



# ATOZ ALERT

## Luxembourg government releases draft law implementing DAC8

25 July 2025

On 24 July 2025, the Luxembourg government released a [draft law](#) (the “Draft Law”) aimed at implementing [Council Directive 2023/2226](#) dated 17 October 2023, the so-called “DAC8”, amending [Directive 2011/16/EU](#) on administrative cooperation in the field of taxation (“DAC”).

DAC8 pursues two major objectives:

1. **Expanding the scope of transparency and tax information exchange** by including new types of reportable transactions, particularly those involving crypto-assets.
2. **Updating and consolidating** the various tax information exchange mechanisms introduced through successive amendments to DAC. In this regard, DAC8 notably:
  - Introduces new **exchange of information on income derived from life insurance products**;
  - Introduces new **exchange of information on certain advance tax rulings related to individual taxpayers**;
  - Allows the **use of exchanged information for non-tax purposes**;
  - **Modifies DAC6** in relation to the **professional secrecy** of intermediaries;
  - **Amends DAC7** in relation to the **volume of data** to be transmitted; and
  - Updates Country-by-Country Reporting requirements.

In this Alert, we outline the main provisions of the Draft Law.

### Exchange of Information on Crypto-assets

#### CRYPTO-ASSET SERVICE PROVIDERS IN SCOPE OF THE REPORTING

The Draft Law introduces due diligence and reporting obligations for **crypto-asset service providers authorized in the Grand Duchy of Luxembourg under the MiCA Regulation**, as well as to **crypto-asset service providers that do not hold such authorization**, provided they **have a sufficient nexus with the Grand Duchy of Luxembourg**, such as tax residency or a permanent establishment. The Draft Law will impact crypto-asset service providers and crypto-asset operators facilitating transactions for EU residents, irrespective of the size and location of the providers, i.e. whether based in the EU or in a third country.

The Draft Law targets service providers operating in the crypto-asset market. This includes activities such as **managing crypto-asset portfolios**, the **custody and administration of crypto-assets** on behalf of third parties,

**operating crypto-asset exchange platforms, exchanging crypto-assets for funds or other crypto-assets, and executing orders on behalf of clients.**

Starting from the 2027 calendar year, the *Commission de surveillance du secteur financier* (“**CSSF**”) shall electronically communicate, no later than March 31 each year, to the *Administration des contributions directes* (“**ACD**”), the identity of all crypto-asset service providers that held an authorization in the Grand Duchy of Luxembourg during the previous calendar year.

## DEFINITION OF CRYPTO-ASSETS

Under the Draft Law, the definition of **crypto-assets under DAC8 is broader than that under the MiCA Regulation**. It encompasses all types of crypto-assets that may be used for payment or investment purposes.

To ensure terminological and conceptual consistency between, on the one hand, the Law of 18 December 2015 on the Common Reporting Standard (“**CRS Law**”), which governs the reporting obligations for financial accounts, and, on the other hand, DAC8, the Draft Law provides that **electronic money products and central bank digital currency instruments, which are excluded from the scope of DAC8**, are incorporated into the **CRS Law**. This ensures that such financial products are still subject to regulatory oversight and reporting obligations, maintaining comprehensive coverage across both frameworks.

## REPORTABLE USERS

Reportable Users are defined by the Draft Law as EU-resident individuals or entities that are customers of a reporting crypto-asset service provider. Specific carve-outs are provided for users that are:

- companies listed on regulated stock exchanges and their related parties,
- governmental entities,
- international organisations,
- central banks and certain other financial institutions.

Transactions entered into by entities falling within the scope of these carve-outs would not be reportable.

## CRYPTO-ASSET SERVICE PROVIDERS OBLIGATIONS

### Due Diligence obligations

Crypto-asset service providers must register with the Luxembourg tax authorities and follow the due diligence procedures outlined in the Draft Law. Accordingly, they will have to **collect and verify information about crypto-asset users** that are reportable users or that have controlling persons that are reportable persons. The aim of the due diligence procedures is to allow providers to identify, through self-certification, whether their clients are reportable or not. The processes above should be completed for new customers, but also for pre-existing clients.

### Reporting obligations

The reporting crypto-asset service providers would then have to **report, for each civil year**, to the ACD information on the crypto-asset users, i.e. those who use the service provider to trade and exchange their crypto-assets. They must report **annually by 30 June of the following year**. In the absence of reportable users, a nil report must be submitted.

