

Administrative penalty of 3 October 2023 for non-compliance with professional obligations related to governance and IT organisation

Administrative penalty imposed on the investment firm Moventum S.C.A.

Luxembourg, 20 February 2024

Administrative decision

On 3 October 2023, the CSSF imposed an administrative fine amounting to 160,100 euros on the investment firm Moventum S.C.A. ("**Moventum**"), authorised to provide investment services and activities related to the reception and transmission of orders in relation to one or more financial instruments, execution of orders on behalf of clients, portfolio management and investment advice as well as to act as registrar agent, Family Office, corporate domiciliation agent, professional providing company incorporation and management services, client communication agent and as administrative agent of the financial sector in accordance with the provisions of Articles 24-1, 24-2, 24-4, 24-5, 25, 28-6, 28-9, 28-10, 29-1 and 29-2 of the law of 5 April 1993 on the financial sector as amended ("**LFS**").

Legal framework/motivation

The administrative fine was imposed by the CSSF pursuant to Article 63(1), first and seventh indents and Article 63(2), first subparagraph, third indent of the LFS for non-compliance with professional obligations related to governance and IT organisation, taking into account the criteria defined in Article 63-4(1) of this law, in particular the number, the gravity and the duration of the breaches.

The CSSF has duly taken into consideration the fact that Moventum did acknowledge and recognise all the findings and observations on the one hand, and on the other provided a high-level action plan and initiated remedial actions in order to resolve the breaches identified.

The professional obligations in relation to which the breaches were observed are in particular related to the governance as well as the IT organisation, and are namely quoted in the relevant provisions of (i) the LSF, (ii) Circular CSSF 20/750 and (iii) Circular CSSF 06/240 as applicable at the time of the facts.

Legal basis for the publication

This publication is made pursuant to the provisions of Article 63(2), second subparagraph of the LFS, the CSSF having considered that the

present publication was not such as to seriously jeopardise the financial markets or cause disproportionate damage to the parties concerned.

Context and major cases of non-compliance with professional obligations identified

This administrative fine follows a CSSF on-site inspection at Moventum conducted from November 2022 to May 2023. During the inspection, the CSSF identified breaches at the level of governance and IT organisation.

In this regard, this was a breach of Articles 17(1a), 17(2) and 37-1(4) of the LFS and further detailed by several points of Circular CSSF 20/750 and Circular CSSF 06/240.

The implementation of robust internal governance arrangements is an essential professional obligation and the European guidelines implemented by Circular CSSF 20/750 require financial institutions to have adequate internal governance and internal control framework in place for their information and communication technology and security risks.

