out and the nature of the services provided, namely:

- **Investment firms** (as governed by Arts. 24-1 to 24-9 of the Law) are defined as entities that professionally and continually supply or provide investment services to third parties, mainly:
 1. Investment advice
 2. Reception and transmission of orders in relation to one or more financial instruments
 3. Execution of orders on behalf of clients
 4. Portfolio management
- **Specialized PSF** (as governed by Arts. 25 to 28-11 of the Law) are entities active in the financial sector that do not offer investment services, mainly:
 1. Corporate domiciliation agents
 2. Registrar agents
 3. Family offices
- **Support PSF** (as governed by Arts. 29-1 to 29-6 of the Law) act principally as subcontractors offering operational services on behalf of credit institutions, PSF, payment institutions, electronic money institutions, insurance and reinsurance undertakings, pension funds, and undertakings for collective

investment (UCIs). They also act on behalf of specialized investment funds (SIFs), investment companies in risk capital (SICARs), venture capital companies, approved securitization entities, and reserved alternative investment funds (RAIFs). This category includes the following:

1. Support PSF not involved in information technology (IT), namely client communication agents (Art. 29-1) and administrative agents of the financial sector (Art. 29-2)
2. Support PSF involved in IT, namely IT systems and communication networks operators of the financial sector (Art. 29-3)
3. Support PSF that are dematerialization or conservation service providers (Arts. 29-5 and 29-6)

This report details **the Luxembourg PSF landscape**, offering a structured overview of the industry's scope, categories and trends that have shaped its recent evolution.

Over many years, Deloitte has developed the necessary expertise to support and advise all forms of PSF across all development stages, from creation to growth.

1. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

Other professionals operating in the financial sector

Credit servicers

The Law of 15 July 2024 on the transfer of non-performing loans ("NPL Law") transposed, amongst others, the EU's NPL Directive into Luxembourg law.²

Crucially, the NPL Law introduced **credit servicers** as a new category of PSF (Art. 28-14 of the Law). This strategic step addresses the need for a pan-European secondary market for NPLs by creating a dedicated, regulated entity responsible for their management.

The key activities that credit servicers are authorized to perform under Art. 1(1a 2) of the NPL Law include:

- **Collecting or recovering** payments owed by the borrower, whether related to the creditor's rights or the NPL agreement itself;
- **Renegotiating** with the borrower any terms and conditions of the loan agreement, but only under the instructions of the credit purchaser (this is limited to servicers that are not defined as a "credit intermediary" under Directive 2008/48/EC or Directive 2014/17/EU);
- **Managing any complaints** the borrower has regarding the creditor's rights under the NPL agreement; and
- **Informing the borrower** of any changes to interest rates, charges or any upcoming payments due on the NPL agreement.

Art. 28-14 of the Law mandates that the credit servicer activity can only be performed by a person or entity that has obtained authorization from the CSSF.

As of October 2025, the following companies are operating as EU/EEA credit servicers in Luxembourg under the freedom to provide services as defined by the NPL Directive:

- Kredinor AB
- Mount Street Portfolio Advisers GmbH (MSPA)
- Nordic Trustee GmbH



2. Directive (EU) 2021/2167 of the European Parliament and of the Council of 24 November 2021 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU.

Data reporting service providers (DRSPs)

The Law of 30 May 2018 on markets in financial instruments ("MiFID II Law") transposed the second Markets in Financial Instruments Directive (MiFID II) and Regulation (MiFIR)³ to enhance investor protection and improve the functioning of financial markets.

To achieve these goals, the MiFID II Law amended the Law to establish **DRSPs** as a category of PSF.

DRSPs are referred to in Part I, Chapter 2, Section 2, Sub-section 4 ("Data Reporting Services") of the Law, and include institutions authorized under:

- Art. 29-12: Approved publication arrangements (APAs): These professionals provide the service of publishing trade reports on behalf of credit institutions or investment firms.
- Art. 29-13: Consolidated tape providers (CTPs): These professionals specialize in collecting trade reports for financial instruments from regulated markets, multilateral trading facilities (MTFs), organized trading facilities (OTFs) and APAs. They consolidate this information into a continuous electronic live data stream, which delivers price and volume data per financial instrument.
- Art. 29-14: Approved reporting mechanisms (ARMs): These professionals provide the service of reporting transaction details to competent authorities or to the European Securities and Markets Authority (ESMA) on behalf of credit institutions or investment firms.

Digital finance, CASPs and control agents

A recent structural shift is the rise of crypto assets and digital assets, propelled by the EU's comprehensive Digital Finance Package. With the Markets in Crypto-Assets Regulation (MiCA) now directly applicable across Member States since 30 December 2024, PSF are navigating a clear, harmonized rulebook for digital finance.⁴

MiCA's authorization regime for crypto-asset service providers (CASPs) sets stringent conduct, operational, security, and anti-money laundering and counter-terrorist financing (AML/CTF) standards. While the Distributed Ledger Technology (DLT) Pilot Regime enables controlled experimentation with tokenized equities and bonds that retain their MiFID II classification.

The scope of MiCA-covered services is broad, including:

- Custody and administration;
- Operation of trading platforms;
- Operation of exchanges for funds or other crypto assets;
- Order execution, placement, reception and transmission;
- Advice provision;
- Portfolio management; and
- Transfer services.

As of October 2025, three entities are authorized to operate as CASPs in Luxembourg:

- Coinbase Luxembourg S.A.
- Clearstream Banking S.A.
- Bitstamp Europe S.A.

Transition from VASP to CASP

In the precursor framework, the term virtual asset service provider (VASP) was introduced by the Financial Action Task Force (FATF) in 2019⁵, and integrated into the Luxembourg legal framework on 25 March 2020 following the adoption of the fifth Anti-Money Laundering Directive (AMLD5).⁶

In line with MiCA and Luxembourg's Law of 6 February 2025 repealing Art. 7-1 of the AML/CFT Law, the CSSF no longer accepts new applications for registration as a VASP.

The Law of 6 February 2025 sets defined arrangements for existing VASPs to transition to CASPs. VASPs registered with the CSSF before 30 December 2024 under Art. 7-1 of the amended Law of 12 November 2004 (as in force on 30 December 2024) can remain on the CSSF VASP register until 1 July 2026, or until their authorization under Art. 63 of MiCA is granted or refused, whichever occurs first. Currently, 12 entities in Luxembourg are registered as VASPs.

Control agents

A new chapter in Luxembourg's digital finance strategy was ushered in by the Law of 19 December 2024 ("Blockchain Law IV"). This critical legislation amended the Law of 6 April 2013 on dematerialized securities, allowing issuers of tokenized securities to select a specialized **control agent** instead of a traditional central account keeper (CAK). Control agents are responsible for maintaining the issuance account, tracking ownership, and reconciling records using blockchain technology.

3. Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (MiFID II), and Regulation (EU) No 600/2014 (MiFIR).

4. Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 (MiCA); Regulation (EU) 2022/858 of the European Parliament and of the Council of 30 May 2022 on a pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No 600/2014 and (EU) No 909/2014 and Directive 2014/65/EU (DLT Pilot Regime).

5. FATF, [Annual Report 2019-2020](#), 2020.

6. Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and amending Directives 2009/138/EC and 2013/36/EU.

On 21 July 2025, the CSSF issued its first control agent license, enabling the fintech firm Investre to oversee tokenized securities on distributed ledgers. The approval allows Investre to issue, distribute, hold and manage native tokenized funds directly on-chain without relying on traditional intermediaries.

What does this mean for PSF?

The distinction between regulating crypto assets and regulating tokenized financial instruments imposes distinct compliance paths across PSF types.

Investment firms

Investment firms licensed under Arts. 24.1 to 24.9 of the Law must navigate regulatory requirements for both crypto assets under MiCA and tokenized financial instruments under MiFID II and the DLT Pilot Regime. Each license type faces specific implications to ensure compliance with both sets of regulatory initiatives.

- Investment advice and portfolio management: If these services pertain to tokenized financial instruments, firms are subject to the same regulatory requirements as traditional financial instruments under MiFID II. However, providing these services for crypto assets mandates obtaining a CASP authorization under MiCA.
- Order reception, transmission and execution: For underlying assets that are tokenized financial instruments, the firm is subject to MiFID II. Conversely, providing these services for crypto assets requires obtaining CASP authorization under MiCA.

- Trading-related services: The regulatory path depends on the underlying asset:
 - For crypto assets, the respective CASP authorization applies.
 - For financial instruments, PSF are subject to MiFID II but can leverage the DLT Pilot Regime for regulatory exemptions. To do so, they may apply for DLT MTF authorization, or opt for a DLT trading and settlement (TSS) license if they intend to perform post-trade services like clearing and settlement.

Specialized PSF

MiCA empowers central administrations to assist clients, such as funds, in managing and valuing crypto assets within their portfolios. They can collaborate with clients to incorporate crypto assets into investment strategies, oversee the wallets containing these assets, offer valuation and risk management services, and ensure adherence to regulatory standards.

With the increasing issuance of tokenized financial instruments, central administrations can also offer these services to securities issuers, including tokenized bonds, money-market funds and private equity.

Custodian and depositary banks

Operationally, the custody of DLT-based assets diverges significantly from that of traditional assets. This presents custodian and depositary banks with a strategic opportunity to store and safeguard both crypto assets and tokenized financial instruments.

However, the regulatory regimes differ fundamentally across asset types. MiCA mandates wide-ranging requirements for crypto-asset custodians, requiring a specific CASP authorization. In comparison, tokenized financial instruments remain subject to MiFID, where no DLT-specific requirements currently exist.

MiCA, the DLT Pilot Regime, the Blockchain Laws and the control agent role are discussed in further detail in section 5.2.

Support PSF

The shift to crypto compels Administrative agents to rapidly integrate DLT technology and develop expertise for 24/7 digital-asset valuation and compliance, particularly with MiCA. This technological change is the core challenge. However, it simultaneously presents a major opportunity: Tokenization allows agents to use smart contracts to automate functions like shareholder registry and distributions, promising long-term efficiency gains and creating new revenue streams by servicing the burgeoning digital-asset fund sector.

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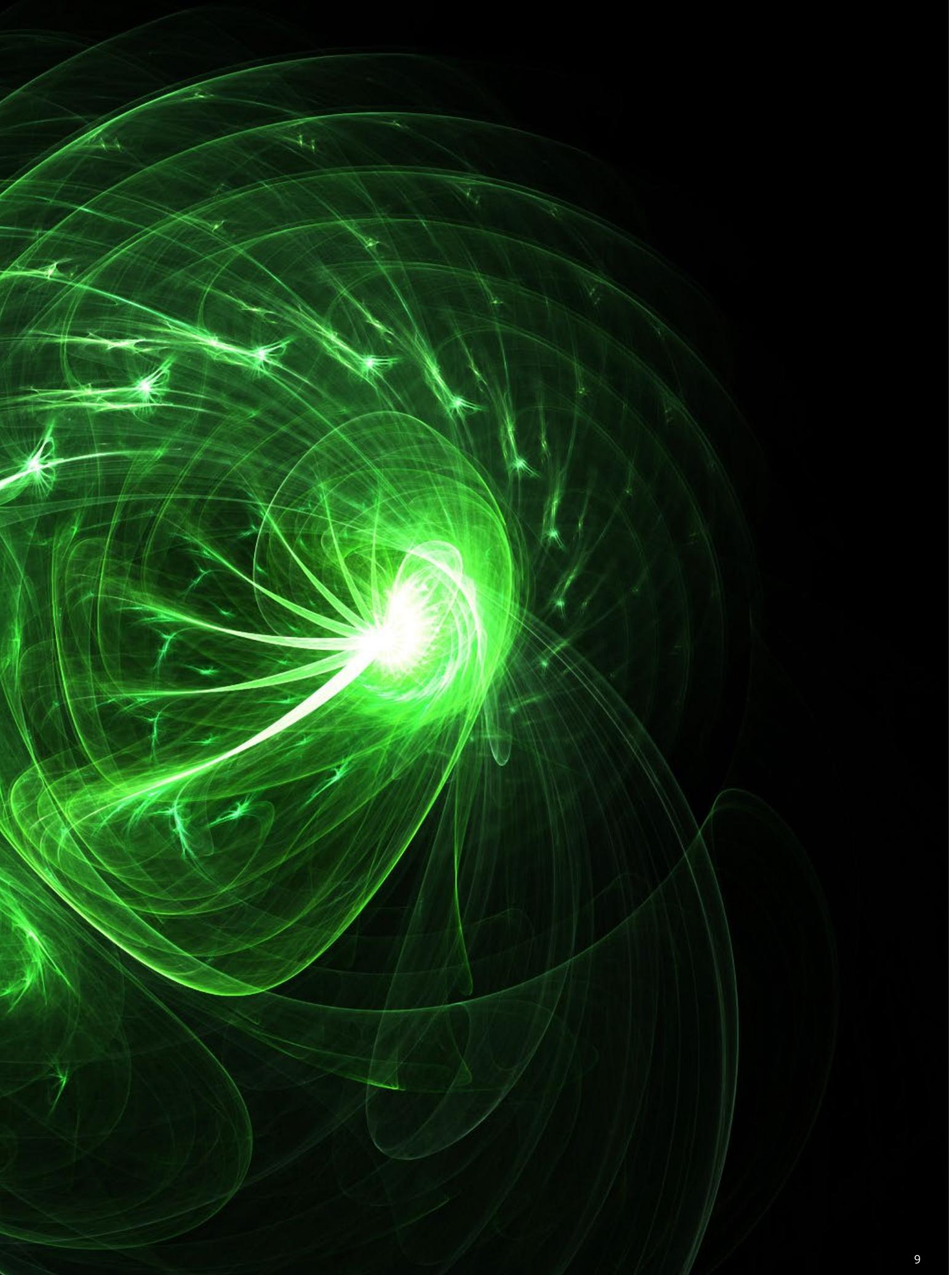
Scope of PSF in the Luxembourg economy

1.1 A strong economic player

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1.1 A strong economic player

Analysis of PSF's importance and review of their economic and social impacts

Market size

In 2024, the overall number of PSF decreased slightly, falling by 2% from 252 to 246 compared to the end of 2023. This was mainly due to fewer investment firms and specialized PSF (-2.2% and -5% respectively), though a small increase in support PSF (+1.7%) softened the drop.

However, as of January 2025, the number of support PSF decreased by 5%. This specific reduction was attributed to three merger and acquisition deals that officially closed at the beginning of the year.

Despite these contractions, the sector's main categories remained specialized PSF and investment firms at year-end 2024, accounting for 39% and 37%, respectively.

The PSF market's development can be divided into three phases:

- From 2006 to 2011, the number of PSF increased by 64%, peaking at 322 entities, mainly due to the financial center's growth. This was particularly visible in the rise of investment funds, corporate domiciliation agents, and the financial and non-financial services in demand from Luxembourg financial institutions, such as banks, insurance companies and funds.
- From 2012 to 2016, the number of PSF stabilized at 304 entities, mainly due to a better understanding of the licensing requirements of the services provided.
- Between December 2017 and December 2024, the number of PSF dropped from 289 to 246. This fall was mainly due to PSF's growing costs of keeping up

with digitalization and new regulations, including AMLD, MiFID II, and additional governance requirements. Also playing a part was the rise in merger transactions aimed at pooling resources to reduce costs and reach a critical size.

From 2018 to 2020, investment firms experienced steady consolidation. In 2020, consolidation intensified particularly among specialized PSF, and the trend has continued across both investment firms and support PSF.

The number of employees grew from 16,798 at the end of 2023 to 17,199 at the end of 2024, marking a 2.4% expansion. This slight increase was driven by the entry of several new players during 2024, including a new support PSF with 171 employees as of year-end 2024.

As noted in the introduction, crypto assets and tokenized instruments are now a defining trend, accelerated by the EU's Digital Finance Package. PSF now operate under a clear, harmonized rulebook: MiCA's CASP authorization imposes strict conduct, operational, security and AML/CTF standards, while the DLT Pilot Regime enables controlled trials of tokenized equities and bonds that still fall under MiFID II.

In 2024, staff costs increased by 12% for investment firms, by 2% for specialized PSF and by 9% for support PSF compared to 2023. Overall staff costs for PSF increased by 6%, triggered by the jump in the number of employees and the average salary cost per employee.

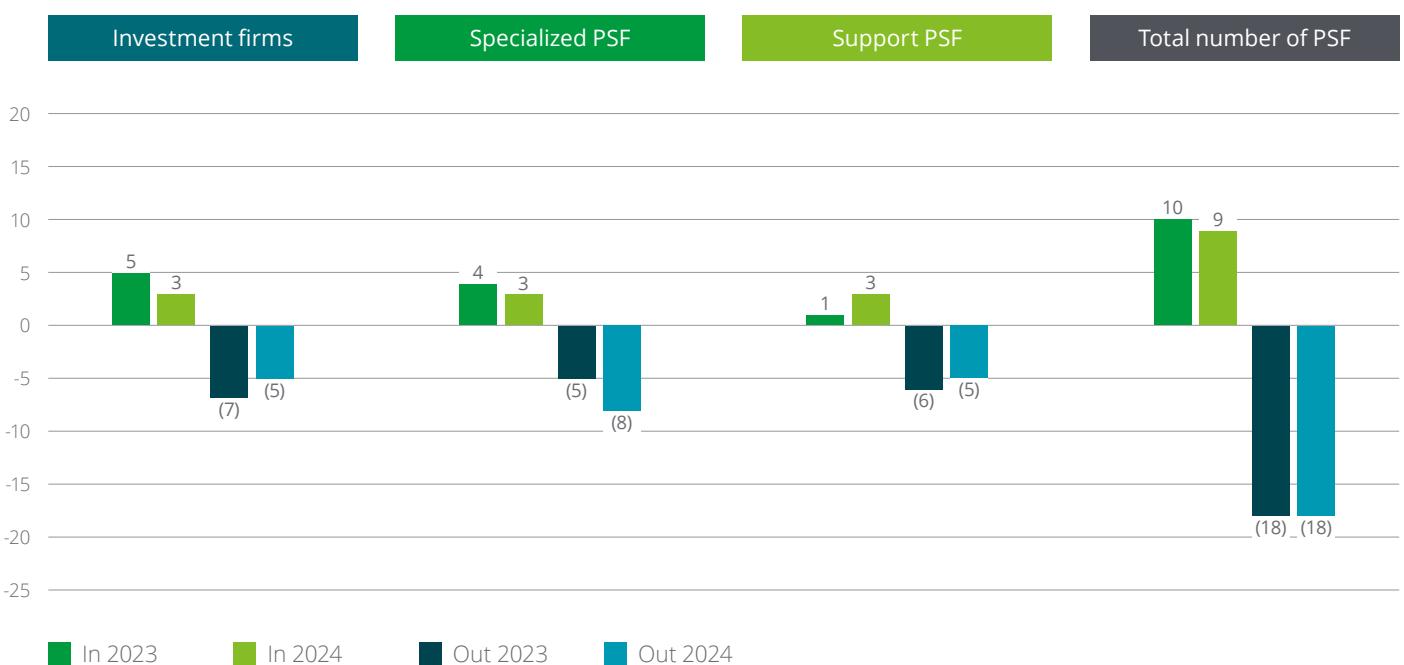
Figure 1: Evolution in the number of PSF by category



Source: Statistics derived from the CSSF's annual reports and CSSF newsletters

The number of support PSF as of 2024 also takes into consideration three entities which were involved in mergers and absorbed due to business acquisitions during the first days of January 2025

Figure 2: PSF change by category—2023 and 2024 entries and exits



Source: Statistics derived from the CSSF's annual reports and CSSF newsletters

Changes within each PSF category

The variation in the number of PSF across all categories between December 2023 and December 2024 was due to new companies being founded and existing entities being converted into PSF.

