

Press release

Luxembourg, 18 May 2026

Luxembourg fund industry: driving innovation, sustaining growth

- **In 2025, Luxembourg consolidated its position as Europe’s leading fund domicile, with assets under management reaching EUR 8.3 trillion and continued growth across alternatives, ETFs and sustainable finance.**
- **ALFI advanced the Savings and Investments Union agenda through the publication of its “SIU Blueprint” and the Europe’s Productive Capital Gap study carried out with McGill.**
- **Fund tokenisation moved from experimentation towards scale, supported by developments in distributed ledger technology, the Luxembourg Blockchain IV Law and growing market adoption.**
- **ETFs continued to gain momentum, with Luxembourg ETF assets surpassing EUR 500 billion; a trajectory complemented by ALFI’s technical resources, including the Guide to launching and operating ETFs.**
- **Artificial Intelligence also witnessed broader adoption with use cases being implemented across multiple processes by industry players to increase efficiency and enhance client experience.**
- **The regulatory agenda remained busy, with industry guidance and regulatory advocacy provided on AIFMD II, liquidity management tools, valuation, evolving AML/CFT rules and the creation of AMLA, alongside developments in EMIR, CSDR, T+1, the Retail Investment Strategy, DORA and SFDR.**
- **ALFI strengthened its member-driven approach with the launch of the Member Collaboration Hub, a digital platform featuring industry content, collaborative workspaces and the AI-powered ALFIBot.**
- **ALFI organised 49 events across eight countries, engaging over 12,000 registrants and launching new events including Digifund, the Leadership Seminar and the Conducting Officers Seminar.**
- **Talent development remained a priority, with ALFI supporting two master’s programmes specialised in advanced financial management and private assets, respectively.**

ALFI has published its [Annual Report 2025](#), a comprehensive review of the association’s milestones over the past calendar year, which was marked by resilient growth, regulatory adaptation and technological transformation for Luxembourg’s fund industry against a backdrop of global shifts and geopolitical tensions.

Innovation was one of the defining themes of the year, particularly around tokenisation and blockchain technology, as fund tokenisation moved closer to broader market adoption. **Serge Weyland, ALFI CEO**, said: “Tokenisation and blockchain will deeply transform the way financial products can be accessed and the way investment funds will be structured and distributed. Equally, artificial intelligence will have a profound impact on processes performed across the industry. This is why we have put a lot of effort at ALFI into bringing the community together to exchange on best practices and experiences in those two key areas.”

Regulation remained another key focus throughout 2025, with Luxembourg continuing to adapt its legal, tax and regulatory framework across areas including private assets, ETFs, sustainable finance and digital assets.

According to [Corinne Lamesch](#), **ALFI Deputy CEO**: “Recent reforms underline Luxembourg’s determination to remain a leading European fund centre by adapting its legal, tax and regulatory framework to evolving market needs. From carried interest, private asset funds and active ETFs to crypto exposure and tokenised funds, the scope is broad and forward-looking, reinforcing competitiveness while upholding clarity and investor protection, both essential to long-term growth.”

In parallel, the report highlights Europe’s broader challenge of connecting savings to investment. Through initiatives such as the Personal Investing Day and the ALFI/McGill Europe’s Productive Capital Gap study, ALFI continued to advocate for stronger retail investor participation, financial education and long-term savings solutions.

Sustainable finance is now firmly embedded in the industry. Luxembourg remains a leading centre for sustainable investment funds in Europe, with strong growth across both public and private markets as shown by the Sustainable Finance in Europe and Luxembourg 2025 study. At the same time, the ongoing evolution of the regulatory framework is shaping how sustainability is integrated, measured and disclosed.

The report also points to growing opportunities beyond Europe, with Asia, Latin America and the Middle East becoming increasingly important markets for Luxembourg’s fund industry. On this matter, [Britta Borneff](#), **ALFI Chief Marketing Officer**, highlighted: “Luxembourg has evolved from a primarily European fund domicile into a global hub for cross-border capital routing and fund structuring, where capital flows increasingly pass through Luxembourg from Latin America, the Middle East and Asia. Luxembourg is becoming less of a purely European hub and much more a global routing system for capital.”

Throughout the year, ALFI continued supporting its members through regulatory engagement, the publication of studies and industry guidance, technical committee work and thematic events, bringing together policymakers, regulators and market participants. ALFI has accelerated member engagement with the launch of the Member Collaboration Hub, marking a step forward in how members access information, share expertise and contribute to technical work in a more digital and connected environment.

Looking ahead, as [Jean-Marc Goy](#), **ALFI chairperson**, stated: “We want our country to remain globally competitive by combining regulatory excellence, innovation and a stronger connection with society. Our ambition is to reinforce Luxembourg’s leadership position in cross-border investment solutions, and help broaden access to capital markets, support long-term savings and pensions, and ensure our industry continues to deliver tangible value for investors and the wider economy.”

The Annual report is available online and in [PDF format](#).

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Notes to editors:

About ALFI

The Association of the Luxembourg Fund Industry (ALFI) represents the face and voice of the Luxembourg asset management and investment fund community across all asset classes. The Association is committed to the development of the Luxembourg fund industry by striving to create new business opportunities, and through the exchange of information and knowledge.

Created in 1988, the Association today represents asset management companies and a wide range of businesses that serve the sector. Luxembourg is the largest fund domicile in Europe and a worldwide leader in cross-border distribution of funds.

ALFI's mission is to lead industry efforts to provide solutions and make Luxembourg the most innovative international investment fund centre.

To keep up with all the news from ALFI and the fund industry in Luxembourg, follow us on [LinkedIn](#), [YouTube](#) and [Flickr](#).

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