



# FAQ Crypto-Assets – Undertakings for collective investment

Version 7 – 04/02/2026

# FAQ Crypto-assets - Undertakings for collective investment

Version 7 – 04/02/2026

## Update information

04/02/2026	<ul style="list-style-type: none"><li>- General update of the FAQ following the entry into force of MiCAR and other significant modifications</li><li>- Replacement of “virtual assets” by “crypto-assets”</li></ul>
22/02/2024	Modification of question 1 and 2
18/12/2023	Modification of question 3
06/04/2023	Modification of question 2 and publication of question 3A
15/03/2022	Publication of question 6
04/01/2022	Update of question 2 and publication of question 5
29/11/2021	First publication

*This document will be updated when necessary and the CSSF reserves the right to adapt its approach to any matter covered by the FAQ at any time.*

*You should regularly check the website of the CSSF in relation to any matter of importance to you to see if questions have been added and/or positions have been adapted.*

## **Table of contents**

### **Q1. May a UCITS invest in crypto-assets?**

Modified on 04/02/2026

### **Q2. May an AIF invest in crypto-assets?**

Modified on 04/02/2026

### **Q3. Do Luxembourg Investment Fund Managers need any authorisation for the management of crypto-assets?**

Modified on 04/02/2026

### **Q3 a) Is this "Other-Other Fund-Crypto-assets" license also required in case of management of AIFs investing in target funds with underlying crypto-assets?**

Modified on 04/02/2026

### **Q4. Are there any specific considerations regarding the mitigation of the Money Laundering and Terrorist Financing risks?**

Modified on 04/02/2026

### **Q5. May a Luxembourg depositary act as depositary for investment funds investing directly in crypto-assets?**

Modified on 04/02/2026

### **Q6. What is expected from Luxembourg Investment Fund Managers in terms of AML/CFT Due Diligence on crypto-assets?**

Modified on 04/02/2026

## **Q1. May a UCITS invest in crypto-assets?**

**Modified on 04/02/2026**

Entities under the prudential supervision of the CSSF must bear in mind that investing in crypto-assets (as defined in Article 3(1), point (5) of Regulation (EU) 2023/1114 (hereinafter "MiCAR"), except where falling within the categories listed in Article 2(2), (3) and (4) of MiCAR or otherwise qualifying as funds), is not suitable for all kind of investment objectives.

UCITS may, under the conditions set forth in this FAQ, invest indirectly in crypto-assets for a maximum of up to 10% of their net asset value (NAV). For UCITS, such indirect investments in financial instruments with crypto-assets as an underlying asset are limited to transferable securities that do not embed any derivatives in accordance with Article 10 of Grand-ducal Regulation of 8 February 2008. These investments must, at all times, qualify as transferable securities, in accordance with Article 1(34) of the Law of 17 December 2010, Article 2 of the Grand-ducal Regulation of 8 February 2008 and point 17 of Circular CSSF 08/380.

Crypto-assets present specificities such as their volatility, liquidity and technological risk, which could significantly affect the risk profile of UCITS. The CSSF draws attention to the integration phase of crypto-assets into the investment policy and reiterates the importance of having adequate internal control functions, emphasising their key role in approving new products/investment strategies.

Investment managers should make a case-by-case assessment of the impact of these investments on the risk profile of the investment fund and update their risk management policy accordingly. They will also have to ensure that investors are properly informed in a transparent and timely manner, and that the relevant fund documentation is updated.

UCITS that envisage investing in crypto-assets are required to inform the CSSF of such plans in a timely manner.

It is important to note that MiCAR excludes from its scope, among other things, digital assets that fulfil the conditions of financial instruments within the meaning of the Law of 5 April 1993 on the financial sector. Any assets that qualify as financial instruments, such as shares of companies active in the crypto asset ecosystem, are not subject to the above position.

## **Q2. May an AIF invest in crypto-assets?**

**Modified on 04/02/2026**

An AIF may invest directly (and indirectly) in crypto-assets under the scope of MiCAR. However, these investments in crypto-assets by an AIF shall never prevent compliance with existing regulatory requirements and their application. AIFs open to retail investors other than well-informed investors may invest in crypto-assets for a maximum of up to 10% of their NAV.

