

Regulatory News Alert

Luxembourg Law of 25 March 2020

6 April 2020

On 25 March 2020, the Luxembourg government published a new law introducing a central electronic research system which gathers data about payment and bank accounts identified by an IBAN number and bank safes held by credit institutions in Luxembourg.

All credit institutions established in Luxembourg must create a database of all bank account, payment account, and/or bank safe owners. This database must include the following:

- Information about the owner of a client account (i.e. name and supporting data, information, and documents from a reliable source)
- Information about the beneficial owner (i.e. name and supporting data, information, and documents from a reliable source)
- Information about the bank or payment account (i.e. IBAN number, and open and closing date of the account)
- Information about the bank safe (i.e. name of the tenant and supporting data, information, and documents from a reliable source).

This information should be suitable, accurate and up-to-date. The professionals (i.e. the credit institutions in the scope of this law) will continuously update their information and keep a record for at least five years. The CSSF will communicate about the structure of the database and the details to be included.

Each professional will have to ensure, at their own expenses, a permanent, automated and confidential access to its database to the CSSF. While remaining responsible for this requirement, professionals can delegate it to an external provider.

In case a professional is in breach of their obligation to setup this database, record the required data, provide an access to the CSSF, and ensure the entire confidentiality, the CSSF has the right to impose administrative sanctions. These can be a warning, a reprimand, a public declaration which includes the identity of the natural or physical person, and/or an administrative fine ranging from €1,250 to €1,250,000.

Should you require further information or have questions relating to this new regulatory law, please contact us.

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