



Luxembourg clears FATF examination

Reinforcing commitment to financial integrity and global standards

Mazars Financial Advisory Services

Overview

Luxembourg has successfully passed the Financial Action Task Force (FATF) examination, demonstrating its unshakable commitment to upholding reliable, open, and legal financial practices that adhere to international standards. This is a significant milestone, and a result of Luxembourg's increased efforts to improve its regulatory structure, securing its position as an accountable and dependable player in the global financial sector.

The Financial Action Task Force (FATF) is an intergovernmental organization, founded in 1989, whose purpose is combating money laundering, terrorism funding, and other challenges to the integrity of the global financial system. The purpose of the FATF examination is to analyze a nation's anti-money laundering (AML) and counter-terrorist financing (CTF) systems. It is a thorough and demanding review.

As a result of the FATF in November 2022, Luxembourg has successfully proven a high level of compliance with these international norms, as evidenced by its passing the FATF inspection. By aligning its systems and controls with the strict FATF recommendations, the government has demonstrated its commitment to vigorously combating financial crimes and illicit financial flows.

Luxembourg has constantly worked to improve its AML/CTF policies over the years, putting in place extensive reforms to boost transparency, enhance consumer due diligence, and strengthen the supervisory function of its financial authorities. These measures are the result of the latest FATF examination's success, which demonstrates Luxembourg's continued dedication to financial integrity and transparency.

Implications for Luxembourg as a financial hub:

The positive outcome of the FATF visit in Luxembourg contributes significantly to the country's reputation as a trusted financial center. Investors, both domestic and international, can have increased confidence in the country's financial sector, assured that it operates under a robust and internationally recognized AML/CTF regime.

Moreover, it bolsters Luxembourg's position in international finance, potentially attracting more international businesses and investments. With the clean bill of health from FATF, the country is expected to continue its growth trajectory, fostering a vibrant and safe financial environment that strikes a balance.

What's next:

This feat also makes a substantial contribution to Luxembourg's standing as a reliable financial hub. Because the country's financial sector runs under a strong and well acknowledged AML/CTF regime, investors—both domestic and foreign—can have more confidence in it.

All in all, it strengthens Luxembourg's standing in global finance, thereby luring in more foreign companies and investments. After receiving a clear report from the FATF, the Luxembourg is anticipated to continue growing and strengthening its positioning in the financial sector, while promoting a thriving and secure financial ecosystem that strikes a balance between promoting financial innovation and upholding AML/CTF international standards.

Mazars in Luxembourg - Helping our clients to succeed

We are firmly woven in Luxembourg's economic pattern with over 20 years of experience in Luxembourg.

We show a steady growth during the past years as a result of high quality, independent and flexible service to our clients.

Our 300+ professionals support entities in the financial sector and use their expertise and independence to do the right thing.

Our strength relies on our industry expertise, proactivity, competitive fee structure, large panel of services and group integration. We operate as one team, taking a collaborative, integrated approach that allows us to deliver consistent and personalised services to our clients – large and small – across all sectors and geographies.

Governance, risk and internal control

AML/CTF service offering

Our AML/CTF specialists represent a significant tool that can help your organization in attaining compliance with AML/CTF standards. Your organization can take advantage of professional advice and assistance in creating strong AML/CTF governance structures, setting up efficient AML/CTF frameworks, and putting in place strong internal AML/CTF controls. Our AML/CTF specialists are ready to assist your organization in identifying and mitigating potential AML/CTF risks via:

- Design, maintenance and review your AML/CTF Policies & Procedures
- Design, maintenance and review your ML/TF Risk Assessment or ML/TF Risk Appetite Statement
- Prepare Compliance and AML/CTF reports to the Governing / Management bodies
- Prepare Compliance and AML/CTF reports to the local authorities (including FATCA/CRS Reporting)
- Design or review the monitoring activities performed by your Compliance Officer/RC
- Provide on-demand compliance support on specific complex cases
- Assistance to the RR / RC including advice to and escalation towards Governing / Management bodies and any other function within the company, on AML/CFT matters and acting as escalation point in this regard
- Perform and treat AML/CTF screenings and transaction monitoring activities
- Perform oversight activities on delegates including initial and ongoing due diligence and ongoing monitoring on the delegates
- Provide your Compliance Officer with constant on-demand support ("Hotline")
- Provide annual AML/CTF refresher courses
- Perform AML/KYC/KYT file review

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