Administrative sanction of 2 March 2026 for non-compliance with professional obligations related to anti-money laundering / counter financing of terrorism

Luxembourg, 08 July 2026

Administrative decision

On 2 March 2026, further to an on-site inspection on the professional obligations related to anti-money laundering and counter financing of terrorism ("AML/CFT"), the CSSF imposed an administrative fine amounting to EUR 12,000 (twelve thousand) on PingPong Europe S.A. (the "**Electronic Money Institution**"), authorised as electronic money institution according in accordance with the provisions of the Law of 10 November 2009 on payment services, and representing less than one percent (1%) of its total annual turnover as of 31 December 2021, adjusted for the purpose of the calculation.

Legal framework/motivation

The administrative fine was imposed by the CSSF pursuant to the provisions of Article 2-1(1) of the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended ("**AML/CFT Law**") read in conjunction with the provisions of Article 8-4(1), (2) point (f) and (3) point (a) of the AML/CFT Law for non-compliance with anti-money laundering / counter financing of terrorism ("**AML/CFT**") professional obligations.

In order to determine the type and amount of the administrative sanction, the CSSF duly took into account all the legal and factual elements set out and discussed as part of the contradictory procedure, like the gravity and duration of the breaches existing at the time of the on-site inspection, the financial situation and the level of cooperation of the legal person held responsible for the breaches in accordance with the provisions of Article 8-5 of the AML/CFT Law. In this context, the CSSF has further considered as an aggravating factor the provision by the Electronic Money Institution of incorrect information in its response. The CSSF also considered the fact that the Electronic Money Institution has acknowledged the findings and observations, and has provided a general action plan and stated it had initiated certain corrective measures after the on-site inspection in order to remedy the breaches detected.

The professional obligations of the Electronic Money Institution in relation to which the breaches were observed are namely quoted in the relevant provisions of:

- the **AML/CFT Law** ;
- CSSF Regulation No 12-02 of 14 December 2012, as amended, on the fight against money laundering and terrorist financing ("**CSSF Regulation No 12-02**") which constitutes an implementing measure of the AML/CFT Law,

in their version applicable at the time of the on-site inspection.

Legal bases for the publication

This publication is made on a nominative basis in accordance with the provisions of Article 8-6(1) of the AML/CFT Law, the CSSF having considered that none of the legal exceptions provided for under this provision applies.

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

This administrative fine is the result of an on-site inspection carried out by the CSSF on the Electronic Money Institution between October 2022 and October 2023 covering the AML/CFT framework. During the on-site inspection, the CSSF identified breaches to the AML/CFT professional obligations applicable to the Electronic Money Institution which related in particular to the following points:

- Although the Electronic Money Institution had identified indicators that generated suspicions of money laundering in two cases related to fraudulent activities and one case where suspicious transactions were detected, generating indicators of a predicate tax offence, it did not file a Suspicious Activity Report/ Suspicious Transaction Report (hereafter "**SAR/STR**") to the Financial Intelligence Unit (hereafter the "**FIU**"). Those cases constitute a breach of the obligation foreseen in Article 5(1) point (a) of the AML/CFT Law to inform promptly and on its own initiative the FIU when there are reasonable grounds of suspicion of money laundering. For the two cases related to fraudulent activities, the CSSF noted that the Electronic Money Institution decided to send back the funds before the Compliance Officer, in function during the on-site inspection, decided whether a SAR/STR to the FIU had to be transmitted. This constitutes a breach of the obligation foreseen in Article 5(3) of the AML/CFT Law requiring professionals to refrain from carrying out suspicious transactions until the FIU has been informed.

- The Electronic Money Institution was unable to provide a copy of the SARs/STRs it sent to the FIU in 2020 and 2021, due notably to the lack of adequate recordkeeping, despite foreseen by its procedures. Failure to comply with its procedures constitutes a breach of the obligations foreseen in Article 4(1) of the AML/CFT Law requiring professionals to implement policies and procedures, notably related to recordkeeping, but also to ensure they are effectively applied in practice.

  This further constitutes a breach of the obligations foreseen in Article 48(2) of CSSF Regulation No 12-02 which emphasizes the obligation to have an adequate recordkeeping process to notably enable to retrieve the analysis and the resulting decisions to communicate or not a fact or transaction to the FIU. As it could not retrieve documentation indicating which clients had been subject to a SAR/STR sent to the FIU in 2020 and 2021, the Electronic Money Institution was unable to demonstrate that enhanced due diligence measures had been applied to those clients, thus constituting a failure to comply with the provisions of Article 48(3) of CSSF Regulation No 12-02.

- The Electronic Money Institution's AML/CFT supervisory systems presented several shortcomings, which posed a risk of inadequate management of its AML/CFT controls, especially considering the high volume of clients. Indeed, AML/CFT supervisory systems did not enable to properly distinguish between blocked, terminated or refused business relationships. In that context, the Electronic Money Institution was unable to explain if a group of circa 2,800 clients were in fact refused prospects, blocked clients or clients of other entities of the same group. The Electronic Money Institution did not have a list or a system to identify and further monitor incomplete client files.

  The CSSF further noted that the Electronic Money Institution was unable to produce extracts from its customer database showing the country of residence of the directors, proxies, or beneficial owners of clients being legal persons. Notably due to the high volume of clients, it made it difficult for the Electronic Money Institution to identify and correct customer risk level issues related to this risk factor, in particular, should a country risk be increased to "high", either due to external modifications (e.g. updates of the countries listed in the European Union delegated acts) or internal (e.g. updates of the Electronic Money Institution's country risk list), and to apply enhanced due diligence measures when required.

  Based on the above-mentioned elements, the CSSF considered that the Electronic Money Institution's systems used for AML/CFT controls were not adapted to the high volume of clients and therefore did not enable it to adequately monitor its clients in relation to money laundering and terrorism financing risks. This constitutes a failure to comply with the provisions of Article 4(1) of the AML/CFT Law which requires professionals to implement adequate supervisory systems to effectively mitigate and manage the risks of money laundering and terrorist financing.

  Although some of the above-mentioned breaches had been identified by the Electronic Money Institution during its regular controls on its supervisory system, no satisfactory remedial actions had been implemented, thus constituting a failure to comply with the provisions of Article 39(6) of CSSF Regulation No 12-02, which emphasizes the obligation to adapt supervisory system, where necessary, to the development of the activities, the clients and the AML/CFT standards and measures.