



LUXEMBOURG STRENGTHENS ITS FINANCIAL SECTOR WITH A LOCAL DORA LAW ADOPTION



In late 2022 the European Parliament and the European Council adopted the Regulation (EU) 2022/2554 on Digital Operational Resilience for the financial sector (known as DORA) whose main aim is to improve operational resilience of the EU member states' financial sectors, set out security requirements to reduce threats and risks resulting from the use of the information and communication technology (ICT) in the financial sector and enhance operational resilience of the financial sector against the backdrop of ICT related incidents. DORA is an act of a wider application and the majority of professionals active in the financial sector (such as credit institutions, investment firms, crypto-asset service providers, payment and e-money institutions, investment fund management companies, credit rating providers and insurance undertakings) will fall under DORA requirements.

In Luxembourg, the Chambre des Députés approved the local DORA law earlier this month, and the law was published in the official journal on 2 July 2024. The new law adjusts the provisions of the existing Luxembourg financial sector regulations with the DORA requirements, for example, empowering the competent national authorities (being the CSSF and the CAA in Luxembourg) with the supervisory and investigative powers necessary for the performance of their duties (including, the powers to impose sanctions on entities found in breach of the Dora law provisions).

Financial institutions in the scope of the DORA law will now need to carefully assess their operations against the DORA resilience requirements and put in place the required processes and procedures ensuring ongoing compliance with DORA requirements. Concerned entities should be ready to comply with the DORA requirements as from 17 January 2025.

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