

Press Release

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MONEYVAL Publishes its 3rd Round Evaluation Report on Malta

Strasbourg, 28.11.2007 - The Council of Europe's MONEYVAL Committee (Committee of Experts on the Evaluation of Anti-Money Laundering Measures) has published today its Third Round Evaluation report on Malta. This report analyses the implementation of international and European standards to combat money laundering and terrorist financing, assesses levels of compliance with the FATF 40+9 Recommendations and includes a recommended action plan to improve the Maltese AML/CFT system.

The main findings of the evaluation report are:

- Malta extended in 2005 the money laundering criminal provision under the Prevention of Money Laundering Act to any criminal offence, including the offence of terrorist financing. All the designated categories of offences under the Glossary to the FATF Recommendations are covered.
- The Prevention of Money Laundering Regulations (PMLR), which supplement the anti-money laundering act did not at the time of the on-site visit require reporting of suspicious transactions related to the financing of terrorism;
- Unfortunately no final money laundering convictions had been secured since the second evaluation, although the legal basis to prosecute money laundering is quite sound;
- No prosecutions or investigations of the funding of terrorist activities have taken place yet;
- The Financial Intelligence Analyses Unit (FIAU) was established as an agency under the Ministry of Finance in 2001 and became fully operational in 2002;
- The Maltese authorities have undertaken commendable work in bringing together the competent authorities in Malta anti-money laundering framework. The evaluators, however, urged the Maltese authorities to allocate more human resources to the FIAU in order to carry out its tasks as main AML policy co-ordination body more effectively;
- Customer identification requirements provide that no business relationship is established or any transaction undertaken between two parties one of whom is a "subject person" unless there is a proper and effective customer identification process in place and implemented;
- The coverage of DNFBPs is almost complete and in line with both international standards and the EU Directive, a small number of trust service providers however were still not covered at the time of the on-site visit;
- More resources are needed for monitoring and ensuring compliance by DNFBPs other than casinos;
- Also, the evaluators found that the Maltese authorities should review and if necessary adopt a clearer legal framework, both for charities and NPOs.

Malta was the 9th country evaluated under the 3rd evaluation round. The report was adopted at MONEYVAL's 24th Plenary meeting (Strasbourg, 10-14 September 2007). MONEYVAL will follow-up implementation of the recommendations through its progress report procedure, under which all MONEYVAL countries are required to update the Committee on action taken on the mutual evaluation report one year after its adoption.

MONEYVAL's report is available at: www.coe.int/moneyval