PSF withdrawals were mainly due to entities relinquishing their PSF status due to strategy changes, liquidations or mergers between different PSF.

In 2024, the net decrease in investment firms (by two entities) and specialized PSF (by five entities) was not fully offset by the rise in support PSF (by one entity).

Investment firms

The **net decrease of two entities** in the investment firm category in 2024 was due to:

• Additions:

- Two new branches of a foreign company obtained investment firm licenses in 2024.
- One existing company obtained a license in August 2024.

• Removals:

- One entity relinquished its license and continued operating non-regulated activities.
- Two entities relinquished their licenses while entering into a voluntary liquidation.
- One entity, a branch of a wider European group, was closed due to group reorganization.
- One entity was involved in a merger and absorbed due to business acquisitions.

Specialized PSF

As in previous years, this PSF category experienced the largest inflow and outflow of entities. The **net decrease** of specialized PSF **by five entities** in 2024 was due to:

- **Additions:** Three new entities secured specialized PSF licenses in 2024.

• Removals:

- Two entities were removed due to PSF's acquisition by a competitor, followed by a merger-absorption.
- Three entities were removed due to intra-group restructuring of businesses.
- One entity relinquished its license and continued operating non-regulated activities.
- Two entities relinquished their licenses while initiating a business wind-down or entering into judicial liquidation.

Support PSF

The **net increase** of support PSF **by one entity** in 2024 was due to:

- **Additions:** Three new support PSF were authorized in 2024.

• Removals:

- Two entities relinquished their license and continued operating non-regulated activities.

Additionally, three entities were involved in mergers and absorbed due to business acquisitions during first days of January 2025. This evolution was considered in Figure 1 and Figure 2.

The downward trajectory of investment firm numbers is seemingly due to activity consolidation.

As of 1 January 2025, the number of support PSF dropped further to 58, with three entities absorbed into existing groups. The reduction in support PSF is partially linked to questions regarding the added value and high cost of this license type.

Overview of PSF contribution to the financial sector

- Luxembourg maintains its position as the largest domicile for investment funds in the EU. As of December 2024, investment funds domiciled in Luxembourg held €5.8 trillion of assets under management (AUM), demonstrating steady growth from €1.4 trillion AUM in 2008.⁷
- Luxembourg's global asset management groups operate under EU legal frameworks, leveraging delegation arrangements to manage functions from their primary centers located outside Luxembourg. Equity funds constitute the largest category with €1,858 billion in assets. This is followed by fixed-income funds at €1,293 billion and mixed funds managing €1,016 billion. Funds of funds collectively hold €364 billion, and real estate funds contribute €134 billion. Furthermore, Luxembourg is the second-largest fund domicile for real estate funds in the EU, representing 4% of the EU's commercial real estate market.
- Financial sector employment has grown by approximately 10,336 jobs since 2007, reaching a total of 51,999 employees in 2024.⁸ The proportion of the PSF workforce relative to the total financial sector workforce slightly increased to 33.1% on 31 December 2024, compared to 32.6% on 31 December 2023.

7. Association of the Luxembourg Fund Industry (ALFI), [Annual Report 2024 - Driving engagement: A year of progress](#), June 2025.

8. Commission de Surveillance du Secteur Financier (CSSF), [Annual Report 2024](#), August 2025.

9. Luxembourg for Finance, "[Luxembourg's sovereign wealth fund invests 1% in bitcoin](#)," 10 October 2025.

- Luxembourg is experiencing a surge in crypto and digital asset activity as the EU's MiCA framework moves into practice, enabling firms to secure a home-state license and passport their services across Europe. Concurrently, Luxembourg has positioned itself as a prime location for digital asset investments, leveraging its established expertise in alternative investment funds (AIFs) and its visionary regulatory landscape.
- Reinforcing this momentum is the country's early regulatory clarity on crypto-related financial services, deliberate positioning as a European payments hub, and its mature fund and custody ecosystem. Authorities emphasize a quality-over-quantity approach, with activity expanding beyond trading into tokenized funds and new market infrastructure. A steady pipeline of service providers suggests the trend will continue.
- The pivotal role of crypto and digital assets for the Luxembourg market has been further highlighted by the decision of Luxembourg's sovereign wealth fund, the FSIL, to allocate 1% of its total investment portfolio in cryptocurrencies, as announced by Finance Minister Gilles Roth during his 2026 budget speech in October 2025.⁹
- We have observed a broader adoption trend of digital asset technology that falls into two distinct categories:
 - New projects using the technology for investment-focused purposes; and
 - Established entities seeking to leverage blockchain's capabilities.

– Few organizations are actively pursuing both strategies at this stage.

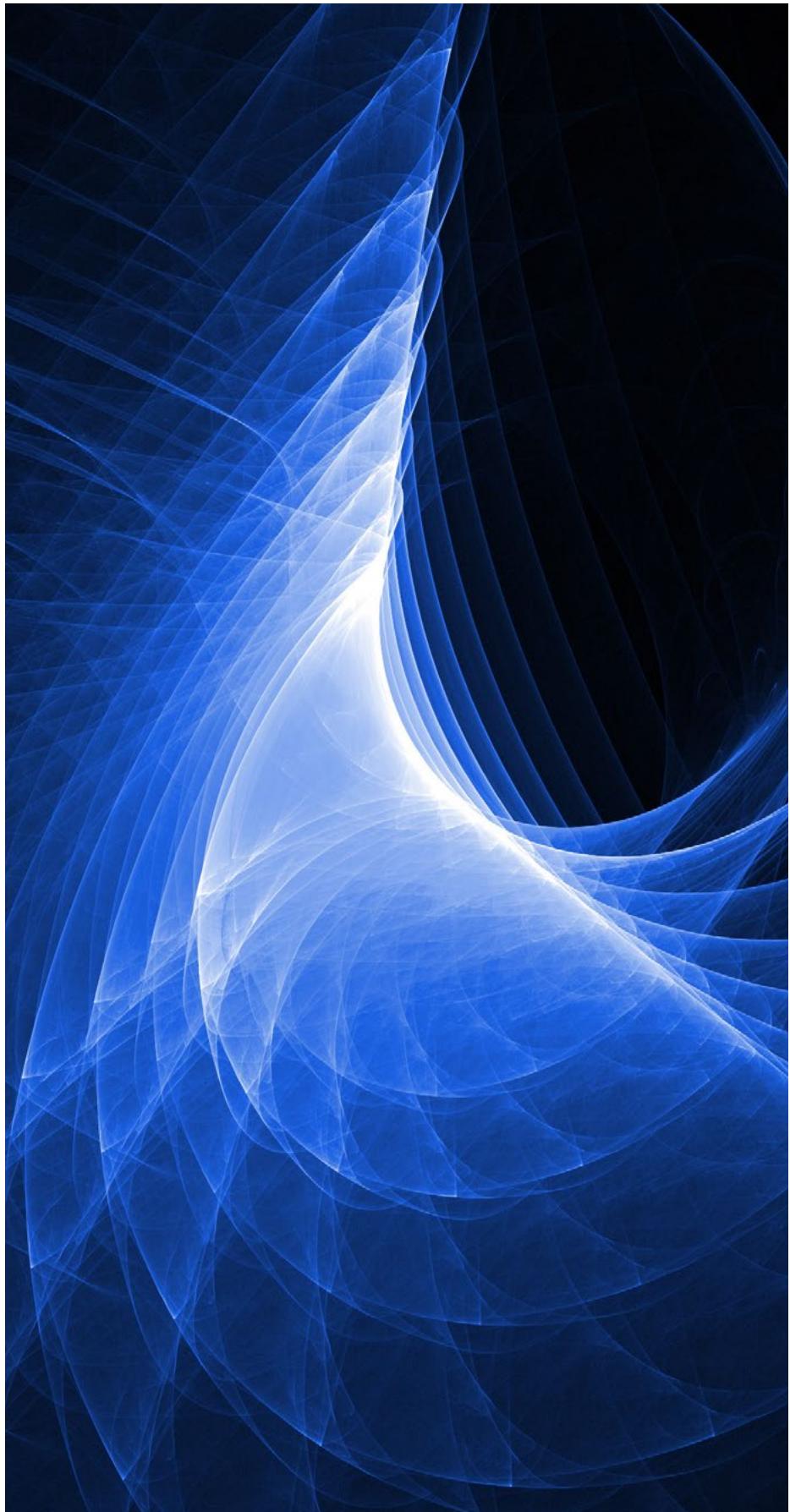


Figure 3a: Evolution of total balance sheets of PSF (in € millions)

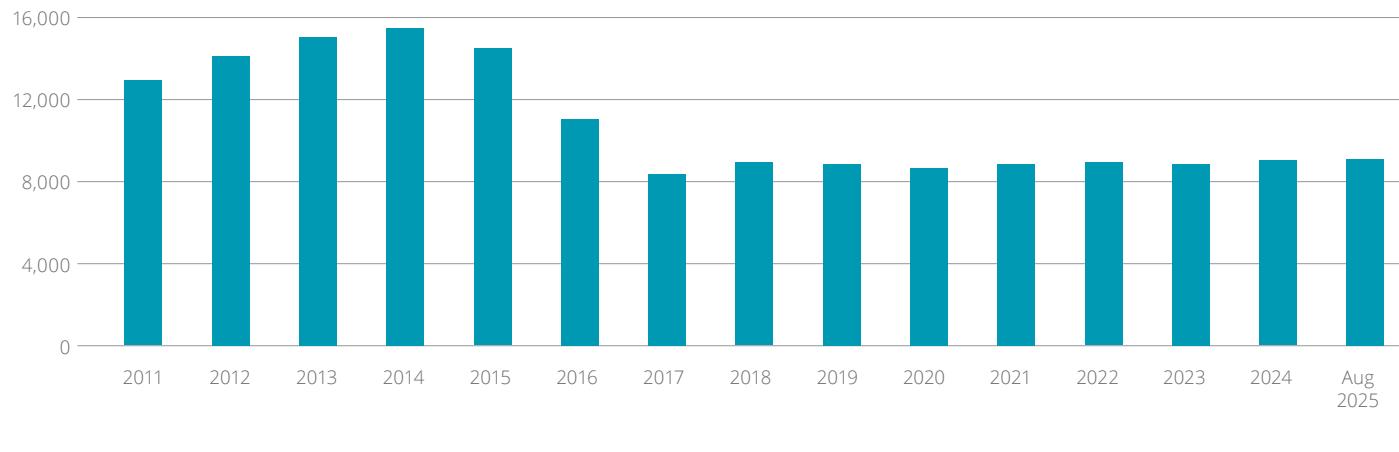


Figure 3b: Evolution of net results of PSF (in € millions)



Source: Statistics derived from the CSSF's annual reports and CSSF newsletters

PSF balance sheets and net aggregate results

The total balance sheet of all PSF amounted to €8.9 billion as of 31 December 2024, up slightly from the €8.8 billion reported as of 31 December 2023¹⁰. This trend was continued in 2025 as the total balance sheet increased to 9.1 billion as of 31 August 2025.

The sector's net aggregate result for 2024 showed strong growth, rising 51.8% from 2023 to €131 million. This significant increase was driven by improved performance across all categories:¹⁰

- Specialized PSF's net result increased by €66 million (+48.9%).
- Investment firms' net result increased by €50 million (+95.3%)
- Support PSF's net result increased by €15 million (+22.5%).

This increase slowed down in 2025 as the provisional net result across all categories amounted to €205.8 million as of 31 August 2025, representing a decrease of 20.3% compared to the provisional net result as of 31 August 2024. This decrease was mainly driven by a decrease in the net result of investment firms and support PSF (respectively 40.2% and 52.2% decrease on a year-to-date basis), while the provisional net results of Specialized PSF increased by 5.32%.

Investment firms

Investment firms' financial performance considerably improved in 2024.

- The largest net result for an investment firm in 2024 was €41.9 million, a substantial increase from €22.1 million in 2023.
- The lowest net result recorded was a loss of €8.1 million in 2024, compared to a loss of €6.7 million in 2023.
- The three largest net results in 2024 were attributed to Attrax Financial Services S.A., FIL (Luxembourg) S.A., and CapitalatWork Foyer Group S.A., totaling €65.5 million.

Profitability metrics indicate a general upward trend. The average net result increased from €0.58 million in 2023 to €1.15 million in 2024, while the median increased from €124,000 to €189,000. In 2024, only 27% of investment firms made losses, compared to 31% in 2023. This progress was largely due to the significant year-on-year increase in net income for a number of players.

The €50.5 million increase in net results for this category was mainly triggered by approximately 10 actors. The highest individual increase was recorded by one player, amounting to €19.9 million, mainly due to a steep increase in revenues as well as a decrease in restructuring costs.

Specialized PSF

The net results of specialized PSF showed strong improvement in 2024 compared to 2023:

- Results ranged from a loss of €9.9 million (€12.8 million in 2023) to a profit of €37.8 million for Danieli Finance Solutions S.A. (€28.3 million in 2023, for the same entity).
- The three largest net results (excluding Post Luxembourg) were attributed to Danieli Finance Solutions S.A., Aztec Financial Services (Luxembourg) S.A., and CSC Global Solutions (Luxembourg) S.à r.l., totaling €91.1 million.

The aggregate net results for specialized PSF sharply increased from €134 million to €200 million, correlated with a rise in the average net result from €1.34 million in 2023 to €2.1 million in 2024. The growth was broadly spread among a large number of actors, corroborating the overall improvement in the category's profitability.

This was also reflected by a general increase in the median, rising from €215,000 in 2023 to €240,000 in 2024. However, the proportion of specialized PSF making losses remained similar (27% in 2024 and 28% in 2023).

Support PSF

The net results of support PSF also increased in 2024 compared to 2023.

- Results ranged from a loss of €9.3 million (€10.7 million in 2023) to a profit of €12.6 million recorded by Proximus Luxembourg S.A. (€14.5 million in 2023, for the same entity).
- The three largest net results in 2024 were attributed to Proximus Luxembourg S.A., Accenture (Luxembourg) S.à r.l., and Post Telecom S.A., totaling €25.4 million.

The aggregate net result of support PSF increased sharply from €66 million to €81 million, correlated with an increase in the average net result from €1.1 million in 2023 to €1.39 million in 2024.

Similar to specialized PSF, the median increased from €503,000 in 2023 to €540,000 in 2024. And in 2024, only 15% of support PSF posted losses compared to 20% in 2023.

The increase in net results was mainly generated by two new support PSF authorized in 2024, which generated a combined net result of €6.6 million as of year-end, and by one PSF that recovered €4.2 million in value adjustments as part of restricting operations.

Figure 4a: Distribution of balance sheet totals by PSF category

Total balance sheet in € millions

	2022	2023	2024	August 2025				
	Volume	Relative share						
Investment firms	974	11%	1,050	12%	1,210	13%	1,371	15%
Specialized PSF	6,238	70%	6,368	72%	6,327	70%	6,270	69%
Support PSF	1,680	19%	1,382	16%	1,447	16%	1,460	16%
Total	8,893	100%	8,801	100%	8,984	100%	9,101	100%

Figure 4b: Distribution of net results totals by PSF category

Total net results in € millions

	2022	2023	2024	August 2025				
	Volume	Relative share						
Investment firms	77	18%	53	21%	104	27%	44	21%
Specialized PSF	255	60%	134	53%	200	52%	135	65%
Support PSF	90	21%	66	26%	81	21%	28	13%
Total	422	100%	253	100%	385	100%	206	100%

Source: Statistics derived from the CSSF's annual reports and CSSF newsletters

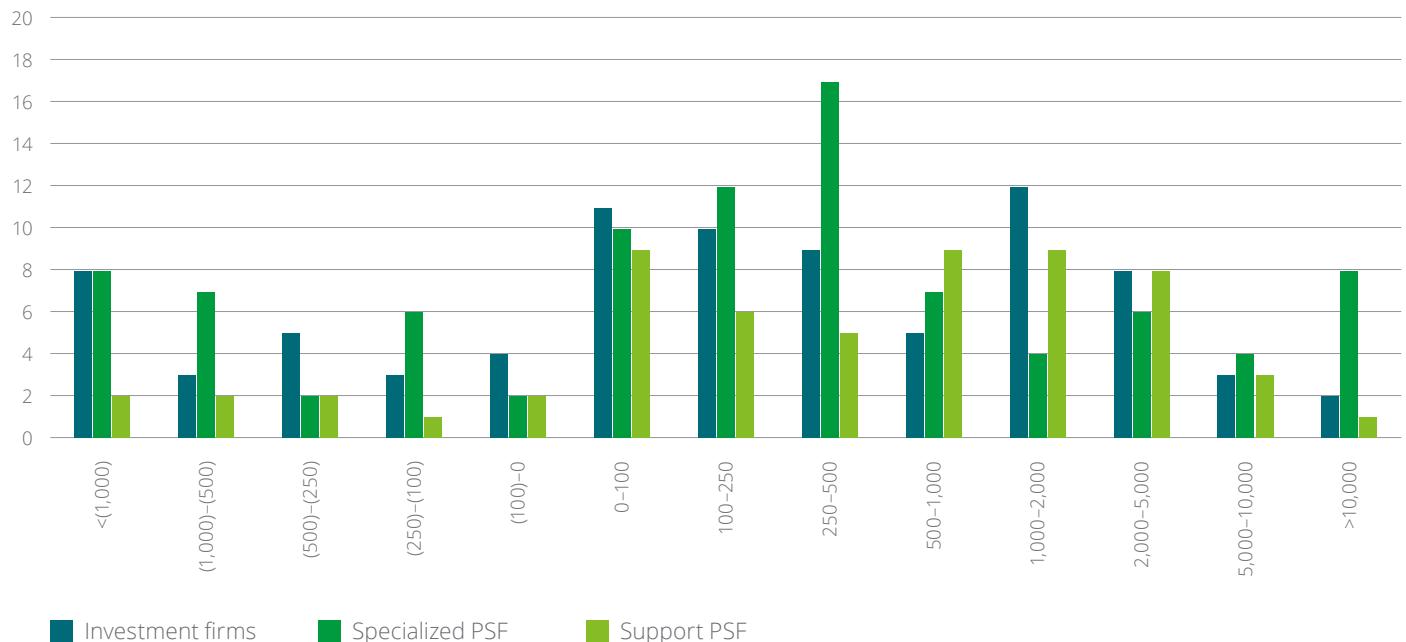
An analysis of profits by category shows that:



- **Investment firms' net profits rose by 95% in 2024.**
- **Specialized PSF's net profits rose by 49% in 2024.**
- **Support PSF's net profits rose by 23% in 2024.**

Figure 5a: Distribution of PSF by net profit bracket as of 31 December 2024 (in € thousands)

Following our analysis of the financial statements that we received, the main profit trends are as follows:



Source: Compiled from audited financial statements of 245 entities for the financial years 2023 and 2024

The average net profit of a PSF entity increased from €1.01 million in 2023 to €1.56 million in 2024.

