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Luxembourg implements AIFMD II: new rules for funds from 16 April 2026

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Luxembourg adopted its AIFMD II law on 12 February 2026, in force from 16 April 2026. It brings a loan origination regime, mandatory liquidity tools and new ancillary services for managers.

Country reference

- Country: Luxembourg (planned expansion country)
- Authorities: Commission de Surveillance du Secteur Financier (CSSF); Ministry of Finance
- Topic: Transposition of AIFMD II into Luxembourg law
- Key date: Adopted 12 February 2026; in force 16 April 2026; some reporting from April 2027
- Law: Bill 8628 amending the AIFM Law of 12 July 2013 and the UCI Law of 17 December 2010

What changes

- Loan origination: the EU regime for loan-originating AIFs on leverage, diversification and risk retention; AIFs may not lend to consumers in Luxembourg.
- Liquidity tools: open-ended AIFs and UCITS must select at least two tools from a harmonised list, such as redemption gates, swing pricing, anti-dilution levies or notice periods.
- Ancillary services: managers may offer services such as credit servicing and benchmark administration to third parties.
- Distribution: regulated distributors marketing a fund on their own behalf are not treated as delegates.
- Reporting: enhanced reporting obligations are deferred to April 2027.

Also for UCITS

- Harmonised liquidity management tools.
- UCITS SICAVs need no auditor's report for in-kind subscriptions if investors are treated equitably.
- CSSF Circular 18/698 is expected to be updated for distribution arrangements.

What to do now

- Fund managers: update prospectuses for liquidity tools and loan origination limits.
- Private credit funds: check leverage and diversification limits against the new rules.
- Plan systems for the enhanced reporting due from April 2027.

Our take

Luxembourg is Europe's largest fund centre, and many Gulf investors invest through Luxembourg funds. The rules bring private credit fully into the regulated perimeter; expect documentation updates from managers this year.

Sources

- Debevoise: Luxembourg proceeds with AIFMD II implementation (March 2026)

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