



*Commission de Surveillance
du Secteur Financier*

COMMUNIQUÉ

THE CSSF IMPOSES AN ADMINISTRATIVE SANCTION ON BANQUE EDMOND DE ROTHSCHILD (EUROPE)

In fulfilling its statutory tasks of supervisory authority, the CSSF imposed an administrative sanction in the form of a fine amounting to EUR 8,985,000 on Edmond de Rothschild (Europe) on 21 June 2017.

The fine was imposed based on first, third, fourth and sixth indents of Article 63(1) and third indent of Article 63(2) of the Law of 5 April 1993 on the financial sector as well as based on Article 63-2(1)(d) and (2)(e) of the aforementioned law due to non-compliance with the requirement to put a robust internal governance system in place, which notably covers the compliance policy and the compliance with the AML/CFT professional obligations.

The aforementioned sanction has been decided after an in-depth investigation and an on-site inspection carried out by the CSSF throughout 2016. Following the communication of the analysis and the grievances of the CSSF, at the end of 2016, it has received the observations of Edmond de Rothschild (Europe) in March 2017, including, in particular, a remediation plan in order to respond to the grievances identified by the CSSF on which the aforementioned administrative sanction is based. The CSSF noticed that Edmond de Rothschild (Europe) strengthened and substantially changed its management teams, as from June 2016, and launched a process of compliance of its internal governance, as described in its remediation plan. These positive initiatives of Edmond de Rothschild (Europe) have been taken into account by the CSSF when determining the amount of the fine.

The CSSF would like to remind that the management of each authorised institution is in charge of establishing a compliance policy, ensuring its compliance and informing the Board of Directors of its sound implementation and that the Board of Directors is in charge of supervising the application of sound internal governance and, in particular, the management of the compliance risk and monitoring its implementation on a regular basis.

The CSSF, as supervisory authority, will ensure that Edmond de Rothschild (Europe) complies, on an ongoing basis, with the regulations in force and implements the measures of the remediation plan and their proper application in practice.

This publication is made in accordance with Article 63-3(1) of the Law of 5 April 1993 on the financial sector.

Luxembourg, on 22 June 2017