



FINANCIAL INTELLIGENCE UNIT

2024 annual report



LA JUSTICE
Grand-Duché de Luxembourg



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Foreword

The risk-based approach is the guiding principle for efficiently combating money laundering and terrorist financing. In 2024, the Financial Intelligence Unit (FIU) continued its efforts to identify, analyze, and disseminate cases presenting the most significant risks of money laundering and terrorist financing.

Achieving this objective relies on establishing a common understanding of money laundering and terrorist financing risks between the public and private sectors. The FIU actively contributed to the national and vertical risk assessments conducted by the Committee for the Prevention of Money Laundering and Terrorist Financing. To raise awareness of the risks of terrorist financing among professionals subject to the amended Law of November 12, 2004, on the fight against money laundering and terrorist financing (the 2004 Law), the FIU also shared a more detailed version of the vertical assessment of these risks with all professionals registered in goAML.

Generally speaking, combating the most complex forms of money laundering and economic crime requires joint action by the public and private sectors. The FIU will continue its efforts to support professionals subject to the 2004 Law in identifying the most relevant suspicions. This strategic approach is based on the FIU's operational experience, international cooperation—particularly within the FATF, the Egmont Group, and Europol's public-private partnership—and its collaboration with the relevant national authorities.

At the operational level, the volume of suspicious activity and transaction reports received remains stable, though at a high level (51 130 in 2024). It is essential that the FIU focuses its resources on analyzing the most important cases. To this end, it has optimized its procedures for exchanging information with its foreign counterparts.

Given the importance of Luxembourg as a financial center, most reports received by the FIU from reporting entities involve a foreign element. International cooperation therefore plays a central role in the FIU's day-to-day work. As thousands of spontaneous exchanges must be carried out in accordance with applicable European legislation, the FIU has continued to automate the process of disseminating information to its foreign counterparts. This automation is implemented in accordance with the rules defined by the FIU Platform and is based on the European exchange system FIU.net. The increased use of standardized exchanges offered by this tool explains the decrease in the number of traditional exchanges. This optimization allows for more resources to be reallocated to operational analysis.

Foreword

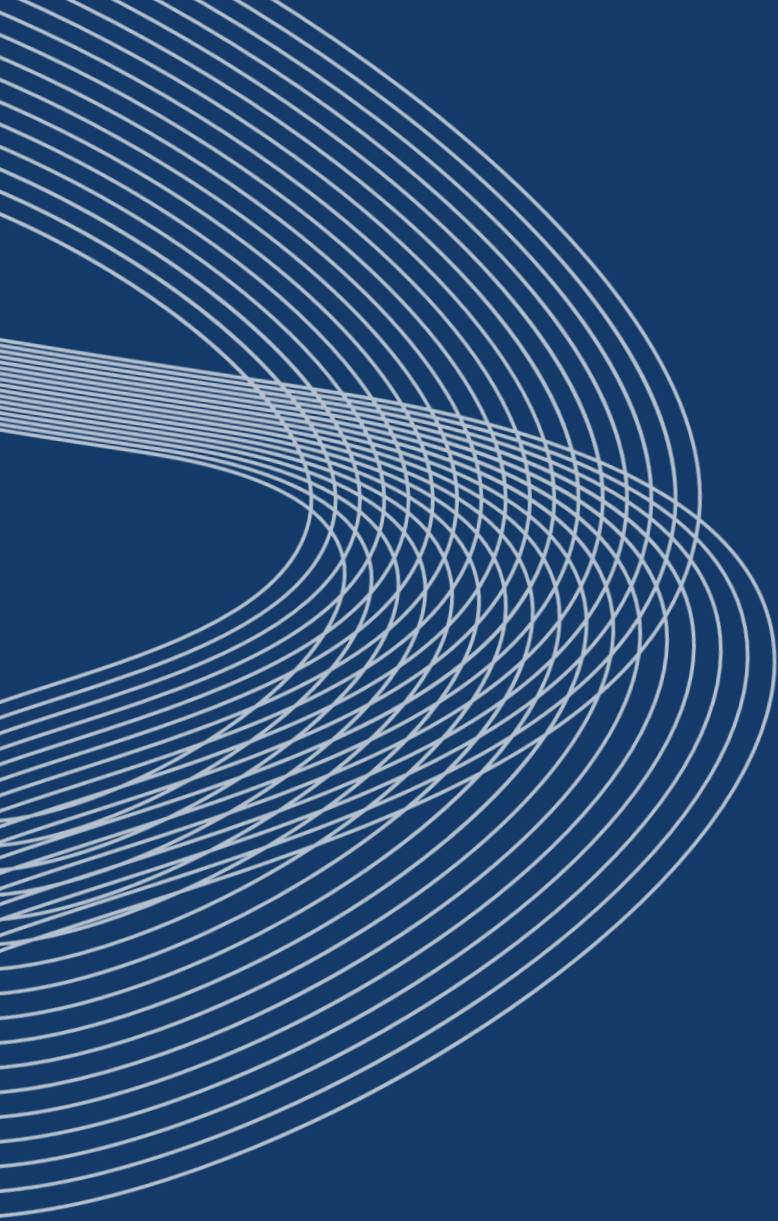
The number of reports related to fraud continues to grow. At the same time, the FIU has strengthened its cooperation with the public prosecutors' offices in Luxembourg and Diekirch, as well as with the judicial police, in order to trace the stolen funds and attempt to freeze them, often in accounts located abroad. The high-profile “Caritas” case illustrates the effectiveness of this inter-institutional collaboration.

In this context, money laundering networks represent a major challenge. It is now common for the proceeds of predicate offences to pass through sophisticated financial structures that are difficult for both public and private actors to detect. To launder funds, criminal organizations use money laundering professionals, and a wide variety of financial products deployed in multiple jurisdictions: complex corporate structures, financial mules, bank transfers, virtual IBANs, and conversion into virtual currencies.

The creation of opaque corporate structures, often intended to conceal beneficial owners, also appears in financial sanctions evasion schemes. The number of reports related to sanctions, in particular targeting Russia has continued to increase.

In 2024, the FIU continued to strengthen its workforce in the areas most exposed to the risks of money laundering and terrorist financing. In addition to recruiting specialized financial analysts, new IT experts—including data scientists—joined the team. The FIU's digital transformation will progress at an ambitious pace, while ensuring compliance with applicable data protection and artificial intelligence rules.

Finally, following the adoption of the new European package to combat money laundering and terrorist financing, the FIU has begun implementing the new rules, most of which will come into force on July 10, 2027. It is also working closely with the new European Anti-Money Laundering and Terrorist Financing Authority (AMLA).



KEY FIGURES IN 2024

51130

suspicious activity and
transaction reports
received in 2024

+15%

suspicious activity and
transaction reports
received in 2024
compared to 2023

32%

of suspicious activity and
transaction reports
received in 2024 relate to
fraud and scam

16%

of suspicious activity and
transaction reports
received in 2024 relate to
counterfeiting or product
piracy

676

reporting entities filed at
least one suspicious
activity/transaction report
in 2024

12210

reporting entities were
registered with goAML in
2024

1899

national requests for
information were sent to
reporting entities in 2024

+6%

national requests for
information were sent to
reporting entities in 2024
compared to 2023

2541

information requests sent
to foreign FIUs

863

information requests
received from foreign FIUs

162

million Euros worth of
assets were frozen in
2024

208

freezes were performed in
2024



ANNUAL STATISTICS

Suspicious activity and transaction reports received

In order to take into account the specific characteristics of the various reporting entities—in the broad sense of the term—as well as those of the offences and types of offences reported, the FIU has created specific types of reports, based on:

- the type of reporting entity and the applicable legal bases;

The system distinguishes between :

- reporting entities within the meaning of the 2004 Law,
- persons covered by Article 74-2 (4) 2° of the Law on the Judiciary Organization*,
- other administrations that cooperate with the FIU pursuant to Article 74-4 of the aforementioned Law on the Organization of the Judiciary or special laws,
- persons referred to in Article 74-6 of the Law on the Judiciary Organization, and
- the supervisory authorities and self-regulatory bodies listed in Article 9-1 of the 2004 Law.

- the presence or absence of suspicious transactions ;

The goAML reporting template contains sections for individuals, legal entities, and bank accounts. It also allows transactions to be entered in a structured format. Since many reports received by the FIU do not relate to transactions, the reporting template requires a choice to be made between

- report with one or several suspicious transactions (STR, STRe or TFTR) and
- report without any suspicious transaction (SAR, SARE or TFAR).

This last template is mostly used for cases involving refusals to enter into a business relationship or for customers who are mentioned in adverse media and negative press reports, but whose financial transactions triggered no suspicion.

- the type of crime ;

There is a specific type of report for terrorist financing (TFTR and TFAR).

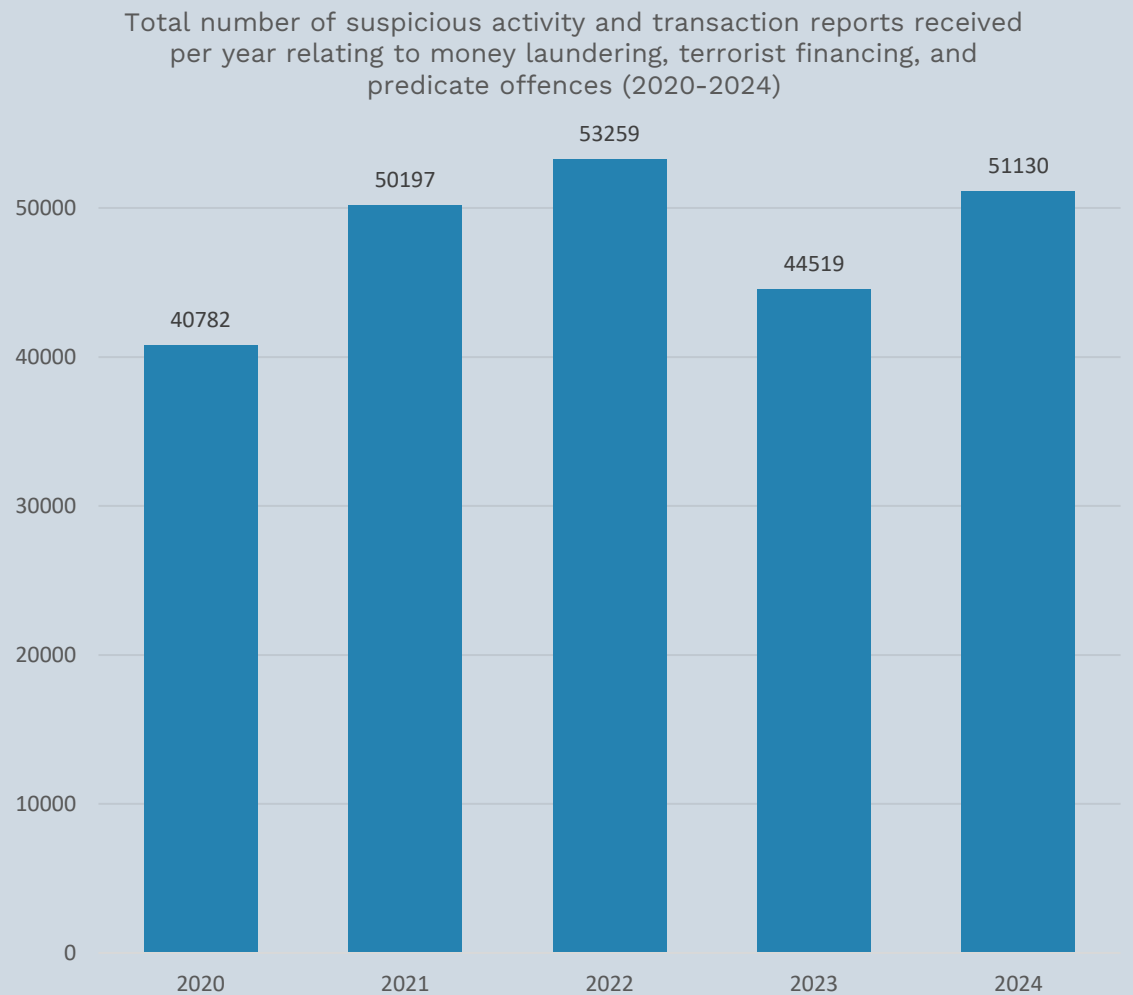
For this 2024 edition, the FIU has decided to produce statistics by “sector” rather than by “supervisor” to better harmonize with FATF classifications and make data more readable.

* Amended Law of March 7, 1980, on the Judiciary Organization

Suspicious activity and transaction reports received

In 2024, a total of 51 130 suspicious activity and transaction reports related to money laundering, terrorist financing, or associated predicate offences (hereafter, predicate offences) were received by the FIU, representing a 15% increase in comparison to 2023.

This amount relates to the reports filed with the FIU by the professionals listed exhaustively in section 2 of the 2004 Law (pursuant to section 5(1)(a) of this Law).



Please note that the total figures for 2024 do not include exchanges with other national authorities and bodies, such as the judicial authorities, supervisory authorities, self-regulatory bodies, and authorities competent under special laws. These exchanges are reviewed under the “National cooperation” section.

Suspicious activity and transaction reports received :

1) Money laundering

“Money laundering” within the meaning of the 2004 Law refers to any act as defined in Articles 506-1 of the Criminal Code and 8-1 of the amended Law of February 19, 1973, concerning the sale of medicinal substances and the fight against drug addiction.

For the reporting of suspected money laundering, the FIU provides reporting entities subject to the 2004 Law with a template for suspicious transaction reports (STRs) and another one for suspicious activity reports (SARs). STRs may contain one or more suspicious transactions. In the case of SARs, the reporting entity has not been able to identify a suspicious transaction, but has identified other suspicious elements, such as (i) a reference of a customer on a sanctions list which is not covered by the amended law of December 19, 2020, on the implementation of restrictive measures in financial matters, (ii) a refusal to enter into a business relationship, (iii) adverse media on a customer, (iv) misuse of legal entities and/or legal arrangements, i.e., the use of opaque financial and legal structures lacking genuine economic rationale, (v) or the use of shell companies designed to conceal the real and ultimate beneficial owner.

From a technical standpoint, the vast majority of STRs are generated directly by the reporting entities' IT systems and then integrated into goAML via the XML solution. SARs are generally entered manually via the online form. Two types of reports (one with transactions and one without) are available (STRe and SARe) so as to take into account the specific characteristics of reports made by online service providers as well as the dissemination requirements set out in the 4th Directive*. All of these reports were submitted by “online service providers” using the XML solution.

The term “online service providers” covers both electronic money institutions within the meaning of the amended law of November 10, 2009, on payment services, electronic money institutions, and the finality of settlement in payment and securities settlement systems (hereinafter: the Law of November 10, 2009) as well as payment institutions, banks providing online services and virtual asset service providers within the meaning of the Law of 2004.

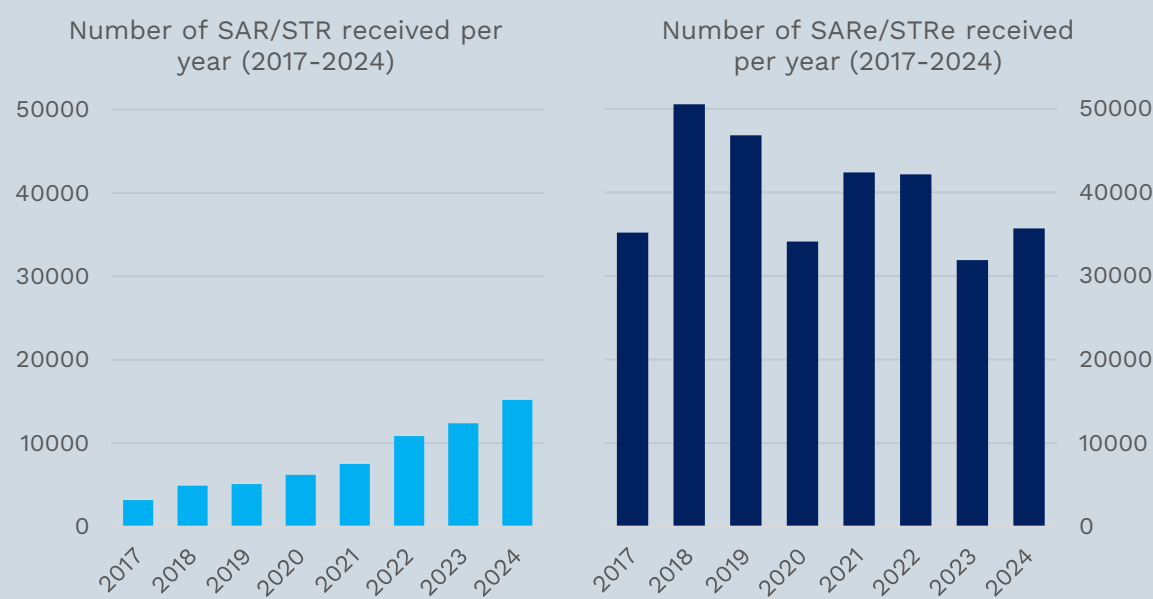
* Directive (EU) 2015/849 of the European Parliament and of the Council of May 20, 2015, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (the 4th Directive)

Suspicious activity and transaction reports received :

1) Money laundering

The total number of reports received relating to money laundering (SARs, STRs, SARes, and STRe) rose from 44 296 in 2023 to 50 900 in 2024.

It is important to distinguish between reports received from the traditional sectors (SAR and STR) and those received from the “online service providers” sector (SARe and STRe) in order to better asses this increase in the total number of reports received concerning money laundering,



Traditional reports (SAR and STR) have continued on the path of their steady increase over the past few years up to 2024, with the total number of reports rising from 12 395 in 2023 to 15 204 in 2024.

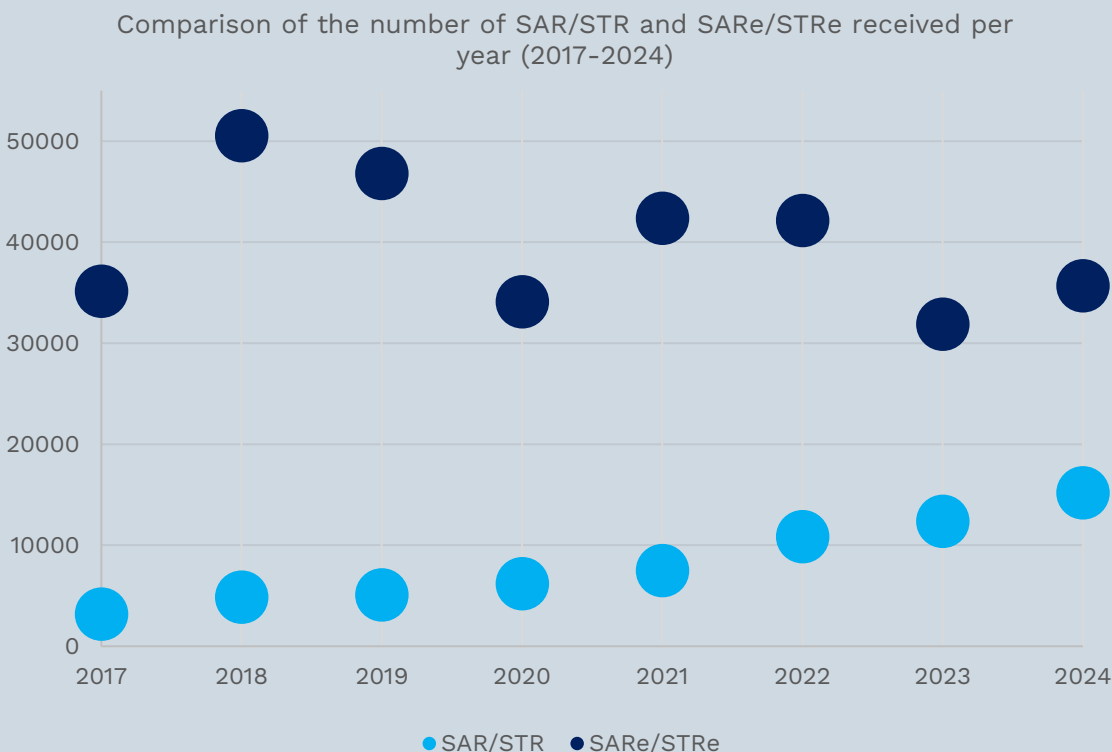
This increase was moderate in most sectors, in particular for banking and credit institutions, designated non-financial businesses and professions (DNFBPs), the investment sector, the categories “other reporting entities (including non-designated professions)” and “other professionals of the financial sector” (PFS).

However, a very significant increase can be seen in the insurance sector.

Suspicious activity and transaction reports received :

1) Money laundering

The number of reports received from “online service providers” in SARE and STRe formats varies from year to year, as illustrated in the following diagram.



