

AML-CTF: are you compliant with the latest requirements?

What do I need to know?

The Luxembourg legal and regulatory framework on anti-money laundering measures and combatting the financing of terrorism has recently been updated in light of the implementations of the 4th and 5th AML directives.



Why is this important for me?

The purpose of the update was inter alia to:

- clarify the risk-based approach to be implemented, in particular in the investment fund industry;
- specify the customer due diligence measures to be carried out;
- specifications relating to the use of outsourcing arrangements;
- specifications relating to internal systems for the supervision of business relationships and transactions



What should I do?

The board of directors of the investment fund / manager may face sanctions if regulatory requirements are not complied with.

- Have you put in place adequate internal organisation arrangements, enabling you to implement effective supervisory systems?
- Who is acting as RR / RC?
- Are the persons responsible for compliance with AML-CTF professional obligations adequately trained?
- Which due diligence procedures are applied when selecting and evaluating third-party delegates and sub-delegates?
- Is your AML policy in line with the latest legal and regulatory requirements?
- Has the board of directors defined its ML-TF risk appetite?
- Does your AML policy take into account risk assessments at supranational, national and sub-sector level?
- Are you adequately organised to be able to complete the annual CSSF survey on ML-TF risks on a timely basis?
- Are your procedures for classifying your customers up to date? Can you justify all low risk classifications?
- How frequently is the information on your customers reviewed and updated?
- How are you documenting your due diligence measures applied with respect to your portfolio investments?
- Have you put in place adequate safeguards when verifying customers' identity through electronic means?
- Do the enhanced CDD measures applied to any intermediaries acting on behalf of investors comply with the latest requirements?

Arendt Corporate Governance Centre - How can we help you ?

A sound corporate governance framework is a key element for efficient management and control and the long-term success of companies. Optimise your activity with a comprehensive set of solutions to deal with every aspect facing a board, be it legal, tax, regulatory or compliance.

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