Crypto-assets present specificities such as their volatility, liquidity and technological risk which could significantly affect the risk profile of the investment vehicle. The CSSF draws attention to the integration phase of crypto-assets in the investment policy and reiterates the importance of having adequate internal control functions, emphasising their key role in the approval of new products/investment strategies.

Given the diverse range of crypto-assets available, investment managers need to make a case-by-case assessment of the impact of these investments on the risk profile of the investment fund. They will have to ensure that investors are properly informed in a transparent and timely manner and that the relevant fund documentation is updated.

### **Q3. Do Luxembourg Investment Fund Managers need any authorisation for the management of crypto-assets?**

**Modified on 04/02/2026**

Without prejudice to Q3a) below, each Luxembourg authorised Investment Fund Manager (IFM) which intends to manage an alternative investment fund, regulated or not (AIF), investing in crypto-assets beyond 10% of their NAV, needs to obtain prior authorisation from the CSSF for the strategy "Other-Other Fund-Crypto-assets". In this context, the CSSF expects to receive, among others, the following information/documents:

- A description of the project and of the different services providers/delegates involved;
- Information on whether or not the investments in crypto-assets will be made directly or indirectly (for example, by means of derivatives);
- An updated risk management policy including in particular how the risks in relation to the crypto-assets are managed;
- An updated valuation policy including the rules as to how the value of the crypto-assets will be determined;
- A description regarding the experience of the portfolio manager (and other involved entities in the investment management process) in crypto-assets;
- A description of how the custody of the assets will be organised by the depositary;
- Information regarding the targeted investors, as well as any information on the distribution channels of the AIF;
- The IFM's AML/CTF analysis on the assets side.

In addition, the CSSF expects that each initiator of an AIF which intends to invest in crypto-assets presents its project beforehand to the CSSF.

Particular emphasis should be put on assessing the conditions under which the IFM (or any participant in the fund business operations) is involved in the control over the crypto-assets by means of access to/control over the cryptographic keys.

Please also note that an analysis of the services performed by the IFM should be conducted considering the activities listed under Article 60(5) of MiCAR.

#### **Q3 a) Is this "Other-Other Fund-Crypto-assets" license also required in case of management of AIFs investing in target funds with underlying crypto-assets?**

**Modified on 04/02/2026**

1. No application for the "Other-Other Fund-Crypto-assets" licence is required for a Luxembourg IFM managing an AIF investing in crypto-assets through one or several target funds (TFs). When the AIF invests more than 20% of its NAV in one or several TFs, an IFM authorisation for the "fund of funds" strategy is required.
2. However, considering the risks related to investing in crypto-assets, the CSSF requires that in relation to each TF with crypto-assets as the main underlying exposure, the IFM undertakes an assessment of the ability of the TF's manager to identify and manage the risks pertaining to

investments in crypto-assets. The assessment should include the operational risks arising from the activities of the parties which intervene in the administration, notably the registrar and transfer function, and custody of the crypto-assets. The IFM should be able to provide the CSSF with the results of its assessment on demand.

3. The CSSF specifies that it is the responsibility of the relevant IFM to determine if a TF has crypto-assets as main exposure.

4. Without prejudice to the above, please note that an investment in crypto-assets through one or several TF constitutes an indirect investment in crypto-assets, subject to all other conditions of the present FAQ.

#### **Q4. Are there any specific considerations regarding the mitigation of the Money Laundering and Terrorist Financing risks?**

**Modified on 04/02/2026**

Investing in crypto-assets, whether directly or indirectly, increases the risk of Money Laundering (ML), Terrorist Financing (TF) and Proliferation Financing to which the supervised entity is exposed. Therefore, in accordance with applicable Luxembourg laws and regulations, the CSSF stresses that the mitigation measures implemented by the supervised entity must be commensurate with these increased risks. The CSSF expects that the *Responsable du Contrôle* (RC) and the *Responsable du Respect* (RR) of supervised entities investing in crypto-assets possess and can demonstrate an adequate understanding of the new ML, TF, Proliferation Financing risks posed by crypto-assets and the necessary measures to mitigate them.