These variations may stem from changes in the economic activity of players—often large ones—based in Luxembourg as well as from fine tuning of the reporting process in close collaboration with the FIU’s teams. Most of these players have their headquarters in Luxembourg and provide their services in all European Union member states under a European passport. The FIU receives all of the reports filed by such entities and forwards them to the relevant European FIUs. This explains the high number of reports filed by various entities and as a result, the significant variations which their headquartering in Luxembourg may entail.

Another factor which may cause variations in the number of reports received in SARE and STRe formats is the actual implementation of the technical developments these players must put in place. It is rather common for new players to initially use the traditional SAR and STR formats, before switching entirely to the SARE and STRe formats.

Suspicious activity and transaction reports received :

2) Terrorist financing

After a decrease in the number of TFAR and TFTR reports between 2021 and 2022, there was a slight increase between 2022 and 2024, bringing the total to 230 reports received in 2024.



The vast majority of reports related to terrorist financing concern suspicious transactions or activities that took place abroad.

This circumstance further highlights the importance of high-quality international cooperation under the leadership of the FIU. In order to ensure the effective dissemination of relevant information to its counterparts, the FIU has operational teams specializing in terrorist financing and international exchanges.

Suspicious activity and transaction reports received :

2) Terrorist financing

The attacks perpetrated in Israel on October 7, 2023 kept driving up the number of reports received in 2024. In this context, the FIU is actively pursuing its cooperation within the Counter Terrorist Financing Taskforce – Israel (CTFTI) working group, alongside several partner FIUs that are also members of this initiative.

This collaboration aims to ensure a coordinated and effective response to the consequences of these attacks by playing a key role in the prevention, detection, and deterrence of terrorist financing, as well as in dismantling the financial networks of terrorist organizations such as Hamas and Hezbollah.

More generally, the FIU cooperates with the most relevant reporting entities to prevent acts of terrorist financing. Particular emphasis is put on high-quality feedback to reporting entities while ensuring the confidentiality requirements of the processed information. This feedback is generally provided during concertation meetings between the FIU, the concerned reporting entities and, where appropriate, representatives of other FIUs, authorities or competent administrations.

The FIU considers that the quality of the information received is generally good. This conclusion is based on analyses carried out by FIU specialists, feedback received from other competent national administrations and authorities as well as feedback from foreign FIUs.

In particular, it should be noted that six freezing orders totaling approximately €1.9 million were issued in relation to terrorist financing in 2024.

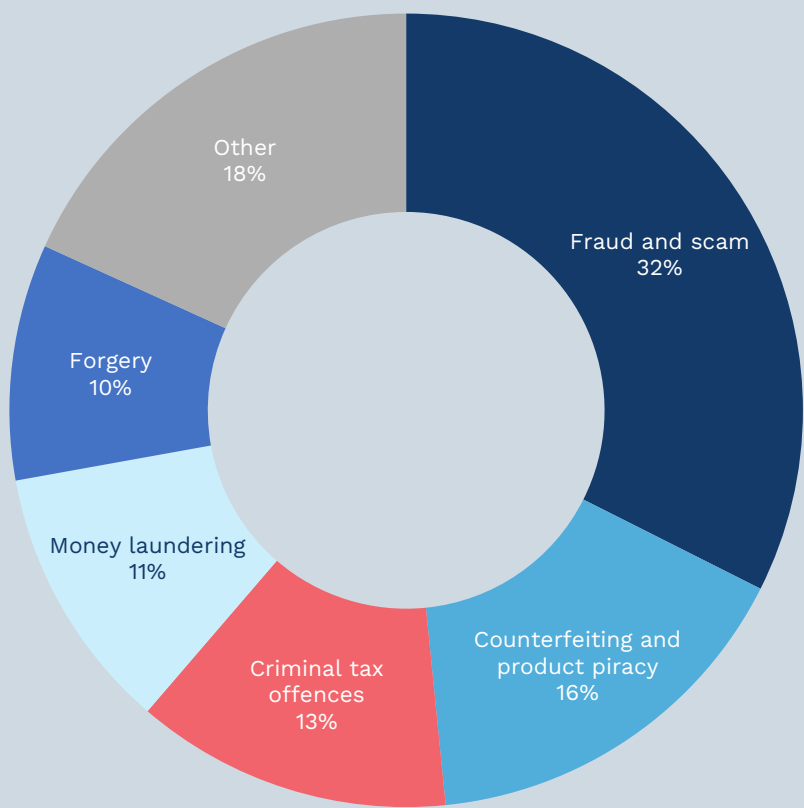
The FIU continued to work closely with reporting entities, supervisory authorities, and self-regulatory bodies to raise awareness among professionals on the risks linked with terrorist financing.

The FIU continues to cooperate actively with the national authorities and administrations responsible for terrorism and terrorist financing. In particular, it participates in the operational and strategic meetings held every month between these authorities and administrations.

Suspected predicate offences

In terms of suspected associated predicate offences, fraud (including scams) remains in the top spot, followed by “counterfeiting and product piracy” and then “criminal tax offences.”

Main suspected predicate offences in 2024



Given the very high number of reports received from “online service providers,” the overall analysis of the predicate offences is strongly influenced by the economic activities of these providers. This circumstance explains, in particular, the high percentage of reports received concerning ‘fraud’ and “counterfeiting and piracy of products.” Statistics by sector of professionals are included in the “sectoral statistics” section.

The categories “other” and “money laundering” also continue to account for a significant number of reports. These suspicions mainly relate to standalone (or autonomous) money laundering.

Suspected predicate offences

Many of the reports received by the FIU are based on indicators of money laundering and terrorist financing. The information received can be compared to a piece of a puzzle. The FIU's task is to combine this information with what it already has, enrich it by accessing various databases and obtain other conclusive information through international cooperation. The recruitment of highly specialized financial analysts in recent years allowed the FIU to strengthen its analytical capabilities. Thanks to these additional capabilities, the FIU was able to enhance the reports it receives, by enriching the information they contain and forwarding analyses on complex criminal schemes to the public prosecutor's office.

The increase in the number of reports classified as “money laundering” is mainly due to improved identification of suspicious transactions linked to money laundering structures and schemes observed at the international level. Their awareness, often combined with the use of sophisticated transaction analysis tools by certain reporting entities, led to identification of transactional behavior that makes no economic sense, as well as of money mules. These transactions raise suspicions about the origin of the funds, which is often uncertain.

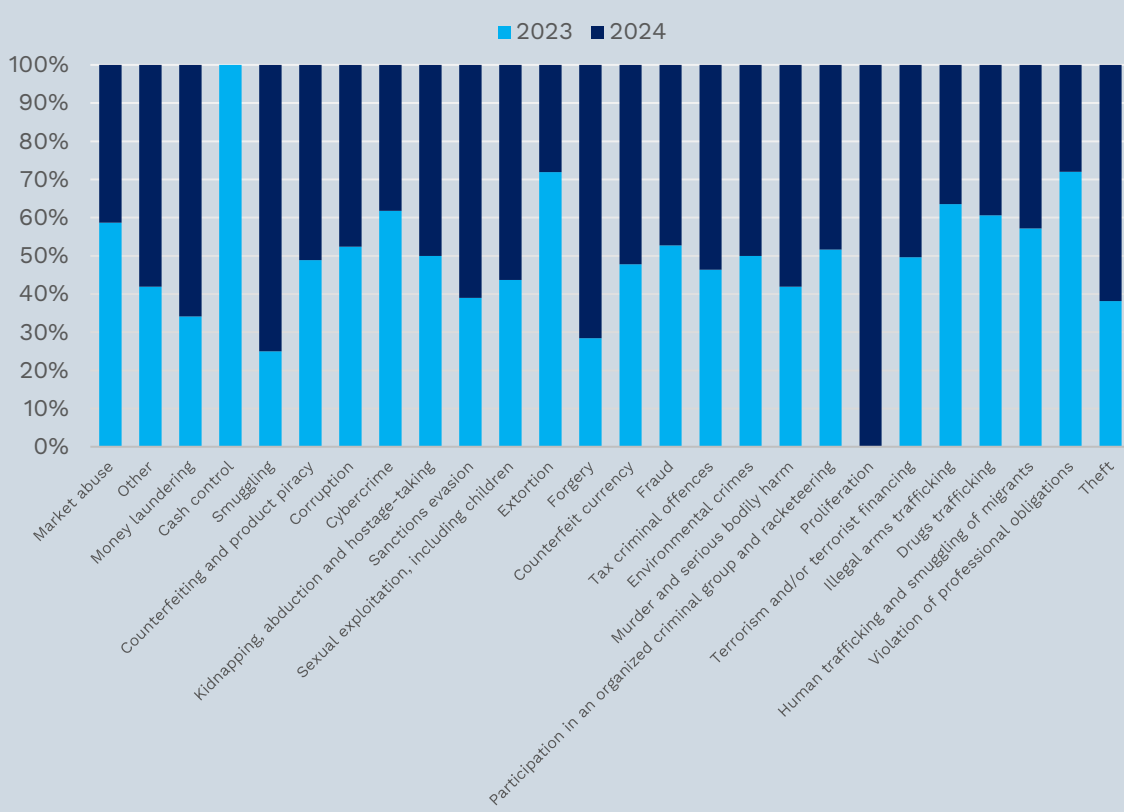
The “other” category refers more broadly to reports where no specific predicate offence could be identified. This applies for instance for reports on lack of customer cooperation (e.g., refusal to provide the requested documents), but also for reports on adverse open-source information on the client (via compliance tools, media, Internet articles, etc.).

The increase in these two categories reflects greater maturity, particularly in certain sectors, in detecting money laundering patterns, which, it should be remembered, create a significant risk for Luxembourg as a financial center.

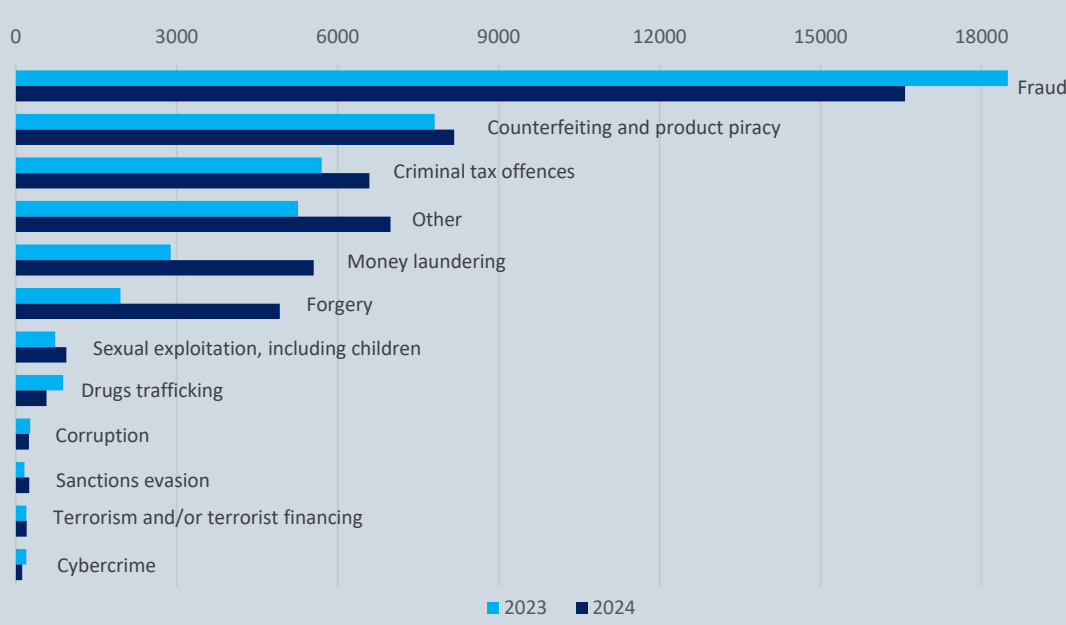
Suspected predicate offences

The following charts provide a clearer picture of the variations recorded between 2023 and 2024.

Main suspected predicate offences, in % (2023-2024)

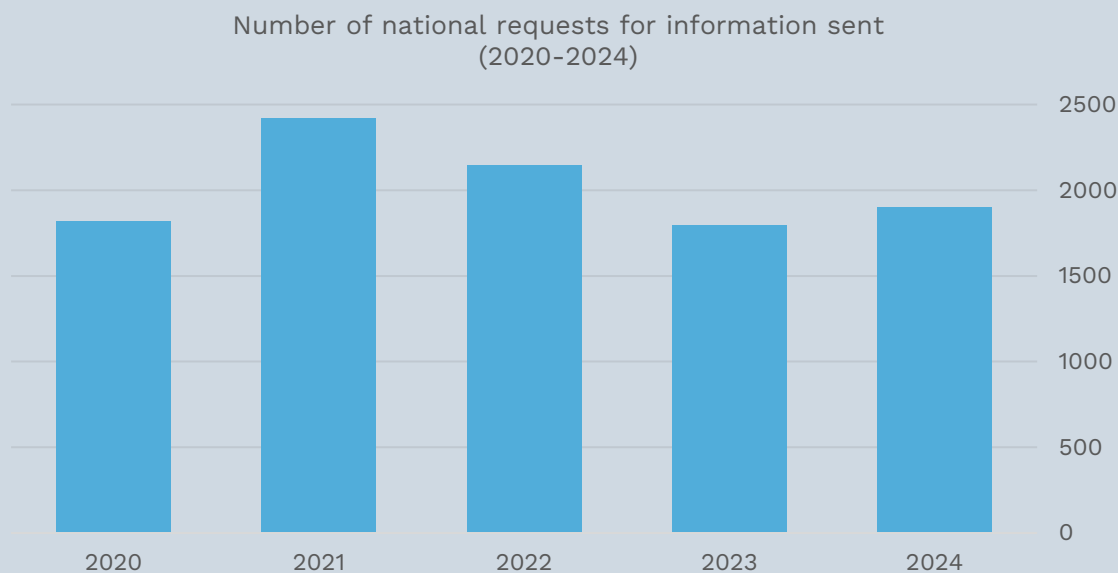


Main suspected predicate offences (2023-2024)



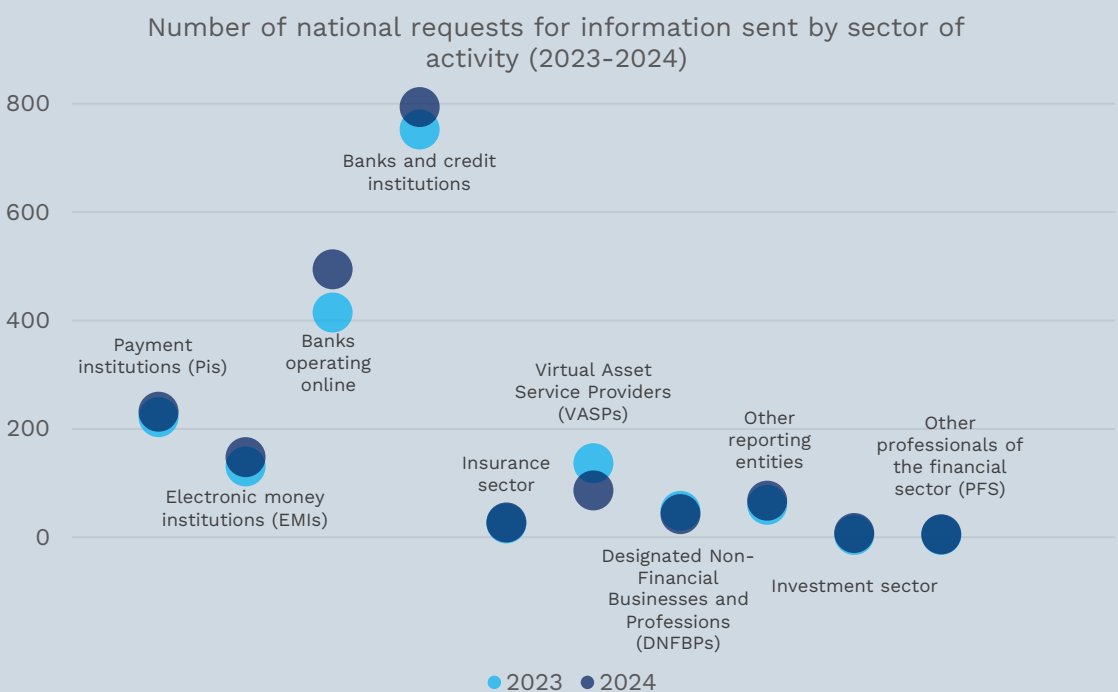
Information requests

In addition to the spontaneous reports received pursuant to section 5(1)(a) of the 2004 Law, the FIU may request information from obliged professionals pursuant to point (b) of the same text.



The number of requests sent to obliged professionals rose from 1 793 in 2023 to 1 899 in 2024. It should be noted that this figure only includes the initial request and does not cover subsequent exchanges, which can be very numerous, particularly in large cases.

Requests for information were sent to the following sectors:



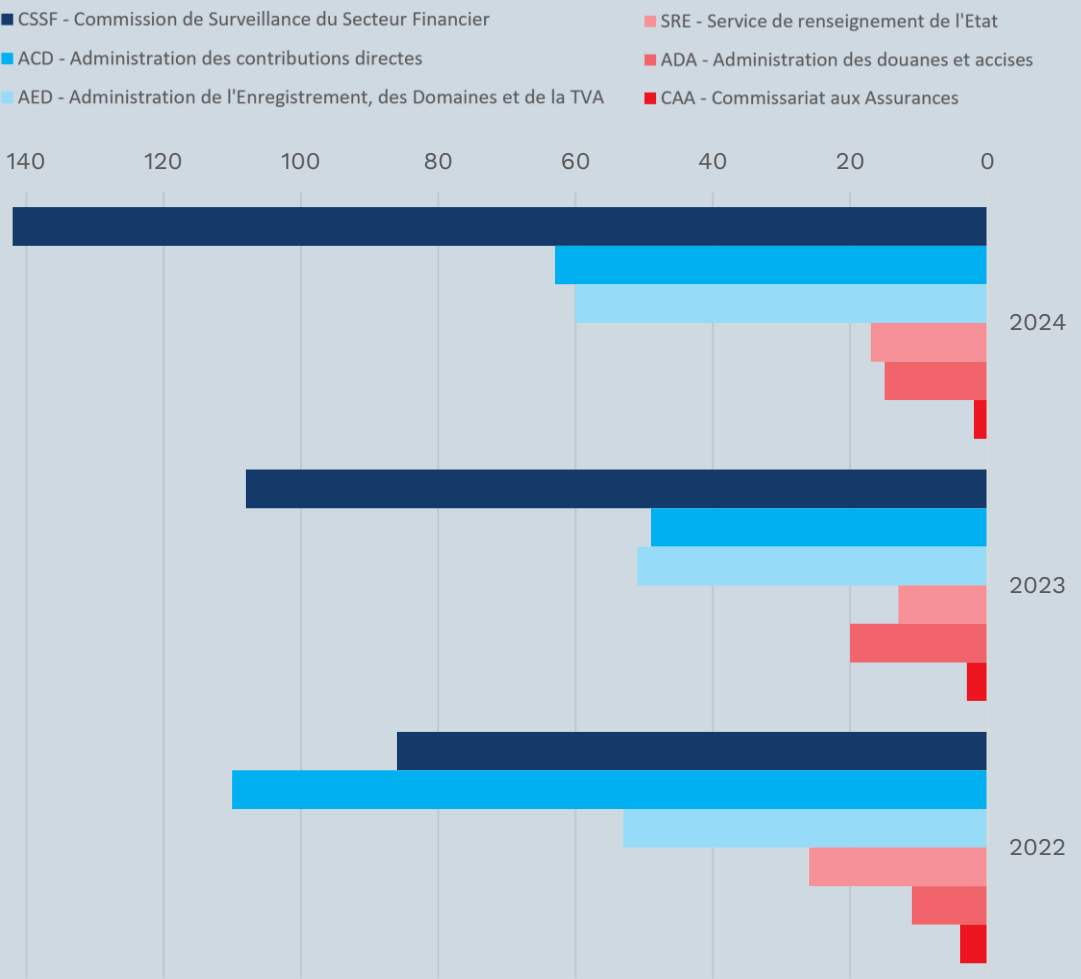
National cooperation – National competent authorities

This section is on cooperation with other administrations and authorities which are competent for combating money laundering and terrorist financing at national level. This cooperation is based on:

- Article 9-1 of the 2004 Law ;
- Article 74-4(1) of the Law on the Judiciary Organization ;
- Articles 74-3 (3) and 74-6 of the same Law ; and
- Special laws.

The following chart shows the degree of interaction with the main competent national authorities.

