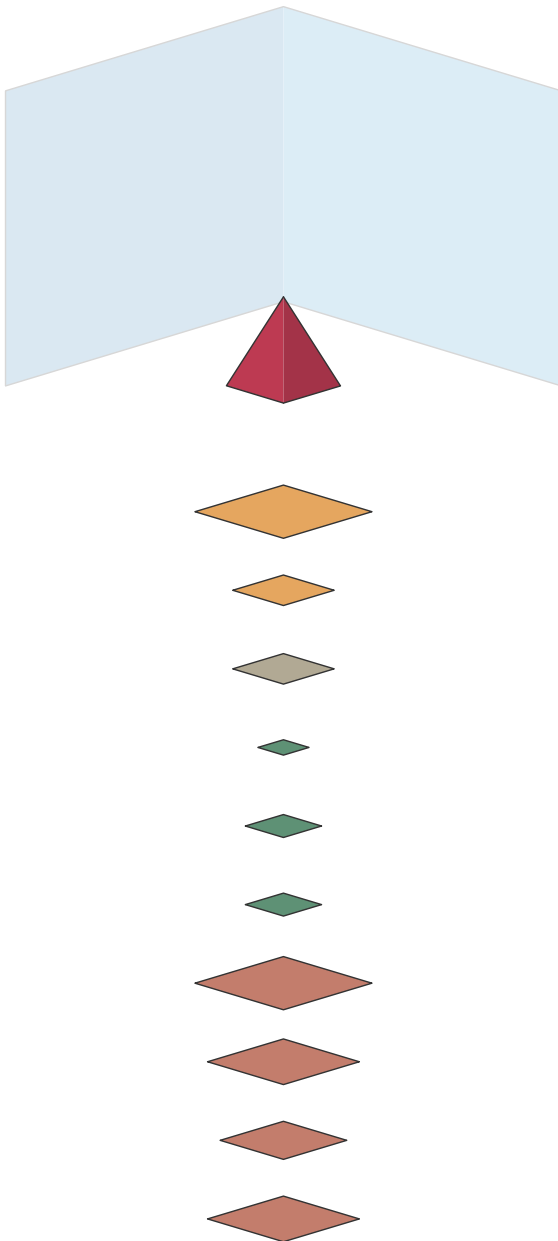


LUXEMBOURG



2.36

CRIMINALITY SCORE

185th of 193 countries

43rd of 44 European countries

10th of 11 Western European countries



CRIMINAL MARKETS

2.35

HUMAN TRAFFICKING 3.50

HUMAN SMUGGLING 2.00

ARMS TRAFFICKING 2.00

FLORA CRIMES 1.00

FAUNA CRIMES 1.50

NON-RENEWABLE RESOURCE CRIMES 1.50

HEROIN TRADE 3.50

COCAINE TRADE 3.00

CANNABIS TRADE 2.50

SYNTHETIC DRUG TRADE 3.00



CRIMINAL ACTORS

2.38

MAFIA-STYLE GROUPS 1.00

CRIMINAL NETWORKS 2.00

STATE-EMBEDDED ACTORS 1.50

FOREIGN ACTORS 5.00



7.50

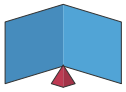
RESILIENCE SCORE

15th of 193 countries

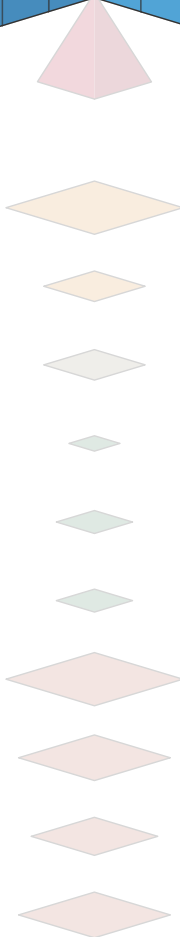
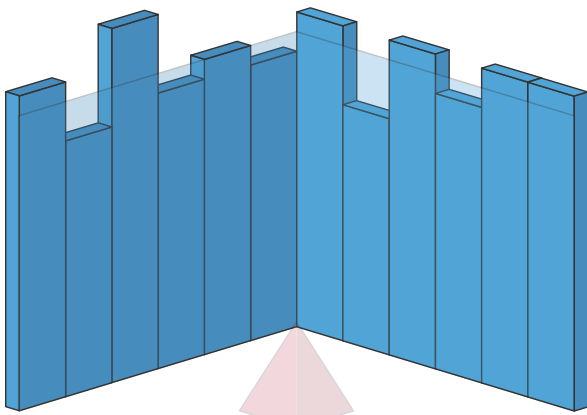
10th of 44 European countries

