LEGAL
GOVERNANCE
CONSULTING

GOVERNANCE SERVICES NEWSLETTER

LUXEMBOURG

Q1 2026

Welcome to our Luxembourg governance services newsletter for Q1 2026, reporting upon interesting topical developments which will impact doing business in the Grand Duchy.

Business Registers – are your filings up to date?

Luxembourg has two main business registers:

(i) the Trade and Companies Register (the **RCS**); and

(ii) the Beneficial Owners Register (the **RBE**).

These registers are operated by the Luxembourg Business Register (the LBR), a not-for-profit organisation operating under the authority of the Justice Ministry.

As of 31 December 2025, more than 168,000 legal entities were entered in its databases with 13,000 of these being registered in 2025 alone. There are more than 342,000 people inscribed on the RBE.

Companies in persistent non-compliance currently face potential sanctions such as increased fees, exclusion from the register or referral to the public prosecutor.

On 28 January 2026, the Minister for Justice announced that under new measures the LBR will conduct targeted outreach to ensure that the records of companies and associations are up to date.

The rationale for these new measures is:

(i) the fight against economic crime; and

(ii) reinforcing the credibility of the registers as an official reference point.

Implementation of these new measures will be on a gradual basis, and no timeline has yet been provided.

Should you need assistance bringing your filings up to date and avoiding potential sanctions for non-compliance, please feel free to contact us.

Bank accounts – why is it taking so long?

Frustrations have grown in recent years at the length of time it takes to open a bank account as part of the process to incorporate a new private limited liability company (SARL) in Luxembourg.

As the minimum share capital had to be lodged to the newly setup bank account and a blocking certificate evidencing the incorporation share capital in the account had to be provided to the notary as a precondition to incorporating, this obstacle could delay transactions for weeks or even months depending on the KYC requirements of the bank.

Legislators have listened to industry complaints by introducing a new bill of law (Bill 8669) in December the consequence of which will be to permit deferred payment of the minimum share capital for up to 12 months (once it enters into effect).

The following points in particular are worth noting:

(i) there will be no obligation to pay up the share capital immediately upon incorporation;

(ii) deferred payment of the minimum share capital will be permitted for up to 12 months post incorporation;

(iii) the change applies only to cash contributions – contributions in kind will still need to be fully subscribed upon incorporation;

(iv) deferred payment will not be available to share capital increases carried out post incorporation;

(v) the reform applies to the SARL and also to the SARL-S; and

(vi) in the interest of transparency, there is an obligation to publish the list of shareholders who have not yet fully paid up their shares (and any related share premium) together with the amounts owed after the balance sheet in the annual accounts.

This is a welcome modernisation of Luxembourg company law as it will remove the current bottleneck allowing investors to focus on planning and executing their transactions.

The Bill is in the legislative process currently and an effective date for the legislation entering into force is not yet available at time of writing.

Should you need assistance with the governance aspects of these changes for your business please get in touch.

Gender balance – a time of change

On 17 December 2025, the Luxembourg Parliament adopted the law of 19 December 2025 establishing targets for gender balance among directors of listed companies transposing Directive (EU) 2022/2381 (the **Gender Balance Law**).

The Gender Balance Law took effect on 23 December 2025.

The following are the key aspects to be aware of:

(i) by 30 June 2026, at least 33% of all director positions (executive and non-executive combined) must be held by the underrepresented sex (e.g. for a 10-member board there must be a minimum of three directors of the underrepresented sex) - as the law is already in force, companies should begin compliance preparation to meet the upcoming deadline;

(ii) it applies to listed companies with their registered office in Luxembourg;

(iii) listed companies that are micro, small or medium sized companies (**SMEs** are excluded from its scope;

(iv) if the threshold is not met, companies are obliged to explain why under the "comply or explain" principle of corporate governance; and

(v) the CSSF will maintain a centralised list of companies that have met the objective and monitor compliance and may impose warnings, publicly identify companies that are in breach and impose fines or daily penalties to enforce orders.

Should you need any assistance with your governance obligations, please get in touch.

Crypto – now you're covered

Automatic Exchange of Information (**AEOI**) refers to the cross-border sharing of information by tax administrations in order to combat tax evasion and enhance transparency.

With effect from 1 January 2026, via the implementation of DAC8, the requirements in terms of AEOI now extend to include crypto-asset service providers and e-money. These updates align with the revised OECD Common Reporting Standard (**CRS 2.0**) and the OECD's Crypto-Asset Reporting Framework (**CARF**) with the aim of strengthening tax compliance.

Should you need assistance with your AEOI compliance (e.g. in the context of FATCA, CRS, DAC, BEPs or any related area), please get in to touch and we can connect you with our dedicated AEOI team.

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