

## Administrative decision of 19 December 2024 for non-compliance with professional obligations related to restrictive measures in financial matters

Luxembourg, 12 February 2025

### Administrative decision

On 19 December 2024 the CSSF imposed a reprimand on Citibank Europe Plc, Luxembourg Branch (**"the credit institution"**).

### Legal framework/motivation

The reprimand was imposed by the CSSF pursuant to Article 6 (4) of the Law of 19 December 2020 on the implementation of restrictive measures in financial matters, as amended (**"Law"**), and Article 8-4(1) and (2) of the amended Law of 12 November 2004 on the fight against money laundering and terrorist financing (**"AML/CFT Law"**) for non-compliance with professional obligations in terms of implementation of restrictive measures in financial matters in 2022, taking into account the criteria defined in Article 8-5(1) of the AML/CFT Law, in particular the severity of the breaches observed at the time of the review, the level of cooperation of the credit institution with the CSSF and the credit institution's history of non-compliance with restrictive measures in financial matters.

The CSSF has duly taken into consideration the remedial actions undertaken by Citibank Europe Plc, Luxembourg Branch to resolve the breaches identified.

The professional obligations in relation to which the breaches were observed are set out in particular in:

- the Law,
- Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, as amended (**"(EU) 269/2014 Regulation"**),
- Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, as amended,
- Grand-ducal Regulation of 14 November 2022 providing details on the Law (**"Grand-ducal Regulation"**),
- CSSF Regulation N° 12-02 of 14 December 2012, as amended, on the fight against money laundering and terrorist financing implementing measures of the Law (**"CSSF Regulation N° 12-02"**),

as applicable at the time of the facts in 2022.

## Legal bases for the publication

This publication is made pursuant to the provisions of Article 8-6(1) of the AML/CFT Law, to which Article 6(2) of the Law refers, insofar as, following an assessment of proportionality, the CSSF considers that the publication on a named basis is not disproportionate and jeopardises neither the stability of the financial markets nor an ongoing investigation.

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

This reprimand follows several exchanges between the credit institution and the CSSF that took place in the context of the off-site supervision performed by the CSSF following information provided by the credit institution notably as regards the implementation of restrictive measures in financial matters. Upon these exchanges, the CSSF identified important breaches to the professional obligations relating to the implementation of restrictive measures in financial matters that occurred in 2022, which pertained to the following points:

- late implementation of restrictive measures in financial matters towards two accounts held by one client impacted by Regulation (EU) No 269/2014, as amended, on which bank charges were automatically debited and interests credited monthly, but no funds were accessed by a person subject to restrictive measures in financial matters,
- late information to the Ministry of Finance of the implementation of the relevant restrictive measures towards these accounts,

which constitute a failure to comply with Article 2 and Article 7 of the aforementioned (EU) 269/2014 Regulation, Article 6(1) of the Law, Article 1 and Article 2 of the Grand-ducal Regulation, as well as Article 33(2) of CSSF Regulation N° 12-02, which require that restrictive measures in financial matters be implemented without delay and also communicated without delay to the Ministry of Finance.