



Commission de Surveillance  
du Secteur Financier

# Frequently asked questions regarding International Financial Sanctions

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### TABLE OF CONTENTS

Question 1: What is the applicable legal framework?	3
Question 2: Where are the documents relating to the various international financial sanctions available?	3
Question 3: What are professionals required to report to the Ministry of Finance, and in copy to the CSSF, without delay?	3
Question 4: Where shall the professional send the report regarding the financial restrictive measures?	4
Question 5: Does a form exist for notifying the freezing of funds to the Ministry of Finance?	5
Question 6: What are the roles of the CSSF and the Ministry of Finance regarding international financial sanctions?	5
Question 7: What are the powers of the CSSF in the context of its supervision relating to international financial sanctions?	6
Question 8: Does a consolidated list comprising all the persons and entities subject to international financial (freezing) sanctions exist?	6
Question 9: What does the professional have to do in case of identifying a suspicion of money laundering or terrorism financing or an associated predicate offence, in addition to its client being subject to international financial sanctions?	6
Question 10: What should a financial sector professional do if a natural/legal person belonging to its business relationships is listed on the OFAC's (Office of Foreign Assets Control) sanctions lists?	7
Question 11 : What does "international financial sanctions", in particular within the context of the fight against terrorist financing, mean ?	7
Question 12: What are the latest developments in relation to international financial sanctions?	7

## Frequently asked questions regarding International Financial Sanctions

### Question 1: What is the applicable legal framework?

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Professionals need to comply with **the Law of 19 December 2020** on the implementation of restrictive measures in financial matters, which entered into force on 27 December 2020 (“the Law 2020”), and with the **CSSF Regulation 12-02** on the fight against money laundering and terrorist financing as modified (“CSSF Regulation 12-02”). While the CSSF Regulation 12-02, in particular its articles 33 and 39 provide for details on the controls and measures to put in place in order to achieve compliance with applicable financial restrictive measures and related professional obligations, the purpose of the Law 2020 is the implementation of restrictive measures in financial matters by the Grand Duchy of Luxembourg in respect of certain States, natural and legal persons, entities and groups.

Also, professionals need to consider the UN and European regulatory framework regarding financial restrictive measures, directly applicable in Luxembourg.

For further details and explanations, please also consider the different Guidance documents and FAQs provided for by the Ministry of Finance on this topic, under the following link: [Sanctions financières internationales - Ministère des Finances // Le gouvernement luxembourgeois](#).

### Question 2: Where are the documents relating to the various international financial sanctions available?

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The complete documentation is available on the website of the Ministry of Finance: [Sanctions financières internationales - Ministère des Finances // Le gouvernement luxembourgeois](#).

The CSSF also publishes relevant documentation on its website, under the section “Financial Crime”, “International Financial Sanctions”: [International financial sanctions – CSSF](#).

### Question 3: What are professionals required to report to the Ministry of Finance, and in copy to the CSSF, without delay?

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**Only** the measures taken by professionals that are **formal restrictive measures in financial matters** in the meaning of Article 2 (4) of the Law 2020 need to be reported without delay:

*“Restrictive measures in financial matters” means*

*1° The prohibition or restriction of financial activities of any kind;*

*2° The prohibition or restriction on the provision of financial services, technical assistance, training or advice in relation to a State, natural or legal person, entity or group referred to in this law; or*

*3° The freezing of funds, assets or other economic resources owned or controlled, directly, indirectly or jointly, with or by a person, entity or group referred to in this law or by a person acting on their behalf or at their direction.*

*“Freezing of funds” means, for the purposes of this law, any action to prevent any move, transfer, alteration, use of, access to, or dealing with funds in any way that would result in any change in their volume, amount, location, ownership, possession, character, destination or other change that would enable the use of the funds, including portfolio management. Law of 19 December 2020 on the implementation of restrictive measures in financial matters 3/8 “Freezing of economic resources” means, under this law, any action intended to prevent the use of economic resources to obtain funds, goods or services of any kind, including the selling, hiring or mortgaging of such funds, goods or services.”*

The **information regarding the financial restrictive measures to be communicated must be complete and precise**. Please see also Question 5 hereafter.

This **does not include** information on internal control or other measures (e.g. tool/system used, internal reporting) put in place by the professionals for complying with this framework.

#### **Question 4: Where shall the professional send the report regarding the financial restrictive measures?**

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The professional required to implement the financial restrictive measures shall inform the **Ministry of Finance** of the enforcement of each restrictive measure taken in respect of a State, natural or legal person, entity or group involved in a transaction or business relationship and designated in accordance with the Law 2020 and the implementing regulations, including attempted transactions.

