

# CRYPTOASSETS & BLOCKCHAIN

## Luxembourg



# Cryptoassets & Blockchain

Consulting editors

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Quick reference guide enabling side-by-side comparison of local insights, including into the legal and regulatory framework; use of cryptoassets for investment, financing, trading and payments; cryptocurrency mining; blockchain and other distributed ledger technologies; and recent trends.

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## GENERAL LEGAL AND REGULATORY FRAMEWORK

### Legal framework

What legal framework governs cryptoassets? Is there specific legislation governing cryptoassets and businesses transacting with cryptoassets?

In general, the Luxembourg legal and regulatory framework does not govern cryptoassets as such but rather those that provide services as a business in relation thereto.

The main framework applicable in this context is set out by the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended (the AML Law). The AML Law defines a virtual asset as ‘ a digital representation of value, including a virtual currency, that can be digitally traded, or transferred, and can be used for payment or investment purposes, except for virtual assets that fulfil the conditions of electronic money. . . and the virtual assets that fulfil the conditions of financial instruments . . . ’ (article 1(20b) of the AML Law). Depending on their characteristics and purposes, tokens created on a blockchain may, therefore, fall within the definition of virtual assets (with the exclusion of e-money and financial instruments).

Persons that carry out certain activities that relate to virtual assets (ie, virtual asset service providers (VASPs)) are subject to a prior registration requirement with the Financial Sector Supervisory Commission (CSSF). Article 1(20c) of the AML Law defines a VASP as any person providing one or more of the following services (on behalf of its customers):

- the exchange between virtual assets and fiat currencies, including the service of exchange between virtual currencies and fiat currencies;
- the exchange between one or more forms of virtual assets;
- the transfer of virtual assets;
- the safekeeping or administration of virtual assets or instruments enabling control over virtual assets, including the custodian wallet service; and
- the participation in and provision of financial services related to an issuer’s offer or sale of a virtual asset.

In addition to the registration requirement, VASPs that are established or provide services in Luxembourg must also comply with the professional obligations set out under the AML Law.

The Luxembourg legislature has also adopted a modern legal framework regarding the issuance and circulation of securities within or through secured electronic registration mechanisms, including distributed electronic ledgers or databases.

The first step taken in this respect consisted in the adoption of the Law of 1 March 2019 (the 2019 Law), which amended the Law of 1 August 2001 on the circulation of securities (the 2001 Law). The 2019 Law inserted a new article in the 2001 Law, enabling account keepers to maintain securities accounts and credit securities on such accounts within or through secured electronic registration mechanisms, including distributed electronic ledgers or databases. In practice, this means that the 2001 Law allows for the maintaining and transfer of securities by way of distributed ledger technology. The term ‘secured electronic registration mechanisms, including distributed electronic ledgers or databases’ was purposely chosen to encompass a variety of new technologies, which include, but should not be limited to, blockchain technology.

A second step was taken with the adoption of the Law of 22 January 2021, amending the Law of 5 April 1993 on the financial sector, as amended (the 1993 Law) and the Law of 6 April 2013 on dematerialised securities, which allows

central account keepers or settlement organisations to keep securities issuance accounts and carry out the registration of dematerialised securities within or through secured electronic registration mechanisms, including distributed electronic ledgers or databases.

Cryptoassets that do not qualify as virtual assets may qualify as securities, units in an alternative investment fund or electronic money, thus triggering the application of the 1993 Law, the Law of 17 December 2010 on undertakings for collective investment, as amended (the 2010 Law), the Law of 16 July 2019 on prospectuses for securities or the Law of 10 November 2009 on payment services, as amended, or all of these, depending on the case. In such cases, activities related to cryptoassets may require prior authorisation from the CSSF or the application of additional obligations. Thus, a case-by-case analysis of the characteristics of each cryptoasset must be carried out.

In conclusion, the applicable legislative framework relating to transactions, activities or services relating to cryptoassets depends on the characteristics of the relevant cryptoassets.

