

### Inactive accounts, safe-deposit boxes and unclaimed insurances

Luxembourg law of March 30, 2022 (the “Law”) has introduced a legal framework for inactive accounts and safe-deposit boxes as well as for unclaimed insurance policies.

Accounts and safe-deposit boxes are considered dormant after an inactivity period of 6 years; for insurance policies, the period is 2 years.

The aim of the Law is to strengthen the protection for holders of account’s and safe-deposit boxes, as well as beneficiaries of insurance policies, by making it easier for them to recover access to their assets and to clarify banks and insurance companies obligations.

The Law is divided into 3 parts:

- (i) measures to prevent the inactivity of accounts, safe-deposit boxes and to prevent the escheat of insurance policies, respectively measures to re-establish contact with their holders or beneficiaries;
- (ii) the obligation to transfer the assets to the consignment office (“Caisse de consignation et des dépôts”);
- (iii) provisions in relation to restitution of the assets held by the consignment office;

In order to prevent the inactivity of accounts, banks have the obligation to maintain contact on a regular basis with their clients and to set up organizational processes to identify and monitor the accounts that are likely to become dormant.

Account or safe-deposit boxes holders must be informed, at fixed intervals set by the Law, on the consequences of the inactivity of their accounts or safe-deposit boxes.

If banks are not able to re-establish contact with their clients, they have to initiate additional researches to find information on accounts/safe-deposit boxes holders or their beneficiaries.

Similar rules apply to insurances companies handling with unclaimed insurance contracts.

When banks have not been able to reach a relevant account /safe-deposit box holder or its beneficiary, after an inactivity period of 10 years, then they have the obligation to require the transfer of the assets to the consignment office.

Insurance companies have the same obligation after a period of inactivity of 6 years.

Any person having a right on the assets held by the consignment office may submit a request for restitution by electronic or postal means.

A list of the inactive accounts and safe-deposit boxes must be transmitted on a yearly basis to the Commission de Surveillance du Secteur Financier and to the Tax administration (“Administration des Contributions Directes”) and to the Commissariat aux Assurances regarding unclaimed insurance contracts.

The Law was published on April 1, 2022 and came into effect on June 1, 2022.

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