
The National

AML, CFT and TFS

Strategy and Action Plan

for 2021-2023

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Background

Risks are constantly evolving and dynamic in nature, thus calling for a constant need to remain vigilant to newly emerging trends in the fields of money laundering (ML), terrorism financing (FT) and targeted financial sanctions (TFS). This asks for the need for a strategic platform that aims at effectively addressing and mitigating these. This is the objective of the National AML/CFT and Sanctions Implementation Strategy for 2021-2023: proactively addressing, enhancing coordination and enhancing supervision in order to be able to address and mitigate traditional and emerging risks and challenges.

In order to have a complete and effective strategy, it is essential that responsible entities are all involved to discuss and present detailed action plans highlighting how the seven policy goals upon which the Strategy rests will be addressed for this coming three-year period. This document presents primarily the objectives of this Strategy and then further presents the actions addressing each policy goal of this Strategy by the following entities:

- National Coordinating Committee on Combating Money Laundering and Funding of Terrorism (NCC)
- Financial Intelligence Analysis Unit (FIAU)
- Malta Financial Services Authority (MFSA)
- Malta Gaming Authority (MGA)
- Malta Police Force (MPF)
- Office of the Attorney General (AGO)
- Office of the State Advocate
- Office of the Commissioner for Revenue (OCfR)
- Malta Security Services (MSS)
- Malta Business Registry (MBR)
- Department of Customs
- Asset Recovery Bureau (ARB)
- Office of the Commissioner for Voluntary Organisations (OCVO)
- Sanctions Monitoring Board (SMB)
- Central Bank of Malta (CBM)
- National Statistics Office (NSO)
- Ministry for Finance and Employment (MFE)
- Malta Digital Innovation Authority (MDIA)
- Ministry for Justice, Equality and Governance (MJEG)

Overarching Strategic Policy Goals

1. The legislative Anti-Money Laundering / Countering the Financing of Terrorism (AML)/ Counter Proliferation Financing (CFT) framework will be constantly updated to ensure the maximum possible adherence with international (Financial Action Task Force, FATF) and European standards, as well as other best practices worldwide.
2. AML/CFT Policies and activities of all authorities will be prioritized and guided by an updated risk assessment focusing on Malta's profile as a financial centre and other risk factors
 - New 2021/2022 National Risk Assessment
 - Followed by an updated action plan in 2022
 - EU Supra National Risk Assessment
3. All Anti-Money Laundering / Countering the Financing of Terrorism / Counter Proliferation Financing activities, domestic and international, will be proactive and fully coordinated by the NCC, fostering the maximum possible information exchange. Outcomes will be measured on a regular basis to ensure the utmost effectiveness of both preventative and oppressive measures.
 - Enhance the information sharing between the entities and further enhance the quality of the Suspicious Transaction Reports
 - Developing new mechanisms and enhancing current mechanisms (Task forces, Fusion centre, Liaison officers)
 - Coordinating Mutual Legal Assistance with domestic ML investigations
 - National statistics collected on Anti-Money Laundering / Countering the Financing of Terrorism / Counter Proliferation Financing and reports produced
 - Sector-based risk assessments which influence the overall National Risk Assessment and subsequent strategies.
4. Preventing criminals and their associates, as well as proceeds of crime from entering the Maltese system, and specifically also by improving the transparency and accuracy of BO information, will be a priority for all supervisors. Effective risk-based supervision and dissuasive sanctioning, and other public-private cooperation mechanisms, will be applied to achieve these goals, while ensuring competitiveness, and minimizing de-risking policies.
 - Enhance and expand the fitness and proper checks – (e.g. Dealers in Precious Metals and Stones, Company Service Providers, real estate, lawyers)
 - Enhanced risk-based supervision and sanctioning
 - Public private partnerships
 - Minimizing of de-risking initiative

5. Detecting investigating and prosecuting money laundering will be of the highest priority. Especially with regard to complex cases, those involving predicate offences not committed in Malta, or professional money laundering promoted by domestic enablers.
 - Restructuring the Financial Crime Investigations Department (FCID) (capacity building training, policies and procedures)
 - Multi agency initiatives be further promoted and enhanced (e.g. task forces, liaison officers, fusion centre)
 - Prosecution (capacity building, training, priorities, and guidelines, harvesting incoming international requests)
 - The judiciary (training, improving the effective use of Magisterial inquiries)

6. Effective risk-based detection and management of all assets (including virtual) subject to potential confiscation, and the collection of tax from criminal activities, will be prioritized, to ensure that criminals and money launderers do not benefit directly or indirectly from their activities, and that maximum value is returned to government to foster both preventative and oppressive AML/CFT government activities.
 - Asset Recovery Bureau
 - Office of the Commissioner for Revenue – AML/CFT training, policy directed at taxing proceeds of crime (domestic and international)
 - Proceeds of Crime Bill – (training, dedicated NCB units in various authorities)