Figure 5b: Comparison of distribution of PSF by net result bracket in 2023 and 2024 (in € thousands)



Source: Compiled from audited financial statements of 245 entities for the financial years 2023 and 2024

Figure 6a: Range and average net results by PSF category as of 31 December 2023 and 31 December 2024 (in € thousands)

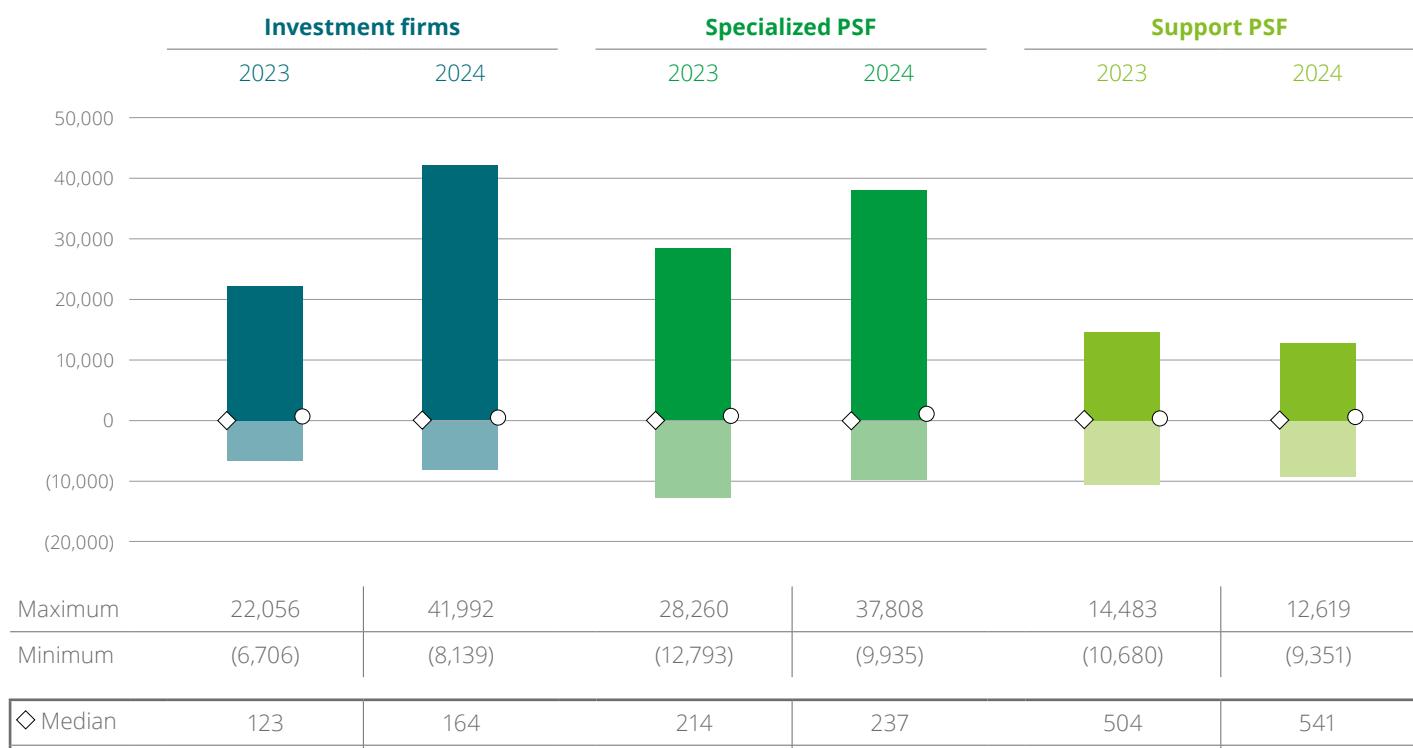
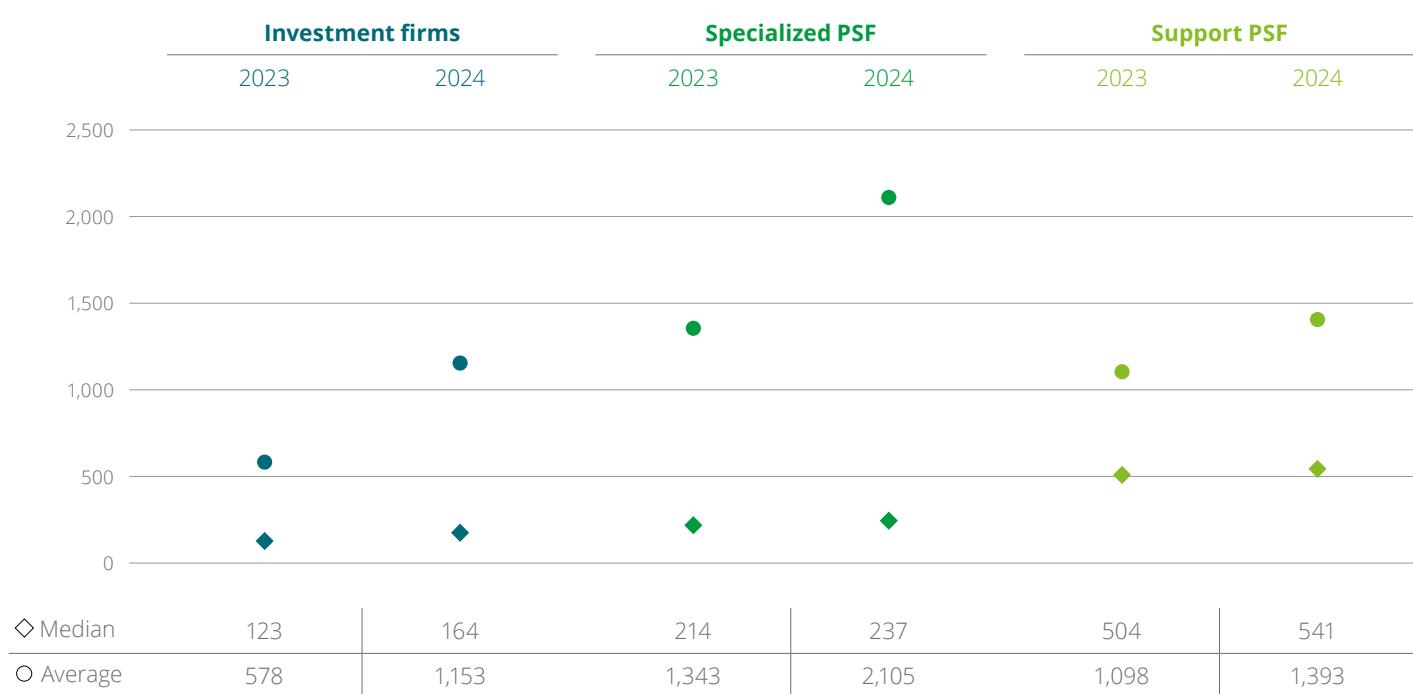


Figure 6b: Close-up on median and average net results by PSF category as of 31 December 2023 and 31 December 2024 (in € thousands)



Main expenses of PSF

Of the analyzed financial statements, the main PSF expenses in 2024 were:

- Staff costs
- External expenses and other operating expenses
- Tax on profit

Year on year, the distribution of these expenses remained relatively stable. However, their weighting varied significantly across PSF categories.

For **investment firms**, personnel expenses accounted for 48% of identified expenses in 2024. External expenses and other operating expenses were the next highest at 47%.

For **specialized PSF**, external expenses and other operating expenses accounted for the most significant part of identified expenses in 2024, while the weight of staff costs remained stable in 2024 compared to 2023.

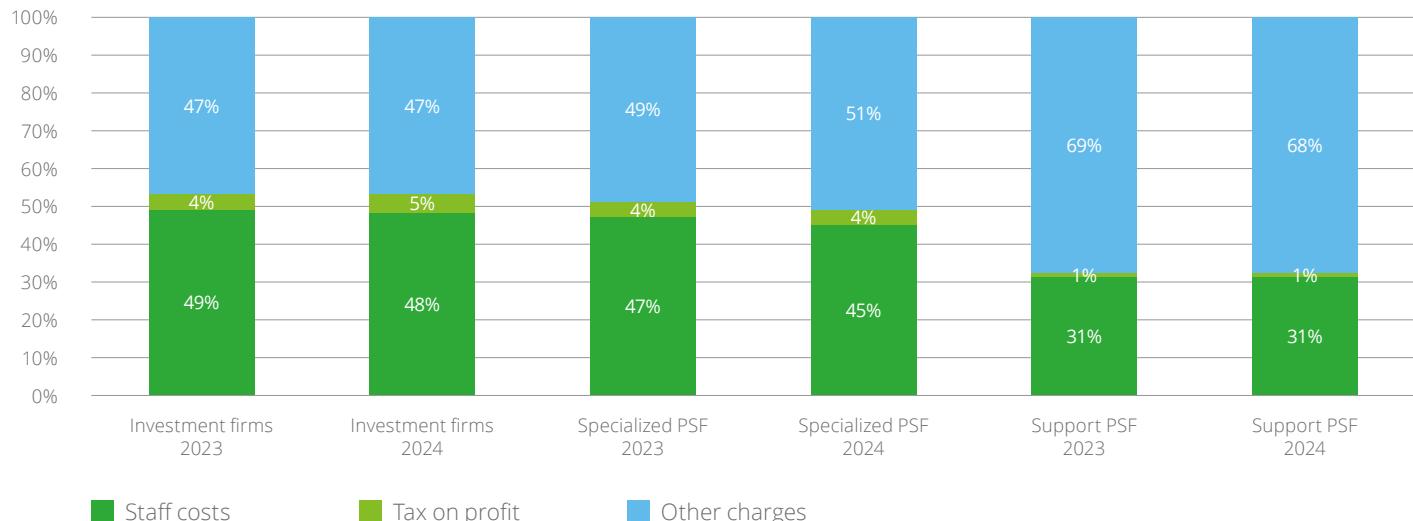
Among **support PSF**, external expenses and other operating expenses ranked first, accounting for 68% of identified expenses in 2024. They were followed by personnel expenses, accounting for 31% in 2024.

While staff costs rose by 6% overall, their proportion of the overall expenses remained stable for support PSF (31% in both 2023 and 2024) while slightly decreasing for investment firms (from 49% in 2023 to 48% in 2024) and specialized PSF (from 47% in 2023 to 45% in 2024).

In 2024, the average annual cost of an employee was:

- For investment firms: €183,000 (€164,000 in 2023)
- For specialized PSF: €89,000 (€90,000 in 2023)¹¹
- For support PSF: €82,000 (€78,000 in 2023)

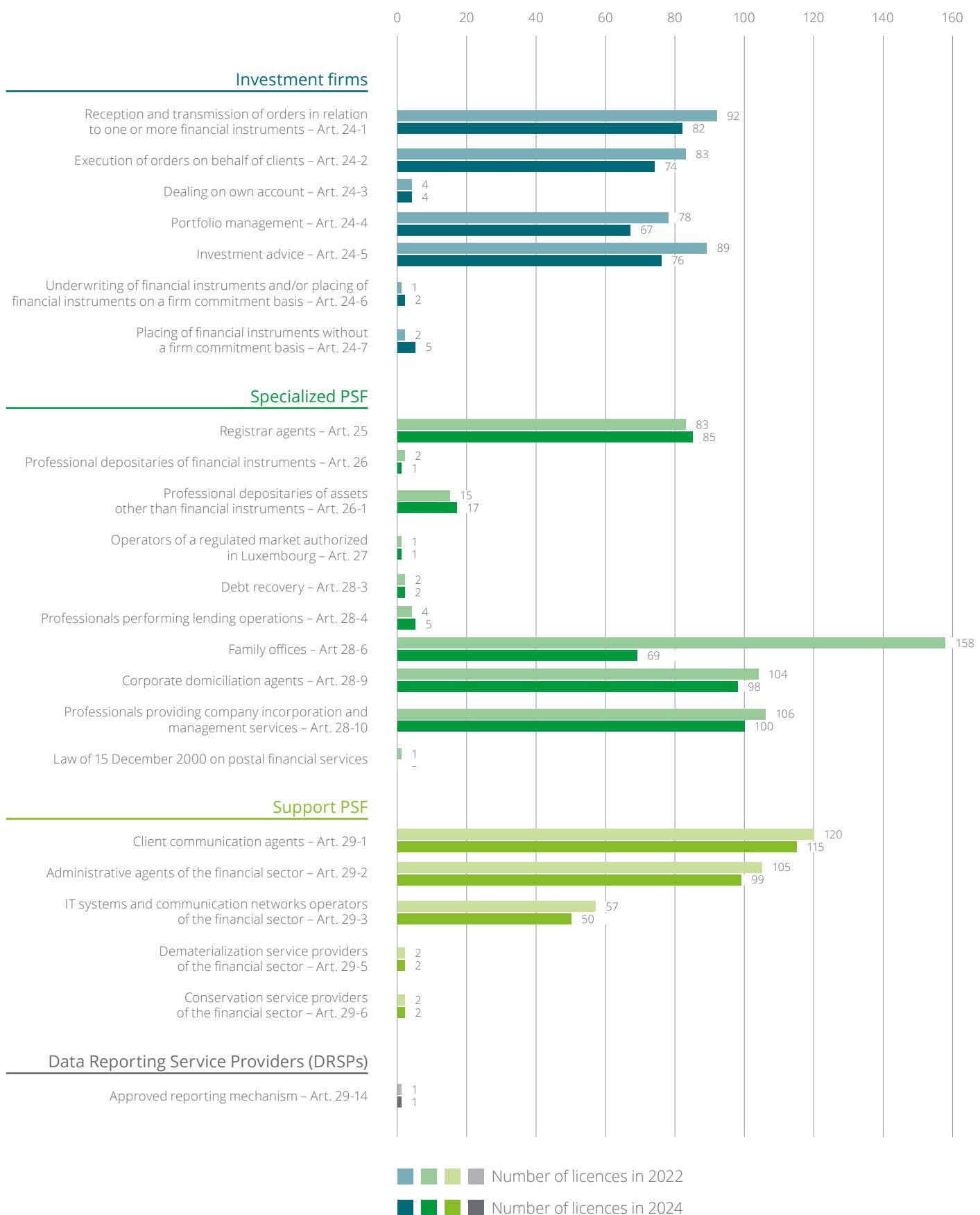
Figure 7: Distribution of the main expenses by PSF category as of 31 December 2023 and 31 December 2024 (in %)



Source: Statistics from CSSF

11. Figures exclude Post Luxembourg.

Figure 8: Total number of PSF licenses as of 31 December 2022 and 31 December 2024 (including branches)



Distribution of licenses

As of 31 December 2024, the most widely granted license was Client communication agents (Art. 29-1). It was held by 49% of all PSF, 73% of investment firms and 8% of specialized PSF. This license has remained relatively stable, registering a slight decrease in 2024 (115 entities) compared to 2022 (120 entities).

At the end of 2024, the most popular licenses were:

- Art. 29-1: Client communication agents;
- Art. 28-10: Professionals providing company incorporation and management services;
- Art. 29-2: Administrative agents of the financial sector;
- Art. 28-9: Corporate domiciliation agents; and
- Art. 25: Registrar agents.

These account for 52% of licenses as of 31 December 2024.

The Corporate domiciliation agent license (Art. 28-9) has seen a 14% increase in popularity since 2009, climbing from 86 licenses to 98 in 2024. Similarly, the Administrative agents of the financial sector license (Art. 29-2) surged by 36% over the same period, rising from 73 to 99 licenses.

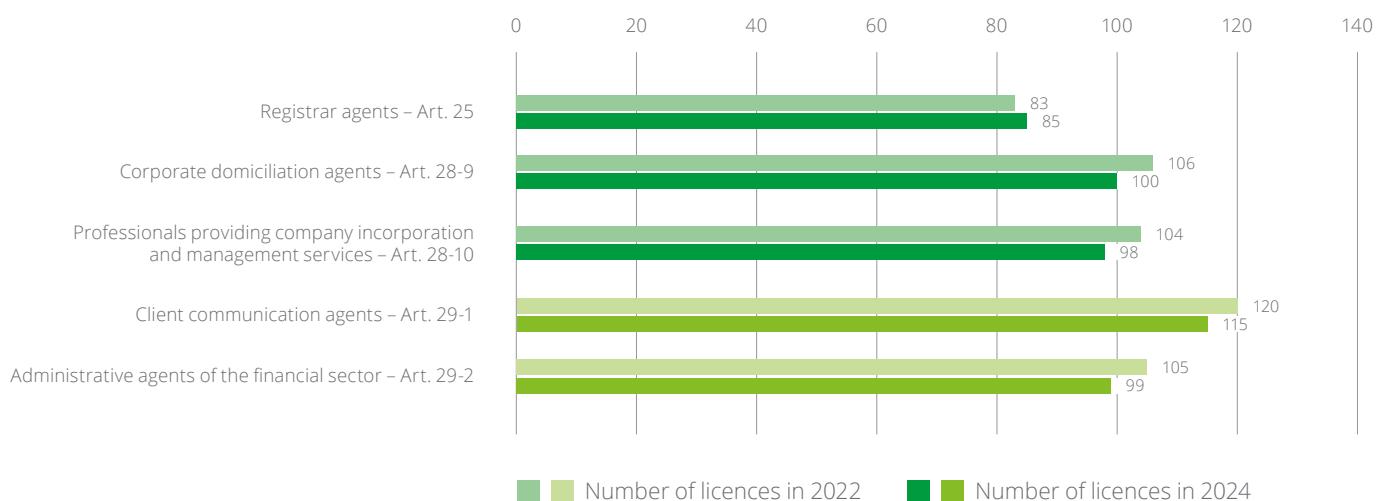
In 2024, 17 specialized PSF held the Professional depositary of assets other than financial instruments license (Art. 26-1), an increase of two entities compared to 2022.

The Family offices license (Art. 28-6) saw a significant decrease in approvals in 2024, with only 69 licenses held compared to 158 licenses in 2022. The decrease was primarily triggered by the relinquishment licenses for entities which in the past held the license without using it actively, following a reassessment of its necessity.

The following four licenses were not granted to any entity as of 31 December 2024:

- Art. 24-8: Operation of an MTF in Luxembourg;
- Art. 24-9: Operation of an OTF in Luxembourg;
- Art. 28-5: Professionals performing securities lending; and
- Art. 28-7: Mutual savings fund administrators.

Figure 9: Evolution between 2022 and 2024 in the main five PSF licenses (including branches)



Source: Derived from CSSF statistics

The period between 2009 and 2014 was a dynamic phase in the granting of PSF licenses, with their number consistently rising year upon year.

This surge was due to PSF tending to apply for more licenses than needed during set up, usually in the hope of avoiding subsequent applications if they decided to expand their range of activities.

Since 2015, we have seen the number of licenses shrink, in line with the decline in the number of PSF. We also note that some PSF are refocusing on their core businesses and shedding the costs and requirements of certain licenses.

For the ninth year running, the most widely granted licenses were for specialized PSF, with 39% of licenses granted in 2024 compared to 43% in 2022.

While the trend in recent years has been to broaden service ranges to better cope with downturns, professionals appear to have gained a certain degree of maturity in their service offerings. The number of licenses granted to support and specialized PSF has decreased at a similar rate to the decrease in the number of actors.

