

Financial crime

Financial crime fight still understaffed, judiciary warns

Call for increased resources comes just a year after similar criticisms were expressed by global anti-money laundering watchdog



Luxembourg investigators are dealing with an increasing workload, members of the judiciary told parliament © Photo credit: Marc Wilwert



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Luxembourg's fight against financial crime is still being hindered by a lack of resources, the attorney general and leading prosecutors have told parliament, a year after the global anti-money laundering watchdog criticised the country's low levels of detection and prosecution of larger cases.

Several representatives of the judiciary, including Attorney General Martine Solovieff, appeared before a meeting of parliament's justice committee on Thursday.

There are around 400 files on suspected financial crimes still awaiting investigation, the prosecutors said, according to a report of the closed-doors meeting published on parliament's website.

While the representatives agreed that delays in processing cases have "existed since the emergence of the financial centre in the 1980s", public prosecutor Georges Oswald said that investigators were receiving a growing number of reports from the various state administrations.

There are just 15 magistrates at the financial and economic section of the public prosecutor's office, the meeting heard, compared to more than 1,000 employees at Luxembourg's financial regulator, the *Commission de Surveillance du Secteur Financier* (CSSF).

The call for greater resources at Thursday's meeting came just a year after a report by the global anti-money laundering watchdog, the Financial Action Task Force (FATF), urged Luxembourg to step up funding for government agencies involved in asset recovery and its efforts to detect and prosecute high-profile dirty money cases.

Also read: **Luxembourg's dirty money laws lacking bite, FATF says**





While the Grand Duchy scored highly in several areas in the 2022 inspection, such as its technical compliance – what laws the country has in place – and was credited for its co-operation with international counterparts, the country failed to achieve the highest possible score for the effectiveness of its anti-money laundering measures in any of the 11 areas examined.

The justice ministry has drawn up an action plan and created a working group for each of the seven recommendations laid out in the report, the head of Luxembourg's FATF delegation, Catherine Dion-Bourin, told the *Luxembourg Times* in March.

Also read: **Luxembourg plans new laws to bolster money laundering fight**



The government plans to hire more magistrates, speed up judicial procedures and potentially create a supervisory agency for bodies outside the financial sector, Dion-Bourin said, as part of the response to FATF's recommendations.

The FATF findings echoed criticism from representatives of the judicial police and investigating judges, who often complained of a lack of staff to deal with an ever-growing backlog of cases, Thursday's committee meeting heard.

Take stock in a year

The representatives of the judiciary deferred questions about the impact of banking secrecy on investigations and whether these protections should be scrapped to the lawmakers themselves.

A bill, currently working its way through parliament, plans for additional recruitment to support the judiciary.

Public prosecutor Georges Oswald welcomed this progress, but stressed that it was necessary “quickly to find the necessary civil servants and clerks” to support the work of the magistrates, a point shared by the attorney general.

Justice Minister Elisabeth Margue told lawmakers on the committee that the government would consider new laws to address the shortfall.

Laurent Mosar, the CSV deputy and chair of the justice committee, said he was “quite frightened” by what he had heard about the staffing situation, and invited the representatives of the judiciary to return in a year's time to take stock of the situation.

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