7. Terror financing and sanction evading risks will be carefully monitored on a risk-based approach to ensure the Maltese economy is not abused.
 - Further develop and enhance the TF task force
 - OCVO risk-based supervision
 - TF specific supervision (capacity building, training)
 - TF capacity building training and specialization among all competent authorities

Policy Goal 1: The legislative AML/CFT/CPF framework will be constantly updated to ensure adherence with international (FATF and European) standards, as well as other best practices worldwide

Action	Leading agency (owner)	Milestones
<p>Action 1</p> <p>Establishment of a sub-committee for monitoring Ministerial Government legislative initiatives related to money laundering and funding of terrorism.</p>	<p>State Advocate</p> <p>Members to include:</p> <ul style="list-style-type: none"> • the NCC • responsible senior lawyers of the competent authorities • Permanent secretaries of involved Ministries 	<p>Mapping and addressing the gaps in legislation with the evolving standards;</p> <p>Notify all relevant key authorities with the amendments to ensure proper awareness of the same amendments.</p> <p>Being proactive in terms of the implications of future enacted legislation.</p>
<p>Action 2</p> <p>Implement Government's Policy Decision to introduce a limitation on the use of cash.</p>	<p>FIAU / MFE</p>	<p>Finalise legislation</p>
<p>Action 3</p> <p>Legislative amendments to transpose the provisions of Directive (EU) 2019/1153¹.</p>	<p>FIAU / MFE / MPF</p>	<p>Transposition deadline for the directive is August 2021.</p>
<p>Action 4</p> <p>Transposing Directive (EU) 2018/1673 on</p>		<p>Legislative amendments to the PMLA (Cap 373) that will provide for more effective and dissuasive measures.</p>

¹ Directive (EU) 2019/1153 of the European Parliament and of the Council of 20 June 2019 laying down rules facilitating the use of financial and other information for the prevention, detection, investigation or prosecution of certain criminal offences, and repealing Council Decision 2000/642/JHA

combating money laundering by criminal law.	Ministry for Justice, Equality and Governance	
Action 5 Keep Maltese legislation in line with EU and UN sanctions regime.	SMB	The SMB in collaboration with the Joint Economic and Financial Sanctions Implementation Task Force (JEFSI) ² will review the guidelines issued by the SMB in view of developments, new standards and modifications of the risk assessment. Every quarter of every year.
Action 6 The European Commission plans to launch the second version of the Import Control System (ICS) to allow Member States to receive and process these declarations for the purpose of further addressing safety and security controls at the borders.	Customs	By March 2021.

² The Joint Economic and Financial Sanctions Implementation Task Force (“JEFSI”) is a formal committee established to support the effective supervision of Sanctions related risks and issues as well as support the Sanctions Monitoring Board in the implementation of sanctions issued by the Council of the European Union and United Nations Security Council as well as national sanctions.

Policy Goal II: AML / CFT Policies and activities of all authorities will be prioritized and guided by an updated risk assessment focusing on Malta’s profile as a financial centre and other risk factors (e.g. virtual assets, geographical location of Malta etc)

Action	Leading agency (owner)	Milestones
<p>Action 1</p> <p>Establishment of a committee that centres around the objective of updating the NRA.</p>	<p>The NCC</p> <p>Members to include:</p> <ul style="list-style-type: none"> • the FIAU, • the Office of the AG, • the OCfR • the MFSA, • MBR, • MGA, • Malta Police Force, • Malta Security Services • ARB, • SMB, • OCVO • CBM • Private sector representatives³ 	<p>In 2021 the NCC will start updating the NRA and addressing in more detail the conclusions from the 2017 NRA but embracing as well, the new and emerging threats, risks and vulnerabilities.</p> <p>Developing of sectorial risk assessments where necessary.</p> <p>A workplan is presented in the table accompanying this Policy Goal II.</p>
<p>Action 2</p> <p>Setting up a core committee under the auspices of the NCC to increase substantially the use</p>	<p>MFE / NCC / OCfR / CBM</p>	<p>By April 2021 an action plan that identifies how to address: phasing out cheque issuance; one e-payment channel, wages and salaries via electronic means; set-up of a National Directory Service; upgrade of the National Digital Identity Solution;</p>