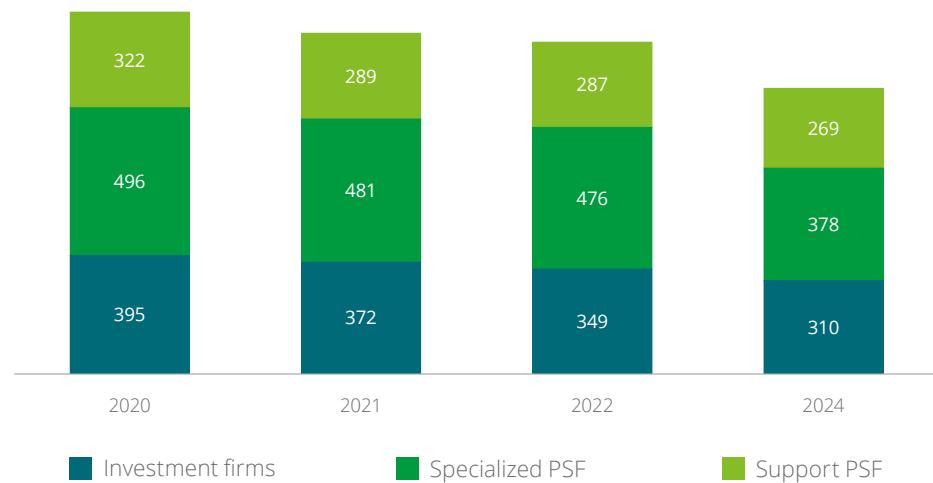
Investment firms tend to cluster around a specific set of services, typically holding five to six licenses. The most frequently held are Arts. 24-1, 24-2, 24-4, 24-5 and 28-6.

While most specialized PSF hold an average of five licenses, they usually rely on three or fewer for their operations, mainly using either Arts. 28-9, 28-10, 29-1 or 29-2.

This homogeneity is less common among support PSF, who usually hold one to two licenses, mainly using either Arts. 29-1, 29-2 or 29-3.

The most widely granted licenses are those for specialized PSF.

Figure 10: Evolution and distribution of licenses since 2020



Source: Derived from CSSF statistics

Figure 11: Distribution of PSF by number of licenses as of 31 December 2024

Number of licenses	Investment firms 2024	Specialized PSF 2024	Support PSF 2024
1	5	12	41
2	5	5	8
3	2	3	5
4	7	3	2
5	41	49	1
6	3	23	–
7	13	–	–
8	3	–	1
9	–	–	–
10	4	–	–
11	1	–	–
Total	84	95	58

Source: Derived from CSSF statistics

1.2 The PSF: a consistent and steady employer

As of 30 June 2025, PSF employed 17,234 people, compared to 7,747 employed by management companies and 26,394 by banks.

Evolution of PSF employment

According to the CSSF's Newsletter 296 issued in September 2025, the Luxembourg financial sector employed 52,235 people as of 30 June 2025. Most of the workforce is distributed among:

- 51% worked in banks;
- 15% worked in authorized investment fund managers according to Chapter 15 of the Law of 17 December 2010 relating to UCIs ("management companies"); and
- 33% worked in PSF, of which 46% worked in support PSF and 43% in specialized PSF.¹²

Boasting 17,234 jobs as of 30 June 2025 (excluding branches abroad), the number of people employed by PSF increased by 3% compared to 31 December 2023.

This rise in employment, despite a simultaneous decrease in the number of PSF entities, reflects ongoing restructuring—primarily through mergers and group consolidations—that reduce the number of legal entities without triggering immediate staff reductions. Headcount adjustments typically phase in over time, with employees often redeployed within groups or absorbed by acquiring firms. In addition, hiring in growth areas, such as digital capabilities, helps maintain overall employment.

The employee breakdown by PSF category in June 2025 saw specialized PSF employees increase by 2.9% and support

PSF by 3.1% compared to December 2023, while investment firms observed a decrease of 1.3%.

As of 31 December 2024, investment firms employed an average of 20 people, the same as in 2023. Specialized PSF employed an average of 78 people compared to 73 in 2023, and support PSF employed an average of 130 people compared to 129 in 2023.

Looking at financial sector employment as a whole between 2009 and 2024, PSF employment experienced a significant 28% increase over this 15-year period. In contrast, the number of bank employees remained stable, decreasing slightly from 26,420 in December 2009 to 26,148 in December 2024.

PSF's average employment figures are kept high thanks to a handful of entities generating a significant number of jobs.

Investment firms

In 2024, the top seven largest investment firms employed an average of 958 people, an increase from 921 in 2023.

These companies were Attrax Financial Services S.A., FIL (Luxembourg) S.A., Fisher Investments Luxembourg, Fund Channel S.A., Capitalatwork Foyer Group S.A., Moventum S.C.A. and Fiducenter S.A.

These companies' collective workforce accounted for 52% of the total investment firm employees in 2024. In comparison, the top five largest investment firms in 2023 employed 44% of this category's workforce.

Without these five entities, investment firms would only have an average workforce of 11 people.

Specialized PSF

The top 15 specialized PSF employed more than 100 people each in 2024, totaling 4,954 employees, which represented 67% of the total specialized PSF employees. In comparison, the top 15 specialized PSF in 2023 accounted for 4,734 people, which represented 65% of the total.

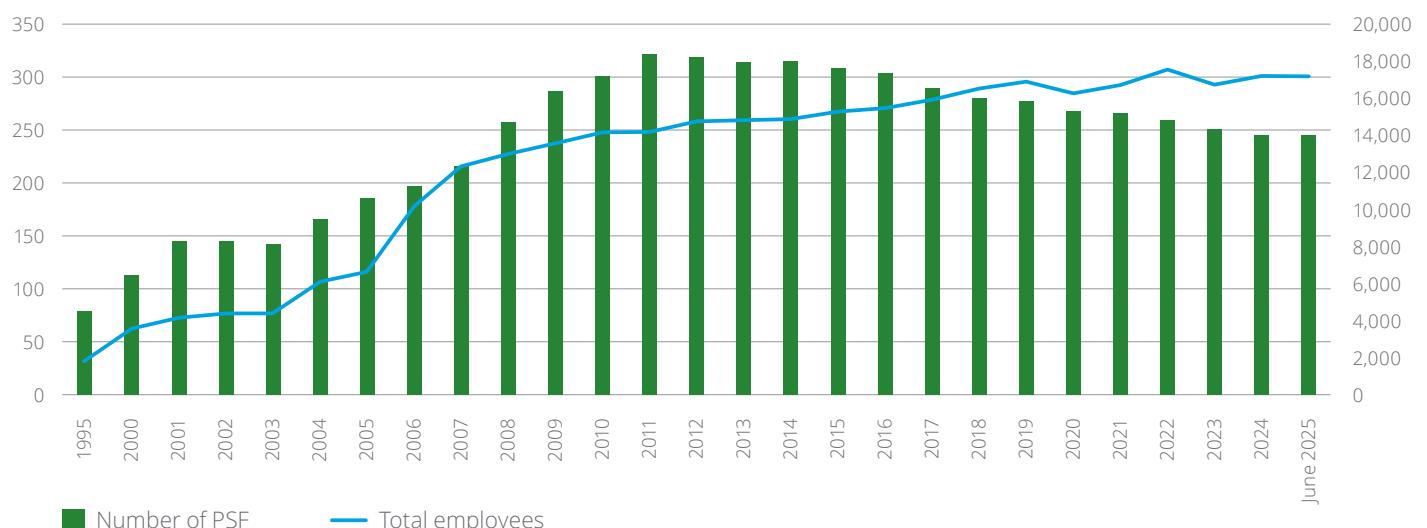
In 2024, these companies were Aztec Financial Services (Luxembourg) S.A., Alter Domus Alternative Asset Fund Administration S.à r.l., CSC Global Solution (Luxembourg) S.à r.l. (formerly known as Intertrust (Luxembourg) S.à r.l., Apex Fund Services S.A., UI efa S.A. (formerly known as European Fund Administration S.A.), International Financial Data Services (Luxembourg) S.A., IQ EQ (Luxembourg) S.A., Arendt Services S.A., TMF Luxembourg S.A., Vistra (Luxembourg) S.A., Langham Hall Luxembourg S.à r.l., Gen II Luxembourg Services S.à r.l., Hauck & Aufhaeuser Administration Services S.A., Citco Fund Services (Luxembourg) S.A., and Bourse de Luxembourg.

Support PSF

The five support PSFs with the highest headcounts employed more than 250 employees in 2024, totaling 2,949 employees and representing 37% of the total support PSF workforce. In comparison, the five support PSFs with the highest headcounts employed 2,863 people in 2023, representing 37% of the workforce.

In 2024, these companies were Proximus Luxembourg S.A., Brink's Security Luxembourg S.A., Sogeti Luxembourg S.A., POST Telecom S.A. and Inflow S.A.

Figure 12: Evolution of the number of PSF and its employees



Source: Statistics derived from the CSSF's annual reports and CSSF newsletters

Figure 13: Evolution of the number of employees by PSF category

	2023		2024		Evolution 2023-2024		June 2025		
	Total	Part	Total	Part	Total	Change	Total	Change	Part
Investment firms	1,830	11%	1,839	11%	9	0%	1,806	-2%	10%
Specialized PSF	7,258	43%	7,406	43%	148	2%	7,471	1%	43%
Support PSF	7,710	46%	7,954	46%	244	3%	7,957	0.04%	46%
Total	16,798	100%	17,199	100%	401	2%	17,234	0%	100%

Source: Statistics derived from the CSSF's annual reports and CSSF newsletters

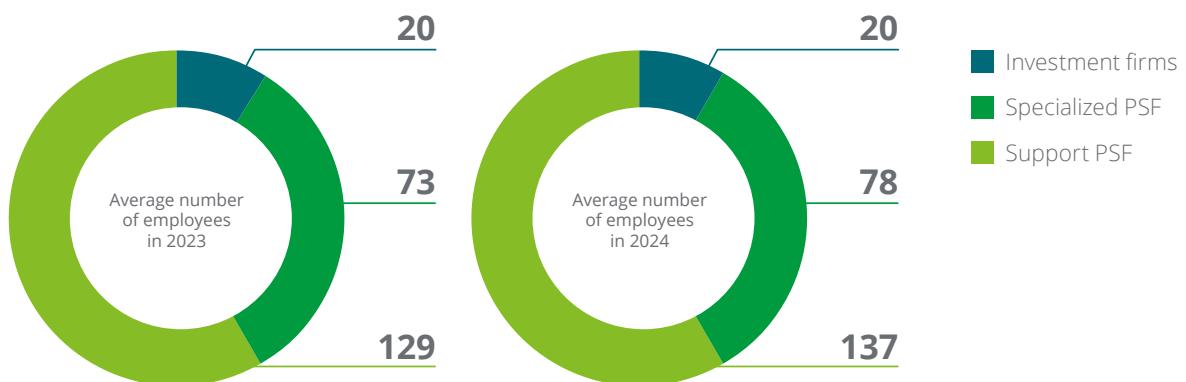
Employees of support PSF accounted for 46% of all PSF staff as of 31 December 2024.

Figure 14a: Distribution of PSF by number of employee bracket as of 31 December 2022 and 31 December 2024



Source: Compiled from audited financial statements of 245 entities for the financial years 2023 and 2024

Figure 14b: Average number of employees by PSF category in 2023 and 2024



Source: Statistics derived from the CSSF's annual reports and CSSF newsletters

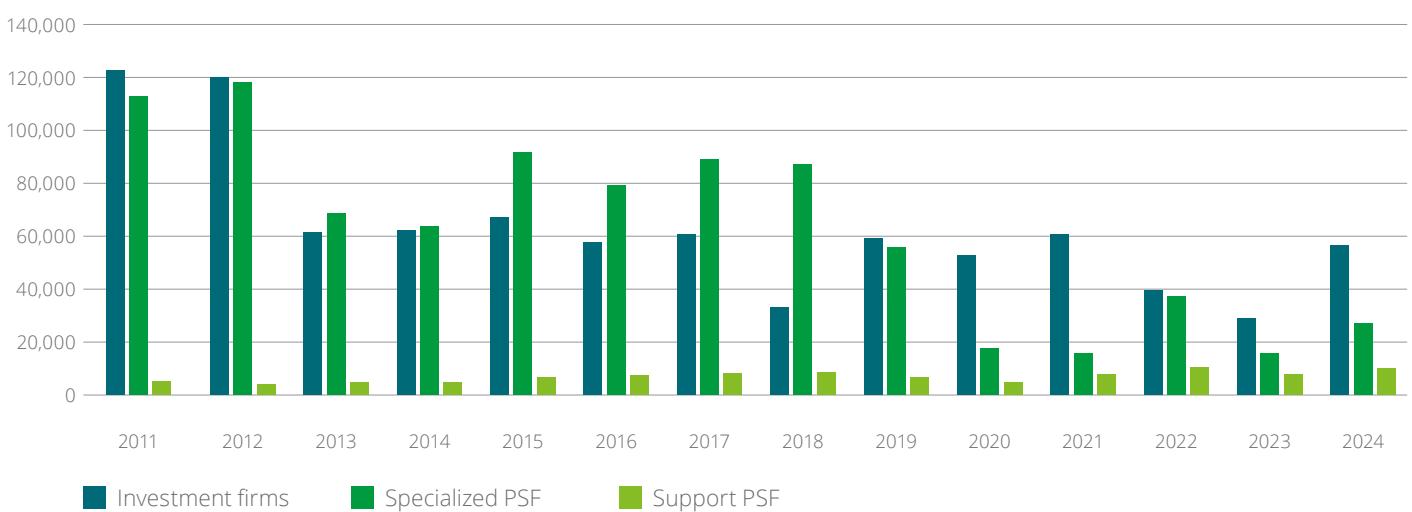
PSF's average employment figures are kept high.

Figure 14c: Evolution of the average number of employees by PSF category between 2011 and June 2025



Source: Statistics derived from the CSSF's annual reports and CSSF newsletters

Figure 14d: Evolution of the average net result per employee by PSF category between 2011 and 2024



Source: Statistics derived from the CSSF's annual reports and CSSF newsletters

Average net result per employee

By analyzing¹³ the CSSF's 2024 Annual Report, we estimate 2024's average profit per employee to be €22,358 marking a significant 48% increase compared to €15,083 in 2023.

Between 2023 and 2024, the average number of employees increased for specialized PSF by 6% and for support PSF by 7%, while remaining stable for investment firms.

All PSF categories recorded growth in their average net result per employee in 2024 compared to 2023. The most substantial increases were seen in:

- Investment firms, which nearly doubled, rising by 94% (from €29,071 to €56,444); and
- Specialized PSF's recorded a strong overall increase of 46%, with the aggregate net result rising from €18,500 to €27,000. However, the median net result per employee slightly declined, from €12,862 to €11,382. In addition, only one entity reported an exceptionally high net result per employee of €7,562 million in 2024 (compared to €7,065 million in 2023). The second-highest performance in 2024 was significantly lower, at €1,148 million per employee, underscoring the overall homogeneity of results across the sector.

Support PSF also experienced robust growth, with their average net result per employee increasing by 19% (from €8,547 to €10,158).



13. The analysis does not include data from Post Luxembourg.

Figure 15a: Range and average net results per employee by PSF category as of 31 December 2023 and 31 December 2024 (in € thousands)

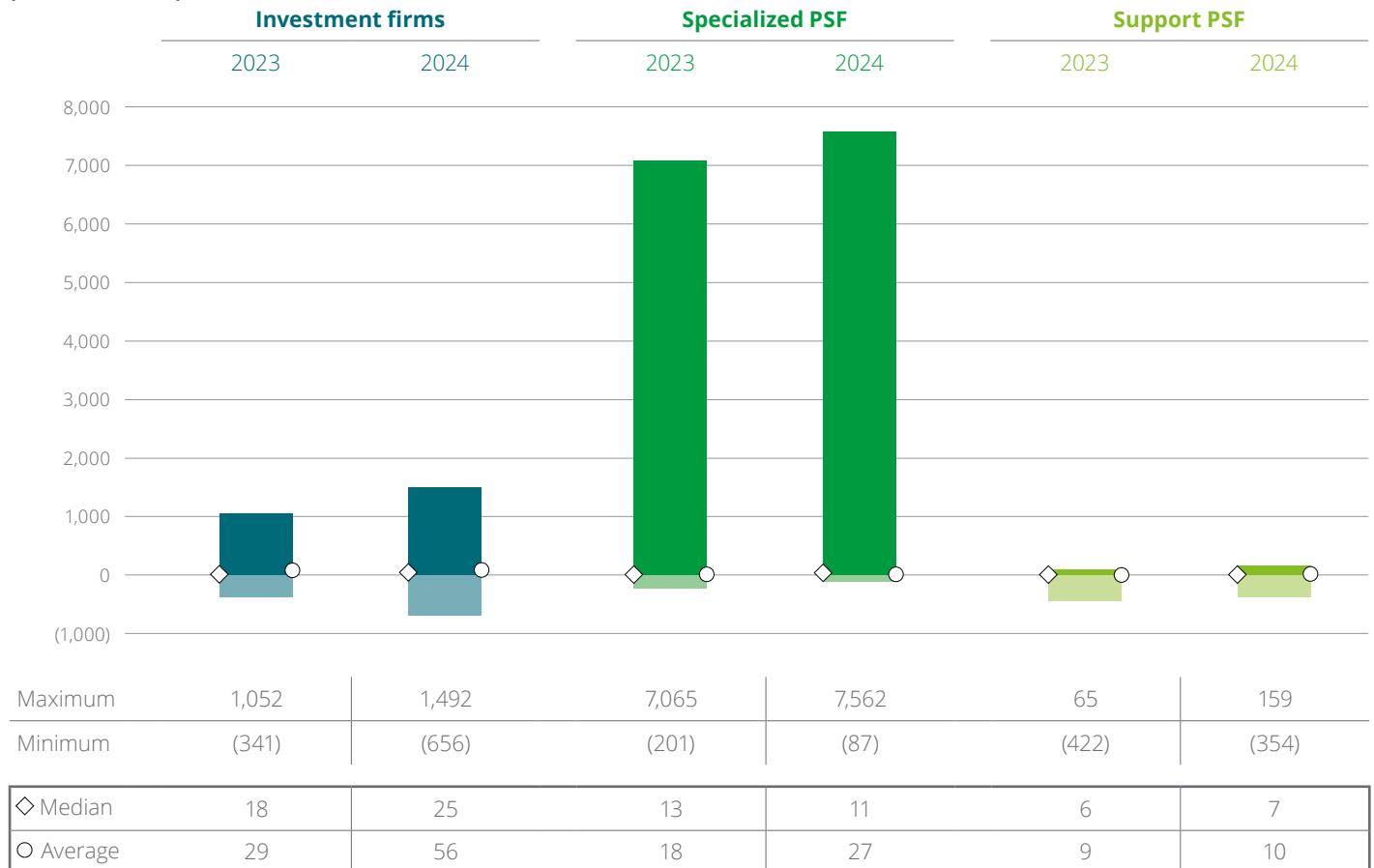
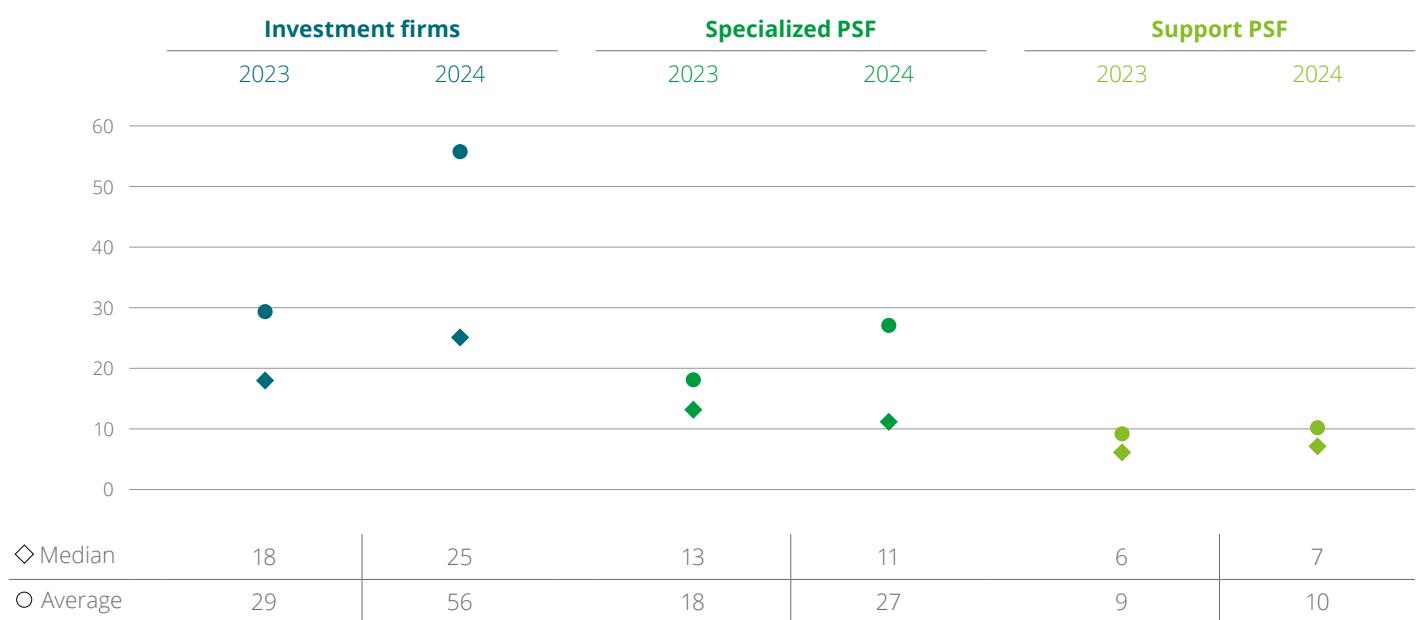


