

# AML/FT in the private banking sector

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On 20 December 2018, the CSSF issued Circular 18/702 ("**Circular**") relating to new developments regarding the fight against money laundering and terrorist financing ("**AML/FT**") in the private banking sector.

The Circular addresses banks and professionals of the financial sector that provide services in private banking (i.e. wealth management). Given that private banking activities show a high risk of money laundering and terrorist financing, the CSSF has decided to give targeted guidance in order to prevent and mitigate those risks. This Circular establishes a list of categories of clients who are most at risk; a list of risks that cannot be mitigated and therefore need to be excluded from the practice; and a list of mitigating measures that should be taken into account in the presence of acceptable risks.

The CSSF considers AML/FT as paramount for the reputation of the Luxembourg financial centre, given that that reputation may easily have an impact on the financial stability of the professionals.

Finally, the Circular specifies that the CSSF will pursue its guidelines on this subject and will continue to update its monitoring programme to ensure compliance with the AML/FT legislation.

For any further information please contact us or visit our website at [www.elvingerhoss.lu](http://www.elvingerhoss.lu).

The information contained herein is not intended to be a comprehensive study or to provide legal advice and should not be treated as a substitute for specific legal advice concerning particular situations.

We undertake no responsibility to notify any change in law or practice after the date of this newsletter

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