*Law stated - 22 November 2021*

## **Government policy**

**How would you describe the government's general approach to the regulation of cryptoassets in your jurisdiction?**

Luxembourg has implemented requirements relating to VASPs by amending its AML Law, taking into consideration the recommendations of the Financial Action Task Force. Luxembourg has also strived to modernise its legal framework relating to the issuance and circulation of dematerialised securities to take into account the evolution of the technology. However, beyond the legal framework, many initiatives have been taken at government and regulator level to ensure that Luxembourg remains at the forefront of innovation and maintains the attractiveness of its financial centre. For example, the creation of the Luxembourg House of Financial Technology (LHoFT) fosters the development of start-ups and the creation of think-tanks dedicated to the cryptoasset space. In addition, the CSSF has created an internal innovation department dedicated to projects linked to cryptoassets, demonstrating great reactivity and interest in this respect.

Otherwise, the Luxembourg government works closely with its international and European counterparts on how to best regulate cryptoassets.

*Law stated - 22 November 2021*

## **Regulatory authorities**

**Which government authorities regulate cryptoassets and businesses transacting with cryptoassets?**

There is no specific government authority dedicated to the supervision of cryptoassets.

However, VASPs established or providing services in Luxembourg are subject to the supervision of the CSSF.

Furthermore, if a relevant cryptoasset qualifies as a financial instrument, a unit in an investment fund or e-money, the relevant entity carrying out activities in relation to such cryptoassets may also be subject to the supervision of the CSSF.

*Law stated - 22 November 2021*

## Regulatory penalties

### What penalties can regulators impose for violations relating to cryptoassets?

The AML Law sets out sanctions for non-registration as a VASP or non-compliance by a VASP with the professional obligations provided for by the AML Law.

In this context, the CSSF may impose the following administrative sanctions and measures:

- a warning;
- a reprimand;
- a public statement, which identifies the natural or legal person and the nature of the breach;
- a temporary ban imposed by the CSSF for a period not exceeding five years, to exercise:
  - a professional activity of the financial sector or to carry out one or several transactions with respect to the persons subject to the respective supervisory powers of the CSSF; or
  - managerial functions within professionals subject to the supervisory powers of the CSSF with respect to any person discharging managerial responsibilities within such professionals or any other natural person held liable for the breach; and
- maximum administrative fines of twice the amount of the benefit derived from the breach, where that benefit can be determined, or €1 million at most.

In addition to these administrative sanctions, a criminal fine of an amount between €12,500 and €5 million may be imposed on any person who knowingly contravenes the registration requirement or the professional obligations provided for by the AML Law.

In addition, where a given cryptoasset qualifies as a financial instrument, a security, a unit in an investment fund or e-money, other similar sanctions may be imposed under the 1993 Law, the 2010 Law, the Law of 16 July 2019 on prospectuses for securities or the Law of 10 November 2009 on payment services, as amended, depending on the case.

*Law stated - 22 November 2021*

## Court jurisdiction

### Which courts have jurisdiction over disputes involving cryptoassets?

The competent courts will be determined in line with national, EU or international rules, depending on the specific circumstances of the relevant dispute.

*Law stated - 22 November 2021*

## Legal status of cryptocurrency

### Is it legal to own or possess cryptocurrency, use cryptocurrency in commercial transactions and exchange cryptocurrency for local fiat currency in your jurisdiction?

It is legal to own, possess or use cryptocurrency in commercial transactions in Luxembourg. It is also legal to exchange cryptocurrency for local fiat currency.

Service providers acting for their clients in relation to the above may be required to register as a VASP.

*Law stated - 22 November 2021*

## **Fiat currencies**

What fiat currencies are commonly used in your jurisdiction?

The euro is the official fiat currency in Luxembourg (Regulation (EC) No. 974/98 on the introduction of the euro).

*Law stated - 22 November 2021*

## **Industry associations**

What are the leading industry associations addressing legal and policy issues relating to cryptoassets?

The leading industry associations addressing legal and policy issues relating to cryptoassets are Infrachain, LëtZBlock, the LHoFT, the Luxembourg Institute of Science and Technology and the Interdisciplinary Centre for Security, Reliability and Trust of the University of Luxembourg.

*Law stated - 22 November 2021*

## **CRYPTOASSETS FOR INVESTMENT AND FINANCING**

### **Regulatory threshold**

What attributes do the regulators consider in determining whether a cryptoasset is subject to regulation under the laws in your jurisdiction?

To determine the regime and regulations applicable to cryptoassets, an in-depth analysis of the characteristics of each cryptoasset must be carried out to determine whether it falls within the scope of the legal definition of a virtual asset, a financial instrument, a unit of an investment fund or e-money. Elements taken into consideration relate to the purpose, fungibility and rights attached to the relevant asset.