Figure 15b: Close-up on median and average net results by employee by PSF category as of 31 December 2023 and 31 December 2024 (in € thousands)



Source: Compiled from audited financial statements of 245 entities for the financial years 2023 and 2024

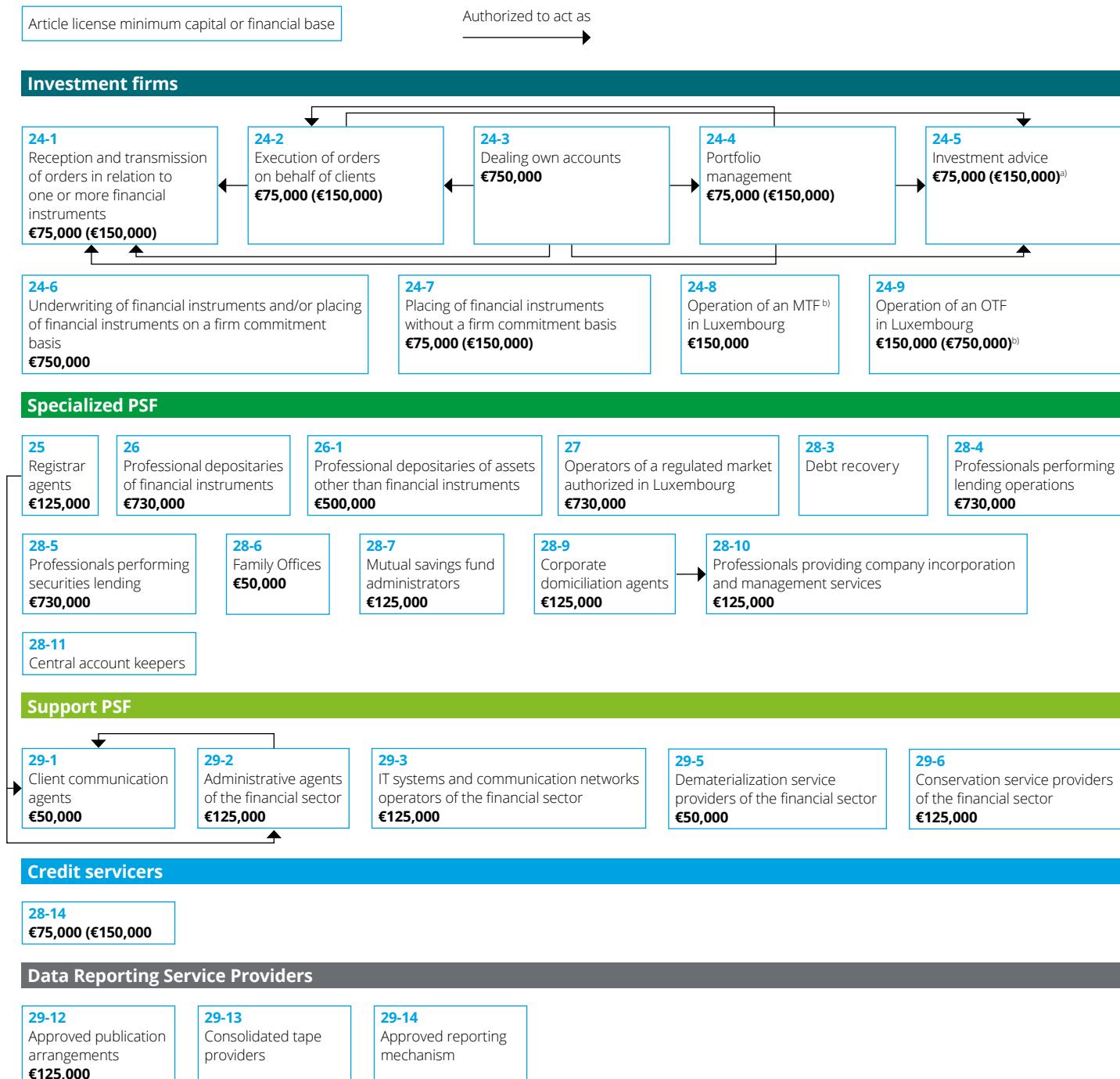
2

Categories of PSF

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2.1 Licenses in detail

The following table schematically sets out the various categories of PSF, as well as the different PSF license types.



a) Conditional on the production of evidence of a subscribed and fully paid-up share capital of no less than €75,000, where the investment firm is not permitted to hold client money or securities belonging to its clients. Conditional on the production of evidence of a subscribed and fully paid-up share capital of no less than €150,000, where the investment firm is permitted to hold client money or securities belonging to its clients.

b) €750,000, where this firm engages in dealing on own account or is permitted to do so.

This brochure's appendix features key PSF information by license type, including the license's legal definition, the products and services offered, the minimum required capital (or the capital base) and, where applicable, the amount of civil liability insurance required by law to carry out the activity.

Due to the large number of licenses that are mostly unrelated to one another, a combination of licenses is theoretically possible. Therefore, examining the main license combinations held by the various PSF can shed light on market trends.

Figure 16 groups licenses by major PSF category, illustrating how these categories overlapped as of 31 December 2024.

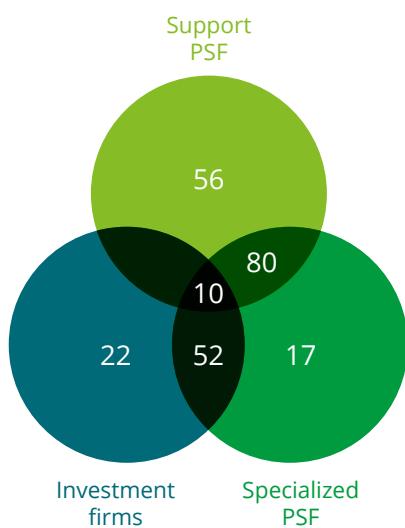
While PSF can combine several licenses, a PSF's principal license, allocated by the CSSF, determines its PSF category.

As of 31 December 2024, the total number of PSF analyzed was 237. This included:

- 84 investment firms, of which 52 held specialized PSF licenses, and 10 held both specialized and support PSF licenses;
- 95 specialized PSF, of which 78 held support PSF licenses; and
- 58 support PSF, of which 2 exceptionally held specialized PSF licenses.

The only DSRP was included in the Support PSF sub-category, as only holding Support PSF licenses on top of the DSRP license Art. 29.14.

Figure 16: Licenses of PSF by category as of 31 December 2024



Source: Derived from CSSF statistics

2.2 Investment firms

As the only PSF category with a European passport to distribute products and services, investment firms can set up branches and freely provide services just by filing a single notification to the authorities of other EU Member States.

The number of investment firms included in this analysis was 84, compared to the 90 investment firms as of December 31, 2024, excluding companies liquidated and in liquidation.

At the end of 2024, all investment firms held one or more of the following four licenses:

- 98% had a license for the Reception and transmission of orders in relation to one or more financial instrument (Art. 24-1);
- 19% had a license for Investment advice (Art. 24-5);
- 88% had a license for the Execution of orders on behalf of clients (Art. 24-2); and
- 80% had a license for Portfolio management (Art. 24-4).

Many of these investment firms also held additional licenses for other PSF categories, particularly Family offices (Art. 28-6), with over 61 investment firms holding this license.

Investment firms' other additional licenses were primarily Professionals providing company incorporation and management

services (Art. 28-10), Client communication agents (Art. 29-1), Administrative agents of the financial sector (Art. 29-2), Registrar agents (Art. 25) and Corporate domiciliation agents (Art. 28-9).

Investment firms fall into two categories: those governed by the Common Reporting Regulation (CRR) and those that are not.¹⁴ In practice, the former are more closely supervised and fall under the European Central Bank's (ECB) scope.

The CRR's scope—as defined in its Art. 4 (1) (2)—is limited to investment firms providing certain investment services that are considered to be quasi-banks. These are mainly private portfolio managers that directly offer accounts carried by a bank via so-called omnibus accounts to their customers.

CRR investment firms are subject to specific rules, particularly regarding consolidated supervision. They must provide specific prudential reports to regulators, including their liquidity coverage ratio (LCR) and net stable funding ratio (NSFR).

On 26 June 2021, a prudential regime entered into force for investment firms: the Investment Firms Regulation (IFR)¹⁵ and the Investment Firms Directive (IFD).¹⁶ This regulatory framework aims to be better suited to investment firms' activities, with specific reporting requirements proportionate to their relative size, nature,

business model complexity, and risk profile.

Investment firms fall into three different categories: class 1, class 2 and class 3. Essentially, the IFR/IFD regime applies to small and non-interconnected investment firms (class 3) and other than small and non-interconnected investment firms (class 2). Large and systemically relevant investment firms (class 1) continue to fall under the CRR and the fourth Capital Requirements Directive (CRD IV) prudential regime.¹⁷

According to the CSSF's *Annual Report 2024*, one-third of Luxembourg entities have been categorized as "class 2" investment firms and two-thirds as "class 3" investment firms. No "class 1" investment firms have been identified.¹⁸

This categorization process considers industry-specific factors when estimating minimum regulatory capital requirements, such as AUM, the value of client orders handled, assets safeguarded and administered, and total daily trading flow.

14. Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012.

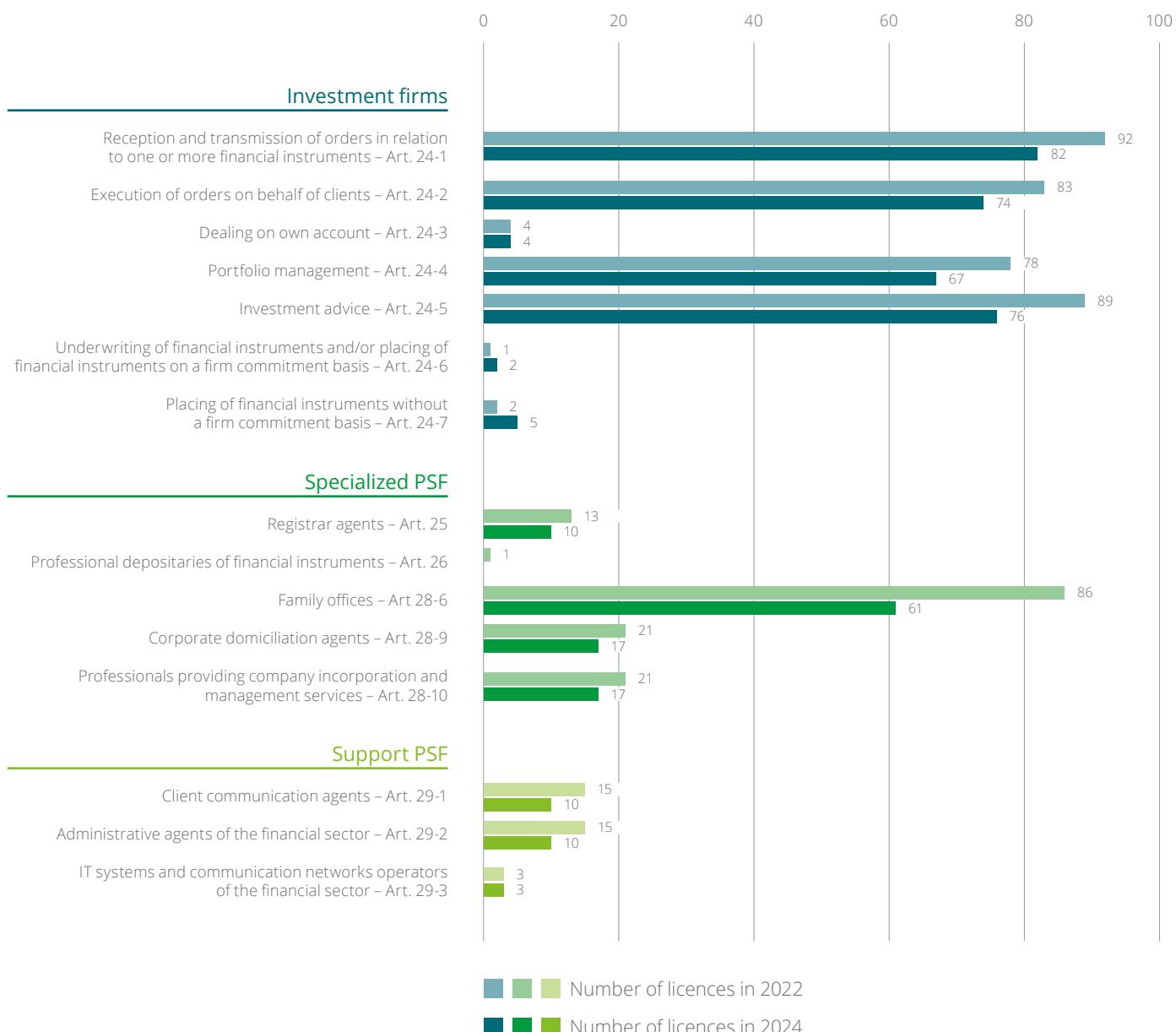
15. Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014.

16. Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU.

17. Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

18. CSSF, [Annual Report 2024](#).

Figure 17: Licenses granted to investment firms as of 31 December 2022 and 31 December 2024



Source: Derived from CSSF statistics

2.3 Specialized PSF

Unlike investment firms, specialized PSF do not benefit from the European passport but may carry out financial activities in Luxembourg. As of 31 December 2024, there were 95 specialized PSF, five fewer entities than at the end of 2022.

During 2024, three established companies secured specialized PSF licenses while four entities terminated their activities, two relinquished their PSF status and another two were involved in merger and acquisition transactions.

This category is split into three main sub-groups.

The first sub-group included 79 Corporate domiciliation agents (Art. 28-9) as of year-end 2024 (82 in 2022):

- In 78 of 79 cases, these entities were also licensed as Professionals providing company incorporation and management services (Art. 28-10), and in 7 of 79 cases, they were licensed as Family offices (Art. 28-6); and
- About 91% (72) were licensed as Registrar agents (Art. 25), and about 95% (75) were licensed as Client communication agents (Art. 29-1) and Financial sector administrative agents (Art. 29-2).

The second sub-group included 74 Registrar agents (Art. 25):

- All held support PSF licenses as Client communication agents (Art. 29-1) and Financial sector administrative agents (Art. 29-2);
- Almost all (97%) held specialized PSF licenses as Corporate domiciliation agents (Art. 28-9) and 96% held Professionals providing company incorporation and management services (Art. 28-10); and
- Only two (3%) were licensed as IT systems and communication networks operators of the financial sector (Art. 29-3).

The third and last sub-group included four Professionals performing lending operations (Art. 28-4), the same as in 2022. This license appears unique in that it is not held together with any other license. These entities carried out financial or operational leasing activities, three of which were the subsidiaries of banks—Banque Internationale à Luxembourg, ING and BNP Paribas—while one was the subsidiary of an international group.

The number of licenses held by specialized PSF slightly decreased, dropping from 485 in 2022 to 426 in 2024.

Between 2009 and 2024, the number of specialized PSF licenses rose from 254 to 426, a 68% growth over 15 years.