In this regard, the CSSF refers to the national vertical risk assessment of money laundering and terrorist financing related to Virtual Asset Service Providers<sup>1</sup> (please note that the term “virtual asset” was used in the vertical risk assessment published in December 2020) which provides elements of information as regards the ML/TF context and risks linked to crypto-assets as well as the FATF guidelines and notably the Guidance for a Risk-Based Approach to Virtual Assets and their Service Providers<sup>2</sup>.

#### **Q5. May a Luxembourg depositary act as depositary for investment funds investing directly in crypto-assets?**

**Modified on 04/02/2026**

Luxembourg fund depositaries may be mandated to act as depositary for investment funds investing directly in crypto-assets. Certain conditions would need to be complied with as the regulatory requirements that depositaries are subject to would remain applicable. In this context, fund depositaries must put in place adequate organisational arrangements and an appropriate operational model, considering the specific risks related to the safekeeping of crypto-assets. Moreover, depositaries shall notify the CSSF beforehand when they intend to act as depositary for an

<sup>1</sup> [Vertical Risk Assessment: Virtual Asset Service Providers \(gouvernement.lu\)](https://gouvernement.lu)

<sup>2</sup> [Documents - Financial Action Task Force \(FATF\) \(fatf-qafi.org\)](https://fatf-qafi.org)

investment fund investing directly in crypto-assets. For credit institutions acting as fund depositaries, please also refer to the [FAQ on virtual assets for credit institutions](#).

In relation to depositary services, for crypto-assets that qualify as “other assets”, the depositary’s liability in its depositary function is limited to safekeeping duties regarding ownership verification and record keeping in line with Article 19(8)(b) of the AIFM Law and Article 90 of Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 (DR 231/2013).

Where the depositary does not offer the service of custody and administration of crypto-assets on behalf of clients pursuant to MiCAR, the IFM/investment fund directly appoints a specialised crypto-asset service provider offering these services. In this instance, the crypto-assets are not recognised in the depositary’s off-balance sheet, as the depositary is not liable for the restitution of the assets. Indeed, this liability is directly incumbent on the crypto-asset service provider. To that effect, the IFM/investment fund is required to have a direct contractual relationship with the crypto-asset service provider.

A depositary providing the service of custody and administration of crypto-assets on behalf of clients to an investment fund investing directly in crypto-assets triggers either an authorisation as a crypto-asset service provider pursuant to Article 62 of MiCAR or a notification by certain financial entities under Article 60 of MiCAR. Under this setup, crypto-assets are recognised in the off-balance sheet and the depositary has specific obligations in respect of providing custody and administration of crypto-assets on behalf of clients pursuant to Article 75 of MiCAR. Fund depositaries that envisage directly safeguarding crypto-assets are required to inform the CSSF of such plans in a timely manner.

## **Q6. What is expected from Luxembourg Investment Fund Managers in terms of AML/CFT Due Diligence on crypto-assets?**

**Modified on 04/02/2026**

As per Article 34 of RCSSF 12-02 as amended, when performing an investment, the professional (the IFM/investment fund) must compute an ML/FT risk scoring of the asset and perform an AML/CFT due diligence in line with the computed risk scoring. In this context, the professional is encouraged to take into account the [Vertical Risk Assessment on Virtual Assets Service Providers published in December 2020](#).

Depending on the type of investment (direct or indirect), the type of crypto-asset (for example cryptocurrency, utility token, etc.) and the method of acquisition (exchange platform, ITO, ICO, etc.), the level of ML/FT risk as well as the due diligence will vary.

The key outcome of the due diligence on crypto-assets is to understand where the crypto-assets are coming from and/or where they are going to (buy/sell side) in order to mitigate the risk of the investment fund being abused by money launderers or terrorist financing.