



Recommendations of the Advisory Board on AI in Finance

Artificial intelligence is reshaping global finance at a pace that was difficult to anticipate even a few years ago. Leading institutions across the United States, Asia, and Europe are now transitioning from experimentation and proof-of-concepts to large-scale implementation, impacting customer engagement, operational efficiency, risk management, and strategic decision-making. Developments in generative, agentic, and hybrid AI are accelerating an industry-wide shift towards more automated, data-driven financial organisations.

As a highly open, internationally connected financial centre, Luxembourg has a strategic interest in navigating this transition smoothly, proactively, and effectively.

AI's impact on financial services is now visible, for instance, across all major business lines :

- **Retail banking: personalised advisory, conversational AI, credit decisioning, fraud mitigation.**
- **Insurance: underwriting optimisation, claims automation, risk modelling, customer service agents.**
- **Asset and wealth management: portfolio construction tools, ESG data processing, investor reporting, research automation.**
- **Payments and fintech: identity verification, transaction monitoring, dispute resolution, agentic service layers.**
- **Institutional and corporate banking: trade finance automation, treasury workflows, compliance review, contract intelligence.**



Gilles Roth
Minister of Finance of Luxembourg

At the same time, institutions face persistent challenges: data quality, integration into legacy systems, regulatory expectations, talent gaps, and the difficulty of ensuring responsible use at scale. The next wave, such as agentic AI systems capable of reasoning, planning, and interacting with enterprise environments, will heighten both opportunities and challenges.

To address these questions, Minister of Finance Gilles Roth set up the Advisory Board on AI in Finance, bringing together global thought leaders. The inaugural meeting of the Board took place on 16th January 2026.

The discussions in the Board identified where the industry is heading next, what the Luxembourg financial centre needs to remain competitive in the EU and in the world, and how Luxembourg can contribute to shaping financial innovation in the age of AI.

In this context, the Advisory Board on AI in Finance recommends to:

Legal and regulatory framework



Continue to advocate in favour of the simplification of digital regulations at the EU-level, considering:

- the need for more principle-based regulation,
- the principle of proportionality,
- the need for a combination of ex-ante and ex-post intervention,
- prefer the “erase-and-rewind” principle over the “stop-the-clock” principle.

At the national level, implement pro-innovation and tech-neutral pieces of legislation for finance (taking as an example the four recently implemented laws in Luxembourg regarding the use of blockchain technology in the financial sector) and continue to innovate through legislative innovation.

This will support Luxembourg in providing legal certainty while encouraging innovation and growth for its market participants.

Establish Luxembourg as a “Gateway to Europe”

Connect Luxembourg to other major AI centres and develop it as a gateway to Europe for AI in finance by building on its cutting-edge sovereign infrastructure and its agility for innovation.

Further, leverage Luxembourg as an AI sandboxing environment, building on the presence of an international, cross-border financial centre, while innovating through law, and/or capitalising on its experience of data embassies to promote a trusted environment to test new AI applications.

Promote and support particularly promising segments for the use of AI in the financial sector, concentrating notably on the creation of new products and processes in financial systems, while also focusing on risk and compliance.

Encourage the institutions of the financial sector to work on and implement practical solutions that add value and transformational projects that are digital- and AI-first.

By cultivating thought leadership around AI in finance, Luxembourg can help shape developments across Europe and internationally, contributing to an environment that supports long-term convergence and harmonisation.

Use Luxembourg as an innovation cluster and center of excellence for those solutions and:

- in the context of the payment industry, spearhead, for example, initiatives on dynamic agentic payments (including procedures for identifying and verifying identity, settlement, and more),
- invest in AI agent certification,
- in the fund industry, continue to support and expand tokenisation initiatives (distribution platforms for example) in conjunction with the use of AI.

Learning



Expand the offer of government-driven AI-specific upskilling and reskilling initiatives through subsidies or otherwise, with a particular focus on the needs of the financial services industry.

Advocate in favour of AI-first initiatives in financial education.

Support and leverage the use of agentic AI in finance to promote human-AI interaction to minimise labour force replacement and encourage augmentation and productivity growth.

Further develop Luxembourg's high-skills visa schemes, including via tax incentives, to further attract, retain and develop talent.

Contribute to federating the best international learning institutions, for example in the context of networks of centres of excellence and innovative learning solutions for finance, with the development in Luxembourg of, for instance, specialised master's degree tracks, and certifications or executive education programs in AI in finance.

Ecosystem

Position Luxembourg as a major internationally open and connected AI hub working in close collaboration with local actors and AI centres around the world, leveraging the capacities of public-private initiatives such as the LHoFT's AI Experience Centre, the Luxembourg AI-Factory and the country's High-Performance Computing infrastructure, but also the private sector.

Advocate in favour of combining AI initiatives in finance with cybersecurity, with a strong focus on reliability and trust.

Explore the opportunity to set up an agentic AI identity registry, building on the example of the Legal Entity Identifier (LEI).