Figure 18a: Licenses granted to specialized PSF as of 31 December 2022 and 31 December 2024

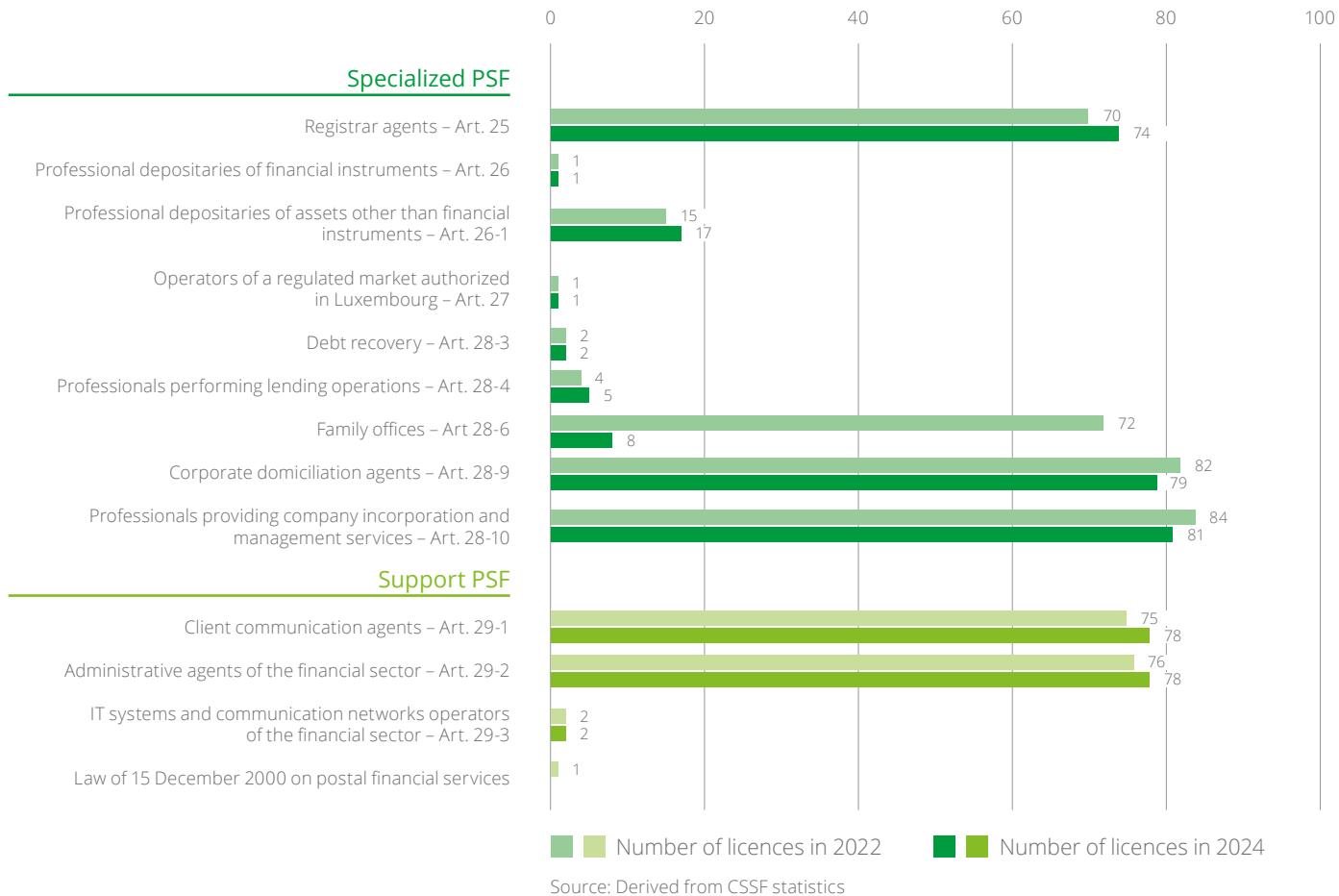
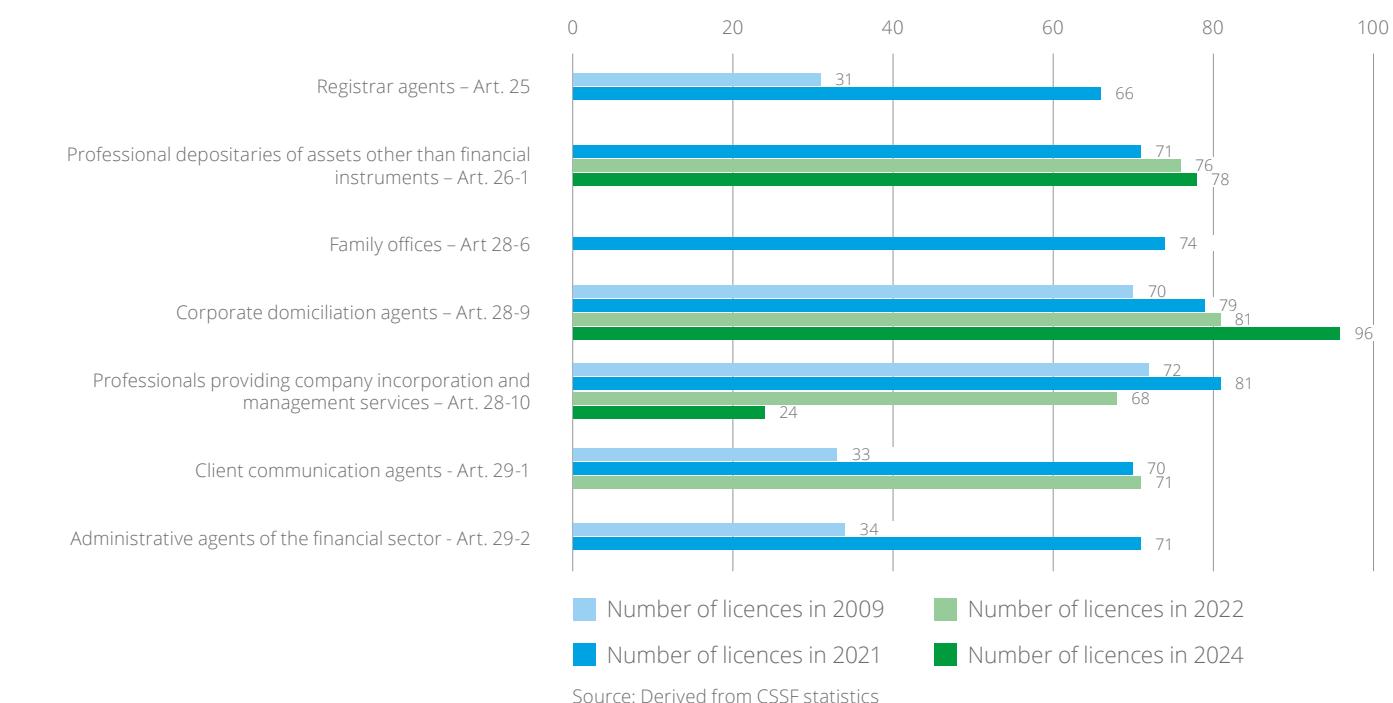


Figure 18b: Evolution between 2009, 2021, 2022 and 2024 in the seven main licenses held by specialized PSF



2.4 Support PSF

Similar to specialized PSF, support PSF do not benefit from a European passport. In 2024, three-quarters of these entities were from other countries and were part of a group; while a few belonged to banks, the majority belonged to specialized IT groups, such as Xerox, IBM, HP, Tata and Atos. The remaining one-quarter were local and standalone.

Our analysis shows that three main licenses co-exist in this category.

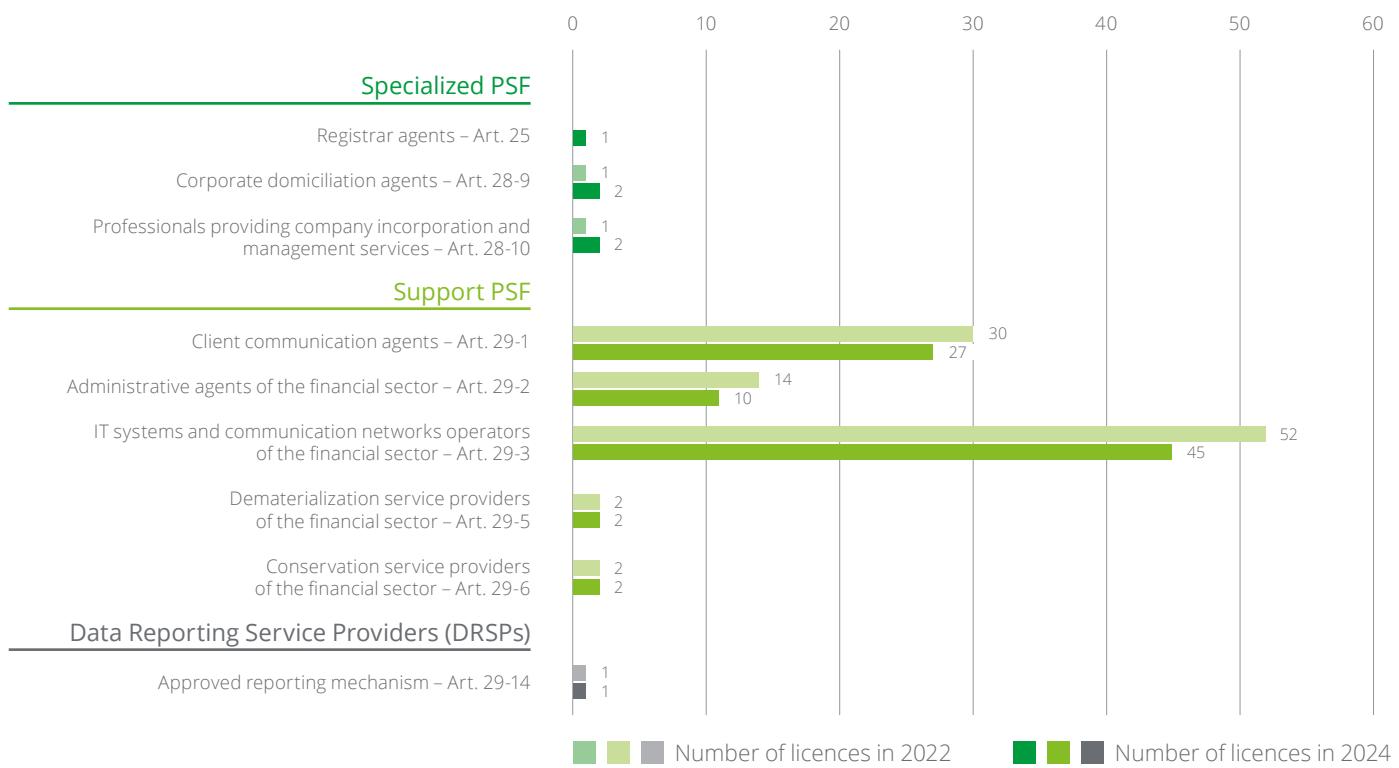
The first group of 27 entities held Client communication agent licenses (Art. 29-1) at year-end 2024 (32 at year-end 2022), of which 33% (nine entities) also held Financial sector administrative agent licenses (Art. 29-2). Financial sector administrative agents are automatically authorized to act as client communication agents.

The second group of 45 support PSF held IT systems and communication networks operators of the financial sector licenses (Art. 29-3) as of year-end 2024 (55 at year-end 2022). In 14 cases, they also held licenses under Art. 29-1, while 10 held licenses under Art. 29-2.

The third group of two entities included Dematerialization service providers of the financial sector (Art. 29-5) and Conservation service providers of the financial sector (Art. 29-6).

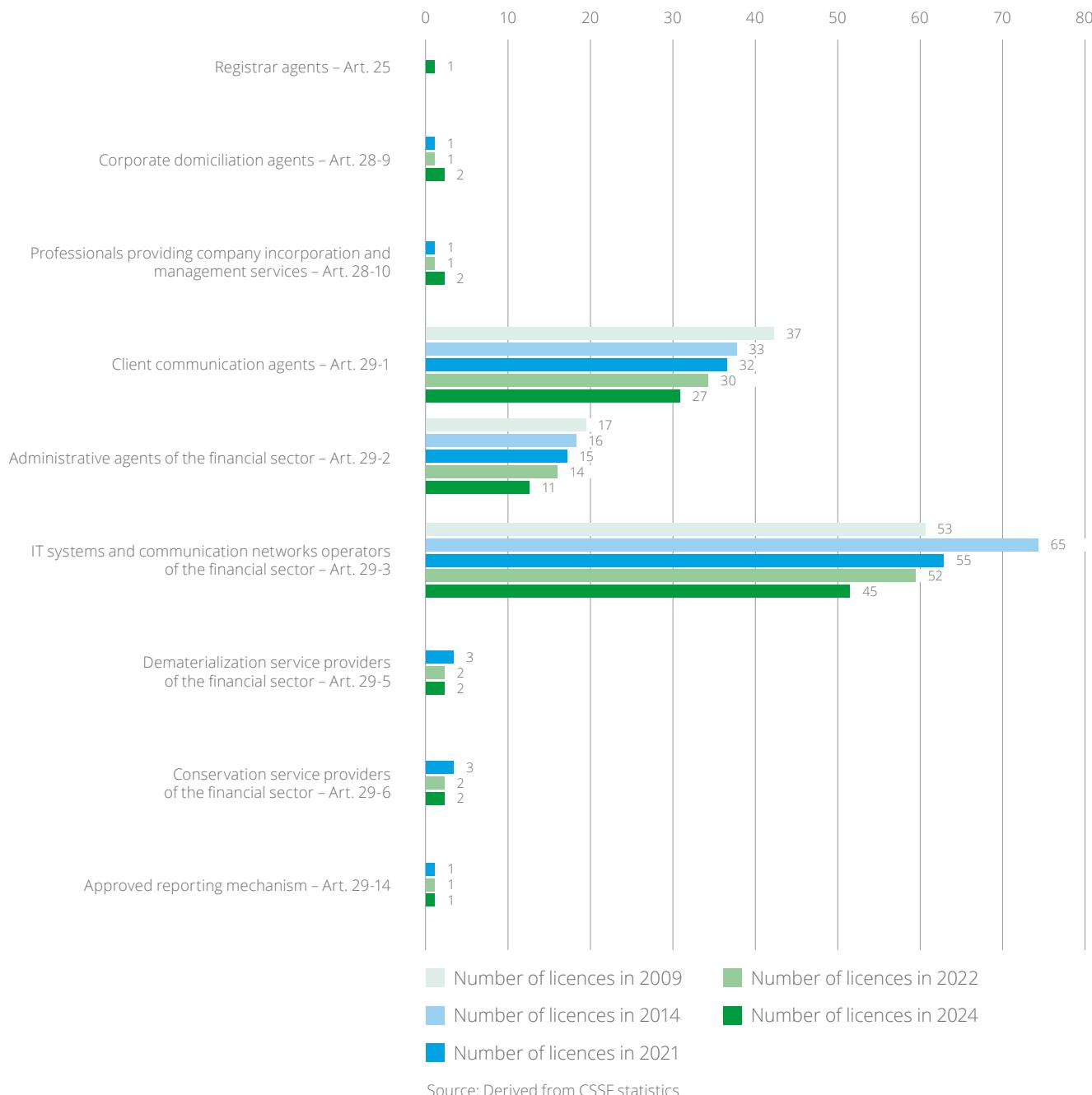
The number of licenses held by support PSF slightly decreased from 115 in 2020 to 93 in 2024.

Figure 19: Distribution of support PSF licenses as of 31 December 2022 and 31 December 2024



Source: Derived from CSSF statistics

Figure 20: Evolution between 2009, 2014, 2021, 2022 and 2024 in the licenses granted to support PSF



* Arts. 29-3 and 29-4 merged as a result of the Law of 21 July 2021. The comparative figure indicated for "IT systems and communication networks operators of the financial sector – Art. 29-3" represents the sum of the number of licenses granted for Arts. 29-3 and 29-4 according to the previous framework.

3

Deloitte's proposed services

Over many years, Deloitte has developed its competencies and services to support and advise all types of PSF, whatever their stage of development.

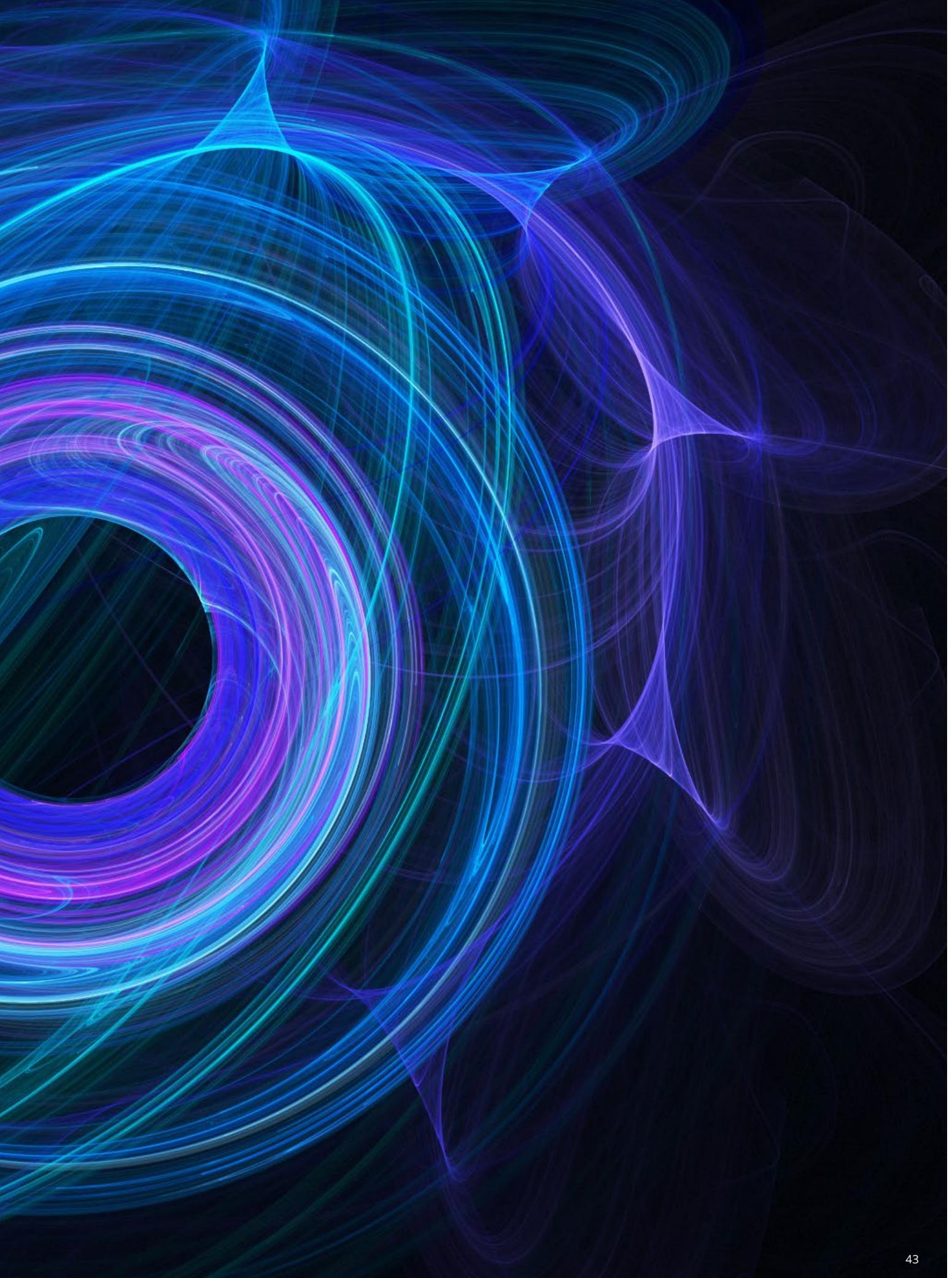


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4

Useful addresses

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4.1 Organizations representing PSF

Expanding representation across professional associations

PSF are subject to the supervisory authority of the CSSF. Obtaining PSF status requires a license granted by the Minister of Finance, following an opinion given by the CSSF. Key conditions for securing this license include:

- Initial capitalization and credit standing;
- The competence of the management;
- Adequate governance structures; and
- Maintaining a central administrative office in Luxembourg.

The professional associations set out in this section are the most representative in terms of defending the interests of PSF:

Finance & Technology Luxembourg (FTL)

This association, founded in 2007, brings together over 50 companies providing services to financial institutions. The FTL's mission is threefold: to inform its members about changing prospects for the financial and technology professions, create synergy among players to secure international projects for Luxembourg, and proactively address current topics directly relevant to both support PSF and fintech companies.

