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Banking license in Luxembourg

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Banking license in Luxembourg



Flag

Supervisor	Commission de Surveillance du Secteur Financier (CSSF) and the European Central Bank (ECB) [1]
License	Authorisation as a credit institution under the Law of 5 April 1993 on the financial sector, granted by the ECB on a proposal from the CSSF [1]
Legal basis	Law of 5 April 1993 on the financial sector; EU Capital Requirements Directive and Regulation; SSM Regulation [2] [3]
Minimum capital	€5 million (EU floor) [2]
Application fee	Not confirmed
Decision time	The ECB says decisions usually take 6 to 12 months: EU law requires a decision within 6 months of a complete application and no later than 12 months after receipt [1]
Minimum capital ratios	4.5% / 6% / 8% + buffers [3] [2]
Foreign bank branches	Yes (national licence) [2] [6]
Deposit protection	€100,000 (FGDL) [4]

Cross-border passport	Yes (EEA) [2]
Public register	CSSF register of supervised entities

In short: Banks in Luxembourg are licensed by the Commission de Surveillance du Secteur Financier (CSSF) and the European Central Bank (ECB). [1] Minimum capital: €5 million (EU floor). [2] Deposit protection if a bank fails: €100,000 (FGDL). [4] EU passport or equivalent: yes (EEA). Figures as of November 2026.

Luxembourg is one of the EU's main private banking and custody centres. A bank needs authorisation as a **credit institution** under the Law of 5 April 1993 on the financial sector. The **CSSF** examines the application and proposes a decision to the **European Central Bank**, which grants the licence. Many international banking groups use a Luxembourg bank to passport services across the EU.

License types

The license needed to take deposits in Luxembourg: Authorisation as a credit institution under the Law of 5 April 1993 on the financial sector, granted by the ECB on a proposal from the CSSF. [1] **Legal basis: Law of 5 April 1993 on the financial sector; EU Capital Requirements Directive and Regulation; SSM Regulation.** [2] [3]

- **Credit institution** – deposits and lending, often combined with private banking, custody or depositary services

Capital and financial requirements

Minimum capital in Luxembourg (2026): At least the EU minimum of €5 million in initial capital. Confirm with the CSSF whether a higher national amount applies to your business model. [2]

Application fee: Not confirmed. We could not find a licensing fee published by an official source.

The legal minimum is only the floor. Supervisors expect a new bank to hold enough capital for its business plan, its risks and its first years of losses, which is usually many times the minimum. See Bank capital requirements.

Application process

Decision time: The ECB says decisions usually take 6 to 12 months: EU law requires a decision within 6 months of a complete application and no later than 12 months after receipt. [1] The usual steps are:

1. Pre-application meetings with the CSSF.
2. Prepare the programme of operations, business plan, capital plan, central administration and governance arrangements and fitness files.
3. File the application with the CSSF.
4. The CSSF assesses it and submits a draft decision to the ECB.
5. Decision by the ECB; the bank joins the FGDL.

Substance and governance

Central administration and registered office in Luxembourg, at least two fit and proper managers who run the business day to day, and shareholders who pass the qualifying-holding assessment. [5]

Depositor protection

The prudential rules and deposit guarantee that apply to a bank licensed in Luxembourg, as of November 2026. See Depositor protection for the same rules in every jurisdiction.

Rule	Luxembourg
Minimum capital ratios	Pillar 1 minimums under the CRR: Common Equity Tier 1 (CET1) of 4.5%, Tier 1 of 6% and total capital of 8% of risk-weighted assets, plus a 3% leverage ratio. On top come the 2.5% capital conservation buffer, other buffers set by the authorities and a bank-specific Pillar 2 requirement. [3] [2]
Liquidity	Liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) of at least 100% under the CRR. [3]
Deposit guarantee if the bank fails	€100,000 per depositor, per bank, through the Fonds de garantie des dépôts Luxembourg (FGDL), under the EU Directive. [4]

Rule	Luxembourg
Foreign bank branches	A bank from outside the EU can open a branch only with a national authorisation from the host country; it does not receive an EU passport. CRD VI (Directive (EU) 2024/1619) harmonises the rules for third-country branches across the EU. [2] [6]
Serving clients abroad	Yes. A bank authorised in one EU/EEA country can open branches and provide services in every other EEA country under the single passport, after notifying its supervisor. [2]

How to verify a bank's license

1. Find the exact legal name of the bank, as shown in its terms and conditions or the website footer. Brand names and app names often differ from the licensed entity.
2. Search for it on the supervisor's public register: CSSF register of supervised entities .
3. Check that the register entry lists deposit-taking, and whether the firm is a bank, a branch of a foreign bank, or only an e-money or payment institution (see Bank vs e-money institution).
4. Check which deposit guarantee scheme covers your deposits: for a branch of a foreign bank it may be the home country's scheme.

Frequently asked questions

Who grants a Luxembourg banking licence?

The ECB, on a proposal from the CSSF.

What does a Luxembourg banking licence allow abroad?

Like every EU banking licence, it can be passported to the other EEA countries through branches or cross-border services.

Figures as of November 2026. Requirements, fees and capital change; confirm with the CSSF / ECB or a qualified adviser before applying. Where we could not confirm a figure from an official source, this article says so.

See also

- Banking licenses compared
- Banking license in the United Kingdom
- Banking license in Lithuania
- Banking license in Germany
- Banking license in Ireland
- Deposit guarantee schemes compared
- All jurisdictions

References

Entries marked **Official** are the supervisor, the law or another public body. Other entries are named secondary sources, used where we could not find the figure published officially.

1. Official Authorisation: licensing of credit institutions . ECB Banking Supervision. Accessed November 2026.
2. Official Directive 2013/36/EU (Capital Requirements Directive): authorisation of credit institutions (Articles 8–21), initial capital (Article 12), freedom of establishment and services (Articles 33–39) . EUR-Lex. Accessed November 2026.
3. Official Regulation (EU) No 575/2013 (Capital Requirements Regulation): own funds requirements (Article 92) and liquidity requirements (Articles 412–413) . EUR-Lex. Accessed November 2026.
4. Official Directive 2014/49/EU on deposit guarantee schemes, Article 6: coverage level of €100,000 . EUR-Lex. Accessed November 2026.
5. Official Guide to licence applications (September 2026) . ECB Banking Supervision. Accessed November 2026.
6. Official Directive (EU) 2024/1619 (CRD VI): third-country branches . EUR-Lex. Accessed November 2026.

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