



# LINARI LAW FIRM

---

## AVOCATS A LA COUR

### **Luxembourg among the best students but still some work to do: Insights from the latest FATF mutual evaluation report**

While the on-site inspection by the Financial Action Task Force (FATF) in Luxembourg has faced multiple postponements in recent years - due to the COVID-19 pandemic - the evaluation team has now successfully concluded its work and published a comprehensive 300-page report. This report stems from the on-site visit to Luxembourg, which took place between 2 November and 18 November 2022. Remarkably, this assessment follows almost a decade after the previous report on the same subject was issued in 2014.



The latest FATF report generally affirms Luxembourg's adherence to the relevant FATF recommendations for combatting money laundering and terrorism financing (ML/TF). It highlights Luxembourg's robust understanding of ML risks and reasonable comprehension of TF risks. Additionally, the report underscores the pivotal role played by Luxembourg's financial intelligence unit in the fight against ML/TF. It also lauds the effective utilization of tools for freezing, seizing criminal assets, and confiscating proceeds from foreign predicate offenses. Furthermore, the report acknowledges Luxembourg's transparency initiatives, particularly concerning beneficial ownership registers for legal entities and arrangements, as well as its successful international collaboration with counterparts in other jurisdictions.

Nevertheless, the report cautions that despite these positive assessments, Luxembourg must remain committed to a sustainable trajectory. This commitment is essential to align its ML/TF efforts with its major role as an international financial center, characterized by extensive cross-border financial transactions, a diverse international client base, and the provision of high-risk financial products and services.

With the FATF report now public, the government formed after the upcoming national elections, scheduled to occur in two weeks, faces the responsibility of scrutinizing and implementing the FATF recommendations outlined in this report before the FATF follow-up review in 2026.

Please visit our website and social media accounts for further information on the scope of services offered by our practices or reach out to our team members directly to discuss your potential projects.