

ARENDT IS BY YOUR SIDE

# Handling dormant asset investigations

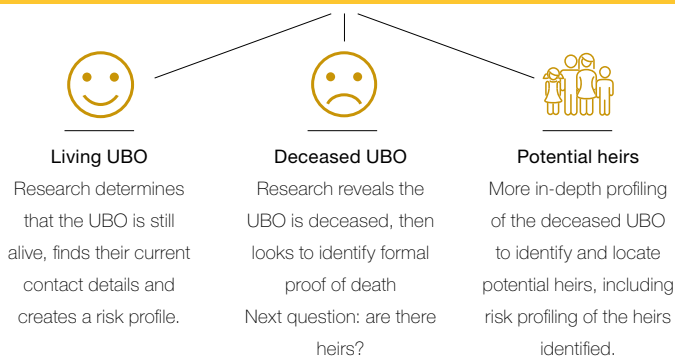
Luxembourg's legal requirements provide opportunities for efficient management of dormant accounts. The law of 30 March 2022 on inactive accounts, inactive safe-deposit boxes and unclaimed insurance contracts (Law) came into effect on 1 June 2022 for assets worth over EUR 2,500.

Dormant asset investigations are an iterative process that can be tailored to the unique circumstances of the assets.

## Objectives of the Law and operational impacts

- Uniformity in research methods
  - The Law promotes a common framework for research.
  - A risk-based methodology should be used.
  - Some cases will be more complex and time consuming, so research efforts must be proportionate.
- Proportionality in resource allocation
  - The more complex the scenario, the deeper the investigation required.
  - Investigation costs per dormant asset should correspond to the level of complexity.
- Being proactive in dormant account management
  - Dormant assets should be rapidly identified, categorised and clustered by priority and complexity.
  - The overall research strategy should be appropriate, efficient, clearly stated and well documented.

### Common scenarios



### Operational challenges

- Latest information available on UBO/holder accounts may be outdated.
- Numerous jurisdictions with different rules may be involved (for example, if account holders have relocated often).
- Search for heirs/new UBO and KYC/risk profile needs to be updated.

Arendt has unmatched, long-standing experience in carrying out dormant asset investigations, with an approach that is proven to be efficient, cost-effective and proportionate.

You need to take swift action to comply with the Law. We offer immediate, efficient assistance.

## Supporting you in your overall strategy and action plan

- The top priority is a remediation process beginning with the rapid launch of appropriate investigative research.
- This should form part of a broader framework that we will help you to design and implement.
- Our research methodology and unique resources are the most efficient means of complying with the Law and demonstrating adequate, diligent and proportionate action.
- When new UBOs are identified (heirs, etc.) we assist with creating risk profiles and carrying out KYC processes.

## What are the risks of a weak or inconsistent action plan?

- The Law allows research costs to be covered at up to 10% of the account balance (capped at EUR 25,000 per account).
- However, these costs may be charged to the financial institution if legal deadlines are missed or due diligence research is insufficient, including when identifying heirs.
- Underlying AML and sanction risks in relation to an unknown or uncertain UBO scan also lead to additional costs and fines.

## Why Arendt?

- **Extensive, proven track record** of our Forensic Investigations and Corporate Intelligence team providing their expertise in global investigative assignments.
- **Highly experienced experts** with detailed knowledge of many regions, research methodologies, major national and international databases and a unique network of reliable human sources worldwide.
- **Bespoke and tailored assistance** to design and calibrate proportionate and appropriate operational responses.

## Pricing approach

- **Bespoke approach to fees** - accounting for case complexity and recurring matters with no fixed price per asset, for proportionate costs.
- **Cost optimisation** through categorisation and clustering approach.
- **Tailored fee arrangements** - possible based on a percentage of the account balance with appropriate capping (legal cap and/or custom cap).
- **Budget visibility** with regular updates and progress reports.
- **Confidentiality** and secure communications.



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## Your experts



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