

<b>ICBC</b>	<b>BL0401 – Commercial Banking</b>	
<b>EL0402 – Improper Business or Market Practices</b>	<b>EUR – 3,768,842.00 LOSS</b>	<b>EUR – Euro</b>
<b>LU – LUXEMBOURG</b>	<b>Western Europe</b>	

## ICBC fined EUR 3.8 million by Luxembourg regulator for AML failures

On 24 March 2017, Luxemburger Wort reported that ICBC had been fined EUR 3.8 million (USD 4.1 million) by Luxembourg's Commission de Surveillance du Secteur Financier (CSSF) for failures in its internal controls and compliance with anti-money laundering (AML) regulation.

The CSSF announced the fine in its March 2017 newsletter but did not name the bank involved. The bank was named as ICBC by Luxemburger Wort.

According to the CSSF, ICBC had contravened Article 63-2 of the Law of 5 April 1993 on the financial sector by failing to put in place good internal governance and adequately manage its compliance risks, particularly in relation to financial security. This includes requirements relating to AML, counter-terrorist financing (CTF), know your customer (KYC), freezing of assets and financial embargoes.

ICBC was also found to have breached subsections 1 and 2 of article 63 of the same law. Specifically, ICBC had:

- failed to comply with laws, regulations, statutory requirements and relevant instructions;
- provided incomplete, inaccurate or false documents; and
- put at risk the sound and prudent management of the bank through its behaviour.

ICBC was fined EUR 3,768,842. As of March 2017, this was the highest fine ever levied by the CSSF.

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**Last Update:** 17:01 - 28/Mar/2017

<b>Source(s):</b> <a href="http://www.cssf.lu/fileadmin/files/Publications/Newsletter/Newsletter_2017/newsletter194.pdf">http://www.cssf.lu/fileadmin/files/Publications/Newsletter/Newsletter_2017/newsletter194.pdf</a> <a href="http://www.wort.lu/en/business/massive-misconduct-luxembourg-watchdog-levies-record-fine-against-chinese-bank-58d52961a5e74263e13ac821">http://www.wort.lu/en/business/massive-misconduct-luxembourg-watchdog-levies-record-fine-against-chinese-bank-58d52961a5e74263e13ac821</a> <a href="http://paperjam.lu/news/38-millions-deuros-damende-contre-icbc">http://paperjam.lu/news/38-millions-deuros-damende-contre-icbc</a>	<b>Related Articles</b> <i>There are no linked loss events</i>
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Event	Published in Media 24/Mar/2017	Date of Occurrence – From N/A	Date of Occurrence – To N/A	Discovery Date N/A	Date of Recognition / Settlement N/A
Loss Amount USD <b>USD 4,065,261.42</b>	Loss Amount EURO <b>EUR 3,768,842.00</b>	Provision <b>No</b>	Boundary Risk <b>Other Risk</b>		
Industry Event <b>N/A</b>	Scenario <b>SC0006 AML Failures</b>	Product <b>PD9900 - Not Product Related</b>	Process <b>PC1501 - Policies, Governance &amp; Monitoring</b>		
Parent Company <b>N/A</b>	ORX Member <b>No</b>	Role of Firm <b>LS0307 - Position Taking (Principal)</b>	AMA Status <b>N/A</b>		
Cause 1 <b>CS0403 - Inadequate Policy / Procedure</b>	Cause 2 <b>N/A</b>	Cause 3 <b>N/A</b>			
Counterparty <b>LS0211 - Regulator</b>	Jurisdiction / Choice of Law <b>LS0105 - Western Europe (excluding United Kingdom )</b>	Environmental Volatility <b>LS0406 - Not Identifiable</b>			