Tel.: +352 43 53 661

www.finaneandtechnology.lu

Association Luxembourgeoise des Family Office (LAFO)

This Luxembourg professional association specializes in family offices and currently serves about 50 members. The core function of a family officer is to act as a central service provider for "families and asset entities", by coordinating, controlling and overseeing all external professionals and service providers involved in managing clients' affairs. These include asset managers, attorneys, tax advisers, banks, trustees and notaries.

Tel.: +352 621 135 933

www.lafo.lu

Luxembourg Alternative Administrators Association (L3A)

Created in 2004, this association aims to promote the Luxembourg trust industry and effectively represent the professional interests of its members. It organizes seminars and other meetings and develops initiatives that would be too costly or difficult for individual members to undertake alone. It also safeguards and promotes the commercial activities of trust companies and defends their position with regulatory authorities by actively participating in commissions and working groups. To fulfill its mandate, the association maintains regular contact with authorities, other professional organizations, professional chambers, and various corporate institutions.

Tel.: +352 621 33 98 98

Email: contact@l3a.lu

www.l3a.lu

Luxembourg Capital Markets Association (LuxCMA)

LuxCMA was established as a not-for-profit association (a.s.b.l.) on 1 March 2019. It operates through four working groups and three task forces. Its main goal is to unite all players in the primary capital markets to identify and advance their common interests. In particular, LuxCMA focuses on facilitating access to a wide network of capital market professionals; exchanging views about the future of the industry; sharing best practices with peers; disseminating the latest information concerning legal and regulatory developments; setting market standards; and providing input for capital markets sector proposals in cooperation with other industry associations, thereby influencing future policy-making.

Tel.: +352 47 79 361

www.luxcma.com

Association des Banques Et Banquiers, Luxembourg (ABBL)

Established in 1939, the ABBL represents the majority of financial institutions, regulated financial intermediaries, and other professionals established in Luxembourg. Its membership extends to lawyers, consultants and auditors working in or for the financial sector. The ABBL supports its members by providing essential guidance and knowledge to operate in the financial market and its regulatory environment. Furthermore, the association serves as a crucial platform for discussing key industry issues and establishing common best-practice standards.

Tel.: +352 46 36 601

www.abbl.lu

ABBL investment firms working group

The ABBL has established a working group specifically dedicated to the community of investment firms that are PSF-regulated entities supervised by the CSSF. This initiative was launched to provide a suitable platform for independent asset managers to address and discuss their particular needs.

Tel.: +352 46 36 601

www.abbl.lu

Association Luxembourgeoise des Fonds d'Investissement (ALFI)

Established in 1988, ALFI represents Luxembourg's asset management and investment fund industry. It aims to position Luxembourg as the premier international hub for investment funds.

Tel.: +352 22 30 261

www.alfi.lu

Luxembourg Private Equity and Venture Capital Association (LPEA)

Established in 2010, LPEA represents the interests of the Luxembourg private equity and venture capital industry. The LPEA supports its members by providing an analysis of industry trends, forums for exchanging experiences, and a variety of training and workshop opportunities.

Tel.: +352 28 68 19 602

www.lpea.lu

Here are several other organizations and key contacts relevant to PSF.

The International Facility Management Association (IFMA)

Founded in 1980, IFMA is the largest international association for facility management professionals. With over 24,000 members in more than 100 countries, IFMA's mission is to equip facility managers with the necessary skills to succeed in their business.

www.ifma.org

ISACA

With more than 145,000 members in over 188 countries, ISACA is a major global provider of knowledge, certifications, exchange, sponsorship and training regarding the security and assurance of information systems, corporate governance concerning IT, and IT risk control and conformity. Founded in 1967, ISACA sponsors international conferences, publishes reviews, and develops international auditing and control standards for IT systems. The institution is open to IT auditors likely to be involved with PSF.

www.isaca.org

Luxembourg House of Financial Technology (LHoFT)

LHoFT is a collaborative initiative of the public and private sectors to stimulate technological innovation in Luxembourg's financial services sector. It aims to develop solutions that will shape tomorrow's world by connecting the national and international fintech community.

Tel.: +352 28 81 02 01

www.lhoft.com

Other useful addresses

Administration des contributions

directes

Tel.: +352 40 80 01

www.impotsdirects.public.lu

Administration de l'enregistrement et des domaines

Tel.: +352 44 90 51

www.aed.public.lu

Association Luxembourgeoise des Compliance Officers (ALCO)

Tel.: +352 28 99 25 00

www.alco.lu

Cellule de Renseignement Financier (CRF)

Tel.: +352 47 59 81 447

Chambre de Commerce du Grand-Duché de Luxembourg

Tel.: +352 42 39 391

www.cc.lu

Commission de Surveillance du Secteur Financier (CSSF)

Tel.: +352 26 25 11

www.cssf.lu

Fédération des professionnels du secteur financier Luxembourg (PROFIL)

Tel.: +352 27 20 371

www.profil-luxembourg.lu

Fedil

Tel.: +352 43 53 661

www.fedil.lu

Système d'indemnisation des investisseurs Luxembourg (SII)

www.cssf.lu/fr/indemnisation-investisseurs/

House of Training

Tel.: +352 46 50 16-1

www.houseoftraining.lu

Institut des Auditeurs Internes Luxembourg (IIA Luxembourg)

Tel.: +352 26 27 09 04

www.theiia.org/sites/luxembourg

Institut des Réviseurs d'Entreprises (IRE)

Tel.: +352 29 11 391

www.ire.lu

Institut Luxembourgeois des Administrateurs (ILA)

Tel.: +352 20 50 44

www.ila.lu

Luxembourg for Finance (LFF)

Tel.: +352 27 20 211

www.luxembourgforfinance.com

5

Appendices

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5.1. PSF in a nutshell

Investment firms

PSF activities	Article	Minimum capital or capital base €	Definition of the services
Reception and transmission of orders in relation to one or more financial instruments	24-1	€75,000 where the investment firm is not permitted to hold client money or securities belonging to its clients; otherwise €150,000	Reception and transmission of orders in relation to one or more financial instruments means the receiving or transmitting orders in relation to one or more financial instruments, without holding the clients' funds or financial instruments.
Execution of orders on behalf of clients	24-2	€75,000 where the investment firm is not permitted to hold client money or securities belonging to its clients; otherwise €150,000	Execution of orders on behalf of clients means acting to conclude agreements to buy or sell one or more financial instruments on behalf of clients and includes the conclusion of agreements to sell financial instruments issued by an investment firm or a credit institution at the moment of their issuance.
Dealing on own account	24-3	€750,000	Dealing on own account means trading against proprietary capital resulting in the conclusion of transactions in one or more financial instruments
Portfolio management	24-4	€75,000 where the investment firm is not permitted to hold client money or securities belonging to its clients; otherwise €150,000	Portfolio management means managing portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more financial instruments
Investment advice	24-5	€75,000 where the investment firm is not permitted to hold client money or securities belonging to its clients; otherwise €150,000	Investment advice means the provision of personal recommendations to a client, either upon its request or at the initiative of the investment firm, in respect of one or more transactions relating to financial instruments
Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis	24-6	€750,000	Underwriters of financial instruments are professionals whose business is to underwrite financial instruments and/or place financial instruments on a firm commitment basis .
Placing of financial instruments without a firm commitment basis	24-7	€75,000 where the investment firm is not permitted to hold client money or securities belonging to its clients; otherwise €150,000	This activity comprises the placing of financial instruments without a firm commitment basis.
Operation of an MTF	24-8	€150,000	An MTF is a multilateral system, which brings together multiple third-party buying and selling interests in financial instruments—in the system and in accordance with nondiscretionary rules—in a way that results in a contract.
Operation of an OTF in Luxembourg	24-9	€150,000 or €750,000 where this firm engages in dealing on own account or is permitted to do so	An OTF is a multilateral system that is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives can interact in the system in a way that results in a contract.



Specialized PSF

PSF activities	Article	Minimum capital or capital base €	Definition of the services
Registrar agents	25	€125,000	Registrar agents are professionals who maintain the register of one or more financial instruments. Maintaining the register includes the reception and execution of orders relating to such financial instruments, of which they are the necessary accessory.
Professional depositaries of financial instruments	26	€730,000	Professional depositaries of financial instruments are professionals who engage in the receipt into custody of financial instruments exclusively from PSF, and who are entrusted with the safekeeping and administration thereof, including custodianship and related services, and with the task of facilitating their circulation.
Professional depositaries of assets other than financial instruments	26-1	€500,000	"Professional depositaries of assets other than financial instruments are professionals whose activity consists in acting as depositary for: - specialized investment funds within the meaning of the law of 13 February 2007, as amended, - investment companies in risk capital within the meaning of the law of 15 June 2004, as amended, - alternative investment funds within the meaning of Directive 2011/61/EU, which have no redemption rights that can be exercised during five years as from the date of the initial investments and which, pursuant to their main investment policy, generally do not invest in assets which shall be held in custody pursuant to Article 19(8) of the law of 12 July 2013 on alternative investment fund managers or which generally invest in issuers or non-listed companies in order to potentially acquire control thereof in accordance with Article 24 of the law of 12 July 2013 on alternative investment fund managers."
Operators of a regulated market authorized in Luxembourg	27	€730,000	Operators of a regulated market in Luxembourg are persons who manage and/or operate the business of a regulated market authorized in Luxembourg, excluding investment firms operating an MTF or an OTF in Luxembourg.
Debt recovery	28-3	-	The recovery of debts owed to third parties, to the extent that it is not reserved by law to certificated bailiffs, shall be authorized only with the assent of the Minister for Justice.
Professionals performing lending operations	28-4	€730,000	"Professionals performing lending operations are professionals engaging in the business of granting loans to the public for their own account. The following, in particular, shall be regarded as lending operations for the purposes of this article: (a) financial leasing operations involving the leasing of moveable or immovable property specifically purchased with a view to such leasing by the professional, who remains the owner thereof, where the contract reserves unto the lessee the right to acquire, either during the course of or at the end of the term of the lease, ownership of all or any part of the property leased in return for payment of a sum specified in the contract;

PSF activities	Article	Minimum capital or capital base €	Definition of the services
Professionals performing lending operations (continued)	28-4	€730,000	<p>(b) factoring operations, either with or without recourse, whereby the professional purchases commercial debts and proceeds to collect them for his own account "when he makes the funds available to the transferor before maturity or before payment of the transferred debts".</p> <p>This article shall not apply to persons engaging in the granting of consumer credit, including financial leasing operations as defined in paragraph (a) above, where that activity is incidental to the pursuit of any activity covered by the law of 2 September 2011 regulating the access to the professions of craftsmen, salesmen, industrials as well as to some liberal professions, as amended.</p> <p>This article shall not apply to persons engaging in securitization operations."</p>
Professionals performing securities lending	28-5	€730,000	Professionals performing securities lending are professionals engaging in the business of lending or borrowing securities for their own account.
Family offices	28-6	€50,000	Any person performing the family office activity (as defined by the Law of 21 December 2012 relating to the family office activity) and is not registered in one of the other regulated professions listed under Art. 2 of the same law, is officially considered a family office and legally regarded as carrying on a business activity in the financial sector.
Mutual savings fund administrators	28-7	€125,000	"Mutual savings fund administrators are natural or legal persons engaging in the administration of one or more mutual savings funds. No person other than a mutual savings fund administrator may carry on, even in an incidental capacity, the business of administering mutual savings funds. For the purposes of this article, 'mutual savings fund' means any undivided fund of cash deposits administered for the account of joint savers numbering not less than 20 persons with a view to securing more favorable financial terms."
Corporate domiciliation agents	28-9	€125,000	Corporate domiciliation agents, referred to as other professionals of the financial sector in the list of paragraphs 1 of Art. 1 of the Law of 31 May 1999 on the domiciliation of companies and referred to in this article, are natural or legal persons who agree to the establishment at their address by one or more companies of a seat and who provide services of any kind connected with that activity. This article does not refer to the other persons listed in the above-mentioned list.
Professionals providing company incorporation and management services	28-10	€125,000	Professionals providing company incorporation and management services are natural and legal persons engaging in the provision of services relating to the formation or management of one or more companies.
Central account keepers	28-11	-	CAKs are persons whose activity is to keep issuing accounts for dematerialized securities.

Support PSF

PSF activities	Article	Minimum capital or capital base €	Activity covered by the status
Client communication agents	29-1	€50,000	<p>"Client communication agents are professionals engaging in the provision, on behalf of credit institutions, PSF, payment institutions, electronic money institutions, insurance undertakings, reinsurance undertakings, pension funds, UCIs, SIFs, investment companies in risk capital (<i>sociétés d'investissement en capital à risque</i>) and authorized securitization undertakings established under Luxembourg law or foreign law, of one or more of the following services:</p> <ul style="list-style-type: none"> - the production, in tangible form or in the form of electronic data, of confidential documents intended for the personal attention of clients of credit institutions, PSF, payment institutions, electronic money institutions, insurance undertakings, reinsurance undertakings, contributors, members or beneficiaries of pension funds and investors in UCIs, SIFs, investment companies in risk capital and authorized securitization undertakings; - the maintenance or destruction of documents referred to in the previous indent; - the communication to persons referred to in the first indent of documents or information relating to their assets and to the services offered by the professional in question; - the management of mail giving access to confidential data by persons referred to in the first indent; - the consolidation, pursuant to an express mandate given by the persons referred to in the first indent of positions which the latter hold with diverse financial professionals."
Administrative agents of the financial sector	29-2	€125,000	Administrative agents of the financial sector are professionals who engage in the provision, on behalf of credit institutions, PSF, payment institutions, electronic money institutions, UCIs, pension funds, SIFs, SICARs, authorized securitization undertakings, RAIFs, insurance undertakings or reinsurance undertakings established under Luxembourg law or foreign law, pursuant to a sub-contract, of administration services forming an integral part of the business activities of the originator.
IT systems and communication networks operators of the financial sector	29-3	€125,000	<p>IT systems and communication networks operators of the financial sector are professionals who are responsible for the operation of IT systems and communication networks that are part of the IT and communication systems belonging to credit institutions, PSF, payment institutions, electronic money institutions, UCIs, pension funds, SIFs, SICARs, authorized securitization undertakings, RAIFs, insurance undertakings or reinsurance undertakings established under Luxembourg law or foreign law.</p> <p>The activity of IT systems and communication networks operators of the financial sector includes IT processing or transfer of data stored in the IT systems.</p> <p>The IT systems and communication networks in question may either belong to the credit institution, PSF, payment institution, electronic money institution, UCI, pension fund, SIF, SICAR, authorized securitization undertaking, RAIF, insurance undertaking or reinsurance undertaking established under Luxembourg law or foreign law or be provided to them by the operator.</p>

PSF activities	Article	Minimum capital or capital base €	Activity covered by the status
Dematerialization service providers of the financial sector	29-5	€50,000	Dematerialization service providers of the financial sector are dematerialization or conservation service providers within the meaning of the Law of 25 July 2015 on e-archiving, which are in charge of the dematerialization of documents on behalf of credit institutions, PSF, payment institutions, electronic money institutions, UCIs, SIFs, SICARs, pension funds, authorized securitization undertakings, insurance undertakings or reinsurance undertakings, governed by Luxembourg law or by foreign law.
Conservation service providers of the financial sector	29-6	€125,000	Conservation service providers of the financial sector are dematerialization or conservation service providers within the meaning of the Law of 25 July 2015 on e-archiving, which are in charge of the conservation of electronic documents on behalf of credit institutions, PSF, payment institutions, electronic money institutions, UCIs, SIFs, SICARs, pension funds, authorized securitization undertakings, insurance undertakings or reinsurance undertakings, governed by Luxembourg law or by foreign law.



5.2 Summary of main regulations and circulars applicable to PSF

(as of 30 September 2025)

Circular/Regulation	Topic			
		Investment firms	Specialized PSF	Support PSF
Organization and internal control				
91/78	Segregation of assets for private portfolio managers	X (1)		
93/95 and 11/515	License requirements	X	X	X
93/102	Activities of brokers or commission agents	X (2)		
95/120 (as amended by 22/806)	Central administration		X	X
96/126 (as amended by 22/806)	Administrative and accounting organization		X	X
98/143 (as amended by 22/806)	Internal control		X	X
04/146	Protection of undertakings for collective investment and their investors against late trading and market timing practices	X (3)	X (3)	X (3)
04/155 (as amended by 22/806)	Compliance function		X	X
12/538	Lending in foreign currencies	X	X (4)	
Grand-ducal Regulation of 25 July 2015	Dematerialization and conservation of documents/electronic archiving			X (3)
15/631	Dormant or inactive accounts	X	X	X
17/651 (as amended by 24/869)	Credit agreements for consumers relating to residential immovable property	X	X	X
17/669	Prudential assessment of acquisitions and increases in holdings in the financial sector	X	X	X
17/671 (as amended by 18/698 and 19/718)	Out-of-court resolution of complaints	X	X	X
CSSF Regulation 20-04	Measures for a high common level of security of network and information systems		X	
20/743:19/716 (as amended by 20/743)	Provision in Luxembourg of investment services or performance of investment activities and ancillary services in accordance with Art. 32-1 of the Law	X		
20/750 (as amended by 22/828 and 25/881)	Information and communication technology (ICT) and security risk management	X	X	X

Circular/Regulation	Topic			
		Investment firms	Specialized PSF	Support PSF
20/758 (as amended by 21/785 and 22/806)	Central administration, internal governance and risk management	X	X (5)	
22/827, updating 07/325 and 13/568 and 21/765	Branches in Luxembourg or activities exercised in Luxembourg by way of free provision of services; branches in another Member State or activities exercised in another Member State by way of free provision of services	X (3)		
21/769 (as amended by 22/804)	Governance and security requirements for supervised entities to perform tasks or activities through telework	X	X	X
22/806, repealing 17/656 and 17/654	Outsourcing arrangements	X	X	X
Remuneration				
10/437	Remuneration policies in the financial sector	X	X	X
Fight against money laundering (ANML) and terrorist financing (TF)				
11/528	Abolition of the transmission to the CSSF of suspicious transaction reports	X	X	X
11/529	Risk analysis regarding the fight against money laundering and terrorist financing	X	X	X
17/650 (as amended by 20/744 offences)	Application extended to primary tax	X	X	X
Regulation 12-02 (as amended by CSSF Regulation N°20-05 and Circulars 10/495 and 15/609)	Fight against money laundering and terrorist financing	X	X	X
19/732 (as amended by 26/861)	Prevention of money laundering and terrorist financing: clarifications on the identification and verification of the identity of the ultimate beneficial owner(s)	X	X	X
20/740	AML/CFT implications during the COVID-19 pandemic	X	X	X
S21/782 (as amended by 23/842 and 23/843)	Adoption of the revised guidelines by the European Banking Authority (EBA), on money laundering and terrorist financing risk factors	X	X	
MiFID				
07/307 (as amended by 23/842 and 23/843)	As amended by CSSF Circulars 13/560, 13/568 and 14/585	X		
19/723	ESMA Guidelines on the application of the definitions of commodity derivatives in Sections C6 and C7 of Annex I of MiFID II	X		
21/779	Adoption of the ESMA Guidelines on certain aspects of the MiFID II compliance function requirements (ESMA35-36-1952)	X		
21/783	Application of the ESMA Guidelines on the MiFID II/MiFIR obligations on market data	X		