³ Private sector including the Malta Bankers’ Association, the Chamber of Commerce, the Malta Institute of Accountants, College of Notaries, the Institute of Financial Services Practitioners, Chamber of Advocates, the Federation of Estate Agents, the Institute of Financial Services Practitioners, the Malta Funds Industry Association, the Malta Insurance Association, the Malta Insurance Association, the Malta Remote Gaming Council. Additional participants may be included in view of the fact that this is an intelligence-based exercise and will definitely be taking on board additional sources of information.

of electronic payments whilst simultaneously decreasing the use of cash and cheques as a means of payment.		Set-up of a national wallet and of an e-platform for real estate purchases; and vending machines to accept electronic payments.
Action 3 Addressing the reduction in cheque usage.	CBM/MFE	Legal Notice by March 2021, entry into force could be six to nine months; Local credit institutions to amend their operating procedures for cheque encashment.
Action 4 Improving understanding of tax related ML, TF and PF risks in Malta as a financial centre	OCfR	Setting up of a committee to collect tax data and identify the risks of tax evasion; Terms of Reference by March 2021 and actual functioning as from June 2021.
Action 5 A sub-committee focusing on the risks and challenges presented by Virtual Financial Assets.	MFSA/MDIA/FIAU / NCC / AGO / MPF	Creating a detailed action plan for mitigating the specific risk of VASPs.
Action 6 Improved risk understanding with regard to BO issues.	MBR	Extend MBR risk classification to Complex Structures.
Action 7 Update the national action plan as a result of the findings of the updated NRA.	NCC / FIAU / MFSA / MGA / MPF / AGO / MSS / MBR / MFSA / ARB / SMB / OCVO	Meetings with the entities to discuss thoroughly and share intelligence.
Action 8 Outreach for the results of the updated NRA.	NCC / FIAU / MFSA / MGA / MBR / SMB	Outreach in line with the particular authority on ML/TF/PF taking into consideration new legislation and international recommendations.

Task	Action for the 2022 Update of the NRA	Start	Due	07/01/2021	25/01/2021	06/02/2021	08/02/2021	09/02/2021	09/03/2021	08/04/2021	09/04/2021	08/07/2021	09/04/2021	08/07/2021	06/09/2021	06/09/2021	05/11/2021	08/11/2021	08/02/2022	09/02/2022	13/04/2022	14/04/2022	
1.0	Assessing the 2017 NRA and agree on NRA methodology			[Yellow bar]																			
1.1	Internal meetings to assess the methodology	07/01/2021	25/01/2021	[Yellow]																			
1.2	Prepare the report on the methodology	25/01/2021	06/02/2021		[Yellow]																		
1.3	Launching the NRA	08/02/2021	08/02/2021			[Yellow]																	
1.4	Gaining intuitive insights from additional local and foreign professionals	09/02/2021	09/03/2021				[Yellow]																
1.5	Summarising the input and assessing its implications	09/03/2021	08/04/2021					[Yellow]															
2.0	Sectorial risk-based assessments and data collection												[Orange]										
2.1	Data collection period and assessment of risks exercise to be done by all authorities, including the carrying out of the sectorial risk-based assessments by the authorities themselves.	09/04/2021	08/07/2021										[Orange]										
3.0	Analyse the risk and threat element related to ML, TF, PF, Sanction Evading, and Contextual Factors Working Groups												[Red]										
3.1	Internal assessment of the ML												[Red]										
3.2	Internal assessment of the TF	09/04/2021	08/07/2021										[Red]										
3.3	Internal assessment of the PF	09/04/2021	08/07/2021										[Red]										
3.4	Internal assessment of the Sanctions Evading	09/04/2021	08/07/2021										[Red]										
3.5	Contextual factors Working Group	08/07/2021	06/09/2021										[Red]										
4.0	Analyse the vulnerability assessment and recommendations																						
4.1	Discussion and conclusions between the various WG and the input from the sectorial risk assessments and the Supranational Risk Assessment	06/09/2021	05/11/2021													[Dark Red]							
5.0	Residual Risk, analysis and action plan including discussing with the private sector	08/11/2021	08/02/2022																				
6.0	Final drafting of the NRA and public version	09/02/2022	13/04/2022																			[Yellow]	
7.0	Outreach to the private sector	14/04/2022																				[Green]	

Policy Goal III: All AML / CFT/ CPF activities, domestic and international, will be proactive and fully coordinated by the NCC, fostering the maximum possible information exchange. Outcomes will be measured on a regular basis to ensure the utmost effectiveness of both preventative and oppressive measures.