Cooperation with national supervisory authorities and other national competent authorities – Number of formal exchanges of information (2022-2024)



National cooperation – National Prosecutors’ Offices

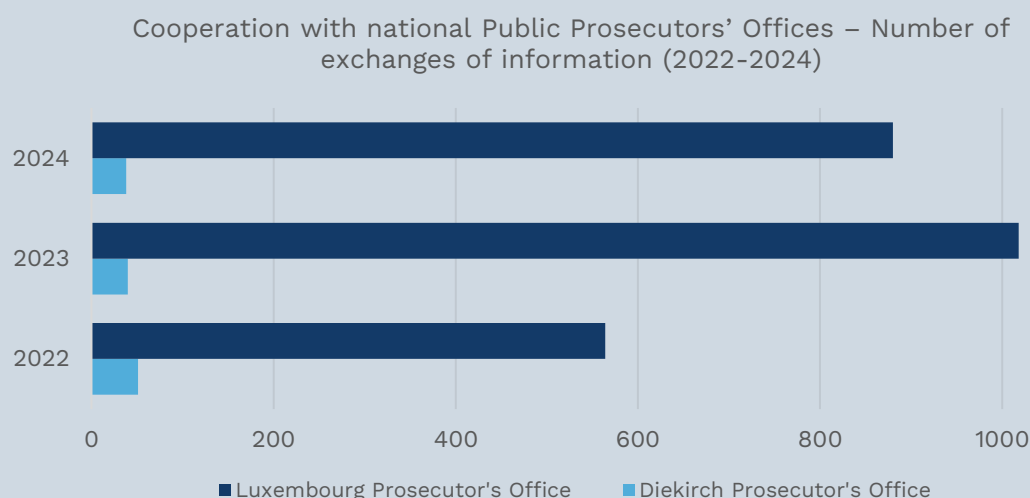
Cooperation with the public prosecutors' offices in Luxembourg and Diekirch (the Public Prosecutors' Offices) is provided for in Articles 74-2 and 74-4 of the Law on the Judiciary Organization.

In complex economic crime cases, the FIU and the competent Public Prosecutors' Offices always cooperate.

Previous annual reports of the FIU distinguished between spontaneous cooperation and cooperation upon request with the Public Prosecutor's Offices. In the most complex cases, this distinction no longer makes much sense, as cooperation between the Public Prosecutor's Offices and the FIU is based on a pre-determined strategy.

Thus, in cases of large-scale fraud, the FIU makes every effort to track down misappropriated funds, apply for freezing them in foreign accounts, and ensure their recovery. To this end, the FIU uses all the information at its disposal, including from complaints received by the police (and forwarded to the FIU by the police or public prosecutors) or reports of suspicious activity and transactions.

The following statistics therefore reflect the total exchanges between the FIU and the Public Prosecutors’ Offices in Luxembourg and Diekirch.



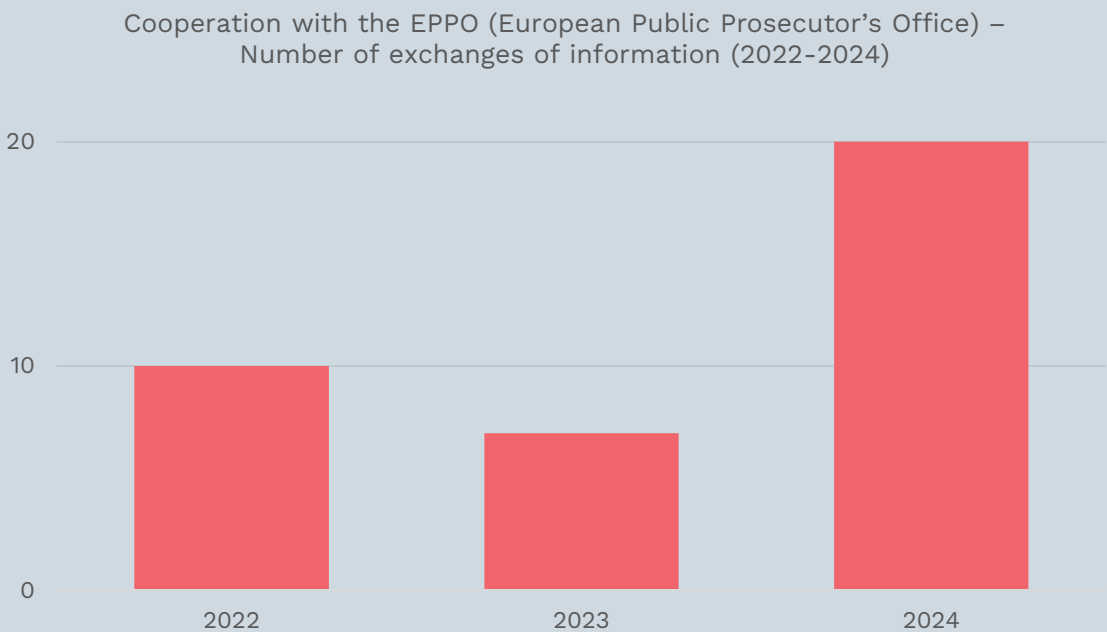
It is also quite common for the FIU to draft several reports relating to the same case. The statistics above do not take this into account, but only reflect the number of cases for which exchanges took place.

National cooperation – European Public Prosecutor's Office

Following the entry into force of Regulation 2017/1939 of October 12, 2017, implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office (EPPO), the FIU has engaged in close cooperation with the EPPO. The FIU signed a cooperation agreement with the EPPO in August 2022*. Exchanges with the European Public Prosecutor's Office take place in particular for the following offences:

- Fraud against the financial interests of the European Union (Articles 496, 496-1 and following of the Criminal Code (“CC”))
- VAT fraud (minimum EUR 10 million and involving at least two Member States) (Article 80 of the amended law of February 12, 1979, on value added tax)
- Misappropriation of European public funds (Article 240 CC together with Article 252 CC)
- Corruption affecting the interests of the European Union (Articles 245 to 251-1 of the CC together with Article 252 CC)
- Money laundering in connection with an associated predicate offence PIF54 (Articles 506-1 to 506-8 CC)
- Criminal organization (Articles 324bis. and 324ter. CC)
- Customs duties (General Law of July 18, 1977, Articles 220 and following.).

Exchanges with the EPPO increased significantly between 2023 and 2024.



* The cooperation agreement signed between EPPO and the FIU is available on the EPPO website: <https://www.eppo.europa.eu/sites/default/files/2022-09/MOU%20EPPO%20-%20CRF.pdf>

International cooperation

Recommendation 40 of the FATF calls for the broadest possible international cooperation in matters of money laundering, predicate offences, and terrorist financing. Countries should cooperate both spontaneously and upon request and this cooperation should be done on a legal basis.

Article 74-5 of the Law on the Judiciary Organization provides a detailed framework for the FIU's international cooperation. This legislative provision is guided in particular by the principles set out in the 4th Directive. At the international level, the Egmont Group, of which the FIU has been a member since its foundation in 1995, has issued “principles for the exchange of information between financial intelligence units in cases of money laundering and terrorist financing.” These principles set out guidelines for information exchange mechanisms between FIUs.

In addition to these legal bases, and in particular in order to create a framework for mutual cooperation, the FIU has signed a multitude of cooperation agreements with FIUs around the world. It should nevertheless be noted that the FIU does not require a cooperation agreement in order to cooperate with foreign FIUs. The signing of such an agreement is therefore at the initiative of foreign counterparts.

Given the importance of Luxembourg as a financial center, the FIU strives to provide the most effective international cooperation possible. To this end, it implements the latest technical capabilities offered by the European information exchange system FIU.net and the global system, Egmont Secure Web (ESW).

The FIU is therefore continuously adapting its procedures for exchanging information with its foreign counterparts. In recent years, it has extended the application of the FIU.net, cross-border reporting (XBR) and cross-border dissemination (XBD) exchange systems, to a growing number of reports.

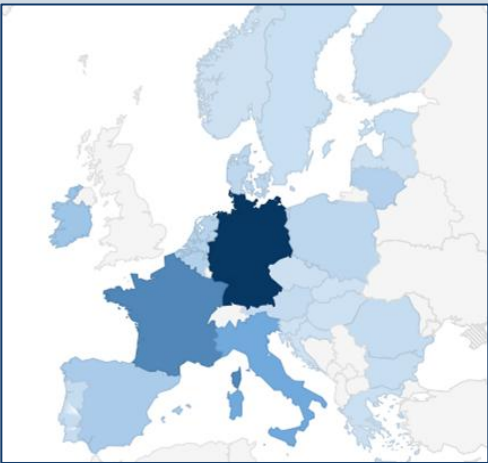
These adjustments have been made in close cooperation with the professionals subject to the 2004 Law. In order for the XBR system to be used correctly, the exchanged information must meet certain technical requirements, which must be implemented by the reporting entities.

The FIU would like to thank the involved professionals for their work.

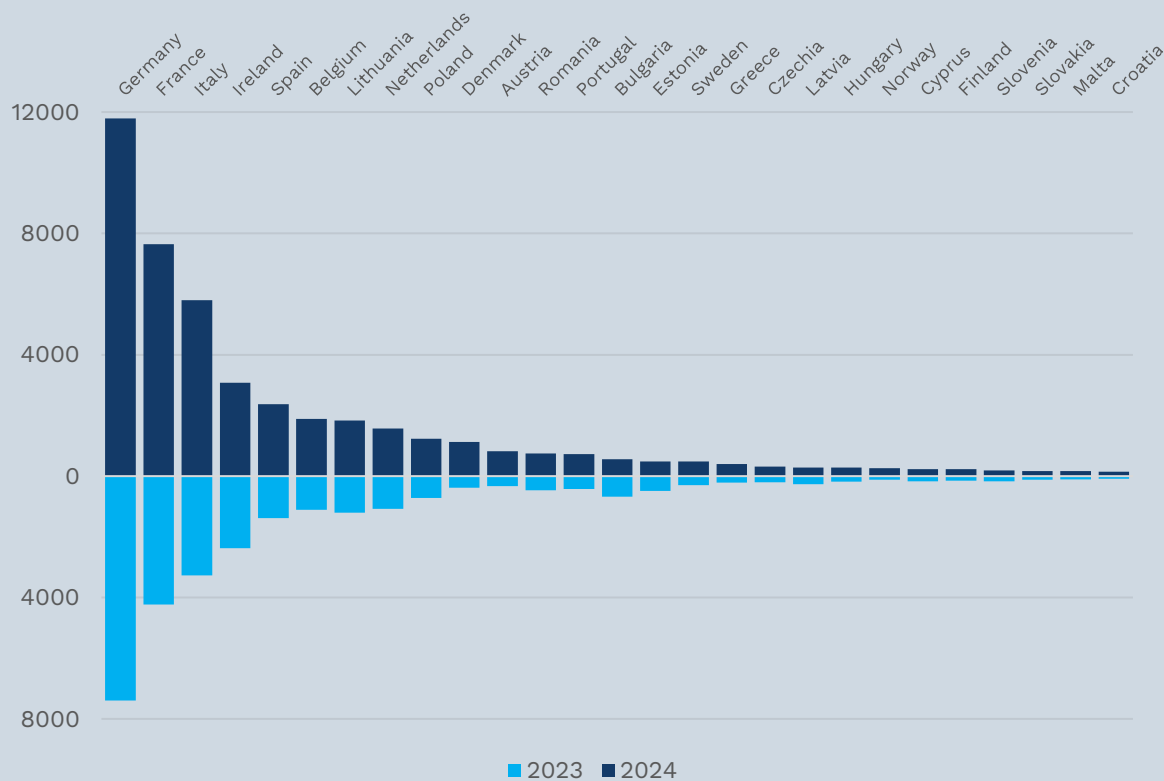
International cooperation – XBR

As explained above, certain “online service providers” file their reports in the standardized SARE and STRE formats which are specifically designed in view of disseminating the relevant information to the FIUs of the concerned Member States via the European FIU.net system.

The XBR system, which stands for cross-border reporting, enables the FIU to analyze the reports it receives using a risk-based approach, while ensuring that relevant information is disseminated to its counterparts almost instantly. The FIU's cyber and IT teams work closely with “online service providers” and recipient foreign FIUs to ensure an efficient reporting process. The reporting process is therefore adapted to reflect newly identified types of fraud and optimized based on feedback received from competent national and foreign authorities. The number of XBR exchanges has increased in recent years.



Number of cross-border exchanges – XBR (2023-2024)

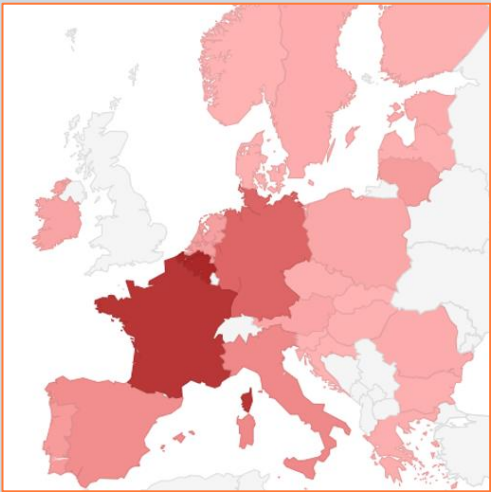


International cooperation – XBD

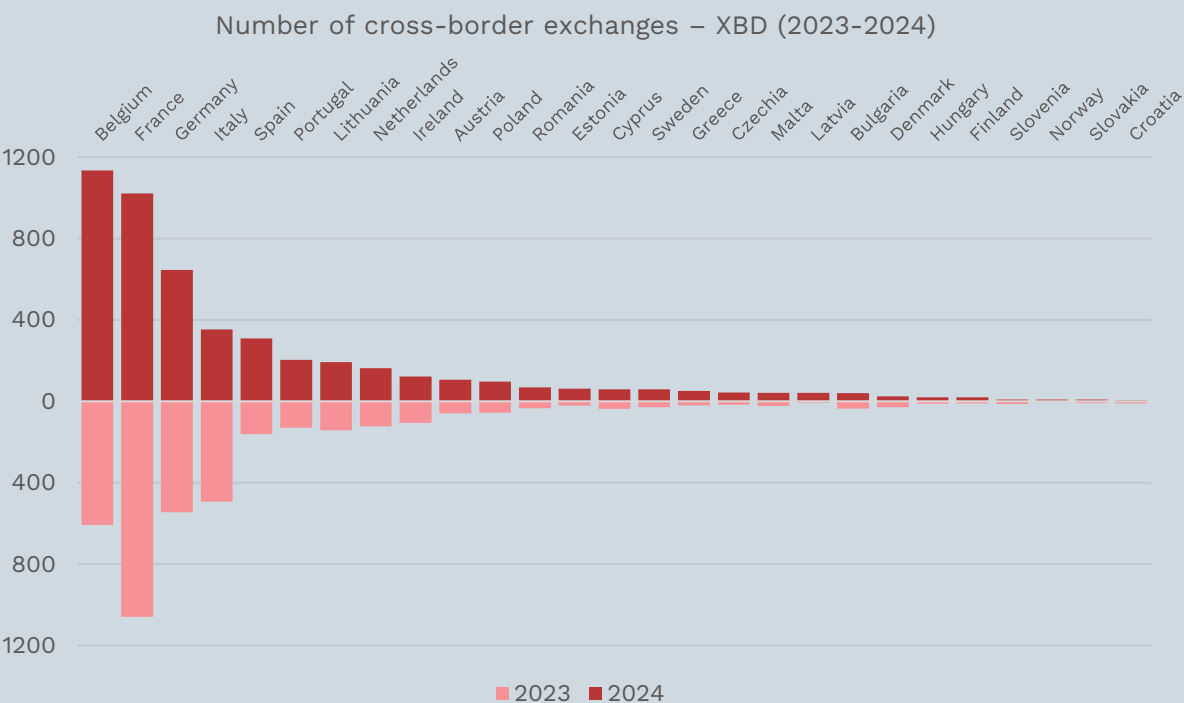
In addition to XBR exchanges, the European information exchange system FIU.net offers the cross-border dissemination (XBD) exchange format. The FIU uses this format in low-risk cases that have a link with another European country, but where the information held by the FIU is only relevant if the other concerned FIU has information that may enrich this information.

The FIU uses the XBD format for certain reports and in particular when :

- The customer refuses to provide documents, but no other suspicious circumstances were identified.
- The customer is mentioned in negative press, but the link with any suspicion concerning the business relationship in Luxembourg is rather limited.
- The reported facts are rather dated and/or identified during a remediation process.



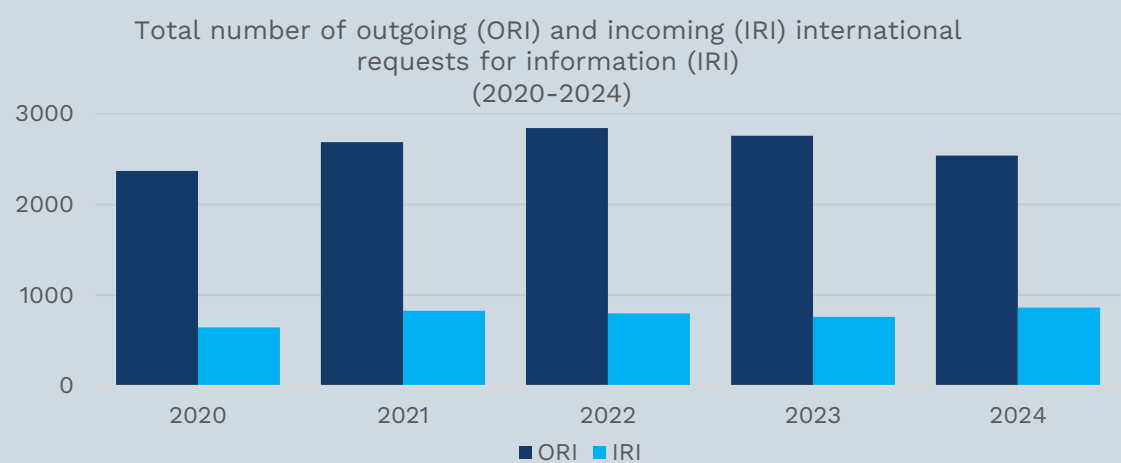
By sending an XBD, the FIU informs its counterpart that it has information about a suspect. If this FIU requires further information, it sends a request for information to the Luxembourg FIU. The number of XBD exchanges has increased slightly in recent years.



International cooperation – Traditional exchanges

Traditional information exchanges refer to spontaneous exchanges (in which the FIU does not expect a response from its counterpart) and requests for information. The following chart shows the number of traditional exchanges initiated by the FIU, as well as requests for information or spontaneous exchanges received by the FIU.

In 2024, a higher number of XBR exchanges were carried out by the FIU. This explains the slight decrease in the number of traditional exchanges.



Most exchanges took place with European Union member states. The following chart shows the countries with which exchanges were most frequent. ORI refers to active exchanges (i.e., sent from the FIU to foreign counterparts), while IRI refers to passive exchanges (i.e., received by the FIU from foreign counterparts).



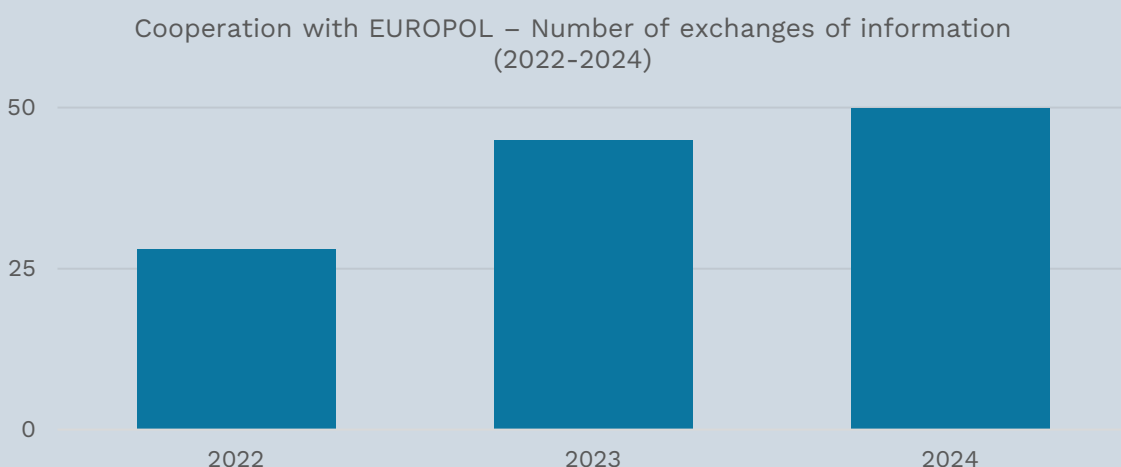
International cooperation – Exchanges with Europol

The FIU cooperates with Europol at both the operational and strategic levels.

At the operational level, exchanges with Europol focus on areas in which specialized divisions have been created within this European Union agency. The following areas of cooperation are particularly noteworthy:

- the sexual exploitation of minors and adults,
- human trafficking, and
- suspicious transactions in virtual currencies.

The increase in the number of exchanges between 2023 and 2024 is mainly due to the intensification of cooperation on cases related to sexual exploitation and human trafficking. These cases are particularly complex due to their cross-border dimension and the systematic use of digital tools that allow for continuous, live broadcasting.