### Simplification measures

In order to **mitigate the risk of duplicate reporting** within the European Union, the Draft Law establishes a mechanism for exemption from due diligence and reporting obligations in Luxembourg, provided that certain conditions are met.

In addition, to **avoid duplication between the procedures** laid down in the Draft Law and those under the CRS Law, the Draft Law further provides that if a crypto-asset service provider is also considered a financial institution within the meaning of the CRS Law, such provider may rely on the due diligence procedures already implemented under that law to fulfil its obligations pursuant to DAC8.

## EXCHANGE OF INFORMATION

As a final step, the Luxembourg tax authority **will transmit the reported information to the competent authorities of the jurisdictions of residence of the reportable users by 30 September of the year following the calendar year** subject to reporting. The first exchange will occur for the calendar year starting 1 January 2026.

### New exchange of information on Income derived from life insurance products

Among the principal provisions of the Draft Law, it is worth noting the establishment of an automatic exchange of information concerning **income derived from life insurance products paid to beneficiaries resident in another Member State following the death of the insured person**. This constitutes a reporting obligation incumbent upon insurance undertakings established in the Grand Duchy of Luxembourg, triggered by the payment of benefits under the life insurance contract, provided that such contracts are not already subject to reporting under the CRS Law.

For taxable periods beginning **on or after 1 January 2026**, Luxembourg shall exchange **at least five categories** of income listed in Directive 2011/16/EU. Luxembourg has opted to supplement the information it already exchanges—relating to **income from employment, directors' fees, pensions, and ownership of immovable property**—with the exchange of income derived from life insurance products not covered by another information exchange mechanism. Consequently, Luxembourg excludes other categories of income listed, such as income from dividends paid through “non-custodial” accounts.

### New exchange of information on certain advance tax rulings

The Draft Law extends the scope of the automatic exchange of information to advance cross-border rulings granted to **individuals**.

It targets advance cross-border rulings issued, amended or renewed **after 1 January 2026** and where:

- the amount of the **transaction or series of transactions of the advance cross-border ruling exceeds EUR 1 500 000** (or the equivalent amount in any other currency), if such amount is referred to in the advance cross-border ruling; or
- the advance cross-border ruling **determines whether a person is or is not resident for tax purposes** in the Member State issuing the ruling.

For advance **cross-border rulings or advance pricing agreements**, the Draft Law also requires that, for taxable periods beginning **on or after 1 January 2028**, additional information—specifically, **the tax identification number (TIN)** of the persons concerned—be **exchanged**.

### Use of Exchanged Information for Non-Tax Purposes

The Draft Law authorizes that the exchanged information may **also be used to support competent authorities in enforcing restrictive measures**, strengthening the **fight against money laundering and the financing of terrorism**, and for the establishment, administration, and enforcement of Luxembourg **customs duties**. This aims to enhance the effectiveness of information exchange within a broader framework of administrative cooperation in cases of particular seriousness.

## Amendment to DAC6 in relation to the professional secrecy of intermediaries

To comply with the judgment of the Court of Justice of the European Union of 8 December 2022 in case C-694/20, Orde van Vlaamse Balies, the Draft Law introduces the necessary adjustments to the [law dated 25 March 2020](#) in relation to reportable cross-border arrangements, the so-called “**DAC 6 Law**”, to better respect lawyers’ professional secrecy.

The Draft Law provides that:

- **Lawyers acting as intermediaries** are **no longer required** to notify other intermediaries (who are not their clients) about their DAC6 reporting obligations.
- However, these lawyers **must still inform their own clients** about any applicable reporting duties.
- **Other intermediaries** (e.g., tax advisors, consultants) who benefit from a professional secrecy exemption **must continue** to notify:
  - Other intermediaries (even if they are not clients), or
  - The relevant taxpayer, if no other intermediary is involved.

## Amendment to DAC7 reducing the volume of data to be transmitted

Regarding the automatic exchange of information by digital platform operators introduced by the [law dated 16 May 2023](#) on automatic Exchange of Information for digital platform operators, the so-called “**DAC7 Law**”, the main amendment proposed by the Draft law involves **reducing the volume of data to be transmitted** when a platform operator subject to DAC7 reporting obligations can rely on **direct confirmation of a seller’s identity and tax residence** through an identification service.

## Country by Country Reporting

Regarding the amended [law of 23 December 2016](#) on country-by-country reporting (“**CbCR**”), targeted adjustments are being introduced, notably to provide for the collection and communication of the tax identification number (TIN) for each Constituent Entity, where such a number has been assigned by a jurisdiction.

## Do you have any questions?



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