LES CONSULTANTS
CONSEIL & FORMATION

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AML / CFT · LUXEMBOURG

Mastering AML / CFT and AML-Tax Fundamentals in Luxembourg

Practical training for professionals in the financial sector.

Duration: 1 hour 30 minutes | Risk-based approach integrating the tax lens

16 CHAPTERS · DURATION 1H30

Training programme

1 Scope of the AML framework

- AML/CFT applies to financial and selected non-financial professions in Luxembourg.
- AML-Tax extends analysis to tax fraud and erosion risks within the AML framework.
- Continuous risk-based monitoring of economic and fiscal coherence.

2 General obligations of professionals

- Three pillars: Customer Risk Assessment, internal organisation, authority cooperation.
- Full integration of the Risk Based Approach with the tax risk lens.
- Continuous responsibility across the full client lifecycle.

3 Risk assessment (Risk-Based Approach)

- Identification of client, structural, geographical, transactional and tax risks.
- Construction of a documented and defensible Customer Risk Assessment.
- Dynamic scoring including tax anomalies and economic inconsistencies.

4 Standard due diligence (KYC and monitoring)

- Client, UBO, tax residency and document verification.
- Economic vs legal structure consistency analysis.
- Continuous monitoring of transactions and behavioral red flags.

5 Client and beneficial owner identification

- Full identification of natural and legal persons up to final UBO.
- Control chain analysis including holdings and nominees.
- Cross-check with RBE, CRS/FATCA and independent evidence.

6 Record keeping and traceability

- Minimum 5-year retention of data and analysis.
- Full traceability of CRA reasoning and risk assumptions.
- Ability to reconstruct the full economic and tax rationale.

7 Simplified and enhanced due diligence

- Simplified: fully transparent low-risk profiles.
- Standard: controlled monitoring with coherent structures.
- Enhanced (EDD): offshore complexity, tax inconsistencies, circular flows.

8 Politically Exposed Persons (PEPs)

- Identification of PEPs and related persons/entities.
- Enhanced analysis of wealth source and cross-border flows.
- Mandatory senior management approval for complex tax profiles.

9 Internal organisation and governance

- Clear separation between KYC, Compliance, Tax Operations, Monitoring.
- Escalation to MLRO and Compliance Committee.
- Continuous AML-Tax and CSSF training culture.

10 Cooperation with authorities

- Cooperation with CSSF, FIU and tax authorities.
- Structured and timely responses to regulatory requests.

11 Handling unusual situations

- Detection of structural, transactional, tax and behavioral red flags.
- Monitoring trigger events (CRS change, ownership change, volume spikes, adverse media).
- Mandatory escalation in case of persistent inconsistency.

12 Suspicious activity reporting

- Reporting to FIU via goAML based on reasonable suspicion.
- Transition from tax anomaly to AML suspicion when unresolved.
- Transaction freeze and Compliance escalation when required.

13 Sanctions and non-compliance risks

- CSSF administrative and criminal sanctions (fines, bans).
- Significant reputational risk for financial institutions.
- Common failures linked to operational silos.

14 Beneficial ownership registers (RBE / RFT)

- Useful transparency tools but not sufficient alone.
- Must be cross-checked with CRS/FATCA, flows and substance.
- Do not replace CRA economic analysis.

15 Operational AML logic

- Observe anomalies, understand structure, document inconsistencies.
- Apply 6 CRA questions: control, residence, structure, flows, value, narrative.
- Integrate monitoring scenarios (fees, loans, circularity, geography shifts).

16 Conclusion

OPERATIONAL AML LOGIC

Observe anomalies, understand structure, document inconsistencies.