



# NEWSLETTER FROM THE FINANCIAL INTELLIGENCE ANALYSIS UNIT

26 April 2017

**ATTN: Credit Institutions (Banks), Trustees and Corporate Services Providers (TCSPs)**

**Subject: Inherent Risk Analysis – data collection**

The Compliance Section of the FIAU has begun work on a project to produce a detailed risk analysis of Malta's Credit Institutions, Trustees and Corporate Services Providers, with respect to the risks these organisations pose of facilitating in, or engaging in, Money Laundering and/or the Financing of Terrorism (ML/FT).

This project is an essential exercise to upgrade the FIAU's risk-based analysis of organisations and individuals subject to Malta's Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) regime or 'subject persons'. The project is an integral part of the process to bring Malta in line with the requirements of 4<sup>th</sup> Anti-Money Laundering Directive<sup>ii</sup> (AMLD4) and will also contribute to Malta's forthcoming MONEYVAL<sup>iii</sup> evaluation<sup>iv</sup>.

At the end of April and early May the Compliance Section of the FIAU will be sending out detailed questionnaires to Malta's Banks and TCSPs, as part of a detailed data collection exercise which will form the basis of the upgraded risk model. Responses to these questionnaires must be returned before the end of this August.

The questionnaire is highly detailed. The FIAU is providing ample time for respondents to complete the questionnaire due to the level of detail and time needed by respondents to plan and organise how they will respond.

To make the process of responding to the questionnaire as easy as possible the respondents should submit their answers in the Excel responses templates provided in the FIAU email questionnaire and read the guidance notes sent with the email.

This data gathering exercise is an immensely important part of an extensive project aimed at improving Malta's AML/CFT framework and protecting Malta's reputation. Respondents should treat this request for information as an absolute business priority.

The Compliance Section advises subject persons that under AMLD4 they are required to conduct an enterprise risk assessment, to establish the ML/TF risks that are inherent with their business. The FIAU will publish the questionnaires that it is sending to Banks and TCSPs, for the benefit of all subject persons. The direction and structure of the questionnaires will assist and prompt subject persons in how they should approach and structure their individual enterprise risk assessments.

For any queries, kindly contact us on [info@fiumalta.org](mailto:info@fiumalta.org)

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<sup>i</sup> Malta has over 2,000 subject persons, 27 Credit Institutions and over 700 TCSPs

<sup>ii</sup> The EU's 4th Anti-Money Laundering Directive comes into force on 26 June 2017

<sup>iii</sup> MONEYVAL, or the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism, is a permanent monitoring body of the Council of Europe entrusted with the task of assessing compliance with the principal international standards to counter money laundering and the financing of terrorism and the effectiveness of their implementation, as well as with the task of making recommendations to national authorities in respect of necessary improvements to their systems. Through a dynamic process of mutual evaluations, peer review and regular follow-up of its reports, MONEYVAL aims to improve the capacities of national authorities to fight money laundering and the financing of terrorism more effectively. It is a standing committee of the Council of Europe. MONEYVAL is an Associate member of the AML/CFT international standard setter the Financial Action Task Force (FATF) [http://www.coe.int/t/dghl/monitoring/moneyval/default\\_en.asp](http://www.coe.int/t/dghl/monitoring/moneyval/default_en.asp)

<sup>iv</sup> MONEYVAL conducts regular inspections of EU Member States for their capability in the prevention of Money Laundering and the Financing of Terrorism. Malta's next assessment commences in November 2017 and is anticipated to continue until the spring of 2018.