Action	Leading agency (owner)	Milestones
<p>Action 1</p> <p>Establishment of a committee that coordinates AML/CFT/CPF training and outreach initiatives.</p>	<p>The NCC</p> <p>Members to include:</p> <ul style="list-style-type: none"> • the FIAU, • the Office of the AG, • the OCfR • the MFSA, • MBR, • MGA, • ARB, • SMB, • OCVO • FinanceMalta 	<p>Meetings are to be held every month.</p> <p>Detailed risk-based training and outreach plan developed focusing on vulnerabilities and gaps identified.</p>
<p>Action 2</p> <p>Establishment of a committee that focuses on improving the gathering of ML, TF and PF related statistics.</p>	<p>Director General of the NSO</p> <p>Members to include:</p> <ul style="list-style-type: none"> • The NCC • FIAU, • Office of the AG, • Court Registrar • OCfR • MFSA, • MBR, • MGA, • Malta Police Force, • ARB, 	<p>Meetings are to be held every quarter</p>

	<ul style="list-style-type: none"> • SMB, • OCVO 	
<p>Action 3</p> <p>Establishment of a sub-committee with the objective of ensuring that all Maltese competent authorities are proactive and well-coordinated among themselves, when participating in international fora on topics related to AML/CFT/Counter Proliferation Financing.</p>	<p>FIAU</p> <p>Members to include</p> <ul style="list-style-type: none"> • the NCC, • Office of the Attorney General, • Office of the State Advocate • MFSA, • MGA, • Customs Department, • MBR, • OCfR, • ARB, • OCVO • SMB 	<p>Members are to meet on a monthly basis.</p>
<p>Action 4</p> <p>Better coordination between the Police and FIAU.</p>	<p>MPF/FIAU</p>	<p>Have an effective liaison officer between the MPF and the FIAU;</p> <p>Improving the Police feedback to FIAU.</p>
<p>Action 5</p> <p>Intensive training of Economic Crimes Unit within the Financial Crimes Investigations Department (FCID) by Officials of the OCfR</p>	<p>OCfR</p>	<p>Recruitment by FCID and tax training by OCfR officials in investigation techniques related to tax evasion;</p>
<p>Action 6</p> <p>Closer cooperation at a national and international level with competent</p>	<p>MPF / OCfR / ARB</p>	<p>Detailing of staff from Malta Police Force;</p> <p>Assistance offered from the OCfR.</p>

authorities regarding Asset Recovery Practices.		
Action 7 Enhance the work of the current Financial Crime Task Force.	FIAU / MPF / AGO	Identifying, investigating and prosecuting high profile ML cases. Ability to identify certain gaps and vulnerabilities in the AML and/or CFT regime; Ability to identify common emerging trends when it comes to these offences.
Action 8 Enhance the work of the Inter-Agency Committee for the Countering of Funding of Terrorism (ICOFT).	FIAU / AGO / MSS / Customs / MPF	
Action 9 Increased tax collection from proceeds of crime.	OCfR / MPF/ ARB	Better training, improved guidelines.
Action 10 Improved coordination between FIAU, Customs and Police in monitoring ML risks associated with cross-border cash movements.	MPF / Customs / FIAU	Inter-agency team focused on ML relating to cash movements and Customs predicate offences. By March 2021 - The FIAU and the Police will have direct access to e-authorisations online system. By December 2021, a profiling system and pop-up alerts to Customs officials.
Action 11 Amend Chapter 391, The Malta Security Service Act, since as it stands it precludes the service from sharing information.	MSS	Signing of MoUs with the competent authorities.

<p>Action 12</p> <p>Finalize and update all MOUs still necessary relating to AML/CFT/CPF.⁴</p>	<p>All the authorities</p>	<p>Revising the MGA/Police MoU, strengthening it.</p> <p>Updating OCVO/Police MoU</p> <p>MoU: SMB/ARB/MSS</p> <p>MoU by Customs on an Integrated Border Management Strategy (IBMS)</p> <p>MoU between AGO and ARB</p> <p>Finalise an agreement with MFSA, MBR and FIAU on CSP supervisory coordination.</p>
<p>Action 13</p> <p>Develop the current FINREP as a platform for the on-going exchange of information on ML/FT risks.</p>	<p>FIAU</p>	<p>FINREP meetings discussion on ML/FT risks, trends and typologies;</p> <p>Disseminate strategic and other types of analysis with NCC and other relevant competent authorities.</p>
<p>Action 14</p> <p>Specialized subgroup for sanctions evasion and listing.</p>	<p>SMB (Police, MSS, FIAU, MGA, MFSA)</p>	<p>Meetings to be held once every two months or more if needed.</p>
<p>Action 15</p> <p>Easy access of the BO register to all competent authorities.</p>	<p>MBR</p>	<p>Extend accessibility to subject persons as well by APIs.</p>

⁴ The OCfR will be in a position to finalise MoUs once Article 4 of Ch. 372 is amended.