*Law stated - 22 November 2021*

### **Investor classification**

How are investors in cryptoassets classified and treated differently?

Investors in cryptoassets are generally classified into two categories: retail investors and professional investors. Retail investors benefit from a higher level of protection than professional investors.

*Law stated - 22 November 2021*

### **Initial coin offerings**

What rules and restrictions govern the conduct of, and investment in, initial coin offerings (ICOs)?

Initial coin offerings (ICOs) are not regulated by any specific Luxembourg law or regulation. However, depending on the characteristics of the project, the activities relating to ICOs may be subject to certain legal provisions in Luxembourg.

In 2018, the Financial Sector Supervisory Commission (CSSF) issued a communication in line with the European Securities and Markets Authority's position, drawing the attention of consumers to the risks implied by ICOs. It also stresses that undertakings for collective investment in transferable securities (UCITS) and undertakings for collective investment (UCIs) addressing non-professional customers are not allowed to invest directly or indirectly in virtual currencies such as those issued under an ICO. However, the CSSF has informally slightly amended its position to enable UCITS and UCIs to target well-informed investors.

Finally, the CSSF considers that for any fundraising, the initiators of such ICOs are required to establish anti-money laundering and countering the financing of terrorism (AML/CTF) procedures.

*Law stated - 22 November 2021*

## Security token offerings

What rules and restrictions govern the conduct of, and investment in, security token offerings (STOs)?

There are currently two types of security tokens that may be issued in Luxembourg:

- 'proof of ownership tokens', which are considered a digital representation of the underlying security issued by an issuer; and
- 'native tokens', which are dematerialised securities issued directly on the blockchain.

The issuance of security tokens may be subject to the legislative framework applicable to the offering of securities, depending on the type of security token offered. Furthermore, professional service providers assisting in this context or involved in the issuance, distribution and trading of such security tokens may fall within the scope of regulated activities and the related legal framework. Investment in security tokens is not, however, subject to specific rules, unless it is carried out by a regulated entity (such as UCITS).

*Law stated - 22 November 2021*

## Stablecoins

What rules and restrictions govern the issue of, and investment in, stablecoins?

There is currently no specific legal or regulatory framework governing the issue of and investment in stablecoins. However, a case-by-case analysis must be carried out to assess whether a given stablecoin may fall within the scope of existing laws or regulations such as the Law of 5 April 1993 on the financial sector, as amended, which covers financial instruments or the Law of 10 November 2009 on payment services, which covers e-money and payment services.

*Law stated - 22 November 2021*

## Airdrops

Are cryptoassets distributed by airdrop treated differently than other types of offering mechanisms?

Luxembourg has not yet adopted a specific regulatory framework with respect to the treatment of cryptoassets

distributed by airdrop.

*Law stated - 22 November 2021*

### **Advertising and marketing**

**What laws and regulations govern the advertising and marketing of cryptoassets used for investment and financing?**

There are no specific rules applicable to the marketing and advertising of cryptoassets. Depending on the legal qualification of the relevant cryptoassets, certain specific rules may apply, such as markets in financial instruments, payment services, etc. Furthermore, where the advertising and marketing are targeted at consumers, the general framework, such as that set out under the Consumer Code, would likely apply.

*Law stated - 22 November 2021*

### **Trading restrictions**

**Are investors in an ICO/STO/stablecoin subject to any restrictions on their trading after the initial offering?**

In Luxembourg, the trading of digital assets by investors after the initial offering is not regulated. Whether there are restrictions relating to the trading of the relevant asset from a product perspective depends on the characteristics of such asset. However, those involved in the trading of the assets from a service provider perspective may be subject to regulatory requirements.

*Law stated - 22 November 2021*

### **Crowdfunding**

**How are crowdfunding and cryptoasset offerings treated differently under the law?**

Crowdfunding offerings may fall within the scope of application of Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (the Crowdfunding Regulation). The Crowdfunding Regulation is directly applicable under Luxembourg law. However, if there is a specific legal framework relating to certain crowdfunding offerings, this is not the case for cryptoasset offerings. Further, depending on their characteristics, cryptoasset offerings may fall within the scope of the Crowdfunding Regulation and, therefore, may be subject to specific requirements.

