

ATOZ ALERT

Luxembourg law implementing some aspects of Directive EU 2018/843 (“AMLD V”) adopted

24 March 2020

On 21 March 2020, the Luxembourg Parliament adopted the law implementing some aspects of the 5th Anti-Money Laundering Directive (“AMLD V”) in national legislation (the “**Law**”).

As a reminder, one of the main provisions of the AMLD V, being the availability of the register of beneficial owner to the public has already been implemented in Luxembourg by virtue of the Law of 13 January 2019.

Amendment of various national laws

The Law amends the Law of 12 November 2004 on the fight against money laundering and the financing of terrorism (the “**AML Law**”) and the following laws relating to the organisation of regulated professions including bailiff services, notarial, chartered accountant, lawyer, audit.

Extension of the scope of the AML Law to additional professionals

The Law extends the obligations of the AML Law to the following professionals:

- estate agents including when acting as intermediaries in the letting of immovable property, but only in relation to transactions for which the monthly rent amounts to EUR 10,000 or more
- providers engaged in exchange services between virtual currencies and fiat currencies
- custodian wallet providers
- persons trading or acting as intermediaries in the trade of works of art, where the value of the transaction or a series of linked transactions amounts to EUR 10,000 or more
- persons storing, trading or acting as intermediaries in the trade of works of art when this is carried out by free ports, where the value of the transaction or a series of linked transactions amounts to EUR 10,000 or more

Enhanced due diligence for high-risk countries

The Law creates enhanced due diligence measures for business relationships and transactions involving high-risk countries as identified as such by the European Commission, the Financial Action Task Force (“FATF”), the supervisory authorities or professionals in the context of their risk assessment.

The Law obliges any entity dealing with high-risk third countries to also take into account the FATF recommendations when implementing mitigating measures.

Application of the AML Law to professionals not established in Luxembourg

The AML Law will now be applied to foreign professionals or foreign branches of professionals providing services in Luxembourg without establishing a branch.

Harmonisation and extension of the sanction regime of supervisory authorities and self-regulatory bodies

The powers of the supervisory authorities such as the Commission de Surveillance du Secteur Financier (“CSSF”), the Commissariat aux Assurances (“CAA”), the Administration de l’Enregistrement et des Domaines et de la TVA (“AED”) and the self-regulatory bodies will now be harmonised.

Additional supervision, investigation and sanction powers will be granted to the supervisory authorities and the self-regulatory bodies in order to fight against money laundering.

Improvement of national and international cooperation

Cooperation will be increased (i) at national level between the supervisory authorities / the self-regulatory bodies and the Cellule de Renseignement Financier (“CRF”) and (ii) at international level between Luxembourg national authorities and their respective foreign counterparts.

Do you have further questions?



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