

KAMRA TAD-DEPUTATI



HOUSE OF REPRESENTATIVES

PARLAMENT TA' MALTA

Kap tal-Oppożizzjoni

Leader of the Opposition

16/06/2021

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Reference is made to the process whereby the Maltese jurisdiction will be assessed by the Financial Action Task Force with the risk of grey-listing following the reports by the Council of Europe's Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism.

We understand that the upcoming FATF decision will be based on a technical assessment of the implementation of AML/CFT measures. This letter is not meant to address such technical assessment, but rather as a statement attesting the commitment of the Maltese political class as a whole, to continue to improve the effectiveness of Malta's AML/CFT system, and to ensure the integrity of the Maltese financial services industry.

We Maltese people indeed take pride in our financial services industry, considered as the pinnacle of the services economy making the best of our commitment to provide services with the utmost integrity and a drive to better ourselves continuously through investment in the human capital and technological advancement.

Beyond the efforts to improve enforcement and supervision and the introduction of legislative measures, the greatest effort has come from the industry itself which has responded well to the increased legal and regulatory demands. There has been a tangible and substantial investment in compliance and risk mitigation measures, notably in IT and HR. The vast majority of operators have increased onboarding and ongoing requirements, even at the expense of competitiveness, whilst a substantial number have undertaken a de-risking exercise which has dented profitability.

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This process did not limit itself to the traditional financial services providers but extended to several professions and services which were hitherto considered on the side of the industry including all services relating to real-estate transactions.

Many genuine players feel hard-done by the transgressions of some, who should have known better. Yet the great majority of local professionals, service providers and institutions are continuing with their efforts to align themselves with all applicable rules as there is a prevalent understanding across the board that reputation and integrity are the key to restoring Malta's reputation. It is our hope that such efforts and sacrifices are recognised and given due credit.

As a government in waiting, we stand determined to do all in our competence to ensure the continuation and upscaling of current efforts to align to financial scrutiny rules under the direction of FATF and to promote financial transparency and integrity as a policy priority both in our roles within the European Union and beyond.



Dr. Bernard Grech