Policy Goal IV: Preventing criminals and their associates, as well as proceeds of crime from entering the Maltese system, and specifically also by improving the transparency and accuracy of BO information, will be a priority for all supervisors. Effective risk-based supervision and dissuasive sanctioning, and other public-private cooperation mechanisms, will be applied to achieve these goals, while ensuring competitiveness, and minimizing de-risking policies.

Action	Leading agency (owner)	Milestones
<p>Action 1</p> <p>Amendment of legislation setting up regulators addressing the importance of dissuasive sanctioning.</p>	<p>FIAU/MFSA/MGA/Office of the State Advocate/AGO</p>	<p>Amend the applicable legislation relative to each entity relative to the imposition of administrative penalties of a financial nature and to ensure compliance with article 39 of the Constitution and its counterpart, being article 6 of the ECHR, including its jurisprudence.</p>
<p>Action 2</p> <p>More qualitative and risk-based AML/CFT supervision.</p>	<p>FIAU, MFSA & MBR</p>	<p>Focus on the carrying out of more thematic and targeted type of examinations informed by ML/FT risks.</p> <p>Improve the quality of AML/CFT supervision by: improving choice of checks (based on risks), make better use of risk information, provide more quality training to Supervisory Officers and enhance the quality of Supervisory Reports.</p> <p>Improve the quality of supervision on low risk type of entities by enhancing the current framework of supervisory meetings.</p>
<p>Action 3</p> <p>Identifying low-risk gaming operators for simplified due diligence and supervise them accordingly.</p>	<p>FIAU / MGA</p>	<p>Take into account NRA findings on the gaming sector operators, or the outcomes of specific risk assessments on the gaming sector and consider whether particular operators pose a low risk of ML/FT;</p> <p>Discuss and determine whether low risk operators should be exempted from AML/CFT obligations or be subjected to a lighter touch regime (SDD).</p>

<p>Action 4</p> <p>Using strategic analysis for improved supervision.</p>	<p>FIAU / MBR / MGA / MFSA</p>	<p>Improve the information being retained on common breaches and deficiencies by improving the granularity of currently retained data;</p> <p>Indicators used to tag STRs/SARs (or other reports) to be split further by type;</p> <p>Conclusions of Strategic Analysis Reports disseminated to the supervisory authorities to identify ML indicators/trends;</p> <p>Supervisory Authorities to develop clear procedures how to take into account conclusions on ML/FT strategic analysis in their supervisory work.</p>
<p>Action 5</p> <p>Enhance supervisory AML actions against new and high-risk sectors (especially within the Trustee, CSP, Real Estate, Notaries and Lawyers Sectors).</p>	<p>FIAU / MFSA / MBR</p>	<p>Improve the coordination between FIAU, MFSA and MBR when it comes to the supervision of CSPs under various legislation (i.e. PMLFTR, CSP Act & BO Regulations);</p> <p>In 2021 include MBR as a supervisory authority under the PMLFTR with which the FIAU may share and exchange information.</p>

<p>Action 6</p> <p>Enhance the accuracy of BO information retained by subject persons.</p>	<p>FIAU & MFSA</p>	<p>Focus on carrying out more BO thematic and targeted type of supervisory examinations.</p>
<p>Action 7</p> <p>More effective risk-based register.</p>	<p>MBR</p>	<p>Update MBR guidelines and educate all stakeholders.</p> <p>By March 2021 the MBR issue a consultation document on obliging companies that do not have Maltese residents acting as directors on a company to submit the BO information through an Authorised CSP.</p> <p>MBR will be also requesting payments to be channeled through a Maltese bank account.</p>
<p>Action 8</p> <p>Enhance the FIAU's AML / CFT Whistleblowing Unit.</p>	<p>FIAU</p>	<p>Setting up of a dedicated whistleblowing unit;</p> <p>Public awareness campaigns launched.</p>
<p>Action 9</p> <p>Focus on providing more practical guidance/outreach to the private sector on AML/CFT obligations and ML/FT trends and typologies.</p>	<p>FIAU</p>	<p>Conclude the process of issuance of sector-specific procedures for the most material sectors (i.e. Banks, CSPs, Trustees and Investment Firms);</p> <p>Develop the current FINREP as a platform for the on-going exchange of information on ML/FT risks, trends and typologies with the Banking Sector;</p> <p>Focus on the provision of more practical type of training by identifying in consultation with supervisors and sector representatives' areas of training, conducting practical sessions through the use of ML/FT case studies and sharing of</p>

