

KLEYR GRASSO

Independent law firm

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KLEYR GRASSO contributes to the Chambers Global Practice Guide: Litigation 2026

Donata GRASSO and **Emilie WATY**, Partners in our Corporate & Finance Litigation department, are pleased to share the Luxembourg chapter of the Chambers & Partners 2026 Litigation Global Practice Guide.

This jurisdiction-specific contribution provides an overview of the procedural framework applicable to commercial and civil disputes in Luxembourg.

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1. General

1.1. General Characteristics of the Legal System

The Grand Duchy of Luxembourg operates within the civil law tradition, under which its legal framework is primarily established through comprehensive codified statutes rather than through the development of judicial precedents. In addition, decisions issued by higher courts bear significant influence and are regularly followed by lower courts when deciding similar cases.

Luxembourg's legal framework has been significantly influenced by the legal traditions of its neighbouring countries, and particularly by the codification principles of the French Napoleonic Code. Rules governing civil and commercial proceedings are laid down in the New Code of Civil Procedure (the NCCP).

Proceedings may be conducted either in written or oral form, the applicable format being determined by the nature of the dispute, the value at stake and, in certain instances, the claimant's choice. Civil and commercial disputes involving a monetary value below EUR15,000 may be pleaded orally. Where the amount in dispute exceeds this threshold, civil proceedings are conducted through written submissions whereas in commercial matters the claimant may elect between oral proceedings and written submissions.

Written proceedings follow an inquisitorial model, pursuant to which the judge responsible for case management (*le juge de la mise en état*) is vested with wide discretionary powers to direct the conduct of the proceedings, require the parties to clarify or address specific issues, and collect such evidence as is considered necessary.

1.2. Court System

Luxembourg's Constitution of 1 July 2023 (The Constitution) enshrines the existence of a two-tiered system distinguishing between judicial courts (Article 98 of the Constitution) and administrative courts (Article 99 of the Constitution). In addition, Article 112 of the Constitution establishes the Constitutional Court (*Cour Constitutionnelle*).

> **Judicial Courts**

Judicial courts exercise jurisdiction over civil and commercial matters that are organised into three distinct tiers.

> **The courts of first instance**

Luxembourg is divided into two districts, namely Luxembourg City and Diekirch.

The courts of first instance^[1] comprise the lower court (*Justice de Paix*) and the district court.

Jurisdiction is allocated on the basis of both monetary value as well as the subject matter of the dispute:

Disputes not exceeding EUR15,000, or which pertain to matters of a specialised nature as foreseen in Article 4 of the NCCP, fall within the exclusive jurisdiction of the lower court. Appeal proceedings with respect to decisions handed down by the lower court shall be introduced before the district court.

Disputes that exceed the aforementioned amount shall be brought before the district court which is regarded as the jurisdiction of ordinary law (*droit commun*).

> **Court of Appeal**

The Court of Appeal, located in Luxembourg City, has jurisdiction over first-instance decisions ruled by the district court sitting in civil and commercial matters.

> **The Supreme Court (Cour de Cassation)**

The Supreme Court has jurisdiction over decisions rendered by the Court of Appeal, as well as judgments rendered by the lower courts acting as courts of last instance (not subject to appeal). The role of the Supreme Court is to examine the conformity of the judgments rendered with the applicable law. It does not re-examine the factual background of the matter.

> **The Constitutional Court**

The Constitutional Court has the authority to verify the conformity of legislative provisions with the Constitution. Its jurisdiction, however, does not extend to the review of the constitutionality of laws approving international treaties.

1.3. Court Filings and Proceedings

As a fundamental principle of the rule of law, court proceedings are by default open to the public, ensuring transparency and the right of citizens to attend the hearings. Nonetheless, derogations from this principle exist where the nature of the case warrants confidentiality, particularly in order to safeguard public order and morals (Article 108 of the Constitution).

Court filings, however, are not open to the public.

1.4. Legal Representation in Court

In Luxembourg, the practice of law is regulated by the Law of 10 August 1991, pursuant to which the profession of lawyer is performed in a free and independent manner. In order to practise as a lawyer, admission to the Bar Association and registration in one of its official lists are considered prerequisites.

Practising lawyers are classified into three categories, each entered on a distinct list, namely:

- > Lawyers (*Avocats à la Cour*) registered on list I of the Bar Association, having taken the oath and successfully completed the final bar examination, are qualified to represent litigants in written proceedings as well as to act on behalf of all parties before all courts, including the Constitutional Court, the administrative courts, and the Supreme Court of Justice as well as to file submissions on their behalf.
- > Lawyers (*Avocats*) entered on list 2 of the Bar Association are entitled to appear and plead before the courts of first instance, subject to the limitations prescribed by law.
- > Lawyers admitted in a European Union member state may practise in Luxembourg under their member state professional title and be registered in list 4 of the Bar Association, which also allows them to represent litigants before the courts of first instance.
- > Foreign-qualified lawyers may also be authorised to represent parties in Luxembourg provided that they are assisted by a lawyer of the Luxembourg Bar in proceedings where representation by a lawyer (*Avocat à la Cour*) is not mandatory and provided that prior authorisation has been duly sought by the President of the Bar (*Bâtonnier*).

In first-instance proceedings regarding claims not exceeding EUR15,000 as well as first-instance commercial proceedings, representation by a lawyer is not mandatory; instead, parties may appear and plead their case personally before the court.

2. Litigation Funding

2.1. Third-Party Litigation Funding

The Luxembourg legal framework does not expressly regulate third-party funding. Nonetheless, this practice is encountered in litigation and arbitration proceedings and may be validly undertaken provided that the parties adhere to ethical standards and legal duties and insofar as it does not give rise to a conflict of interest for the party's lawyer regarding its client and the third party funding the dispute.

2.2. Third-Party Funding: Lawsuits

In the absence of specific legislative provisions governing third-party funding in Luxembourg, any form of legal proceedings may, in principle, be funded by third parties.

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Third-party funding can be available for plaintiffs as well as defendants.

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As Luxembourg law does not contain specific provisions governing third-party funding, there are no minimum or maximum thresholds that apply to such funding.

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As third-party funding is unregulated in Luxembourg law, there are no requirements regarding the costs that a third party would consider funding.

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Under Luxembourg law and specifically the rules of the Luxembourg Bar Association, fee arrangements that are exclusively based on the outcome of the dispute (contingency fees) are prohibited as they would compromise a lawyer's duties of independence and professional detachment.

Nevertheless, lawyers are permitted to structure their fees to include a success-based component, which represents a portion of the total arrangement fees.

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As third-party funding remains unregulated, there are no time limits within which the party to the litigation should obtain third-party funding.

Per house style, we only capitalise specific, singular courts, such as the Supreme Court.

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