

## COMPLIANCE

## Interview with Jean-Noël Lequeue, Chairman of ALCO

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Mr Lequeue, Chairman of ALCO (Luxembourg Association of Financial Sector Compliance Officers) answers our questions.

### What are the challenges facing Compliance Officers in 2013?

The challenges for 2013 will be significant. If I think back to the beginnings of ALCO 12 years ago, the only legislation at the time was that relating to the laundering of drug money. Since then, there has been an avalanche of legislation, which has often created uncertainties. How does this affect Compliance Officers' daily work? They must abide by the rules and implement the regulatory framework, whilst remaining "business-oriented" in order to support their organisation's activities. This requires a good understanding of the legislative and regulatory texts, which are increasingly complex and sometimes not very consistent. This is particularly the case with the AIFM (Alternative Investment Fund Managers) Directive. The responsibility of COs is increasing. Although the larger institutions are able to manage things by having teams of COs, it's more difficult for the

smaller ones. It's ALCO's role to help COs in all the institutions.

### For a company looking to recruit a Compliance Officer, what are the ideal sectors (both in Luxembourg and abroad) for finding a suitable candidate?

External recruitment is not ideal. It's best to find a candidate within the company, as the CO must have a good knowledge of the company in order to be effective. CO training can be complementary or formal, in particular via ALCO certifications. Otherwise, a number of COs can be found on the job market following restructuring operations, especially by banks that are merging or who are forced to cut their staff. Job offers in the sector can be published on ALCO's website. A final option is outsourcing. The CSSF (Commission de Surveillance du Secteur Financier) allows "sub-contracting", i.e. assistance by an external company specialising in

compliance, if an internal employee takes final responsibility.

### Could you sum up the recent changes at ALCO for us in a few words?

The most recent ALCO General Meeting completely renewed the Board of Directors, but with a certain amount of continuity, and with the aim of gender parity. The insurance sector presence has been strengthened, as this sector is increasingly subject to anti-money laundering legislation and other regulatory obligations. ALCO has increased its range of certifications in order to formalise CO training. Our association organises round tables, working groups, and produces a newsletter on the issues involved. ALCO is consulted by the CSSF about the practical implementation of legislation. Our association now has 650 members and maintains relations with compliance associations in neighbouring countries.

"We expect 2013 to be similar to the past 12 years: an exponential growth in legislation."

Jean-Noël Lequeue