5th of 11 Western European countries





LUXEMBOURG



7.50

RESILIENCE SCORE

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POLITICAL LEADERSHIP AND GOVERNANCE	8.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	6.50
INTERNATIONAL COOPERATION	9.00
NATIONAL POLICIES AND LAWS	7.00
JUDICIAL SYSTEM AND DETENTION	7.50
LAW ENFORCEMENT	7.00
TERRITORIAL INTEGRITY	8.00
ANTI-MONEY LAUNDERING	6.00
ECONOMIC REGULATORY CAPACITY	8.00
VICTIM AND WITNESS SUPPORT	7.00
PREVENTION	8.00
NON-STATE ACTORS	8.00



2.36

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CRIMINAL MARKETS 2.35



CRIMINAL ACTORS 2.38



CRIMINALITY

CRIMINAL MARKETS

PEOPLE

The human trafficking market is growing in Luxembourg, with traffickers increasingly exploiting vulnerable foreign workers in sex trafficking operations. Victims are often in insecure work in the construction and hospitality sectors, and numerous Portuguese nationals are lured by the promise of work and moved into forced labour. An active modern slavery ring was discovered in the tourist town of Vianden in July 2020.

The human smuggling market in Luxembourg appears to be negligible. However, there was a notable case in which an individual was imprisoned for running a human smuggling operation in Luxembourg between 2015 and 2017, which suggests that a market exists to some extent.

TRADE

While the illicit firearms market is very small within Luxembourg, when arms are traded it is usually by transnational organized criminal groups. In 2016, authorities in Luxembourg dismantled an illicit workshop reactivating Slovak firearms to sell in the European market. Seventy people were arrested. Each year weapons are seized by the authorities in connection with the drug trafficking market. Despite the existence of occasional illicit firearms trading in Luxembourg, the activities appear to be part of a wider transnational network supplying neighbouring countries and not a home-grown domestic market.

ENVIRONMENT

There is no tangible evidence of a flora or fauna crimes market operating within Luxembourg. Illegal sturgeon caviar has reportedly been heavily imported in the country until around 2013, but no newer information on illicit caviar flows exists. The illicit market for non-renewable resources is small due to the country's high environmental performance, low corruption and suppressed shadow economy.

DRUGS

Cannabis is the most consumed drug in Luxembourg, accounting for 75.1% of total drug seizures. More organized distribution networks have developed, leading to greater availability and affordability of the drug, primarily trafficked from the Netherlands and Morocco. Usage is most prevalent among the youth, and Luxembourg has plans to legalize the cultivation, selling and consumption of cannabis. The cocaine market is also growing, with more organized crime

networks developing across the country. The drug is primarily brought in from Latin America and moved through Western Europe, although West African crime groups have also developed routes through and into Luxembourg. The consolidation of crime networks in the cocaine market has seen the availability of the drug rise and its price drop, and seizures have risen from 190 kilograms in 2015 to 347 kilograms in 2018.

Luxembourg is a transit and destination country for heroin. The market is moderate, and demand and seizures have remained consistent for two decades, with a small rise in demand in the previous two years. Luxembourg is not a key actor but acts as a consumer on the main transit routes. Most drug traffickers in the country are from North Africa. As a financial hub, Luxembourg may play a pivotal role in the laundering of assets gained from heroin trafficking. The synthetic drug market is small in Luxembourg, and seizures of MDMA and amphetamine-type substances fluctuate each year. While the use of synthetic drugs is scarcely observed in Luxembourg, health services have reported increased use by teenagers. Belgium was the main country of origin for synthetic drugs, and they are very affordable in Luxembourg.

CRIMINAL ACTORS

There are no domestic mafia-style groups operating within Luxembourg. There is a presence of loose criminal networks in the country, particularly in the capital and in the Gare district, although organized drug networks operate throughout the country and affect even the smaller cities. West African criminal groups have strengthened their control over drug trafficking in Luxembourg, and police have reported high levels of violence from their activities. As many of the criminal networks are transnational, criminal individuals are often not from Luxembourg.

