



**CARNE**

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NEXT GENERATION SOLUTIONS

# AML SERVICES LUXEMBOURG

## ➤ “Responsible du Contrôle” Services (MLRO Luxembourg)

Following the CSSF’s FAQ of 25th November 2019, Luxembourg funds are legally required to appoint both a “Responsible du respect des Obligations” (RR) and a “Responsible du contrôle du respect des obligations” (RC) to oversee compliance with Luxembourg Anti Money Laundering (AML) and Countering the Financing of Terrorism (CFT) requirements.

The RR function can be undertaken by the board of directors (or other governing body depending on the legal structure of the fund/fund manager) acting as a collegial body. Alternatively, the board can appoint one of its members as RR. **The RR must be reachable for any contact by the Luxembourg AML/CFT competent authorities.**

The RC function must be carried out by an individual who has sufficient knowledge of the Luxembourg AML/CFT requirements and the investment and distribution strategies of the funds. **The RC must be available, without delay, to meet with the competent authorities in Luxembourg.**

Carne Luxembourg’s AML professionals are qualified to take on the role of RC. An overview of the role and responsibilities of the RC are shown below.

### Overview of RC Duties

- The RC is the day-to-day contact for any escalation of AML related issues from the Administrator, the Board, the Company’s Investment Manager and Global Distributor.
- The RC will review the AML policy of the fund on an annual basis. The AML policy is then presented at the next scheduled meeting of the Board for approval.
- The RC’s duties also include:
  - Completing a risk assessment of the Company on an annual basis. The risk assessment includes key performance indicators regarding politically exposed persons, high risk Investors, distribution and investment risks, suspicious activities reports, number of blocked accounts and so forth.
  - Providing annual AML training to the Board via Carne’s proprietary online training platform.

## Quarterly KPI Review & Reporting

Review KPIs received from the Administrator which should include the following information:

- Details of any suspicious activity
- Confirmation of any sanctions screening hits
- Details of any investors non-compliant for AML
- Confirmation of any Politically Exposed Persons (PEPs) in the Company
- Breakdown of the risk categorization of the investors in the Company

On completion of the KPI review, the RC will compile a report containing the above information including any relevant regulatory updates. The RC will attend a meeting of the Board in person or by phone to present the report and answer any questions.

## Performance of Due Diligence on the Administrator

The RC will perform (onsite where necessary) due diligence on the administrator using a risk-based approach.

Prior to the visit a due diligence questionnaire will be provided to the administrator for completion. During the visit, the RC will review the following areas with the administrator:

- Responses to the due diligence questionnaire
- AML Policy and Procedure
- Transaction monitoring and screening procedures
- Staff training and capacity
- Regulatory updates and preparedness for change
- Sample testing of investor files to ensure compliance with Luxembourg AML standards (on a risk-based approach)

Following the visit, a report is compiled outlining observations and recommendations. The report will be presented to the Board at the next scheduled meeting of the Board.

## Additional AML Services

AML due diligence on illiquid investments

- Carne can carry out due diligence on investments which are to be purchased by the AIF.

Counterparty Due Diligence

- Carne can carry out AML identification and verification and undertake ongoing screening of counterparties appointed by the AIF.

## Next Steps

To find out how we can deliver the optimum solution for your specific circumstances, please contact your Carne Relationship Manager or a member of the Carne team below:

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## NEXT GENERATION SOLUTIONS

Carne leverages its global scale and capabilities to deliver innovative next generation solutions aligned to the needs of our clients and their partners. Our industry leading technology and risk driven platform, CORR, can help you revolutionise your compliance, risk and operational requirements and provide you with the management information you need to control your business.

More information  
[www.carnegroup.com](http://www.carnegroup.com)

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