The professional shall send this notification via email to [sanctions@fi.etat.lu](mailto:sanctions@fi.etat.lu) or via post to:

Ministère des Finances,  
3 Rue de la Congrégation,  
L-1352 Luxembourg

A **copy of this communication** needs to be sent to the CSSF at the same time. For this communication, information shall be sent, in a securely manner, to the following email address of the CSSF: [adm\\_jurcc@cssf.lu](mailto:adm_jurcc@cssf.lu), by clearly indicating in the title "Financial sanctions".

### **Question 5: Does a form exist for notifying the freezing of funds to the Ministry of Finance?**

**Modified on 21 March 2022 (link to CSSF form)**

Yes, the Ministry of Finance provides for a form that can be used for notifying the freezing of funds. It can be found on the website of the Ministry of Finance in the section "Formulaires" "Rapport trimestriel de fonds gelés" under the following link: [Sanctions financières internationales - Ministère des Finances // Le gouvernement luxembourgeois](#) or under the section "Forms" on the website of the CSSF under the following link: [Form drawn up by the Ministry of Finance for the notification of frozen funds \(only in French\)](#).

Other relevant forms can be found on the same websites.

### **Question 6: What are the roles of the CSSF and the Ministry of Finance regarding international financial sanctions?**

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The CSSF is responsible for the supervision of the professionals falling under its scope for the purposes of the implementation of the Law 2020. To this end, the CSSF shall ensure effective monitoring of the implementation of financial restrictive measures and shall take the necessary measures to that end.

The Ministry of Finance is competent for dealing with matters directly relating to the enforcement of financial restrictive measures on the part of the natural and legal persons, entities and groups concerned, as well as on the part of the natural and legal persons obliged to apply them. The Ministry of Finance is also competent to exceptionally issue authorisations derogating from the prohibitions and restrictive measures imposed if the resolutions and acts referred to in Article 1 of the Law 2020 allow such derogations and under the conditions provided for therein.

**Question 7: What are the powers of the CSSF in the context of its supervision relating to international financial sanctions?**

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When supervising professionals under its remit for compliance with international financial sanctions, the CSSF has the same powers, notably of investigation, enforcement and sanction, as those provided to it by the Law of 12 November 2004 regarding the fight against money laundering and terrorist financing.

Based on these large measures and powers, and in addition to receive copy of the notifications sent to the Ministry of Finance, CSSF has for example the right to:

- have access to any document in any form whatsoever, and to receive or take a copy of it;
- request information from any person and, where applicable, summon any person subject to its supervisory power and hear that person to obtain information;
- carry out on-site inspections or investigations, including seize any document, electronic file or other things that seem useful to ascertaining the truth, with the professional under the remit of its supervision; etc.

Also, when identifying a legal breach, the CSSF has the power to issue a warning; a reprimand; a public statement; an administrative fine, etc.

**Question 8: Does a consolidated list comprising all the persons and entities subject to international financial (freezing) sanctions exist?**

Modified on 15 November 2019

Please see answer to Question 8 of the FAQ on AML/CFT under the following link:  
[FAQ\\_AMLCTF.pdf \(cssf.lu\)](#)

**Question 9: What does the professional have to do in case of identifying a suspicion of money laundering or terrorism financing or an associated predicate offence, in addition to its client being subject to international financial sanctions?**

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If in relation with the relationship, to which the professional has to apply financial restrictive measures, the professional also identifies a suspicion of money laundering or terrorism financing or an associated predicate offence, the professional shall inform without delay the Luxembourg FIU via the plateforme goAML (<https://justice.public.lu/fr/organisation-justice/crf/goaml.html>), in line with the requirements for suspicions' reporting provided for in Article 5 (1) a) of the Law of 12 November 2004 on the fight against money laundering and terrorist financing.

**Question 10: What should a financial sector professional do if a natural/legal person belonging to its business relationships is listed on the OFAC's (Office of Foreign Assets Control) sanctions lists?**

**Modified on 4 March 2021**

Please see answer to Question 9 of the FAQ on AML/CFT under the following link:  
[FAQ\\_AMLCTF.pdf \(cssf.lu\)](#)

**Question 11 : What does “international financial sanctions”, in particular within the context of the fight against terrorist financing, mean ?**

**Modified on 4 March 2021**

Please see answer to Question 5 of the FAQ on AML/CFT under the following link:  
[FAQ\\_AMLCTF.pdf \(cssf.lu\)](#)

**Question 12: What are the latest developments in relation to international financial sanctions?**

**Modified on 4 June 2021**

Please see answer to Question 7 of the FAQ on AML/CFT under the following link:  
[FAQ\\_AMLCTF.pdf \(cssf.lu\)](#)



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