In addition to operational cooperation with Europol, the FIU's participation in the EFIPPP (Europol Financial Intelligence Public Private Partnership) should also be mentioned. The EFIPPP brings together representatives from both the public sector, including FIUs, police and customs services, and the private sector, particularly major banks, as well as representatives with “observer” status (European or international institutions, academia, etc.). The aim of this group is to strengthen strategic, non-operational exchanges between the public and private sectors on major current issues in the fight against money laundering and terrorist financing.

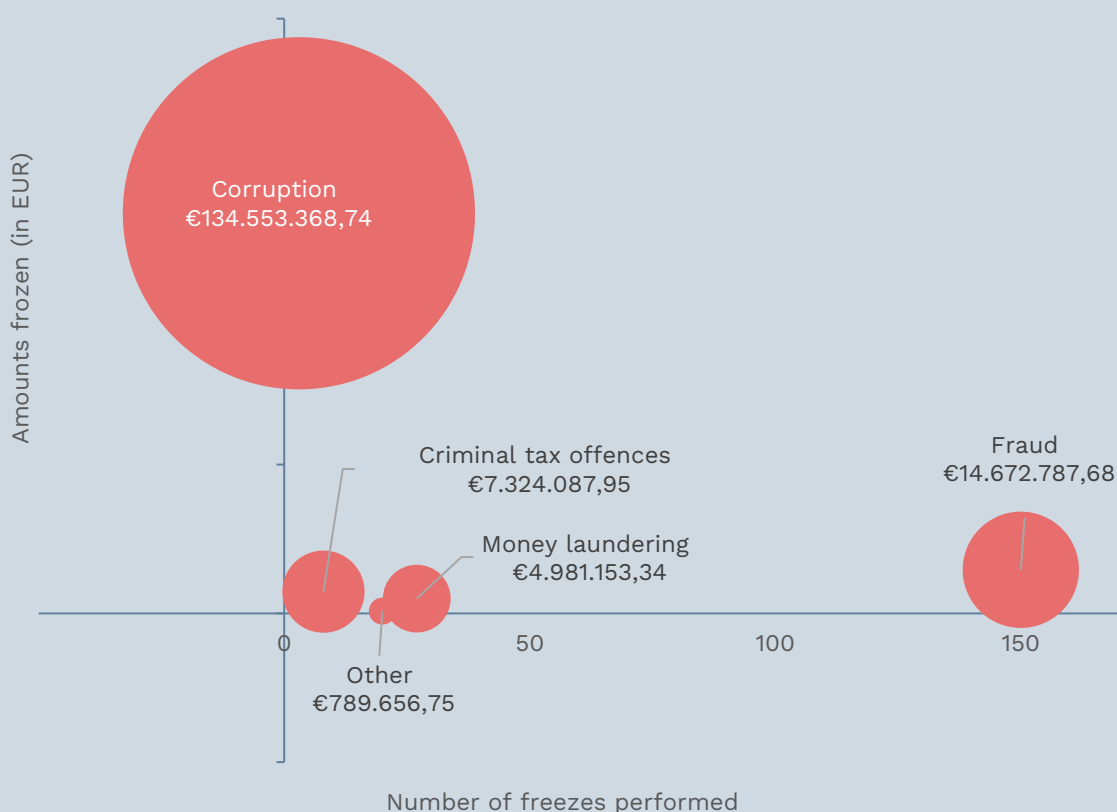
The FIU either co-chairs or participates in numerous working groups in this context and disseminates the resulting reports to the most concerned obliged professionals of the 2004 Law. A copy of these reports may be requested by any professional registered with goAML.

Freezes

The FIU makes use of its freezing power in accordance with article 5(3) of the 2004 Law. Freezing generally occurs in anticipation of a judicial seizure and allows funds to be secured while the files are being analyzed.

Since the FIU acts solely on suspicions of money laundering or terrorist financing, the classification of the predicate offence remains provisional. In the event of multiple predicate offences, only the main predicate offence is used for statistical purposes.

Number of freezes and amounts frozen by type of suspected predicate offence in 2024



The majority of freezing orders relate to cases linked to the financial center and are issued in a cross-border context so as to enable foreign authorities to request the judicial seizure of funds as part of an official request for mutual legal assistance. In other situations, national investigations into autonomous money laundering have been launched.

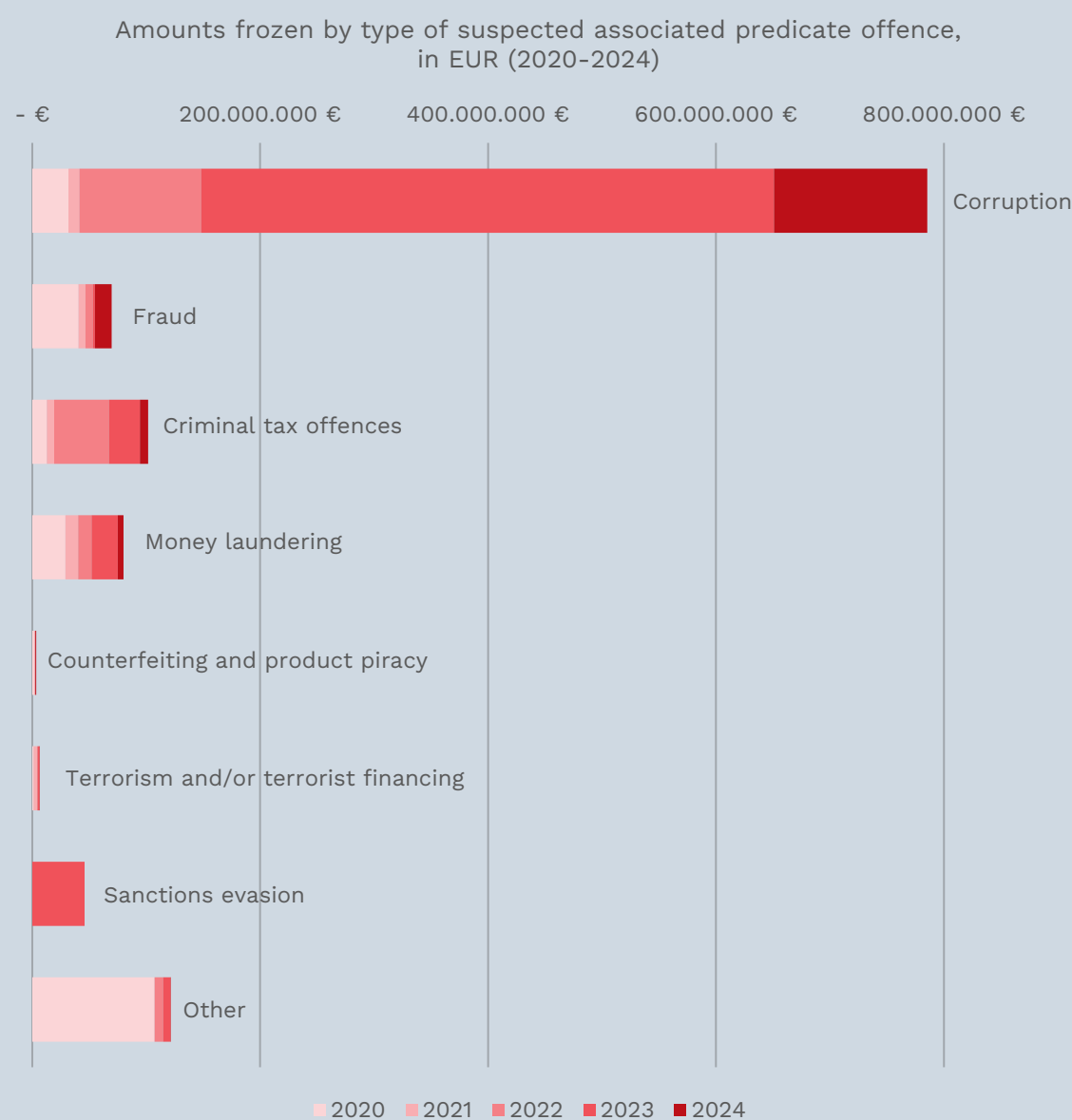
In 2024, the majority of freezing orders were issued in relation to fraud, for a total amount exceeding EUR 14 million. Conversely, only three freezing orders were issued in relation to suspected corruption, for a total amount exceeding EUR 134 million.

Freezes

Compared to previous years, the amounts frozen in connection with suspected corruption remain the highest. Although the number of freezes related to suspected fraud is significant, the amounts involved are generally smaller. Similar findings apply to freezes in connection with criminal tax offences.

Freezing orders recorded under the category “money laundering” mainly concern cases in which the predicate offence was committed abroad, while the money laundering operations themselves took place on national territory.

After an exceptional year in 2023, the volume and amounts of freezes have returned to a steadier level.

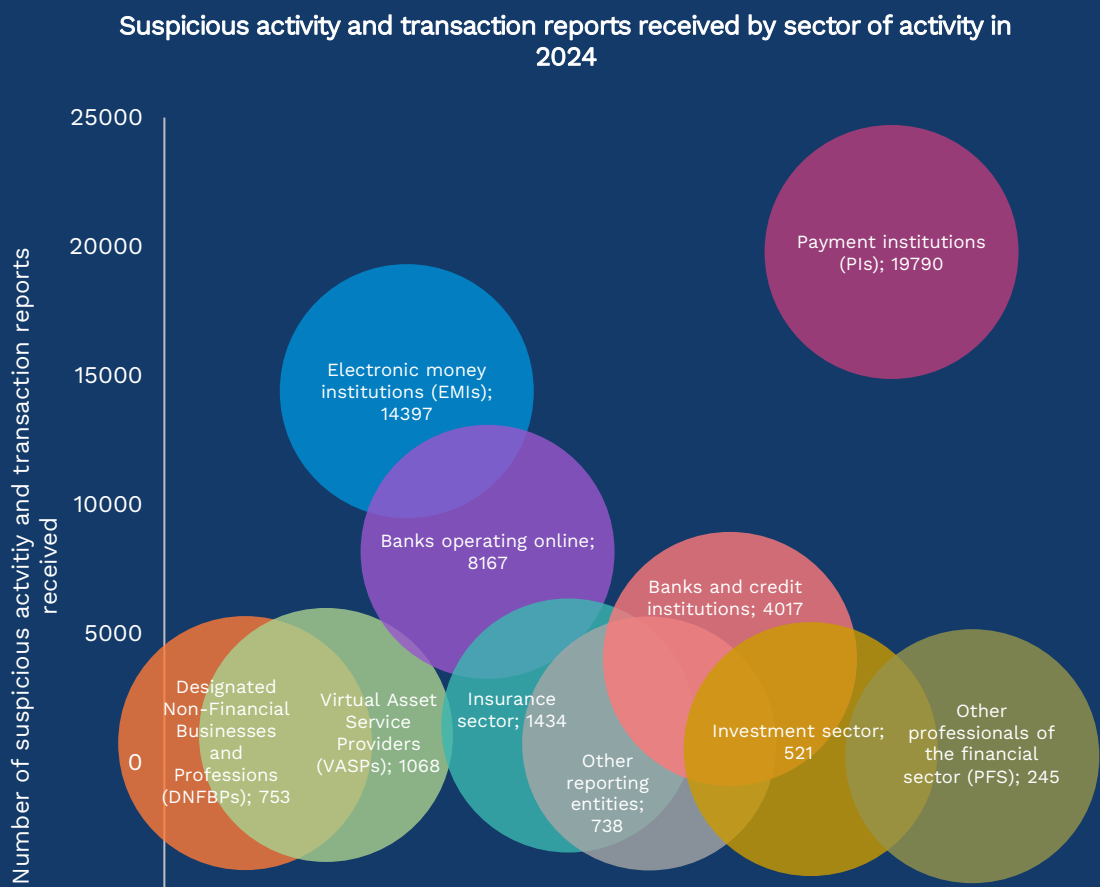




SECTOR STATISTICS

Suspicious activity and transaction reports received by sector of activity

After having presented the general statistics, the sectoral analysis allows a more detailed analysis of a sector's reporting activity and refining our understanding of the trends observed. It also highlights the specific characteristics of each sector and how they have evolved over the course of the year.



The chart shows the volume of suspicious activity and transaction reports filed in 2024 by the main sectors of activity.

After payment institutions, electronic money institutions and banks operating online are the main reporting entities in terms of number of SARs/STRs filed with the FIU in 2024.

Trends in suspicious activity and transaction reports received by sector of activity

The table below shows the number of reports received by sector in recent years.

	2020	2021	2022	2023	2024
Payment institutions (PIs)	1179	8790	26448	18745	19790
Electronic money institutions (EMIs)	26818	30150	15395	11007	14397
Banks operating online	2892	2825	3734	6336	8167
Banks and credit institutions	2476	2686	3317	3974	4017
Insurance sector	222	310	417	770	1434
Virtual asset service providers (VASP)	5451	3261	1956	1883	1068
Designated non-financial businesses and professions (DNFBPs)	433	482	576	626	753
Other reporting entities (incl. non-designated professions)	773	1132	777	462	738
Investment sector	303	367	451	507	521
Other professionals of the financial sector (PFS)	235	194	188	209	245
Total	40782	50197	53259	44519	51130

Based on the above, the number of reports filed by the traditional sectors have been steadily on the rise during the period under review whereas those from “online service providers” have been more variable. These fluctuations may for instance stem from changes in the economic activity of certain players in this field in Luxembourg as well as from optimization of their reporting process, in close collaboration with the FIU’s teams.

Details regarding « online service providers »

As explained in the general section of this annual report, the FIU has created specific types of reports for certain “online service providers” (SARe and STRe).

In this context, « online service providers » refer to the following types of reporting entities:

- Payment institutions (PIs)
- Electronic money institutions (EMIs)
- Banks operating online
- Virtual Asset Service Providers (VASPs).

These reporting entities send reports for all European Union member states to the Luxembourg FIU. Most of these reports have no direct link with Luxembourg (other than their registered office and the suspects' accounts), but relate to one or more other EU Member States (due to the place of residence or nationality of the suspects and/or the place where the suspected predicate offences were committed).

The FIU shares these reports with the relevant foreign FIUs, in accordance with Article 53(1) of the 4th Directive.

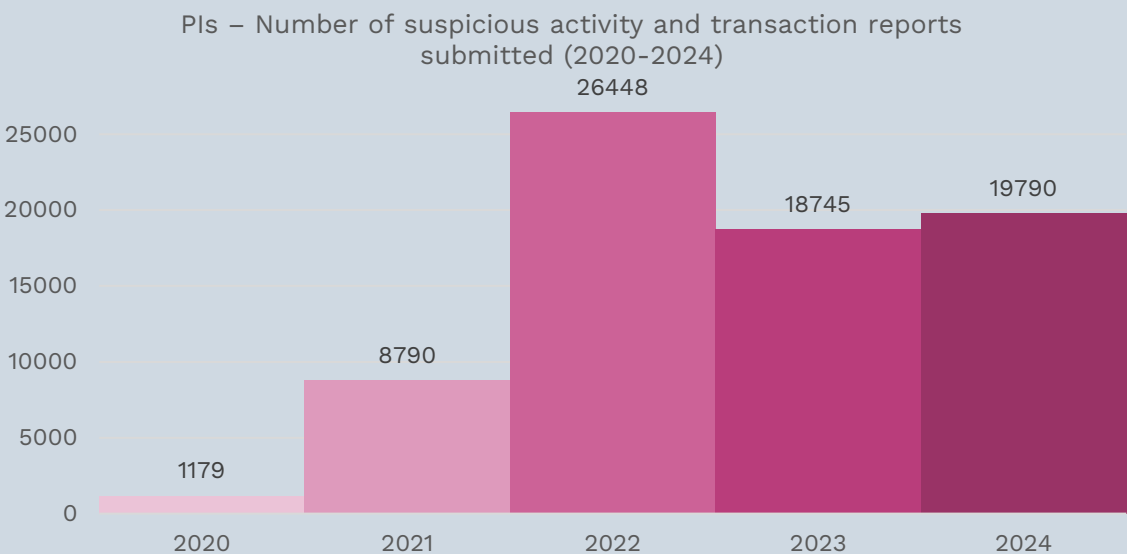
The FIU has continued its regular exchanges with the CSSF in order to gain a good understanding of the services offered by online service providers operating in Luxembourg. These discussions also include the identification of service providers operating from Luxembourg without the necessary authorizations or licenses from the CSSF and which are detected by the FIU.

In general, the FIU works closely with the CSSF and online service providers to better understand the risks with the services offered, as well as emerging types of money laundering and terrorist financing. These exchanges also aim to improve the reporting process, in order to ensure the effective transmission of relevant information and enable conclusive financial analysis.

The FIU has noted a slight increase in the number of registered reporting entities falling under the definition of online service providers in goAML in 2024.

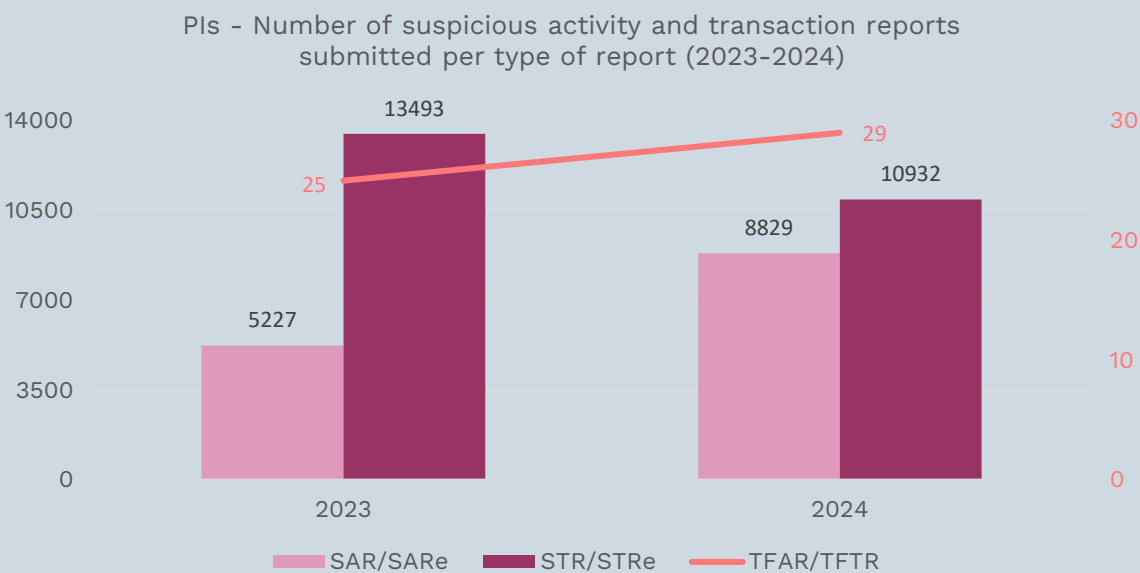
Payment institutions (PIs)

The number of suspicious activity and transaction reports received by the FIU in 2023 and 2024 remained stable.



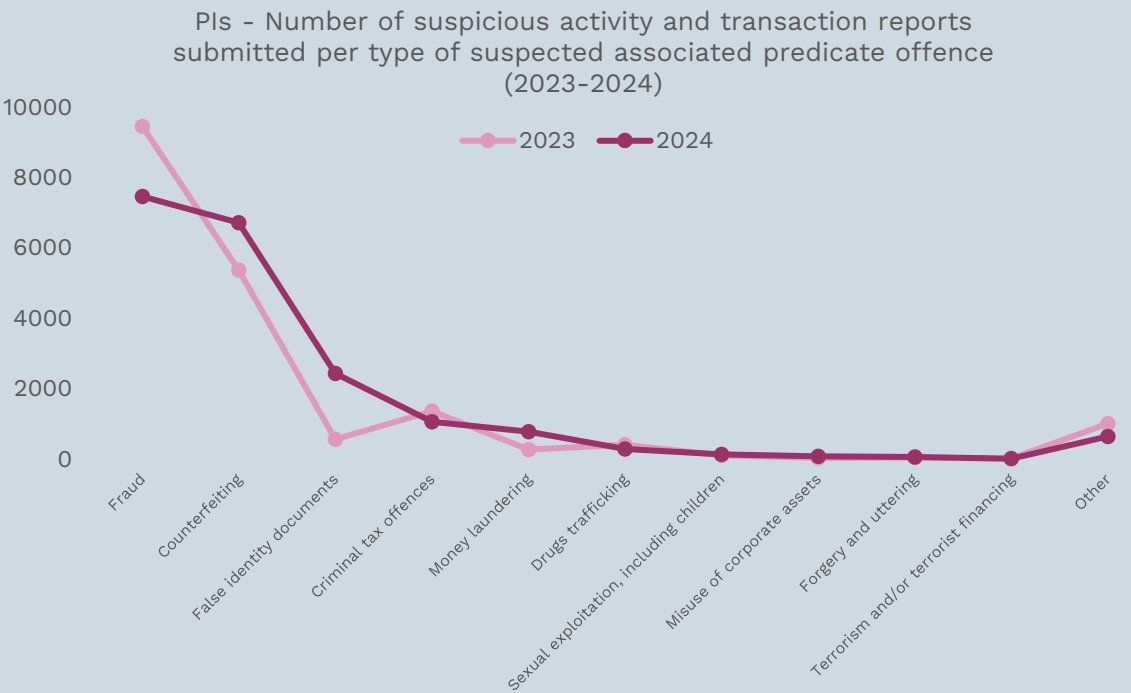
The year 2024 saw a high number of reports based on the use of false identity documents, with no other indicators of money laundering. These were mainly attempts to enter into a business relationship. In many cases, these attempts at money laundering or predicate offences did not result in any transactions. This circumstance explains the increase in the number of suspicious activity reports (SARs and SARes) where no suspicious transactions could be identified.

