

## COMPLIANCE

# Jean-Noël Lequeue: Compliance & trends

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Interview with Jean-Noël Lequeue, Chairman of the ALCO, the Luxembourg Association of Compliance Officers.

## Influences

Luxembourg is not entirely free to set its compliance policy. For 10 years, the European Union has been laying down the guidelines via a range of initiatives, the last of which, the AIFM Directive, aims to standardise and protect investors at European level. This makes sense because with the European passport, a fund is distributable across Europe once it is validated in its home country. On the other hand, the IMF and FATF are closely monitoring the activities of the Grand Duchy: the CSSF is stricter, is quicker to sanction any delays or defaults, hunts down the rogue traders, but Luxembourg is still demonstrating a high reactivity in implementing the laws, which allows companies on the market to position themselves quicker against foreign competitors.

## The day to day life of a compliance officer

Members of ALCO are clearly torn between the successive waves of new regulations and the expectations of their colleagues who are demanding faster action to preserve the competitiveness of their business. They often have their "nose to the grindstone". But the noble side of this job is to follow the rules to the letter, but with a talent that allows a rollout which has minimal adverse effects on business or that even works in its favour. For example, if a regulation reduces the risk for customers, it can be marketed as an added value. In the case of registered addresses, for example, many lawyers and accountants are in competition. Those who opt for a PSF status, synonymous with control by the CSSF, do not

hesitate to advertise the fact: it is a guarantee of transparency, thus making it a real selling point.

## Compliance and trends

As the current overregulation is increasing obligations in companies of all sizes, there is a strong trend towards outsourcing all or part of compliance. Companies need to keep their finger on the pulse of the new rules in real time, but also need to orchestrate the successive rollouts at a very fast pace. As the CSSF has accepted the total or partial subcontracting of the compliance function, this solution makes it possible to share the costs and hand things over to the specialists whose core business is to deal with such matters.



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