



# LINARI LAW FIRM

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## AVOCATS A LA COUR

### Improving results for Luxembourg in the FATF plenary of June 2023

FATF, or the Financial Action Task Force, is an intergovernmental organization located in Paris, France, that is made up of 39 member countries and two regional organizations. It was created in 1989 and aims to combat money laundering and terrorist financing. Their recommendations are not legally binding but are widely accepted and implemented by countries around the world.

FATF recently updated their guidance to include virtual assets and virtual asset service providers (VASPs) which means that countries will need to regulate and supervise virtual asset service providers to prevent them from being used for illegal activities.

From June 21<sup>st</sup> to June 23<sup>rd</sup> 2023, FATF organized a plenary in Paris under the presidency of T. Raja Kumar of Singapore. They discussed several projects, for example, the potential improvement of some of its recommendations, which will be completed in October 2023. While Croatia, Vietnam and Cameroon were added to the « list of jurisdictions under increased monitoring », also known as « the grey list », Luxembourg has received very positive feedback this year, which was not always the case in the past.

This time, FATF praises Luxembourg for their effective measures to combat money laundering and terrorist financing, which are important due to their status as an international financial hub. Also, Luxembourg shows good results for their technical compliance with the recommendations given by FATF. However, the detection, investigation, and prosecution of more complex money laundering cases in accordance with the country's risk as well as risk-based supervision of its non-financial sector are some areas where Luxembourg still needs to improve.

The internal quality control procedure will be finished and the final Mutual Evaluation Report (MER) for Luxembourg will be released by September 2023, followed by the next FATF plenary in October 2023.

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