*Law stated - 22 November 2021*

### **Transfer agents and share registrars**

**What laws and regulations govern cryptoasset transfer agents and share registrars?**

There are no specific laws and regulations governing cryptoasset transfer agents and share registrars. Depending on the qualification of the cryptoasset, other rules may apply.

*Law stated - 22 November 2021*

## Anti-money laundering and know-your-customer compliance

What anti-money laundering (AML) and know-your-customer (KYC) requirements and guidelines apply to the offering of cryptoassets?

Where the offering of cryptoassets falls within the scope of regulated activities (ie, virtual asset service providers, investment firms, e-money institutions, alternative investment fund managers), the following professional obligations, as provided for by, among others, the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended (the AML Law), apply:

- the completion of a risk assessment of the entity offering cryptoassets and of the business relationship with the customer;
- identifying and verifying the identity of the customer, the person purporting to act on behalf of the customer and the customer's beneficial owner;
- identifying the purpose and intended nature of the business relationship;
- conducting an ongoing monitoring of the business relationship;
- implementing an appropriate internal organisation for the prevention of money laundering and terrorist financing;
- monitoring of transactions; and
- cooperating with the Financial Information Unit.

Finally, the CSSF considers that for any fundraising, the initiators of ICOs are required to establish AML/CTF procedures. The above is notwithstanding any requirements and guidelines set out at EU and international levels.

*Law stated - 22 November 2021*

## Sanctions and Financial Action Task Force compliance

What laws and regulations apply in the context of cryptoassets to enforce government sanctions, anti-terrorism financing principles, and Financial Action Task Force (FATF) standards?

With regard to government sanctions, legal persons having their registered office, permanent establishment or centre of main interests in the territory of Luxembourg and that operate in or from Luxembourg or abroad are subject to sanction screening requirements under the Law of 19 December 2020 on the implementation of restrictive measures in financial matters (the 2020 Law). The relevant lists, which are subject to frequent changes, are found on the website of the Luxembourg Ministry for Finance.

With regard to anti-terrorism financing, the AML Law applies.

FATF standards and recommendations specific to cryptoassets must also be considered.

*Law stated - 22 November 2021*

## CRYPTOASSET TRADING

### Fiat currency transactions

What rules and restrictions govern the exchange of fiat currency and cryptoassets?

The carrying out of the activity of exchange of fiat currency and cryptoassets for or on behalf of a customer triggers the

requirement to register as a virtual asset service provider (VASP) with the Financial Sector Supervisory Commission (CSSF).

VASPs that are established or provide services in Luxembourg must also comply with the professional obligations provided for under the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended (the AML Law).

Other rules may apply where cryptoassets qualify as financial instruments, securities, units in authorised investment funds or e-money.

*Law stated - 22 November 2021*

## **Exchanges and secondary markets**

**Where are investors allowed to trade cryptoassets? How are exchanges, alternative trading systems and secondary markets for cryptoassets regulated?**

There are no specific restrictions on where investors may trade cryptoassets.

Exchanges, alternative trading systems and secondary markets for cryptoassets may require prior registration as a VASP where the relevant cryptoassets qualify as virtual assets. Other authorisations and licences may be required where cryptoassets qualify as securities, units in investment funds or e-money.

*Law stated - 22 November 2021*

## **Custody**

**How are cryptoasset custodians regulated?**

Custodian activities in relation to cryptoassets qualifying as virtual assets, carried out for or on behalf of the customer, trigger the requirement to register as a VASP with the CSSF.

VASPs that are established or provide services in Luxembourg must also comply with the professional obligations provided for under the AML Law.

Other rules may apply where cryptoassets qualify as financial instruments, securities, units in investment funds or e-money.

*Law stated - 22 November 2021*

## **Broker-dealers**

**How are cryptoasset broker-dealers regulated?**

Broker-dealers offering services in relation to cryptoassets qualifying as virtual assets trigger, provided for or on behalf of the customer, trigger the requirement to register as a VASP with the CSSF.

VASPs that are established or provide services in Luxembourg must also comply with the professional obligations provided for under the AML Law.

Other rules may apply where cryptoassets qualify as financial instruments, securities, units in alternative investment funds or e-money.

*Law stated - 22 November 2021*

## Decentralised exchanges

### What is the legal status of decentralised cryptoasset exchanges?

Decentralised exchanges for cryptoassets, understood as a marketplace for peer-to-peer cryptoassets transactions without the intervention of any intermediary, are not regulated under Luxembourg law.

