



Key takeaways of AML/CFT conference held on 30 January 2023 for Specialised PFS

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ML/TF Risk appetite, AML/CFT risk self-assessment and RC report

- ML/TF risk appetite, AML/CFT risk self-assessment and RC report are essential documents providing an excellent insight of the professionals' AML/CFT framework.
- Specialised PFS are expected to take the findings of the supra national risk assessment, national risk assessment, vertical risk assessments, sub-sectorial ML/TF risk assessments and joint guidelines issued by the three European Supervisory Authorities into account in their AML/CFT frameworks.
- Risk factors mentioned in Article 2-2(1) of AML/CFT Law must be assessed by the professionals in the AML/CFT risk self-assessment. An inherent risk rating should be provided to each risk factor. After a description of the mitigation measures, a residual risk rating should be provided to each risk factor. The overall risk rating is the average of the residuals risk ratings and should be in line with the professionals' ML/TF risk appetite.
- In case of new products, business practices, use of new or developing technologies, the professionals should before the launch or use review the risk appetite, assess the ML/TF risks and put mitigation measures in place (e.g. in case of outsourcing of AML/CFT tasks, application of an additional licence).
- The RC report should provide an overview on RC's activities and operations (i.e. controls performed by the RC, results of the controls, description of the corrective measures put in place, proposal of corrective measures to be put in place and the follow-up on findings identified in previous RC reports).

Importance of establishment of AML/CFT Expert Working Group for Specialised PFS

- Exchange of information and straightening dialogue between private and public sectors.

- Aim to increase the effectiveness of the fight against money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction ("ML/FT/PF").
- Discussion of new trends and typologies with regard to ML/FT/PF observed on national, EU and international level.
- Best practices and recommendations.

Register of fiducies and trusts ("RFT")

- Trustees and fiduciaires shall obtain and keep, at the place of administration of the express trust or fiducie, information on the beneficial owners of any express trust administered in the Grand Duchy of Luxembourg and of any fiducie for which they act as trustee or fiduciaire.
- Any person having access to the information recorded in the RFT shall promptly report to AED any discrepancies encountered between information recorded in the RFT and information available to him or her.

Vertical risk assessments ("VRAs"): Legal persons and legal arrangements – Terrorist financing

- Two important documents providing useful information and guidance to professionals regarding the risk of legal persons and legal arrangements created in Luxembourg of being misused for ML/TF purposes.

Cellule de Renseignement Financier ("CRF")

- Best practices: much more important than the quantity of reports submitted is the quality and relevance of the information provided.
- Suspicion arises when doubt cannot be removed.



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- Importance of providing structured data. New “feedback form” CRF gives feedback on the report quality.
- Report refusal to enter into business relationship with a prospect because of ML/TF suspicions.
- Answer to urgent requests for information of the CRF without delay or notify the CRF in case of additional time needed.
- Freeze orders issued by the CRF and no tipping-off.



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