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Council of Europe issues report on measures to combat money laundering and terrorism financing in Malta

Strasbourg, 24.04.2012 – The Council of Europe's [MONEYVAL](#) Committee published today a report on measures to combat money laundering and terrorist financing in [Malta](#).

According to the [evaluation report](#), no money laundering and financing of terrorism national risk assessment has been undertaken in the years under review (2007 - 2011). But the evaluators welcome the decision to undertake one in 2012.

Since the last evaluation, Malta has further enhanced the criminal provisions to more effectively fight money laundering and financing of terrorism, which are now largely in line with the standard set by the [Financial Action Task Force](#). Convictions for money laundering have been achieved in practice.

The legal requirements for provisional measures and confiscation are carefully constructed in Malta, but insufficient information on freezing and confiscation orders in cases other than money laundering raised doubts as to the effectiveness of the criminal confiscation regime overall.

The financial sector is adequately monitored and supervised in Malta, and the concept of the risk-based approach has been introduced through regulation. However, although the reporting obligation for suspicions of terrorism financing is in place, the level of suspicious transaction reports for both money laundering and terrorist financing remains relatively low compared with the size of the financial market.

The supervisory regime has been strengthened, including through joint inspections by the Malta Financial Services Authority (MFSA) and the financial intelligence unit. However the number of on-site visits remains low.

The current Maltese legislation provides for broad measures in terms of powers of sanctioning of subject persons for non compliance. There is a range of sanctions in the Law which are potentially effective, proportionate, and dissuasive (both criminal, and administrative). However, it appears that they have not been sufficiently used, and that the financial penalties that have been imposed were not necessarily dissuasive.

The legal framework for mutual legal assistance is sound and allows the judicial authorities to give sufficient assistance in money laundering and terrorism financing cases, including the execution of foreign criminal seizure or confiscation orders related to laundered property, proceeds, instrumentalities and equivalent value assets. The legal provisions regulating the mutual legal assistance appear to be effectively applied in practice by Maltese authorities.

MONEYVAL will continue to monitor implementation of the recommendations by Malta through its regular procedures, which require the country to submit a follow up report by March 2013.