The number of reports relating to terrorist financing rose slightly.

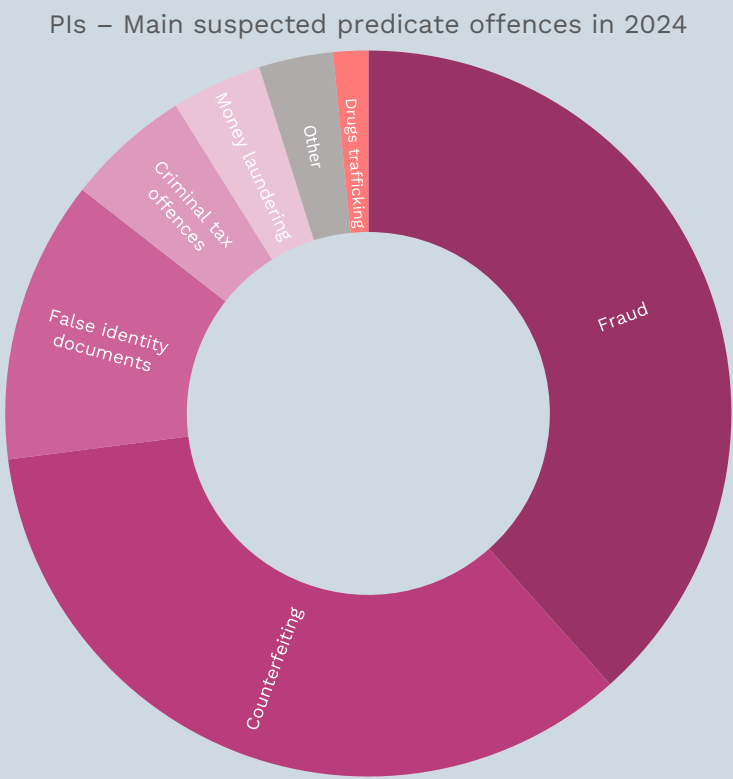


Payment institutions (PIs)

The following chart illustrates the variation in the number of reports received by suspected predicate offence between 2023 and 2024.

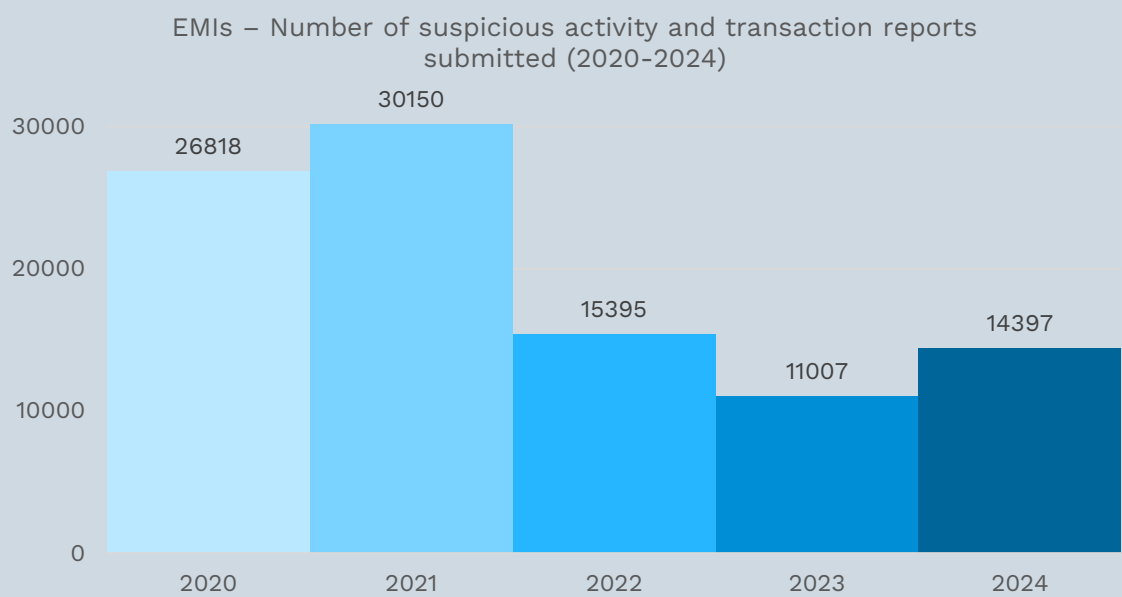


The three main suspected predicate offences identified by the sector in 2024 are fraud, counterfeiting and the use of false identity documents.

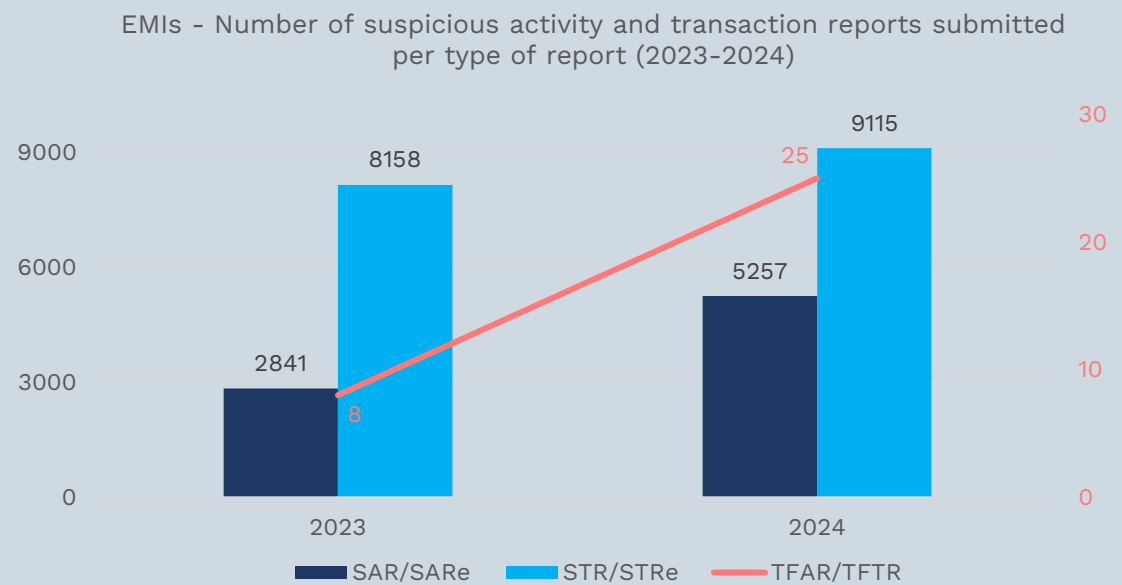


Electronic money institutions (EMIs)

In 2024, there has been a slight increase in comparison to 2023 in terms of the number of suspicious activity and transaction reports received by the FIU from EMIs. This is mainly due to the sector’s growth in economic activity.

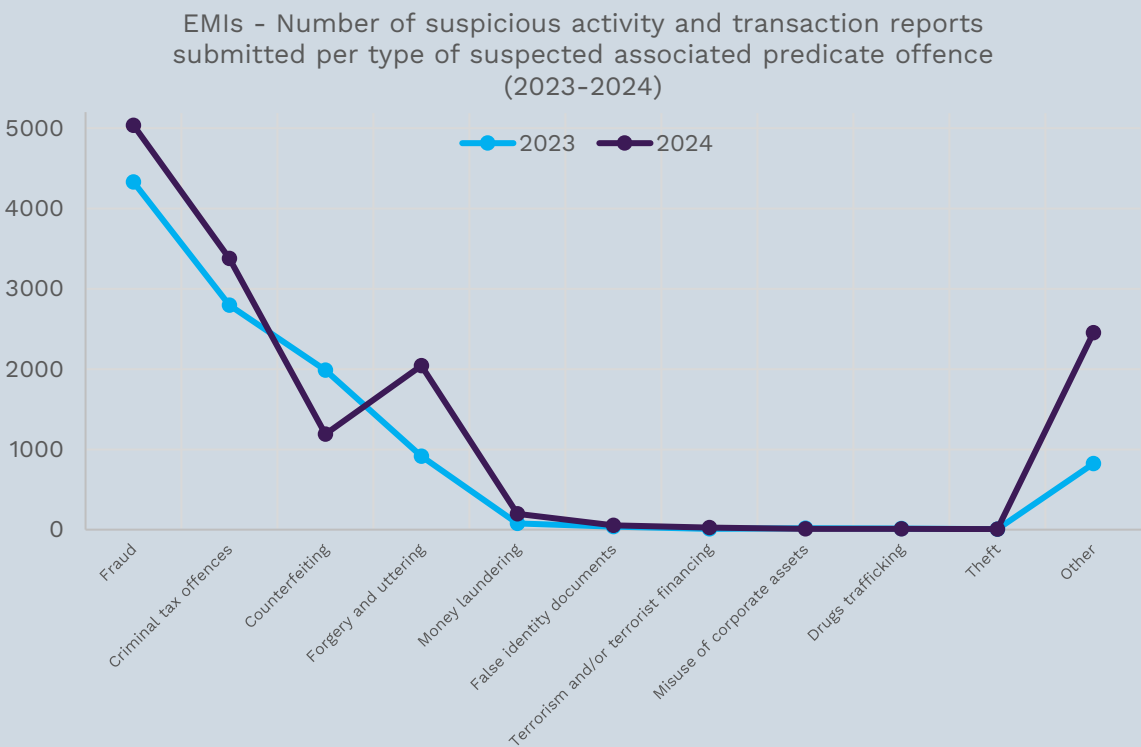


The FIU also notes a relative increase in suspicious activity reports based on customer activity, compared to reports based on transactions carried out with professionals, for the same reasons as those mentioned above for payment institutions.



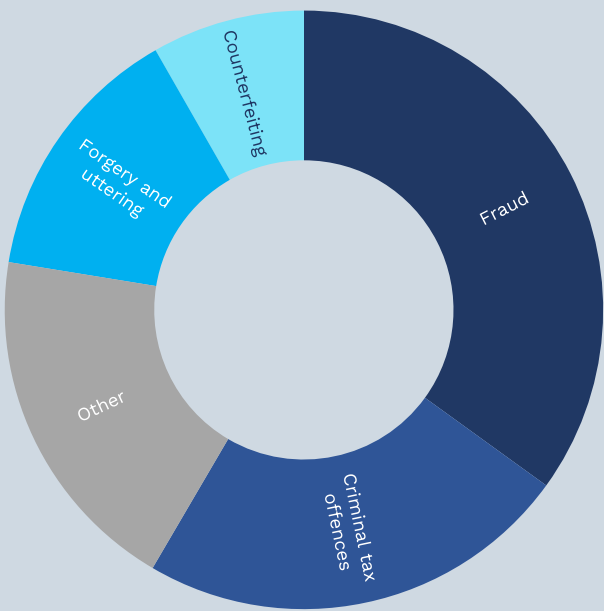
Electronic money institutions (EMIs)

The following chart illustrates the variation in the number of reports received by suspected predicate offence between 2023 and 2024.



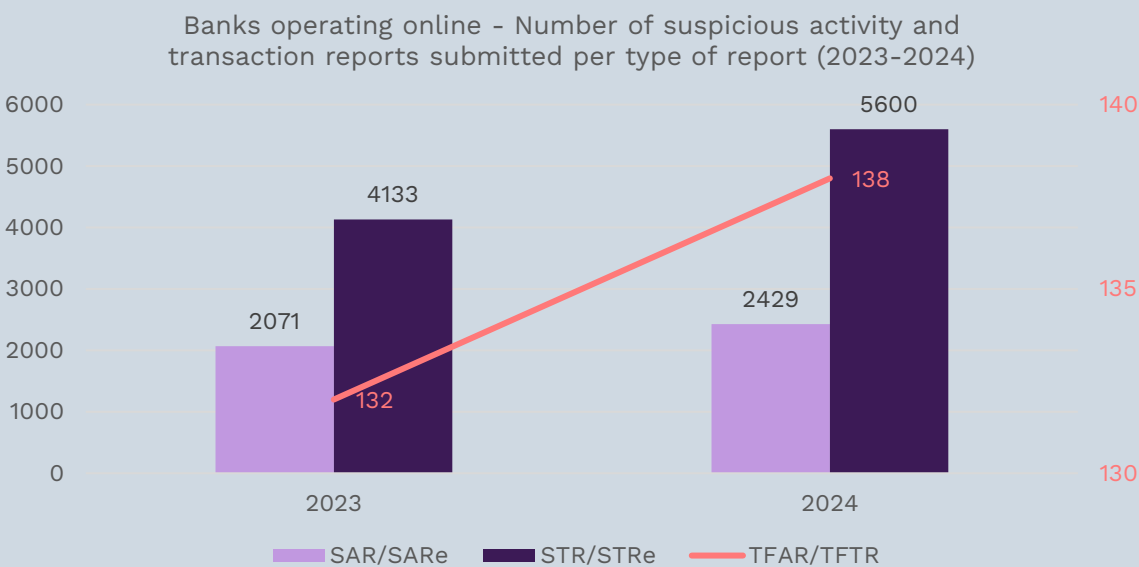
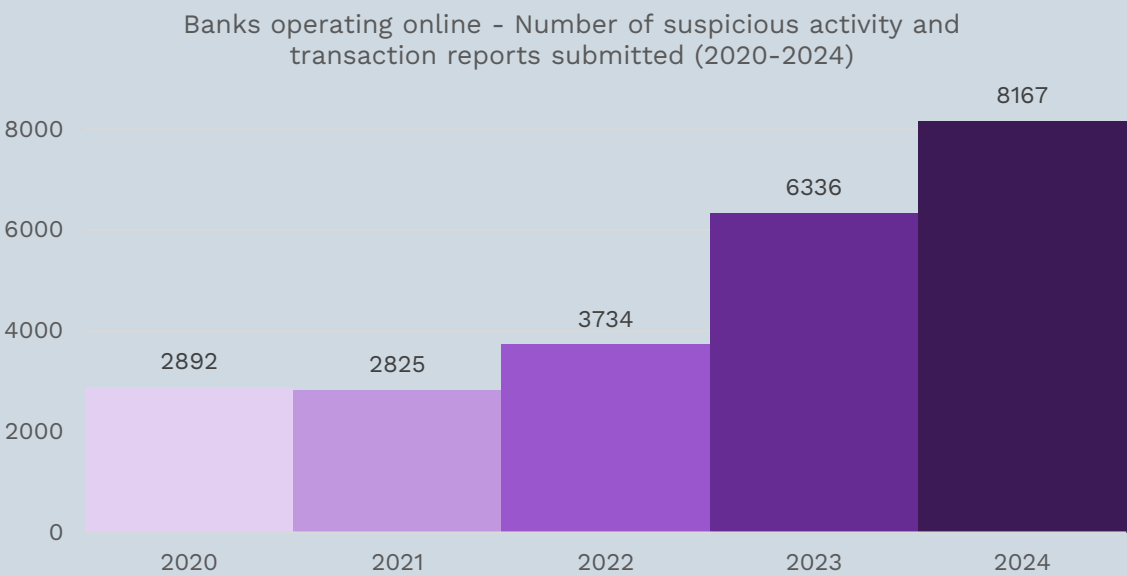
EMIs – Main suspected predicate offences in 2024

The main predicate offences as reported by the EME sector are shown in the chart to the right. In comparison to 2023, there was an increase of suspected cases of fraud, criminal tax offences, forgery and use of forged documents, as well as in the “other” category (which includes, in particular regarding failure to justify funds, fraudulent collusion between buyer and seller, and the use of dissolved entities in KYC procedures). There has also been an increase in the use of falsified documents that were generated through artificial intelligence tools.



Banks operating online

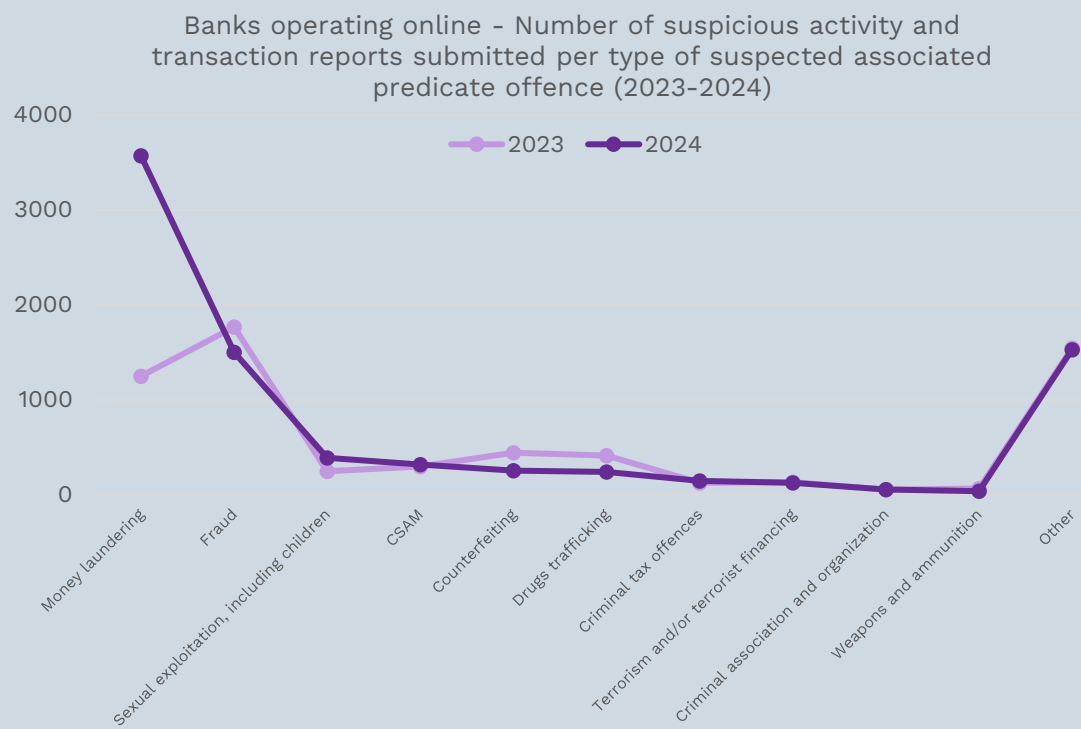
The following chart illustrates the variation in the number of reports received from banks operating online between 2020 and 2024. The steady increase is mainly due to the economic development of local players.



The figures for suspicious activity and transaction reports have evolved in line with the total number of reports received.

Banks operating online

The following chart illustrates the variation in the number of reports received by suspected predicate offence between 2023 and 2024.



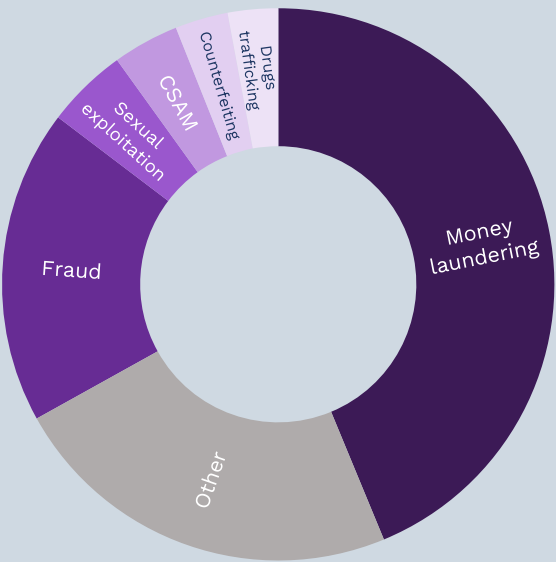
The increase in the number of reports classified as “money Laundering” is mainly due to the detection of suspicious transactions linked to money laundering structures and schemes observed internationally. Indeed, some reporting entities use sophisticated analytical tools that enable them to identify economically inconsistent transactional behavior, as well as the use of money mules.

These transactions raise questions about the origin of the funds, which is often difficult to establish.

Depending on the seriousness of the suspicions reported, these reports are classified either as “money laundering” or “other.”

