

Jean-Noël Lequeue

# "IMPORTANCE OF INDEPENDENCE"

The new president of the Association Luxembourgeoise des Compliance Officers du Secteur Financier (ALCO) talks about his plans and the challenges ahead for his two-year mandate.

Brian Power (text), David Laurent / Wide (photo)

"The goals of ALCO are to unite compliance officers in the financial industry, to foster communication, to exchange ideas and improve results, and to set up contacts with associations of compliance officers abroad," says Jean-Noël Lequeue, president of ALCO since the end of March of this year. The association itself, of which he is the second president, was created in 2000, and now comprises almost 500 members from both private and depositary banks, PSFs and insurance companies. A further idea was to "set up standards and convergence in the field of compliance and be the representative of compliance officers towards the authorities such as the CSSF, BCL and also government," he continues. Communication is a key goal, and the association is a vital player in creating dialogue with the regulatory and supervisory bodies, and to have that dialogue in synergy with other associations, whether they represent industries, such as ABBL or AIFI, or professions, such as the IIA.

Lequeue is keen to highlight the importance of the association's independence, stating that "it is the compliance officer who is member of the association, not the company they work for. Thus, we represent the interests of the individuals and how regulations affect them, not the institutions." This is important as it allows the represented body of compliance officers to give its point of view about rules and regulations.

## "COMPLIANCE IS EVOLVING"

"At the start of ALCO we had a working group concerned with anti-money laundering, but now we have several, dealing with different aspects of compliance, such as restrictions for funds and UCITS, professional domiciliation activities and MIFID control. The working groups then make their conclusions public to all members via the ALCO newsletter," says Lequeue about the methods the association uses to keep members informed. Rather than resting on passive laurels, however, ALCO also runs a training program for compliance: "all the content and teachers from the training programme come from ALCO," says Lequeue, "and there is a working group solely dedicated to the programme.



**"We contribute to Luxembourg's financial sector"**

Jean Noël Lequeue (ALCO)

Furthermore, we have an alliance with the IFBL and have built up our programme in accordance with their modular structures. And last year we started giving a label in compliance: this shows our belief in the importance of quality." In addition to training, ALCO's website also has the means to answer individual questions from members although, as Lequeue freely admits, they "do not have the resources to become a hotline."

So what does the future hold for ALCO, and compliance in general, in Luxembourg? Lequeue believes that ALCO "must consolidate and ensure the compliance officer's position and have it fully acknowledged both externally and internally." While ALCO does have certain communication with other compliance associations abroad, it is worth pointing out that it differs from other aspects of the financial industry in the sense that it is subject to local rules and regulations and not international ones. However, this does not rule out cross-border exchange of information in the

field. "We have new goals too," insists Lequeue "we are in a time of crisis and we have a lot of questions, like how could it happen with all the conditions in place? The quality of compliance must continue to improve, and we must dispel the negative notion that it is an obstacle for business." He admits compliance is still a relatively young function and calls for "balance between security and resiliency for compliance with the rules and regulations; in this regard, it must retain its independence from other functions such as internal auditing or management." He also calls for compliance in Luxembourg to be protected at a legal level, as is in some other countries, and not just a regulatory level. However, this is not the only solution. And what of Lequeue's personal ambition for presidency? "After my period, I will personally be happy if ALCO has become still more professional, more capable of meeting members' expectations and covers the widest possible scope of this profession." Things are constantly changing... ●