		experiences on good vs bad compliance practices.
<p>Action 10</p> <p>Increase the effectiveness in sanctioning and enforcing measures for AML/CFT obligations.</p>	FIAU / MFSA / MBR	<p>Increase in the HR within the FIAU enforcement sections;</p> <p>Introduce settlement arrangements for subject persons to incentivize the remediation of breaches;</p> <p>Introduced Policy on Settlement Arrangements;</p> <p>Ensuring a more calibrated approach between administrative fines and remediation actions.</p>
<p>Action 11</p> <p>Promote and raise awareness of the implementation of risk-based AML/CFT policies by banks as opposed to de-risking measures.</p>	FIAU / MFSA	<p>Issue the Banks' Sector Specific Implementing Procedures Part II;</p> <p>FINREP meetings discussion on ML/FT risks, trends and typologies;</p> <p>Discussion held with MBA and core banks.</p>
<p>Action 12</p> <p>Amendments to the Civil Code to include new measures for Foundations and Associations.</p>	MBR	End 2021
<p>Action 13</p> <p>Enhancing effectiveness of cash controls.</p>	Customs	<p>By March 2021, risk-based targeted controls at the seaports and marinas;</p> <p>Postal operators will be required to provide a pre-loading Entry Summary Declaration (ENS) for each postal consignment.</p>

Policy Goal V: Detecting investigating and prosecuting money laundering will be of the highest priority. Especially with regard to complex cases, those involving foreign predicate offences, or professional money laundering promoted by domestic enablers.

Action	Leading agency (owner)	Milestones
<p>Action 1</p> <p>Increased AML training of competent authorities</p>	<p>AGO/MPF/FIAU/OCfR</p>	<p>Training on MBR’s portal and TUBOR; extensive financial crime and AML Training to all relevant investigators and prosecutors; Training sessions per calendar year for each investigating team and training for every FCID officer.</p>
<p>Action 2</p> <p>Training of the Judiciary, the lawyers in the Office of the Attorney General and senior police officers.</p>	<p>NCC, the Attorney General, DG Court Services Agency, University of Malta and MJEG</p>	<p>A management board is to be set up by March 2021 that shall be responsible for allocating this funding appropriately for training and acquisition resources for combating ML and TF, Anti-Corruption and Fraud.</p>
<p>Action 3</p> <p>Identifying tax related ML cases.</p>	<p>MPF / OCfR / FIAU</p>	<p>Training of FCID officials by OCfR officers; An awareness campaign to inform tax practitioners, on typologies of tax evasion and associated ML.</p>
<p>Action 4</p> <p>Recruitment of additional expert staff and expertise in financial crime and AML</p>	<p>MPF/AGO</p>	<p>Recruitment of financial analysts and forensic accountants and lawyers.</p>
<p>Action 5</p> <p>Improve efficiency of investigation and prosecution of ML; better coordination between police and AGO.</p>	<p>MPF / AGO</p>	<p>To conclude investigations within a reasonable time; Retaining exhaustive quarterly statistics Implementation and update of the SOP between the Police AGO;</p>

		<p>Periodically the police and the AGO to meet and reassess their working relationships and standard operating procedures;</p> <p>Assigning a lawyer from the AG's office to any ML case reported by the FCID.</p>
<p>Action 6</p> <p>Prioritization of investigations to be in line with Malta's risk profile</p>	MPF/AGO	Periodical meetings
<p>Action 7</p> <p>Parallel financial investigations should be kick started and conducted.</p>	AGO/MPF	Implement HQ Circular 16/2020.
<p>Action 8</p> <p>Identifying ML cases through domestic predicate offences (drugs, etc).</p>	MPF	Enhance communication and sharing of information within the FCID and within the MPF.
<p>Action 9</p> <p>Identifying ML cases through Customs.</p>	MPF / Customs	MoU and periodical meeting with Customs.
<p>Action 10</p> <p>Identifying cases through incoming international requests (Mutual Legal Assistance (MLA), police-police and Egmont).</p>	MPF/AGO/FIAU	Each foreign request (FIAU, Police-Police and MLA) thoroughly checked for any possible domestic ML.
<p>Action 11</p> <p>Detection of ML through the use of VOs;</p>	OCfR	<p>By September 2020, OCfR to engage in talks with the OCVO to identify tax evasion from the information submitted by VOs to said Commissioner;</p> <p>Where suspicions arise, OCVO is to communicate with OCfR for further investigation (exchange of information would depend on whether proposed legislation is enacted).</p>