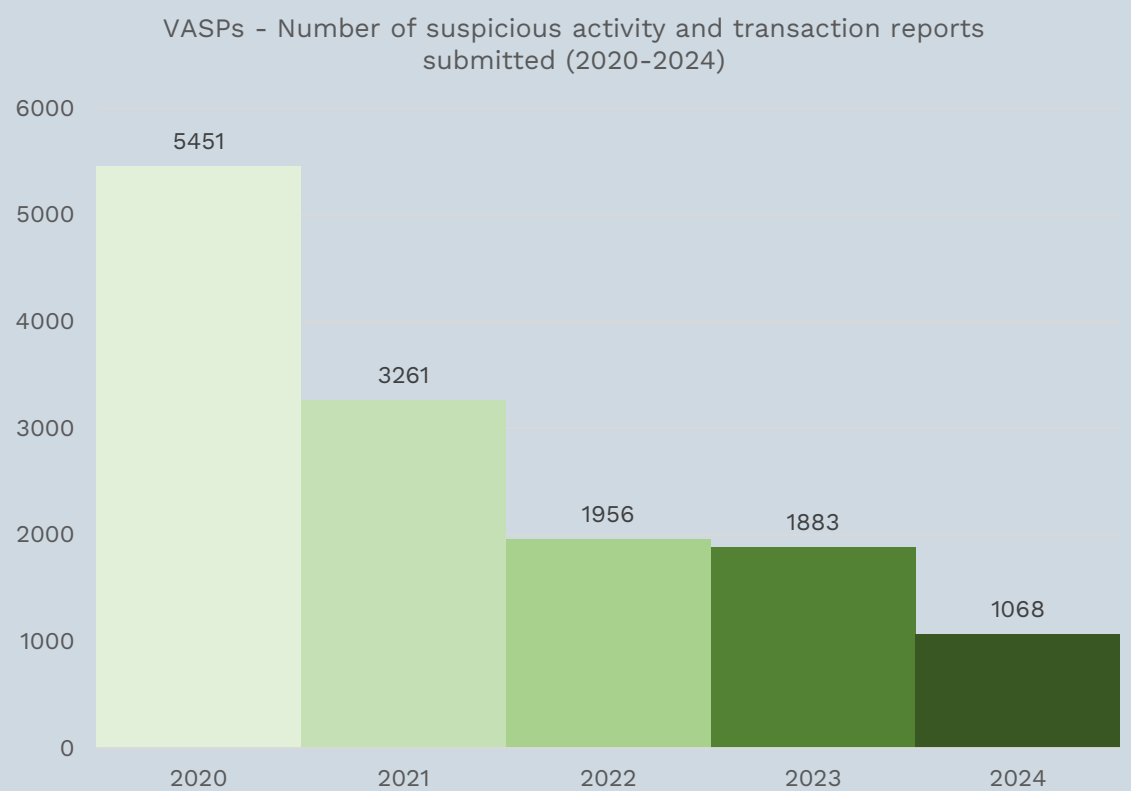
There has also been a high number of reports concerning the sexual exploitation of minors and adults. In these reports, the FIU has noted an increased use of live video streaming and instant messaging applications. This trend, which has also been observed internationally, may be due to the anonymity of these technologies.

Banks operating online – Main suspected predicate offences in 2024



Virtual asset service providers (VASPs)

The chart below shows that the number of suspicious activity and transaction reports received by the FIU in 2024 has decreased significantly in recent years.



The FIU did not receive any reports of terrorist financing from VASPs in 2024.

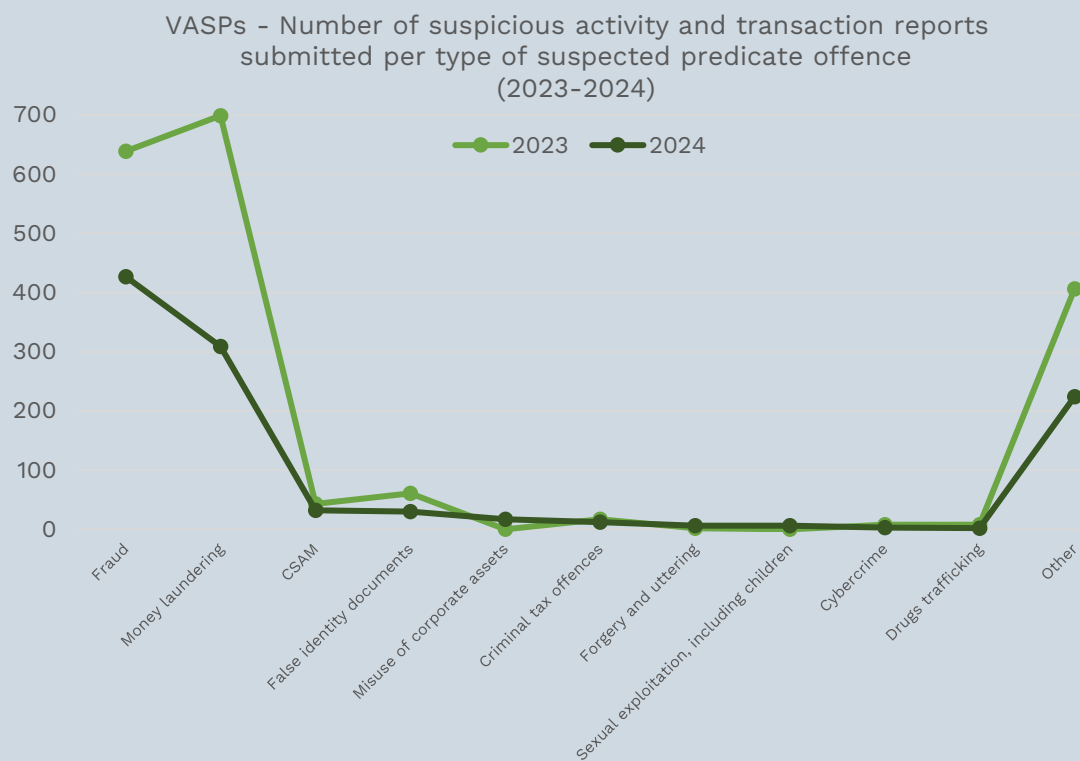
The decline in the number of reports received might be primarily due to criminals switching to unregulated or decentralized exchange platforms.

The implementation of the FATF recommendations as well as of new regulations applicable in Europe have made it riskier for criminals to rely on regulated VASPs and as a result, criminals prefer services offered by professionals operating from unregulated jurisdictions and even technical solutions which render the intervention of any intermediary unnecessary.

It should also be noted that most of the VASPs mentioned in this annual report have been operating in Luxembourg for several years and, in addition to their VASP license, hold another license. These VASPs have been cooperating with the FIU since their set up in Luxembourg and have achieved a high level of maturity.

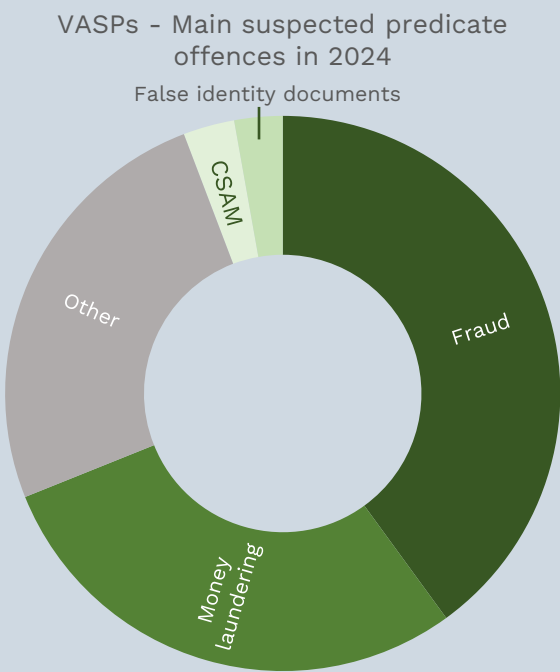
Virtual asset service providers (VASPs)

The following chart illustrates the variation in the number of reports received by suspected predicate offence between 2023 and 2024.



The main suspicions behind reports filed with the FIU related to investment fraud, indirect transfers to high-risk addresses such as unregulated platforms, fraudulent exchanges, and, to a lesser extent, darknet marketplaces.

Reports listed under the “other” category are often linked to a combination of suspicious behaviors such as the use of multiple obfuscation techniques, the use of unregulated platforms, decentralized exchanges, or mixers.

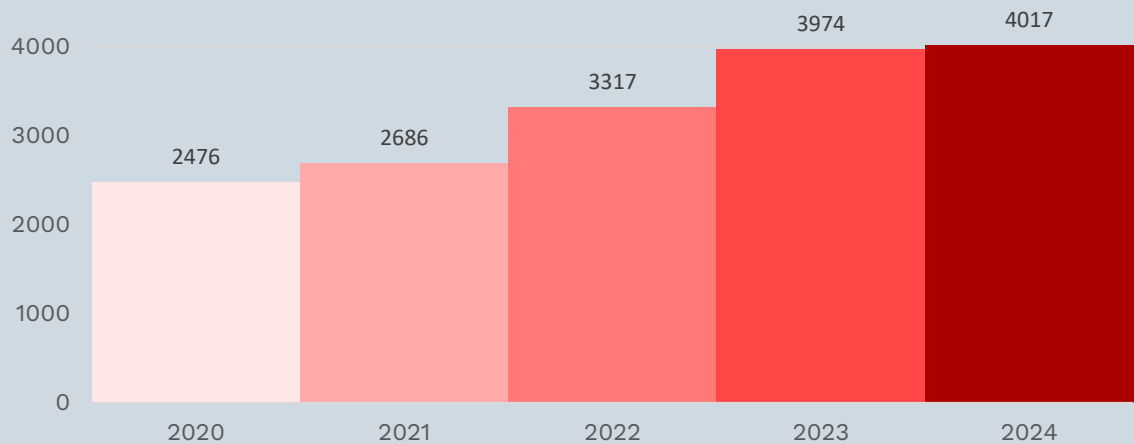


Banks and credit institutions

The number of reports received from banks and credit institutions remains stable at around 4 000 reports per year.

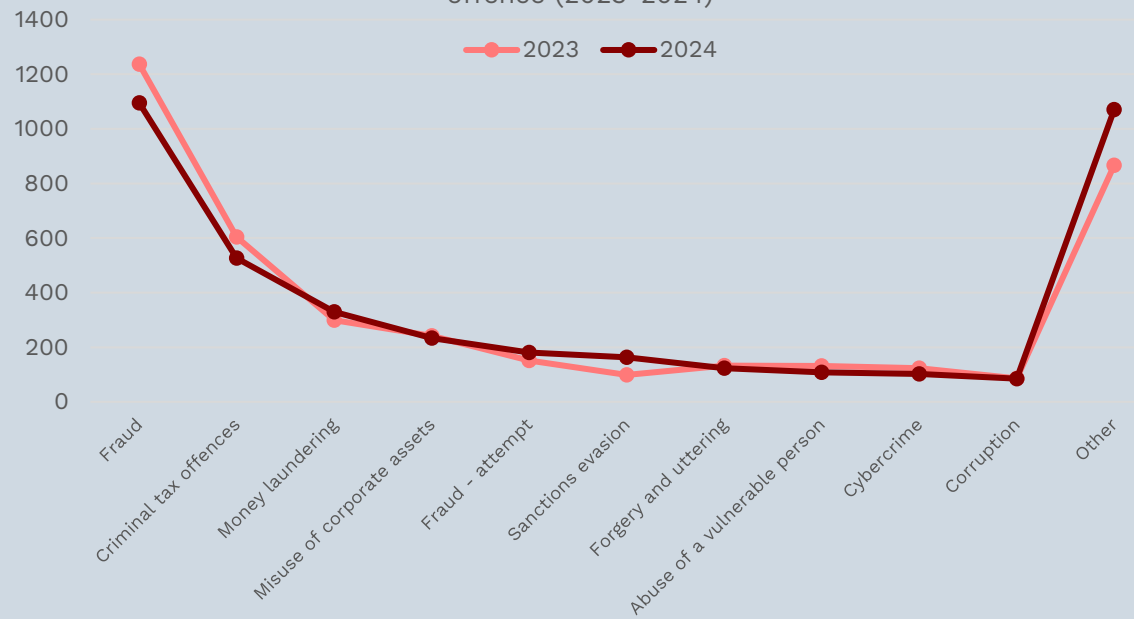
It should be noted that the FIU has now decided to include reporting entities with a license for “postal financial services” in this section on banks and credit institutions. Indeed, their main activity as well as the suspicious activity and transaction reports they filed are related to their banking activities.

Banks and credit institutions - Number of suspicious activity and transaction reports submitted (2020-2024)



The same stability in terms of numbers is reflected in the amount of reported suspected associated predicate offences.

Banks and credit institutions - Number of suspicious activity and transaction reports submitted per type of suspected predicate offence (2023-2024)



Banks and credit institutions

The most commonly suspected predicate offence by banks and credit institutions remains fraud (including scam).

It should be noted that phishing scams, including those aimed at obtaining victims' LuxTrust credentials, remain very common. In these scams, the victims are generally individuals.

The amounts involved — although causing significant damage to these individuals — remain minor when compared to other types of fraud.

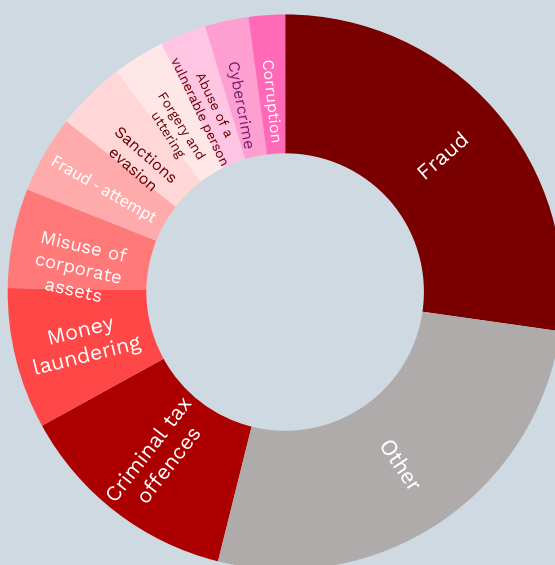
CEO fraud or business email compromise (BEC) continues to cause substantial financial damage to victims who are residents or customers of local banks and payment institutions. The Caritas case is a particularly telling example of this.

The FIU will continue its efforts, in collaboration with banks and payment institutions, as well as the CSSF and the ABBL, to implement robust measures to reduce the number of such frauds.

In second place, behind fraud, are reports where a predicate offence has not yet been precisely identified ("other"). These reports are generally based on money laundering indicators which lead to a suspicion of money laundering where no specific suspected predicate offence was identified. It may indeed be challenging to identify these predicate offences given that these are very often committed abroad, whereas the related transactions in Luxembourg occur at a more advanced stage of the money laundering process.

It is therefore essential that professionals subject to the 2004 Law detect any anomalies encountered in connection with business relationships and submit reports to the FIU when they are unable to find relevant explanations for such anomalies.

Banks and credit institutions - Main suspected predicate offences in 2024



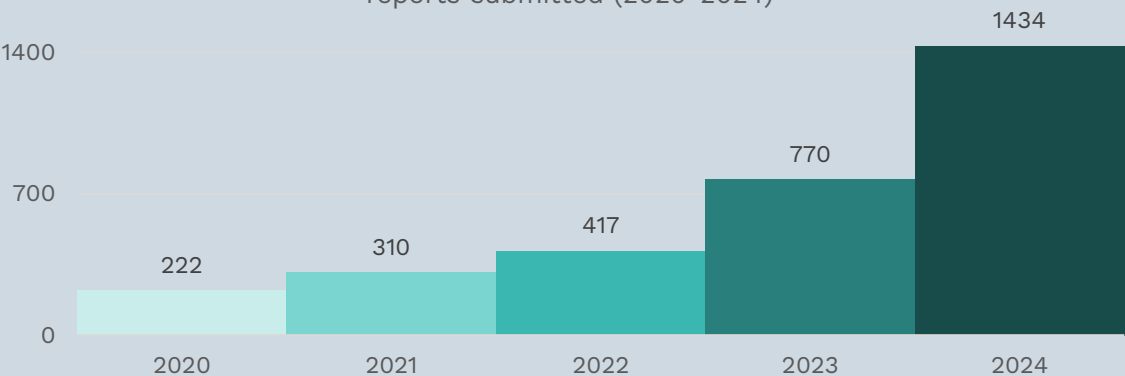
Insurance sector

According to Article 301(1) of the amended law of December 7, 2015, on the insurance sector (“LIS”), only the following persons of the Luxembourg insurance sector are subject to anti-money laundering and counter-terrorist financing obligations:

- a) insurance companies for operations relating to life insurance ;
- b) pension funds under the prudential supervision of the CAA ;
- c) professionals of the insurance sector covered by Title III, Chapter 1 of the LIS ;
- d) insurance intermediaries (agents and brokers), when dealing with life insurance and other investment-related services ; and
- e) insurance companies, reinsurance companies, and insurance intermediaries for transactions relating to non-life classes 14 and 15 (i.e., credit or suretyship).

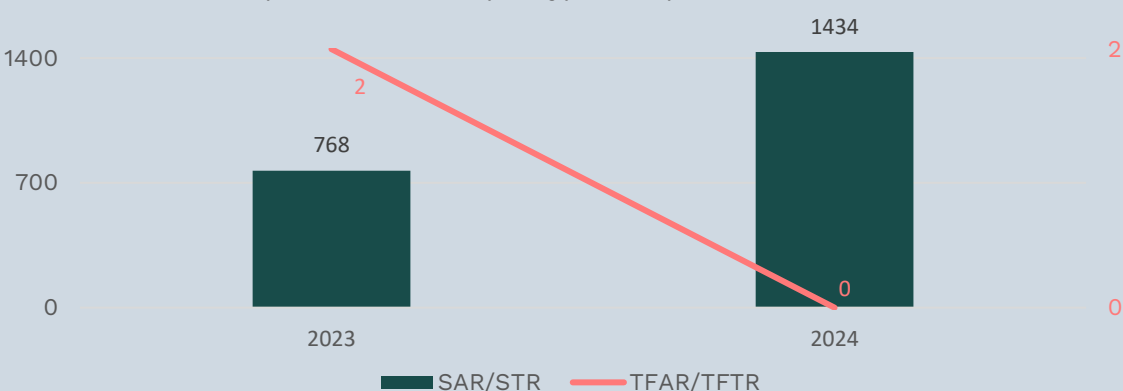
The number of suspicious activity and transaction reports submitted by the insurance sector has been rising sharply, from 222 reports in 2020 to a total of 1 434 reports in 2024, thus representing a growth of 546%.

Insurance sector - Number of suspicious activity and transaction reports submitted (2020-2024)



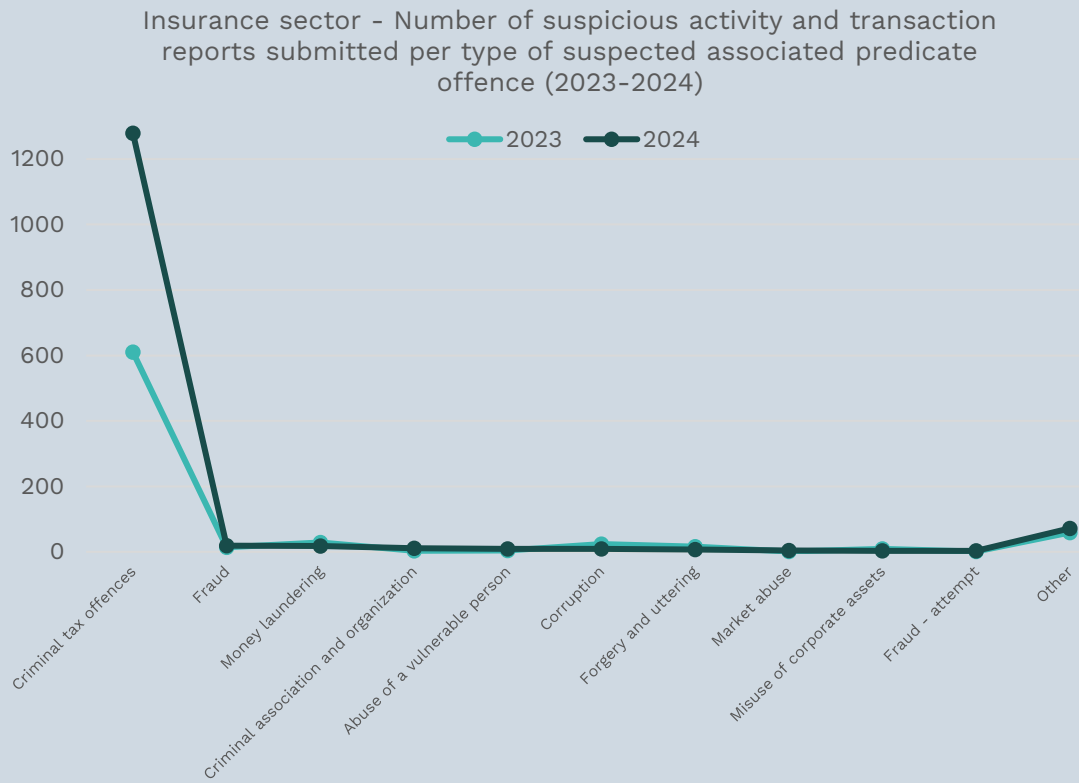
The year 2024 saw an 86% increase in suspicious activity and transaction reports compared to 2023, largely due to remediation exercises. No reports regarding terrorist financing were reported by the sector in 2024.