Decentralised or distributed applications should not qualify as a VASP. However, the creators, owners, operators or other persons who maintain control may fall under the definition of a VASP if they are providing or actively facilitating VASP services.

*Law stated - 22 November 2021*

## Peer-to-peer exchanges

### What is the legal status of peer-to-peer (person-to-person) transfers of cryptoassets?

There is no regulated status for peer-to-peer transfers of cryptoassets without the intervention of an intermediary.

*Law stated - 22 November 2021*

## Trading with anonymous parties

### Does the law permit trading cryptoassets with anonymous parties?

There are no specific rules applicable to the trading of cryptoassets with anonymous parties. If the service provider involved in the trading process is subject to customer due diligence measures, anonymous parties should not be permitted.

*Law stated - 22 November 2021*

## Foreign exchanges

### Are foreign cryptocurrency exchanges subject to your jurisdiction's laws and regulations governing cryptoasset exchanges?

Foreign cryptocurrency exchanges are subject to Luxembourg's laws and regulations if they are considered to be providing their services in Luxembourg.

*Law stated - 22 November 2021*

### Under what circumstances may a citizen of your jurisdiction lawfully exchange cryptoassets on a foreign exchange?

There are no specific circumstances prohibiting a Luxembourg citizen to lawfully exchange cryptoassets on a foreign exchange.

*Law stated - 22 November 2021*

## Taxes

Do any tax liabilities arise in the exchange of cryptoassets (for both other cryptoassets and fiat currencies)?

The exchange of cryptoassets (for other cryptoassets and fiat currencies) is a taxable event from a Luxembourg income tax perspective.

Depending on the specific features of the taxpayer (ie, individual or corporation) and the type of activity (ie, commercial activity or management of individual's private wealth), the tax effects would differ. The particular characteristics of the cryptoassets should also be carefully analysed.

### For corporate taxpayers

Luxembourg corporate taxpayers that earn income that is non-exempt or subject to tax are deemed to undertake a commercial activity generating business profits and will be taxed at a combined corporate tax rate of 24.94 per cent in 2021.

Holding cryptoassets also generates net wealth tax liabilities for Luxembourg companies.

Certain Luxembourg regulated companies and reserved alternative investment funds are exempt from corporate tax and net wealth tax on income generated from the exchange of cryptoassets and their holding.

### For partnerships

Non-regulated tax transparent partnerships (eg, special limited partnerships) are not taxed at their own level but in the hands of their partners.

Such partnerships are generally transparent for tax purposes unless they carry on a commercial activity, in which case they may be subject to municipal business tax at a rate of 6.75 per cent in 2021.

### For individuals

Income earned by Luxembourg individuals when exchanging cryptoassets should be analysed on a case-by-case basis to determine whether the exchange qualifies as a commercial activity or management of the individual's private wealth. Depending on the qualification, the income is taxed either as business profits or as miscellaneous income. From a Luxembourg VAT perspective, such exchange is generally exempt (but will be analysed on a case-by-case basis).

*Law stated - 22 November 2021*

## CRYPTOASSETS USED FOR PAYMENTS

### Government-recognised assets

Has the government recognised any cryptoassets as a lawful form of payment or issued its own cryptoassets?

The Luxembourg government has not recognised any cryptoasset as a lawful form of payment nor has it issued its own cryptoasset.

*Law stated - 22 November 2021*

## **Bitcoin**

Does Bitcoin have any special status among cryptoassets?

Bitcoin does not have any special status among cryptoassets.

*Law stated - 22 November 2021*

## **Banks and other financial institutions**

Do any banks or other financial institutions allow cryptocurrency accounts?

As at November 2021, there are only a few banks and financial institutions in Luxembourg that offer the service of cryptocurrency accounts.

*Law stated - 22 November 2021*

## **CRYPTOCURRENCY MINING**

### **Legal status**

What is the legal status of cryptocurrency mining activities?

Cryptocurrency mining activities are currently not regulated from a Luxembourg law perspective.

*Law stated - 22 November 2021*

### **Government views**

What views have been expressed by government officials regarding cryptocurrency mining?

No official statement has been issued by government officials regarding cryptocurrency mining.

*Law stated - 22 November 2021*

### **Cryptocurrency mining licences**

Are any licences required to engage in cryptocurrency mining?

Depending on the structure of the activities, a general business licence may be required to carry out cryptocurrency mining activities.

