

The Luxembourg financial supervisory authority reminds supervised entities, of the relevance of money laundering and terrorist financing risks in the prudential supervision



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Acting in its role as prudential supervisor, the Commission de Surveillance du Secteur Financier (the “CSSF”), the Luxembourg financial supervisory authority, published on 29 August 2019 a press release about the relevance of money laundering and terrorist financing (ML/TF) risks in its supervisory processes.

This alert is relevant to all supervised entities including notably credit institutions, CRR investment firms, payment institutions and e-money institutions.

Supervised entities are generally reminded to give at all times due consideration to ML/TF risks in order to ensure that their governance and risk management arrangements are appropriate and enable them to identify, assess and manage all the risks they may be facing.

The CSSF furthermore reminds that the management bodies and senior management of supervised entities should be aware of the enhanced legal framework set out at European level with the relevant provisions of AMLD5 (Directive 2015/849) and CRDV (Directive 2019/878). These persons should in addition at all times be and remain of sufficiently good repute and possess sufficient knowledge, skills and experience to perform their duties and to prevent ML/TF.

In the context of the CSSF’s supervisory process, the CSSF stresses that ML/TF concerns will notably be considered at the level of any authorisation process, in the prudential supervision of entities and in the context of taking any administrative measures.

Finally, the CSSF draws attention to the fact that supervisory authorities are aiming for closer cooperation, which notably means that prudential supervisors will be able to use information held by AML/CFT authorities and vice-versa. In this context, the CSSF recently signed a multilateral agreement with the European Central Bank (“ECB”) on the practical modalities for exchange of

information between the ECB and all competent authorities responsible for supervising compliance of credit and financial institutions with ML/FT obligations.

Please bear in mind that ML/TF matters are a hot topic currently in Luxembourg with the upcoming visit of the financial action task force next year in Luxembourg. Please also be reminded that failure to comply with ML/TF obligations may entail both administrative and criminal sanctions. In this respect, recent sanctions imposed by the CSSF pertained notably to violations of ML/TF obligations and the fines levied may be substantial. The full content of the communication is available [here](#).

In light of the above, do not hesitate to contact our regulatory team. We may assist you with (i) an assessment of your ML/TF procedures in place, (ii) a training of the management bodies/senior management on ML/TF requirements and (iii) more generally any requests pertaining to ML/TF matters.

with the collaboration of

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