Insurance sector - Number of suspicious activity and transaction reports submitted per type of report (2023-2024)



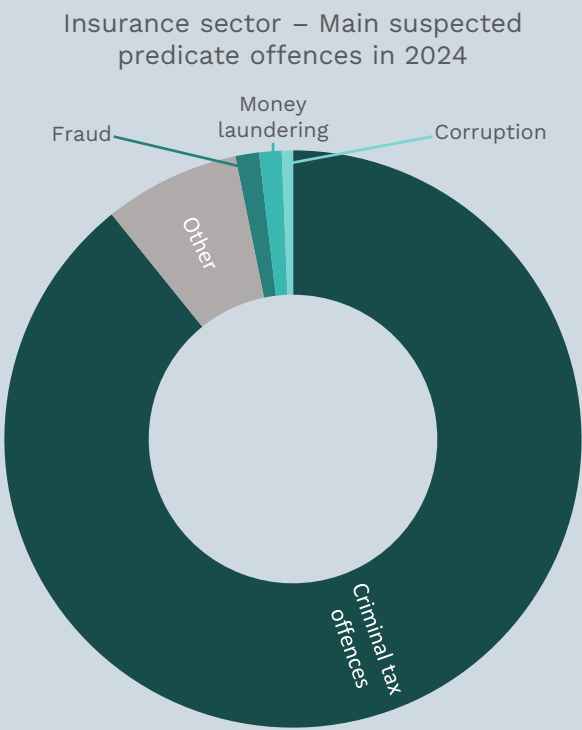
Insurance sector

The following chart illustrates the variation in the number of reports received by suspected predicate offence between 2023 and 2024.



Within the designated categories of predicate offences, suspected criminal tax offences remain predominant, accounting for 89% of reports submitted in 2024. These figures are consistent with the national ML/TF risk assessment for the insurance sector and demonstrate that industry players have a good understanding of and take this type of risk into account.

The “other” category increased slightly compared to 2023 and remains in second place with 5% of reports. This illustrates the sector's ability to identify suspicious activities or transactions related to ML/TF, even when the predicate offence could not be precisely determined.



Investment sector

The investment sector is vast and diverse. For the purposes of this section of the report, the FIU has chosen to group the concerned professionals from various categories, including :

- collective investment sector* ;
- investment firms**.

Collective investment management encompasses both investment products and their managers, while the category “investment firms” refers to professionals authorized as such by the CSSF, in particular those active in private management.

It is important to note that the investment fund industry includes a wide range of players, supervised by various national authorities, including:

- the CSSF for investment funds and vehicles, investment fund managers, investment firms, specialized PSFs and support PSFs ;
- the AED for investment funds not supervised by the CSSF and in particular, reserved alternative investment funds (“RAIFs”).

*These include investment products and their managers, such as:

- UCITS and UCIs ;
- UCITS management companies (chapter 15) ;
- UCIs management companies (chapter 16) ;
- alternative investment fund managers (« AIFMs »), authorised and/or registered ;
- investment company in risk capital (« SICAR ») ;
- specialised investment funds (« SIF ») ;
- pension funds in the form of SEPCAV or ASSEP ; and
- licensed securitization entities, including in their capacity as corporate service providers to trusts and fiducies.

**These include the following professionals:

- reception and transmission of orders relating to one or more financial instruments ;
- execution of orders on behalf of clients ;
- dealing on own account ;
- portfolio management ;
- investment advice ;
- Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis ;
- Placing of financial instruments without a firm commitment basis ; and
- Operation of an MTF/OTF.

Investment sector

Therefore, suspicious activity and transaction reports are filed not only by professionals of the investment sector as defined above, but also by other professionals subject to the 2004 Law, in the course of their activities:

- banks providing custodial banking services, central administration services (including registrar agents) ;
- corporate administration agents such as professionals providing company incorporation and management services (specialized PFS) ;
- registrar agents ;
- administrative agents and support PFS such as communications agents and/or administrative agents in the financial sector ;
- lawyers involved in setting up investment structures ;
- notaries ;
- tax advisors ;
- chartered accountants ;
- auditors ;
- etc.

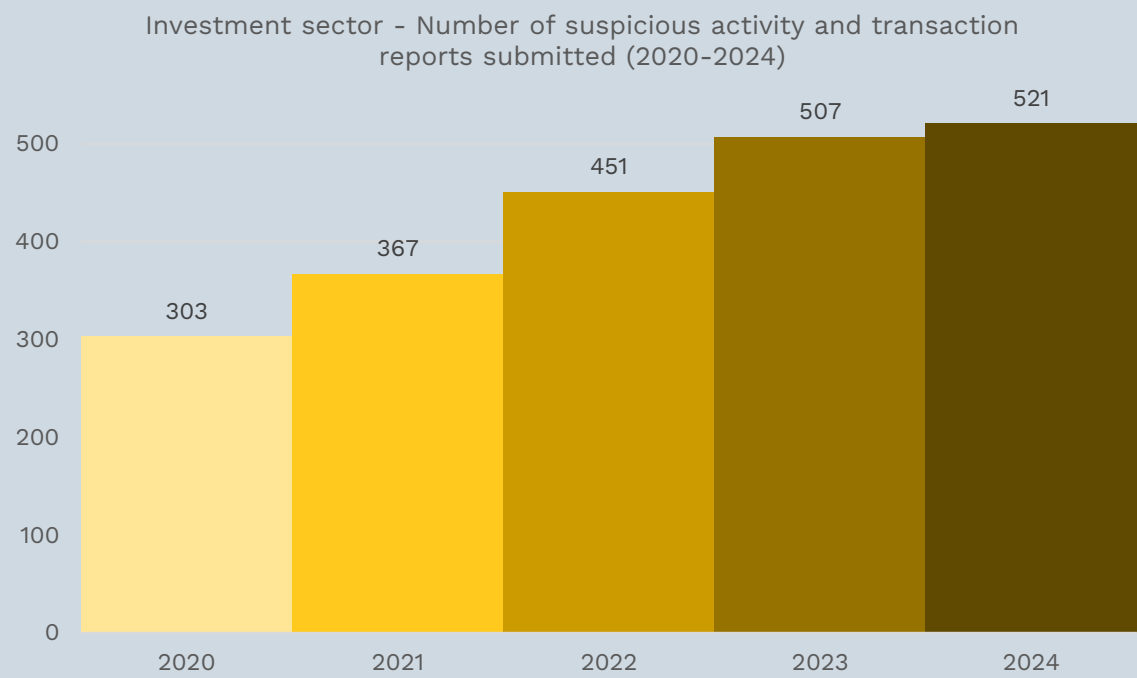
However, for the purposes of the statistics of the investment sector as defined above, reports from obliged professionals who are outside the scope thereof, are not included in the statistics below which may therefore not be interpreted as being representative of the reporting rate for the investment fund industry as a whole. Indeed, if a suspicion relating to an investment fund has only been reported by its custodian bank, its registrar, its lawyer or notary, it will not appear in the statistics presented in this section. More in-depth analyses of the investment sector have been carried out by the FIU as part of its strategic analysis. The results of the most recent analysis have been shared with relevant professionals. A copy of the FIU's report, "Trends and Typologies – Investment Sector" dated February 2024, may still be requested via goAML.

In recent years, the FIU has observed a steady increase in the number of reports from the investment sector. This development may for instance be the merit of the CSSF's awareness raising campaigns such as :

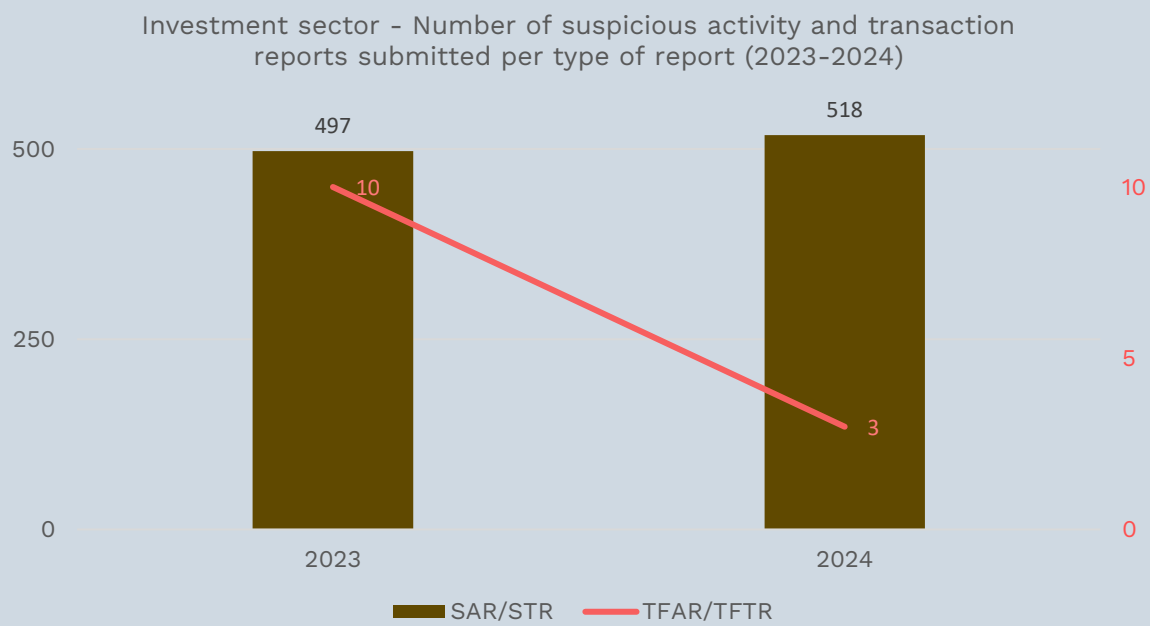
- the organization of specific conferences on combating ML and TF, co-presented with the FIU ;
- sending AML/CFT questionnaires to all professionals subject to CSSF supervision ;
- the active participation of the FIU, as a founding and permanent member, in the *Public-Private Partnership (PPP) OPC AML* of the investment fund sector on AML/CFT matters.

Investment sector

The following chart shows the continuous increase in the number of reports received from collective and private portfolio/investment management professionals for the 2020-2024 time period.

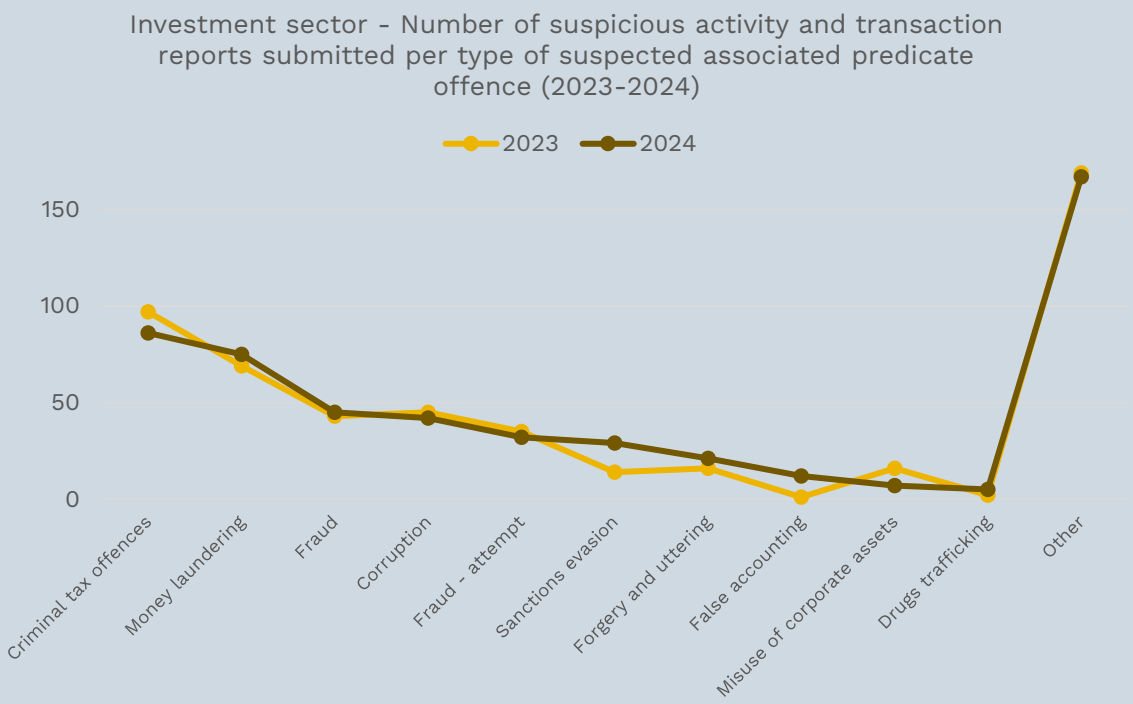


The number of reports received in 2024 remained relatively stable compared to 2023, with a moderate increase of 4%.



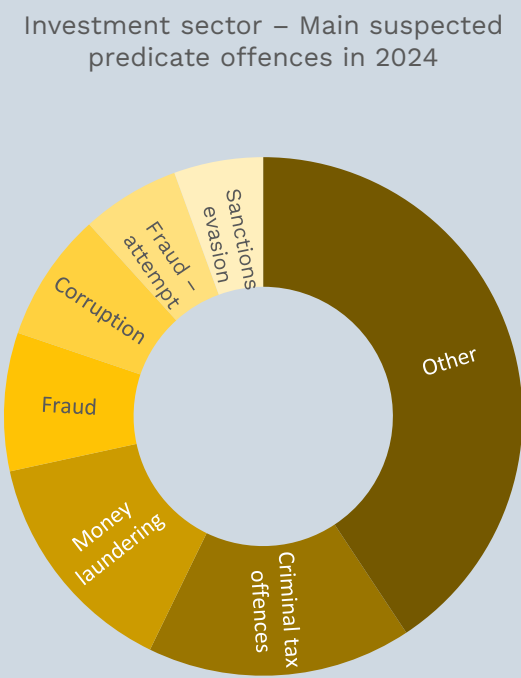
Investment sector

The suspected predicate offences reported by professionals in the collective and private investment sector are illustrated in the chart below, showing that the suspected predicate offences reported in 2023 and 2024 remained stable.



Suspicious activity and transaction reports classified as “other” remain in first place. While referring to developments outlined for other sectors, this reflects the sector's growing maturity in identifying suspicious activities or transactions related to money laundering, even in the absence of a clearly defined predicate offence. It should be noted, however, that this category also includes reports where the professional had lost contact with their client, without any other suspicious elements having been identified.

As for other types of suspicions, criminal tax offence remain a widespread typology in the investment sector.

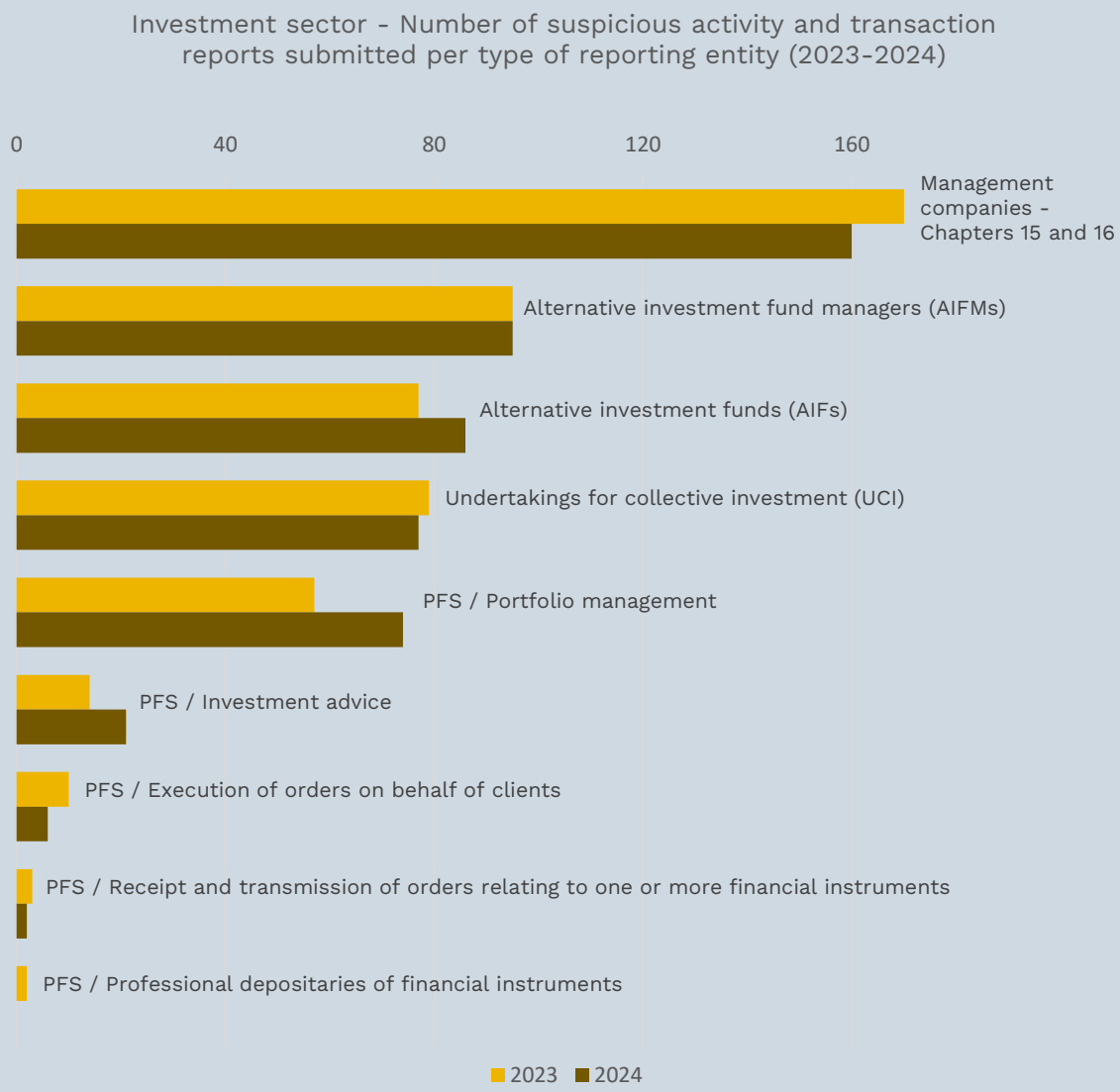


Investment sector

It should also be noted that there has been a significant increase in reports related to attempts to circumvent international financial sanctions*. This development is mainly driven by the sanctions imposed on the Russian Federation.

Akin to 2023, the majority of suspicious activity and transaction reports received from investment professionals in 2024 came from:

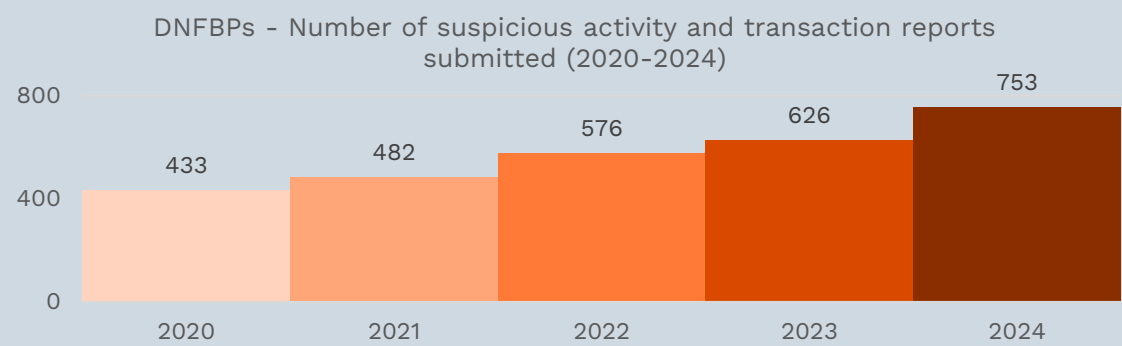
- management companies (chapters 15 & 16),
- AIFMs,
- Investment funds (UCIs and AIFs).