*Law stated - 22 November 2021*

### **Taxes**

How is the acquisition of cryptocurrency by cryptocurrency mining taxed?

Cryptocurrency mining should, in principle, qualify as a commercial activity under certain conditions, and related income should be taxed as business profits.

If cryptocurrency mining does not qualify as a commercial activity, this activity may be considered as management of the individual's private wealth and generate miscellaneous income.

Mining activities are generally subject to Luxembourg VAT but there are arguments that these services are outside the scope of VAT (and will be checked on a case-by-case basis).

*Law stated - 22 November 2021*

## **BLOCKCHAIN AND OTHER DISTRIBUTED LEDGER TECHNOLOGIES**

### **Node licensing**

Are any licences required to operate a blockchain/DLT node?

The mere fact of operating a blockchain/DLT node should not be subject to registration or licensing requirements.

*Law stated - 22 November 2021*

### **Restrictions on node operations**

Is the operation of a blockchain/DLT node subject to any restrictions?

Luxembourg entities operating a blockchain/DLT node are required to apply international financial sanctions.

*Law stated - 22 November 2021*

### **DAO liabilities**

What legal liabilities do the participants in a decentralised autonomous organisation (DAO) have?

DAOs do not fall within the scope of a specific legal or regulatory framework. In Luxembourg, the legal and regulatory status of DAOs is still in a premature phase and, thus, there are no specific rules determining the legal liabilities of the participants in such an organisation. Legal liabilities can potentially be established on the basis of the smart contracts that constitute agreements that have been codified inside a blockchain.

Depending on the status and characteristics of the DAO, different legal regimes may also be applicable (such as the Alternative Investment Fund Managers Directive). This will be examined on a case-by-case basis in the absence of uniform rules that regulate the status of DAOs.

*Law stated - 22 November 2021*

### **DAO assets**

Who owns the assets of a DAO?

The rules that apply to a DAO are generated, defined and enforced through the distributed network that organises the DAO and no other regulation can alter the rules.

In principle, the assets of a DAO are understood as the information that is contained in the blockchain itself and is exchanged between the participants by way of using each decentralised platform. The assets of a DAO are identified by virtue of the contractual obligations that derive from the use of the smart contracts and are deemed to be held by the participants in a DAO.

Different opinions have been expressed as to the ownership of assets. Some financial and legal experts maintain that

in the absence of a legal personality, the owners of a DAO are the developers who are carrying out activities on behalf of the DAO, whereas others argue that each participant in a DAO becomes an owner of the asset by virtue of owning the tokens proportional to the amount of contribution. For the time being, the ownership of DAOs is still an area of debate.

*Law stated - 22 November 2021*

## Open source

Is DLT based on open-source protocols or software treated differently under the law than private DLT?

The Luxembourg legislature has integrated the use of DLTs as a way to keep a record of the transfer of securities that are placed on securities accounts. However, under Luxembourg law, there is no different treatment from a legal perspective with regard to DLT based on open-source protocols and private DLT.

*Law stated - 22 November 2021*

## Smart contracts

Are smart contracts legally enforceable?

There are no specific rules or case law as to whether smart contracts are legally enforceable. However, if the legal requirements of a contract, as provided for by the Luxembourg Civil Code, are fulfilled, smart contracts should, in principle, be enforceable. This would, nevertheless, be rather difficult in practice, given that a counterparty to a smart contract may be unknown.

*Law stated - 22 November 2021*

## Patents

Can blockchain/DLT technology be patented?

In Luxembourg, software is not directly protected by a patent but may be protected by copyright.

*Law stated - 22 November 2021*

## UPDATE AND TRENDS

### Recent developments

Are there any emerging trends, notable rulings or hot topics related to cryptoassets or blockchain in your jurisdiction?

Luxembourg is closely monitoring emerging trends and topics related to cryptoassets and blockchain with a view to creating a favourable environment for such innovations. Non-fungible tokens and decentralised finance are hot topics. Security tokens are also gaining momentum, with major players willing to launch their first pilot projects, particularly if they can rely on native tokens (ie, dematerialised securities issued directly on the blockchain).

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*Law stated - 22 November 2021*

## Jurisdictions

	<b>Australia</b>	Piper Alderman
	<b>Austria</b>	Schoenherr
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	<b>Singapore</b>	RHTLaw Asia LLP
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