<p>Action 12</p> <p>Further enhance the quantity and quality of STRs</p>	<p>FIAU</p>	<p>Address the under-reporting entities in the higher risk sectors: Credit and Financial Institutions, Remote Gaming Operators, TCSPs and Property Sectors by providing a yearly sectorial bulletin including feedback on STRs submitted and ML trends;</p> <p>Carry out Training Sessions based on Sectorial Bulletins;</p> <p>Dialogue with sector representatives: Initiate periodical/annual discussion meetings with sector representative body (representing the most material sectors) to receive information on and address issues / matters concerning suspicious transaction reporting;</p> <p>Reduce STR Rejection Rates and improve content quality of received STRs - Adapt and improve feedback to subject persons on the quality of the content of STRs submitted through GoAML by establishing a semi-automated rejection mechanism;</p> <p>Improve record keeping of intelligence data and other information on ML trends and typologies;</p> <p>Resume the provision of further guidance to all the sectors on risks, typologies and trends, through Sectorial Implementing Procedures and Training Events;</p> <p>Conclude the on-going outreach activity to identify obstacles and impediments to the submission of STRs and draft an action plan to address such findings.</p> <p>Develop the current FINREP as a platform for the on-going exchange of information on ML/FT risks, trends and typologies with the Banking Sector</p>
<p>Action 13</p> <p>Increase effectiveness of detection of customs offences and associated ML.</p>	<p>Customs</p>	<p>Access to Europol's SIENA platform by Marc 2021;</p>

		Access to PNR/API access to the Interpol information platform by December 2021. Direct access to the Interpol information platform.
Action 14 Increase detection of trade-based money laundering (TBML).	Customs	By December 2021, A new Export Supervision Unit (ESU) will be created within the Compliance and Systems Directorate, in order to administer the export procedure and exercise control on exports.
Action 15 Increase in investigating of ML cases involving breaches of sanctions and possible money laundering	SMB	Work closely with law enforcement agencies and give evidence in Court as required.

Policy Goal VI: Effective detection of proceeds of crime, instrumentalities and assets of equivalent value (including virtual), and their management all leading to their effective confiscation, as well as to the collection of tax from criminal activities, will be prioritized

Action	Leading agency (owner)	Milestones
<p>Action 1</p> <p>Structuring the ARB in line with Proceeds of Crime Act</p>	<p>ARB</p>	<p>Recruit staff</p> <p>Increased training</p> <p>Secondment of staff from Malta Police Force</p> <p>Training of staff by and the OCfR</p> <p>New ICT system</p> <p>Investing in asset management infrastructure, techniques and methodologies.</p>
<p>Action 2</p> <p>Training on the planned new legislation on the proceeds of crime and confiscation to all competent authorities and other entities and practitioners.</p>	<p>All competent authorities⁵ involved in detection, investigation and prosecution of both ML/TF and predicate offences</p>	<p>Training by end December 2021.</p>
<p>Action 3</p> <p>Update statistical template to show effectiveness in confiscation of proceeds, instrumentalities and property of equivalent value in line with the</p>	<p>NSO / ARB / MPF / AGO / Court Registry</p>	<p>Results for the investigations that have a charge date in 2019 – 2022.</p>

⁵ The OCfR is not included as a competent authority since the OCfR does not carry out confiscation of assets. OCfR issues garnishee orders where a tax debt is due.

Proceeds of Crime Act.		
Action 4 Update of policies and procedures on confiscation once the Proceeds of Crime Bill passes, including the internal policies and procedures of the ARB.	ARB / AGO /MPF / Customs	March 2021
Action 5 Collection of tax from proceeds of crime; ARB to recruit officers which can be trained as tax officers; Create a policy, including pointers, as to when proceeds of confiscation are to be taxed.	MFSA / OCfR / ARB /FIAU / MPF / AGO / MGA	Mutual exchanges and training programmes with the OCfR; OCfR to offer ARB staff a six-month placement, including intensive training, within the investigation unit of the Office.
Action 6 Increased involvement of JEFISI in issues relating to confiscation.	SMB	2021-2023
Action 7 Subsidiary Legislation 233.07 ⁶ allows Customs to restrain cash for a determined period pending investigations.	Customs	This process is carried out in collaboration with the ICOFT and other entities such as the Assets Recovery Bureau as required on a case-by-case basis.

⁶ Subsidiary Legislation 233.07 has been amended, as of 7th July 2020 Art 3 (9) enables the Commissioner to detain any cash, whatever its value, whether it is being carried or unaccompanied, and whether it has been declared or not, where there are indications that the cash is related to criminal activity.

Policy Goal VII: Terror financing and sanction evading risks will be carefully monitored on a risk-based approach to ensure the Maltese economy is not abused.