Most of the criminal networks operating in Luxembourg's illicit markets are transnational, and while their activity is limited, it is not clear how much control the authorities have over their activities. As revealed in the Luxleaks investigation, Luxembourg tax offices are accused of aggressive fiscal dumping policies which, alongside Luxembourg's finance and commerce legislation, facilitate criminal activities such as tax evasion and fraud.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Organized crime is not a major public policy issue in Luxembourg. It is a highly stable country and public trust in the government is very high. Although the level of corruption is very low in Luxembourg, and the state is efficient in publishing policies for review, the legal framework for access to information is very poor. Fighting corruption is the responsibility of the police and prosecution office. Luxembourg has a horizontal committee for corruption prevention, but no specialized independent anti-corruption office. Public authorities regularly organize corruption workshops with the private sector and grant financial support to Transparency International.

Luxembourg has a long history of regular international cooperation. Law enforcement engages in broad and effective international cooperation to combat transnational crime through Europol, INTERPOL and the Schengen Information Service, among others. Luxembourg is an engaged international partner. Luxembourg's legislators take the fight against human trafficking and exploitation seriously and have various action plans and laws in place to criminalize, prosecute and hopefully deter the practice. However, despite some policies in place, Luxembourg has not ratified the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition, and more could be done to restrict the financing of production and transfer of illicit arms. Luxembourg is among the first countries in Europe with plans to legalize the cultivation, selling and consumption of cannabis. Measures have also been taken to strengthen the enforcement of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, establishing a national coordination committee to tighten sanctions against illegal trade and provide more financial resources to combat flora- and fauna-related crimes.

CRIMINAL JUSTICE AND SECURITY

The Directorate of the Judicial Police Service coordinates judicial activities at national and international level, and has a department focused on drugs, organized crime and anti-terrorism. There is no indication that the judicial system has been corrupted by organized crime efforts. There are two prisons in Luxembourg, with a third under construction, holding 700 inmates, mostly for drug offences. The Service de Renseignement de l'Etat is Luxembourg's homeland intelligence service, which is responsible for dealing with threats from organized crime. Luxembourg has eight drug law enforcement units, the majority of which are under the Ministry of Internal Security and it has among the highest number of drug enforcement officers per person in Europe.

As a member of the Schengen Area, Luxembourg has relatively open borders, but this does not precipitate vulnerability to various criminal flows, and territorial integrity remains unthreatened. The Grand Ducal Police are responsible for border control and there have been reports of inefficiency in border security. With the closure of borders and lockdown due to the COVID-19 pandemic, it has been reported that drug traffickers have shifted transnational operations to the domestic market.

ECONOMIC AND FINANCIAL ENVIRONMENT

Luxembourg is the main centre for wealth management in the eurozone, and ranks among the top countries globally for investment fund activities, with its financial services accounting for 25% of GDP. In 2014, it was alleged that multinational corporations channelled hundreds of billions of dollars through letterbox companies in Luxembourg to save billions in tax in Luxembourg and elsewhere. Despite this, Luxembourg is not on the EU tax haven blacklist, though the European Commission referred Luxembourg to the Court of Justice for not fully implementing EU anti-money laundering rules. Luxembourg is assessed to have a moderate risk of money laundering and terrorist financing.

There is no indication that the regulatory environment has been corrupted in Luxembourg. Domestic and foreign businesses are able to operate free from criminal activity and property rights are upheld. The country performs moderately well for ease of doing business, reflecting an economic regulatory environment that is conducive to doing business. Financial criminality is the most salient illegal market where predominantly multinational corporations exploit Luxembourg's taxation laws.

CIVIL SOCIETY AND SOCIAL PROTECTION

There is no formal referral system for human trafficking victims to access the police or other state authorities, but a roadmap of cooperation between the different stakeholders regarding the process of detection and identification does exist. Housing for victims in Luxembourg is not long term, but the country has a policy in place that protects trafficking victims from being punished for any unlawful acts carried out as a direct result of being trafficked. Luxembourg meets fewer than half of the international standard mechanisms for helping victims leave modern slavery.

Municipal 'prevention committees', including local authorities, police forces and specialized NGOs, operate in major cities. The setup of national drug consumption rooms has enhanced the involvement of municipal authorities. However, in June 2020, after drug-related issues following the relaxation of the COVID-19 lockdown, the justice minister stressed the

need to go beyond repression and recognize the criminal phenomena as a socio-political problem. The government runs large awareness campaigns about human trafficking and provides training to public sector workers.

The government is open and cooperative, working with NGOs to combat organized crimes, and many NGOs are involved in the prevention of drug abuse. Luxembourg has a free and unrestricted press, but the media environment has worsened recently as the media can be silenced by specific economic interests.

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