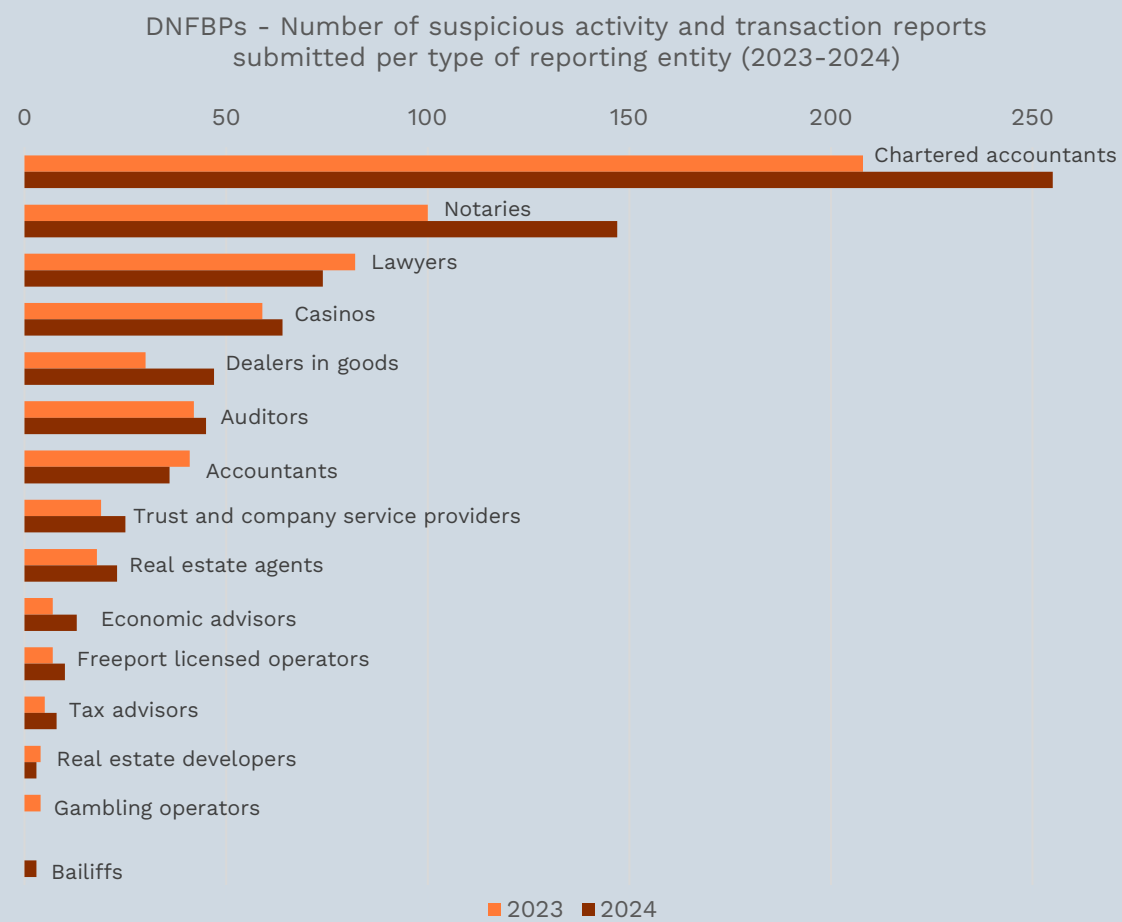
* [International financial sanctions - The Luxembourg Government](#)

Designated non-financial businesses and professions (DNFBPs)

With regard to reports submitted by designated non-financial businesses and professions (DNFBPs), the steady increase seen in recent years continued in 2024, with the number of suspicious activity and transaction reports submitted to the FIU rising from 626 in 2023 to 753 in 2024.

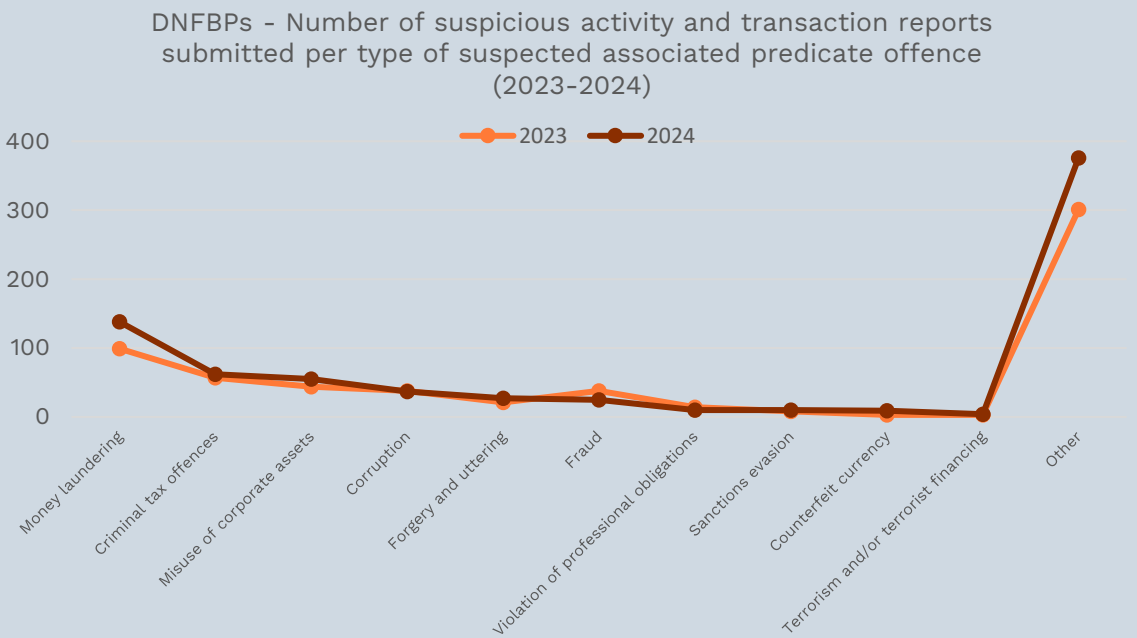


The steady increase in the number of reports received by the FIU from DNFBPs is particularly significant among “chartered accounts” and “notaries.”



Designated non-financial businesses and professions (DNFBPs)

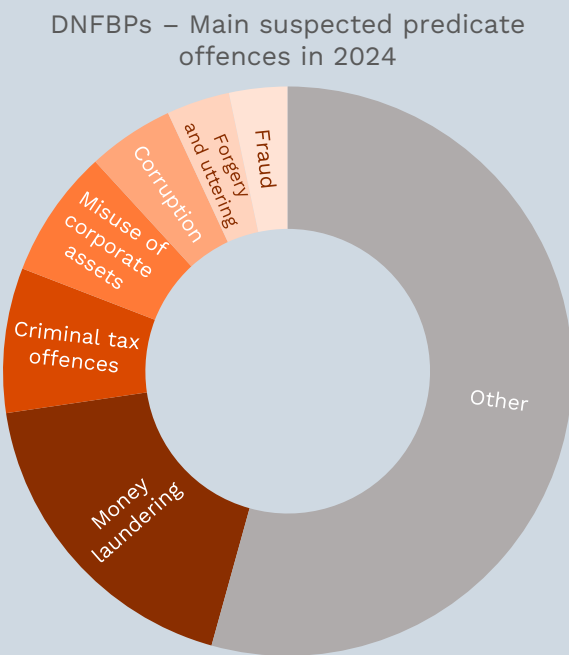
The suspected predicate offences reported between 2023 and 2024 remained stable.



The “other” category, which remains by far the largest in the DNFBP sector, refers to reports where no specific predicate offence could be identified.

This situation has been encountered, in particular with reports of referring to clients' lack of cooperation or refusal to provide supporting documents.

In other cases, obliged professionals had doubts about the economic rationale behind a behavior or legal structure put in place by the client (e.g., complex corporate structures involving offshore companies without any economic justification). The suspicion then focused on the origin of the client's funds, without these funds being linked to a specific predicate offence.



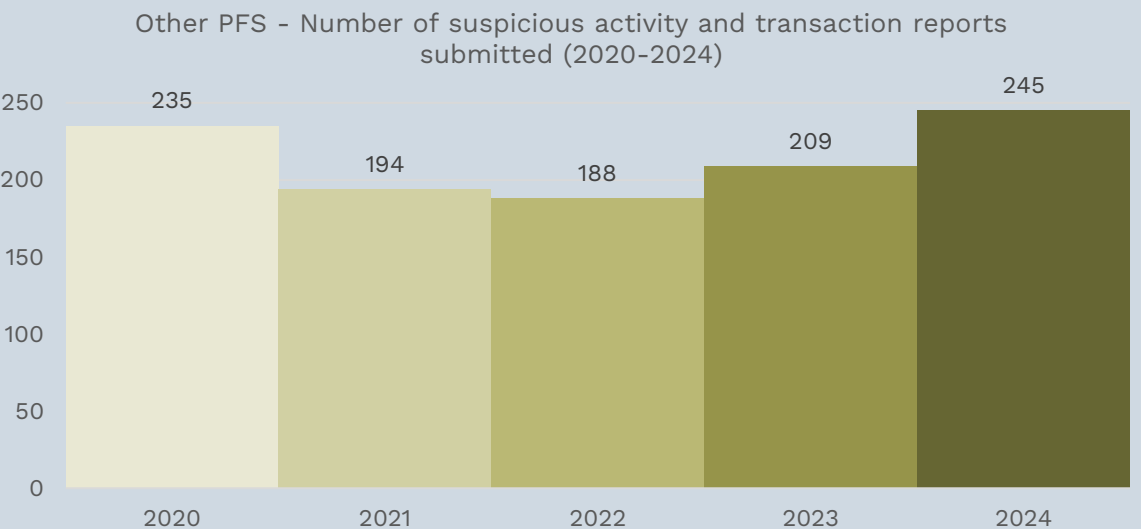
Other professionals of the financial sector (PFS)

This section covers reporting entities from the following two types of PFS:

- “specialised PFS,” comprising the specialised PFS defined in Articles 25 and following of the amended law of April 5, 1993, on the financial sector (“1993 Law”).
- “support PFS”, corresponding to the five types of support PFS defined in Articles 29-1 and following of the 1993 Law. The CSSF notes with regard to this category that *“the distinctive feature of support PFS is that they do not themselves carry out financial activities, but act as subcontractors for operational functions on behalf of financial professionals themselves”*.

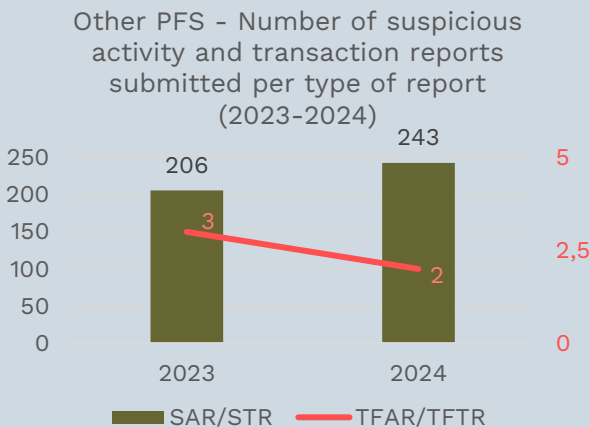
It should be also be noted that the FIU has, for the purposes of this annual report, decided to include reporting entities with a license for “postal financial services” in the section on “banks and credit institutions.”

The number of reports received from these obliged professionals remains stable.



Given the nature of their activities, these PFS mainly submit suspicious activity reports, while the use of suspicious transaction reports remains marginal.

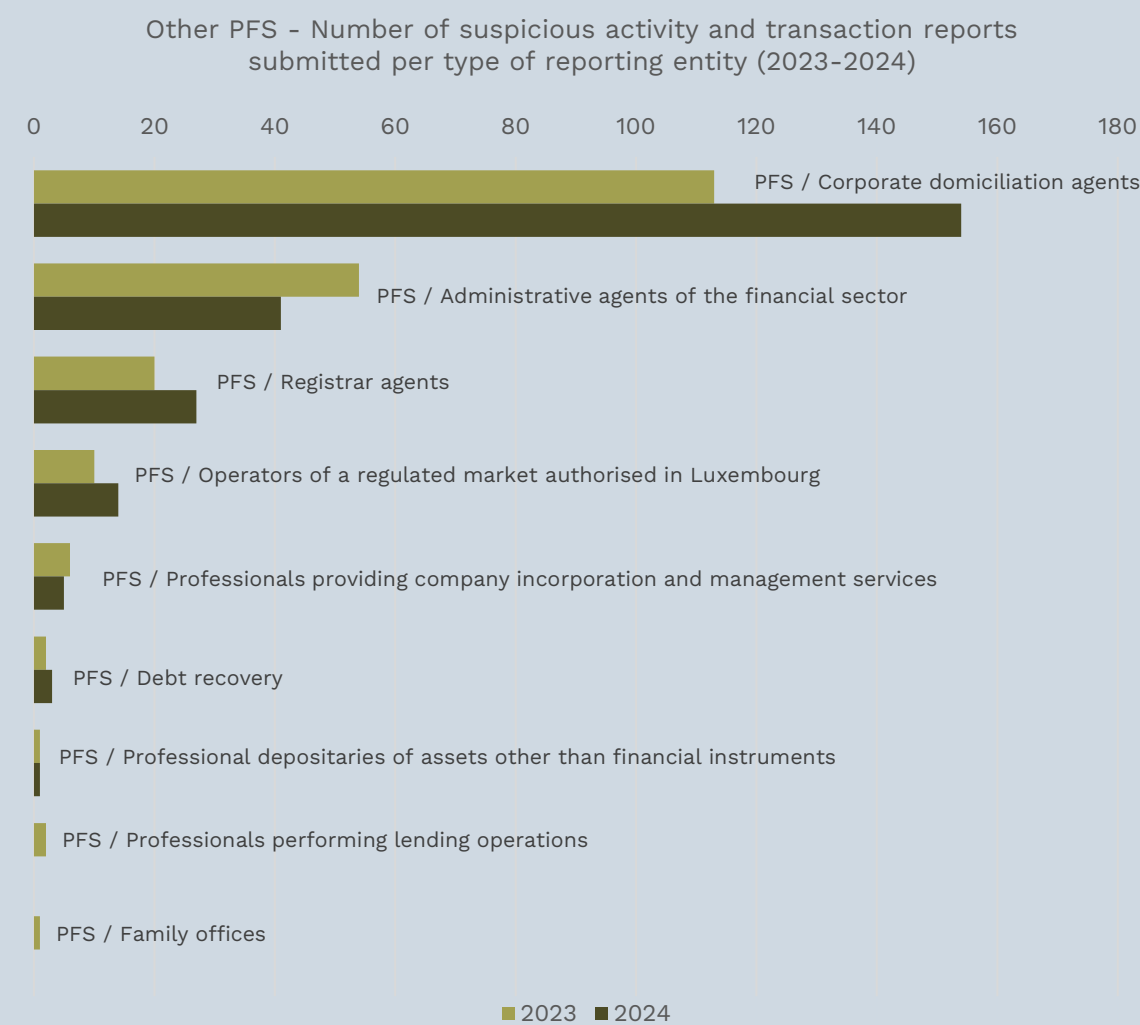
In 2024, the sector also submitted 2 reports related to terrorist financing suspicions, which is comparable to previous years.



Other professionals of the financial sector (PFS)

In order to provide a more detailed view of these other professionals of the financial sector who have submitted reports, the chart below shows the breakdown of the number of reports submitted by category of reporting entities.

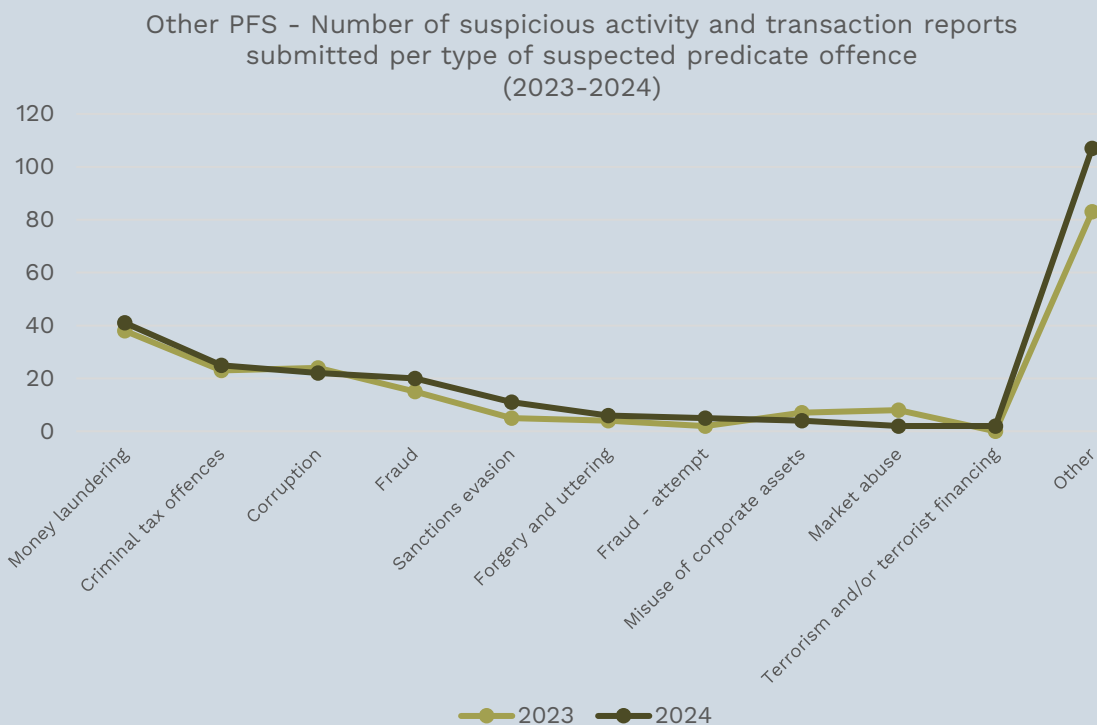
Please bear in mind that the goAML system only allows a reporting entity to be registered under a single license, even if it holds several. This feature may therefore have an impact on the volume of reports attributed to a given category of obliged professionals/reporting entities.



The “PFS / Corporate domiciliation agents” category is by far the one that submitted the most reports in 2023 and 2024 for this sector, followed by “PFS / Administrative agents of the financial sector” and “PFS / Registrar agents.” In 2024, the volume of reports submitted by corporate domiciliation agents increased by 26%, while the number of reports received from administrative agents of the financial sector decreased by 31%.

Other professionals of the financial sector (PFS)

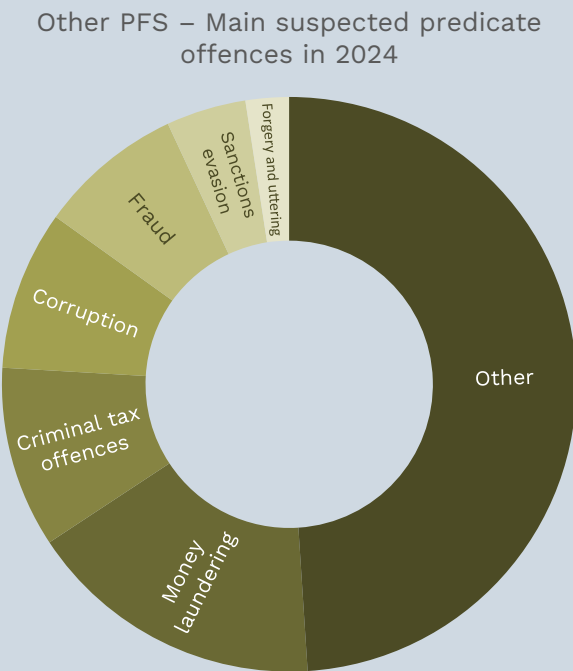
The chart below provides a comparative overview of the number of reports submitted by the sector in 2023 and 2024, broken down by category of suspected predicate offences.



As in previous years, the category “other” continues to account for a significant proportion of submitted reports.

This category includes suspicious behavior and red flags relating to ML/TF, without a predicate offence being directly identifiable.

The number of reports related to standalone (or autonomous) money laundering, criminal tax offences, and corruption remains stable, while reports of fraud and evasion of international financial sanctions are slightly up.



GLOSSARY



Glossary

DNFBP	Designated non-financial business and profession
EMI	Electronic money institution
FIU	Financial intelligence unit
IRI	Incoming (International) Request for Information
ML	Money laundering
NRI	National Request for Information
ORI	Outgoing (International) Request for Information
SAR	Suspicious activity report
SARe	Online providers – Suspicious activity report
STR	Suspicious transaction report
STRe	Online providers – Suspicious transaction report
TF	Terrorist financing
TFAR	Terrorist financing – Suspicious activity report
TFTR	Terrorist financing – Suspicious transaction report
VASP	Virtual Asset Service Provider
XBD	Cross-border dissemination
XBR	Cross-border reporting

Confidentiality

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