Circular/Regulation	Topic			
		Investment firms	Specialized PSF	Support PSF
Prudential ratios				
06/260	Capital adequacy ratios / large exposures; assessment process	X		
07/290 (as amended by 10/451, 10/483, 10/497, 13/568 and 25/884)				
07/301 (as amended by 08/338, 09/403, 11/506, 13/568 and 20/753)				
11/501				
11/505, repealed by 22/797				
12/535				
13/572				
Regulations 14-01, 15-01 and 15-02 and 13/575, 14/582, 14/583, 15/606, 15/618, 15/620, 15/622, 20/756 and 21/784 as well as Regulation (EU) No 575/2013, ad hoc Commission Delegated Regulations (EU) and ad hoc Commission Implementing Regulations (EU)	Supervisory reporting requirements (IFD/IFR/ FINREP)	X (3)		
09/403	Sound liquidity risk management	X		
11/506 (as amended by 20/753)	Principles of a sound stress testing program	X		
16/02	Scope of deposit guarantee and investor compensation	X		
17/03 and 17/649	Adoption of the guidelines issued by the EBA on the methods of providing information in summarized or collective form for the purposes of the Banking Recovery and Resolution Directive (BRRD)	X		
Reporting				
05/187, completed by 10/433, 21/770 and 19/709	Financial information to be submitted to the CSSF on a periodic basis	X	X	X
08/364	Financial information to be submitted to the CSSF on a quarterly basis by the support PSF			X
08/369	Prudential reporting	X	X	X
10/457, repealed by 19/731	Electronic transmission to the CSSF of the long form report and of the management letter	X		
11/503	Transmission and publication of financial information and relating deadlines	X	X	X
11/504	Frauds and incidents due to external computer attacks	X	X	X
13/577	"Responsible persons for certain functions and activities" table	X		
23/833 (repeal of 08/334 on encryption specifications for reporting firms and 08/344 on the provisions relating to the transmission of reporting files to the CSSF)	Communication means for requests and reporting to the CSSF	X	X	X

Circular/Regulation	Topic	Investment firms	Specialized PSF	Support PSF
Domiciliation				
01/28, 01/29, 01/47 and 02/65	Domiciliation	X (6)		
Supervision				
00/22	Supervision of investment firms on a consolidated basis	X (3)		
08/350 (as amended by 13/568)	Prudential supervisory procedures for support PSF			X
15/629 (as amended by 16/641)	Supplementary supervision to be applied to financial conglomerates and definition of structure coefficients to be observed by the regulated entities belonging to these financial conglomerates		X	
19/716 (as amended by 20/743)	Provision in Luxembourg of investment services or performance of investment activities and ancillary services in accordance with Art. 32-1 of the Law		X	
24/850 (repealing 12/544)	Optimization of the supervision exercised on the support PSF by a risk-based approach			X
External audit				
03/113 (as amended by Circulars CSSF 10/486, CSSF 21/768 and CSSF 24/853), 13/571 and 21/768	Practical rules concerning the mission of external auditors of investment firms		X	
The Digital Operations Resilience Act (DORA)¹⁹				
25/883	Amending Circular CSSF 22/806 on outsourcing arrangements		X	X
25/881	Amending Circular CSSF 20/750 on requirements regarding ICT and security risk management		X	X
25/882	On requirements on the use of ICT third-party services for financial entities subject to DORA		X	X

19. Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011.

The Digital Finance Package

The EU has expanded its regulatory landscape with the Digital Finance Package. Launched by the European Commission, this comprehensive framework aims to promote responsible innovation, ensure a harmonized market for digital assets, and provide clear guidelines across Member States.

The package's primary goals include:

- **Harmonizing regulations:** by standardizing the rules across all EU Member States, the package simplifies compliance for businesses operating within the single market.
- **Promoting innovation:** the framework encourages responsible innovation and competition in the EU's financial services sector.
- **Enhancing security:** its measures aim to mitigate risks and protect market integrity, ultimately benefiting both consumers and businesses.

Two cornerstones of this package are MiCA and the DLT Pilot Regime.

Both regulations contribute to a broader strategy to harness DLT's potential in the financial sector, enabling the safe and regulated adoption of DLT-based assets and technologies to enhance financial markets' efficiency and transparency. By providing structured frameworks, these initiatives ensure that innovations like crypto assets and DLT can be explored and implemented without compromising market integrity or investor protection.

It is important to note that MiCA and the DLT Pilot Regime cover different sets of assets, with the former focusing on crypto assets and the latter mainly covering traditional financial instruments like stocks and bonds. In their DLT-based form, these tokenized financial instruments retain their MiFID II regulatory classification and obligations, ensuring continuity in their legal and regulatory treatment.

MiCA

On 9 June 2023, the EU's Official Journal published MiCA, marking an important development for European cryptocurrency markets. This groundbreaking European initiative contrasts sharply with the largely unregulated and unstandardized global cryptocurrency market.

MiCA's overarching purpose is to address risks regarding consumer protection, financial stability and market integrity while fostering innovation in the DLT and crypto space. It provides specific rules for both crypto-asset issuers and CASPs.

For issuers, MiCA specifies several key requirements:

- **Disclosure:** issuers must provide a comprehensive position paper detailing the crypto-asset offering and its project objectives, rights and obligations, and associated risks. This ensures that investors have clear and accurate information to make informed decisions.

- **Authorization and registration:** significant crypto assets, such as stablecoins, require issuers to obtain authorization by demonstrating compliance with operational, governance and capital requirements.

- **Ongoing obligations:** issuers must maintain robust operational procedures, governance frameworks, risk management processes, and sufficient capital reserves. Regular updates and reports to regulatory authorities are mandatory for transparency and compliance.

For CASPs, MiCA establishes a licensing regime to standardize operations across the EU. Entities performing certain activities are categorized as CASPs, thereby falling under MiCA's scope. These activities include:

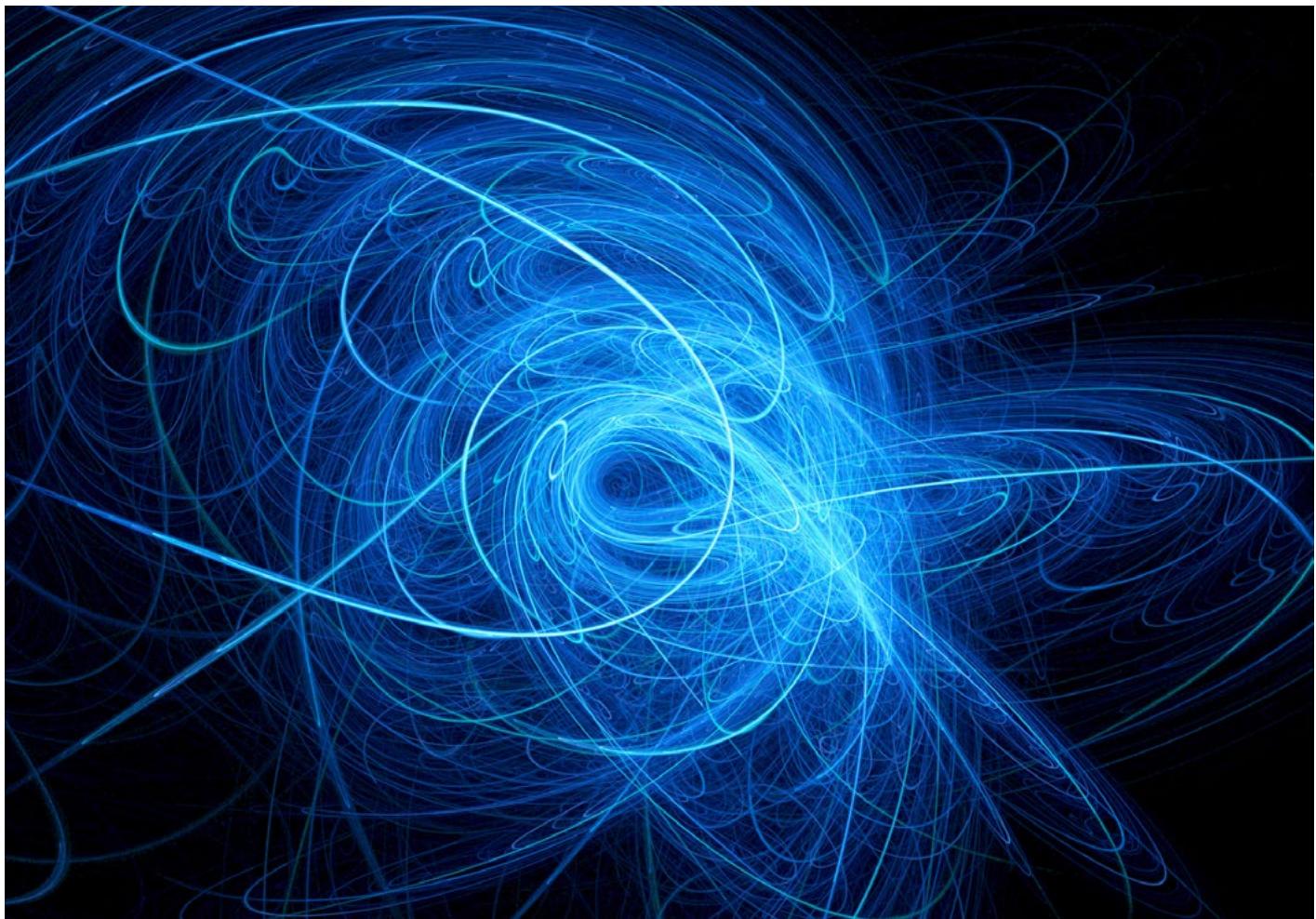
- Facilitating the buying and selling of crypto assets by providing a marketplace for trades (i.e., trading platforms);
- Offering custody services to safeguard users' crypto assets (i.e., custodian wallet providers);

- Exchanging crypto assets for fiat currency or other crypto assets;
- Acting as intermediaries to execute trading orders on behalf of clients;
- Assisting in crypto-asset placement and distribution;
- Providing advisory services regarding investments in crypto assets;
- Managing portfolios containing crypto assets on behalf of clients; and
- Facilitating the transfer of crypto assets between wallets.

To operate within the EU, CASPs must obtain authorization from national competent authorities by meeting specific criteria, such as:

- **Operational and security standards:** CASPs must implement robust internal controls, IT systems and cybersecurity measures to protect client assets and data. This includes ensuring the integrity and security of trading platforms and safeguarding against fraud and cyberattacks.
- **Conduct of business rules:** CASPs must adhere to high standards of conduct, including treating customers fairly, providing clear and accurate information, and managing conflicts of interest. They must also ensure their clients' funds and assets are properly segregated from their own to avoid misuse.
- **AML and CTF compliance:** CASPs must implement comprehensive AML and CTF procedures, including customer due diligence, transaction monitoring, and reporting suspicious activities to the relevant authorities. This helps protect the crypto-asset market from being used for illicit purposes.

While MiCA excludes decentralized projects like bitcoin with no clear issuer, CASPs dealing with these assets are treated as issuers. Most unique non-fungible tokens (NFTs), such as digital art and music, are not covered, but identical NFTs will be regulated.



As a regulation, MiCA has applied directly in each EU Member State since 30 December 2024, without the need for national adoption.

DLT Pilot Regime

Enacted on 30 May 2022, the DLT Pilot Regime allows market infrastructures to use DLT for trading and settling securities transactions. The regulation aims to reduce regulatory uncertainty and test the benefits of DLT in financial services, informing potential future rules on trading and settling financial instruments on DLT.

The DLT Pilot Regime became effective on 23 March 2023. It was implemented in Luxembourg through the Law of 15 March 2023 ("Blockchain Law III"), which also amended existing legislation, including:

- The Law;
- The Law of 5 August 2005 on financial collateral arrangements; and
- The MiFID II Law.

The DLT Pilot Regime applies to DLT-based financial instruments as defined by MiFID II, which must be issued, recorded, transferred and stored using DLT. It introduces three new types of DLT market infrastructures:

01. DLT MTFs, which are MiFID trading venues where operators require a MiFID II license;
02. DLT settlement systems (DLT SSs), which are used for post-trade activities, including clearing and settlement, where operators require a license under the Central Securities Depository Regulation (CSDR);²⁰ and

03. DLT TSSs, which combine the DLT MTF and DLT SS services.

To operate a DLT MTF, DLT SS or DLT TSS, market participants must submit an authorization request to their Member State's competent authority, including:

- Business types and organizational structure;
- Description of the DLT used;
- Proof of sufficient guarantees for commitments and customer indemnification; and
- Transition strategy.

The authorization is provisional, lasting up to six years, and only applies for the duration of the DLT Pilot Regime.

²⁰ Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012.

To support trading and settlement using DLT, the regulation offers certain exemptions from MiFID II, MiFIR and CSDR obligations deemed too restrictive, such as:

- Operators of DLT MTFs can apply for an exemption from MiFIR's Art. 26 requirements on transaction reporting.
- Investors can be admitted to DLT MTFs and DLT SSs without an intermediary, including natural persons.
- Transactions can be settled using DLT-based payment systems, such as e-money tokens, rather than cash.
- Securities traded on DLT MTFs do not need to be recorded with a central securities depository (CSD). However, certain thresholds must be respected for financial instruments using the DLT market:
 - Financial instruments traded or registered on DLT platforms should not exceed €6 billion at admission or registration, and if the market value exceeds €9 billion, an exit transition strategy must be activated.
 - Shares: market cap/tentative market of less than €500 million.
 - Bonds: less than €1 billion, with derivative-linked bonds excluded.
 - Corporate bonds: €200 million.
 - Units of UCITS: less than €500 million.

Blockchain laws and the control agent role (credit institutions or investment firms)

Luxembourg's blockchain laws address both MiFID-listed and non-listed dematerialized securities. They clarify that crypto assets, including e-money tokens and asset-referenced tokens, fall under MiCA, which has been fully applicable since 30 December 2024.

The digitalization of financial instruments does not alter the regulatory requirements applied to them. For example, a digital debt must meet the same requirements as a traditional debt.

The blockchain laws were developed to provide a legal framework that applies along the entire securities value chain for digital transactions in exactly the same

way as traditional transactions, with a technology-neutral approach. They offer a legal alternative model for the issuance, distribution and custody of securities, designed to complement the legacy model rather than replacing it.

• The Law of 1 March 2019 (Blockchain Law I)

This law established that CAKs are permitted to maintain securities accounts and credit securities using secure electronic registration mechanisms, such as DLT.

Transfers of securities registered within these systems are legally recognized as valid book transfers between securities accounts, and using DLT to maintain or credit securities accounts does not affect these securities' fungibility.

• The Law of 22 January 2021 (Blockchain Law II)

This law extended the initial framework by allowing the use of DLT for both the registration of securities and the maintenance of their corresponding issuance accounts with a settlement institution or CAK. It also established that any EEA-authorized credit institution or investment firm can act as a CAK, provided the securities are unlisted debt instruments.

This law further enabled the issuance and maintenance of dematerialized securities in tokenized form, the registration of ownership transfers using DLT, and the possibility of the entire issuance and circulation process taking place within a DLT-based environment.

• The Law of 15 March 2023 (Blockchain Law III)

This law confirmed that financial instruments booked in securities accounts held on DLT qualify as financial instruments within the meaning of the Law of 5 August 2005 on financial collateral arrangements. It also allowed for financial collateral arrangements to be established directly on DLT, meaning that securities accounts on

DLT can be pledged.

Additionally, this law introduced the DLT Pilot Regime into Luxembourg law, further integrating innovative blockchain solutions into the financial regulatory framework.

• The Law of 19 December 2024 (Blockchain Law IV)

This law allows credit institutions and investment firms from Luxembourg and the EEA to act as CAKs for unlisted debt and equity securities, thereby enabling the investment fund industry to tokenize fund units. Under this law, CAKs can hold both the issuance account and the securities accounts, functioning as the ultimate custodian in a two-layer custody structure.

Additionally, the law introduces an alternative model where a control agent holds the issuance account, and securities accounts may be maintained by multiple different custodians in Luxembourg or the EEA without a custody relationship with the control agent.

CAKs and control agents use DLT to keep and manage issuance accounts, monitor the chain of ownership of securities, and verify consistency between the number of securities issued and those registered on the DLT network.

MiCA – CSSF Circulars	Topic
25/872	Application of the EBA Guidelines on the minimum content of the governance arrangements for issuers of asset-referenced tokens (EBA/GL/2024/06) – Art. 34(13) of MiCA
25/873	Application of the EBA Guidelines on recovery plans under Arts. 46 and 55 of Regulation (EU) 2023/1114 (EBA/GL/2024/07)
25/874	Application of the EBA Guidelines establishing the common reference parameters of the stress test scenarios for the liquidity stress tests referred in Art. 45(4) of Regulation (EU) 2023/1114 (EBA/GL/2024/08)
25/875	Application of the joint EBA and ESMA Guidelines on the suitability assessment of members of management body of issuers of asset-referenced tokens and of crypto-asset service providers, and of Joint EBA and ESMA Guidelines on the suitability assessment of shareholders and members, whether direct or indirect, with qualifying holdings in issuers of asset-referenced tokens and in crypto-asset service providers (EBA/GL/2024/09; ESMA75-453128700-10)
25/876	Application of the EBA Guidelines on redemption plans under Arts. 47 and 55 of Regulation (EU) 2023/1114 (EBA/GL/2024/13)
25/885	Application of the EBA Guidelines on templates to assist competent authorities in performing their supervisory duties regarding issuers' compliance under Titles III and IV of Regulation (EU) 2023/1114 (EBA/GL/2024/16)
25/886	Application of the ESMA Guidelines on the conditions and criteria for the qualification of crypto-assets as financial instruments (ESMA75453128700-1323)
25/887	Application of the ESMA Guidelines on situations in which a third-country firm is deemed to solicit clients established or situated in the EU and the supervision practices to detect and prevent circumvention of the reverse solicitation exemption under MiCA (ESMA35-1872330276-2030)
25/888	Application of the ESMA Guidelines on the procedures and policies, including the rights of clients, in the context of transfer services for crypto-assets under MiCA on investor protection (ESMA35-1872330276-2032)
25/889	Application of the ESMA Guidelines on the specification of Union standards for the maintenance of systems and security access protocols for offerors and persons seeking admission to trading of crypto-assets other than asset-referenced tokens and e-money tokens (ESMA75-223375936-6132)
25/890	Application of the joint ESA Guidelines on templates for explanations and opinions, and the standardized test for crypto-assets, under Art. 97(1) of Regulation (EU) 2023/1114 (JC 2024 28)
25/891	Application of the ESMA Guidelines on certain aspects of the suitability requirements and format of the periodic statement for portfolio management activities under MiCA (ESMA35-1872330276-2031)
Law of 6 February 2025	Establishes Luxembourg's national framework to apply MiCA and the Transfer of Funds Regulation (TFR) to crypto-asset issuers and service providers, designates the CSSF as the competent authority, sets Authorization and passporting procedures, defines supervisory and enforcement powers (including administrative sanctions), provides transitional arrangements for existing providers, and aligns/updates Luxembourg financial sector and AML/CFT laws accordingly

Note: MiCA has been supplemented by numerous draft and final Regulatory Technical Standards (RTS), Implementing Technical Standards (ITS) and related measures. Our brochure does not list every add-on, but they are available on the CSSF website.

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