

COMMISSION de SURVEILLANCE du SECTEUR FINANCIER

In case of discrepancies between the French and the English text, the French text shall prevail

Luxembourg, 9 December 2010

To all the professionals of the financial
sector subject to the supervision of the CSSF

CIRCULAR CSSF 10/495

Re: Entry into force of the law of 27 October 2010 on the fight against money laundering and terrorist financing

Ladies and Gentlemen,

We are pleased to refer to the entry into force on 7 November 2010 of the law of 27 October 2010 enhancing the anti-money laundering and counter terrorist financing legal framework; organising the controls of physical transport of cash entering, transiting through or leaving the Grand Duchy of Luxembourg; implementing United Nations Security Council resolutions as well as acts adopted by the European Union concerning prohibitions and restrictive measures in financial matters in respect of certain persons, entities and groups in the context of the combat against terrorist financing.

This law considerably enhanced the Luxembourg legal framework on the fight against money laundering and terrorist financing, notably by introducing, through its Part I, Article 4, amendments to the law of 12 November 2004 on the fight against money laundering and terrorist financing. This article extends the scope of application of the law of 12 November 2004, amends the due diligence measures applicable and the professionals' requirements to cooperate with the authorities competent for the fight against money laundering and terrorist financing. It also provides for an enhanced cooperation between those competent authorities.

In Part I, Articles 11, 12 and 17 are of particular interest for the financial sector as they amend and complete the law of 23 December 1998 establishing a financial sector supervisory commission, the law of 5 April 1993 on the financial sector and the law of 18 December 2009 concerning the audit profession.

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Part III of the law of 27 October 2010 sets out the introduction of a legal framework, in the form of autonomous legal provisions, for the implementation of United Nations Security Council decisions and of acts adopted by the EU Council which provide for prohibitions and restrictive measures against certain States, political regimes, persons, entities and groups.

In this regard, the grand-ducal regulation of 29 October 2010 implements the law of 27 October 2010 implementing United Nations Security Council resolutions and acts adopted by the European Union providing for prohibitions and restrictive measures in financial matters against certain persons, entities and groups in the context of combating terrorist financing. On 8 November 2010 and 8 December 2010, two ministerial regulations have been taken in order to amend Annex I C to the above grand-ducal regulation of 29 October 2010.

In this context, we would like to draw your attention to the publication of a new section on our website (www.cssf.lu) titled “AML/CTF – Financial sanctions”. This section groups all relevant regulatory texts relating to the fight against money laundering and terrorist financing, and to international financial restrictive measures. To be informed about the latest updates relating thereto, please subscribe *via* our website, under the heading “Subscription” at the top of the page, by selecting the option “Laws and regulations”.

Please note that the CSSF will no longer publish circulars relating to international financial restrictive measures. The publication of circulars titled: “Identification and declaration of business relationships with terrorist circles” and “Combating terrorism” will be discontinued as well.

This Circular completes Circular CSSF 08/387 in the sense that all new texts mentioned above and grand-ducal regulation of 1 February 2010 providing details on certain provisions of the law of 12 November 2004, introduce supplementary obligations and details.

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