

Luxembourg, 17 December 2020



## **Information note 20/13 relating to the update by Luxembourg of its national risk assessment of money laundering and terrorist financing**

Luxembourg has just finalised the **update of its national risk assessment** of money laundering and terrorist financing (2020 NRA). The English version of the 2020 NRA and the French translation of the summary are available online on the website of the Ministry of Justice under <https://mj.gouvernement.lu/fr/dossiers/2020/lutte-blanchiment.html>

A full translation of the document into French will be put online early next year.

The 2020 NRA was conducted under the direction of the Ministry of Justice and adopted on 15 September 2020 by the National ML/TF Prevention Committee<sup>1</sup>.

You will find the press release of the Ministry of Justice under the following website address: <https://mj.gouvernement.lu/fr/actualites.html>

This work responds to **Recommendation 1 of the Financial Action Task Force (FATF)**, which states that countries should identify, assess and understand their money laundering and terrorist financing risks and adopt a risk-based approach to mitigate the identified risks. Also, the interpretative note to this recommendation indicates that countries should keep these assessments up to date.

The national risk assessment forms the basis of the risk-based approach to ensure that ML/TF prevention and mitigation measures are commensurate with the identified risks.

In terms of methodology, 2020 NRA followed the same approach as the first national risk assessment dated September 2018. It consists in first assessing the **inherent risk** resulting from the main ML/TF threats to which Luxembourg is exposed and the vulnerabilities of the different sectors and sub-sectors covered by the AML/CFT Law of 2004. Then, the mitigation measures to reduce the said threats and vulnerabilities are considered to determine the **residual risk**.

The 2020 NRA has been complemented by case studies to illustrate sectoral vulnerabilities. It incorporates a cross-cutting vulnerability assessment, as well as a specific section related to the impacts of Covid-19.

For the Executive Committee,

Claude WIRION  
Director

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<sup>1</sup> The National ML/TF Prevention Committee is responsible, in particular, for developing, coordinating and evaluating national policies and strategies on the prevention of money laundering and terrorist financing (ML/TF) and for keeping the national risk assessment up to date.