

Further specifications to the AML Law

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In order to perfect the transposition into Luxembourg law of the fourth EU AML Directive 2015/849, in line with GAFI recommendations, the Law of 12 November 2004 on the fight against money laundering and terrorism financing ("**AML Law**") was amended again. The Law of 25 February 2021 (see link [here](#)), brings clarification and further details to certain provisions. The modifications entered into force on 4 March 2021.

The following amendments are noteworthy:

- In the context of their risk-proportionate KYC obligations, it is now expressly confirmed that professionals must identify clients and beneficial owners in all cases;
- Numbered accounts, numbered savings books and numbered safes are prohibited (they no longer exist in practice);
- In addition to their duty to keep records, professionals must promptly disclose documents and information collected when fulfilling their professional obligations under the AML Law. Self-regulatory bodies are expressly included among the authorities having access to this documentation and can request information from professionals (these bodies are therefore subject to cooperation obligations between authorities);
- The wording of Article 3-2 (4) of the AML Law is reinforced and expressly indicates that credit and financial institutions have to take appropriate measures to establish the source of wealth and the origin of funds of clients and beneficial owners identified as politically exposed persons;
- Virtual service providers and providers of services to companies and fiduciaries subject to the supervision of registration duties, estates and VAT Authority (*Administration de l'enregistrement, des domaines et de la TVA – AED*) are now subject to a professional integrity requirement ("*honorabilité*"), assessed on the basis of criminal records and all elements likely to

establish that the persons at issue are of good repute and present all the guarantees of an irreproachable activity;

- The criteria for the application of the risk-based supervision function by authorities is further detailed and will include the risk specific to the professional, its group or the category of profession exercised. Authorities are obliged to take into account the risk situation factors set out in Annex IV (which was already the case in practice);
- In the context of cooperation between authorities, the use and transfer of information is strictly regulated. Authorities are expressly subject to a professional secrecy obligation.

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