Action	Leading agency (owner)	Milestones
<p>Action 1</p> <p>Aligning ICOFT (Inter-Agency Committee on Financing of Terrorism) activities with the TF risk assessment.</p>	<p>FIAU /MPF /AGO/ CUSTOMS / MSS</p>	<p>Sharing of intelligence and evidence on ML/TF cases with all stakeholders in this agency.</p>
<p>Action 2</p> <p>Enhance training on TF risks, trends and typologies.</p>	<p>FIAU / MFSA / MGA / AGO / MPF / MBR / SMB / OCVO</p>	<p>Exchanges with foreign counterparts (FIUs and AML/CFT Supervisors) willing to share experiences and knowhow.</p>
<p>Action 3</p> <p>Outreach initiatives addressing TF and sanction evading risks and the importance of adhering to a risk-based approach.</p>	<p>FIAU / MFSA / MGA / SMB / OCVO / MBR</p>	<p>Outreach sessions by the SMB are to be extended further.</p> <p>To increase awareness towards new VO's or already established VO's with regards to enrolment.</p> <p>Additional training related to TF and sanction evading risks.</p>
<p>Action 4</p> <p>Proactively examine sanction breaches from a TF perspective.</p>	<p>SMB / FIAU</p>	<p>Exchange of information between SMB and FIAU on sanction breaches.</p>
<p>Action 5</p> <p>Updating guidelines in line with Criminal Code Amendments with regards to financing of terrorist organisations.</p>	<p>FIAU / MFSA / MPF / MGA / SMB / OCVO</p>	<p>Updating the Guidelines in order to reflect the amendments to the criminal code whereby FT now includes the financing of groups and thereby increases the situations in which persons may be prosecuted, designated under national/EU/UN</p>

		sanctions and therefore more situations where assets may be frozen.
<p>Action 6</p> <p>Proactive risk-based supervision of VOs;</p> <p>To register all Charity Shops with the OCVO as per Legal Notice and Charity Shops Act;</p> <p>Send all lists of new administrators to competent authorities for screening.</p>	OCVO	<p>By January 2021 screening of administrators screened internally through the open sources and by July 2021, administrators screened and monitored internally in real-time. By December 2021, full inputting and full monitoring;</p> <p>By June 2021 registering all Charity shops, and legal action if the law is breached;</p> <p>Lists of administrators shared with competent authorities for due diligence. Administrators who fail the screening process to leave their administrative role.</p>
<p>Action 7</p> <p>To achieve full enrolment of VOs in Malta;</p> <p>To achieve greater supervision of the VO sector through achieving a higher submission rate of annual returns;</p> <p>Enhanced due diligence by ensuring that Public Collections are done according to law by registered VOs and individuals with permits.</p>	OCVO	<p>Increase monitoring of the printed and social media;</p> <p>Educational campaign to enhance enrolment and enlistment of new VOs;</p> <p>More effective supervision of VOs through more in-depth vetting of Annual Returns as from the annual returns of 2019;</p> <p>Detecting breaches of VOs and enhanced monitoring;</p> <p>Monitoring public collections and statements in declarations of annual returns through the recruitment of senior manager, two managers and three officers.</p>
<p>Action 8</p> <p>Enhance financial transparency of VOs.</p>	OCVO / MFSA / CBM	<p>Over the period 2021 to 2023, OCVO to continue educating VOs on a risk-based approach about financial transparency through webinars and supporting VOs to open a bank account;</p> <p>OCVO to continue discussions with competent authorities in this regard.</p>

<p>Action 9</p> <p>Identifying cases through incoming international requests (Mutual Legal Assistance (MLA) and Egmont).</p>	<p>AGO / MPF</p>	<p>Reviewing income requests;</p> <p>Adopting a unilateral approach by all the authorities and ensuring swift identification of TF cases impacting Malta.</p>
<p>Action 10</p> <p>Enhance the CFT component within supervisory examinations of subject persons most exposed to TF risk (i.e. Banks, Payment Service Providers and Money Remitters).</p>	<p>FIAU / MFSA / MGA / MBR</p>	<p>Ensure that AML/CFT Supervisory examinations among most exposed sectors are focusing on CFT aspects.</p>
<p>Action 11</p> <p>Evaluate the REQs of the sectors most exposed to TF risks to improve the gathering of data on TF risks.</p>	<p>FIAU</p>	<p>Review REQs for Banks & Financial Institutions to enhance and improve the granularity of information on TF and jurisdictional connections and flows of monies.</p>
<p>Action 12</p> <p>Carry out regular strategic analysis on TF risks.</p>	<p>FIAU / CBM / MFSA</p>	<p>Periodical strategic analysis of TF risks by monitoring inward and outward flows through Banks, Money Remitters and Payment Institutions, connections with jurisdictions having elevated terrorism risks; and financial and other intelligence.</p>
<p>Action 13</p> <p>Proactively initiate potential TFS listings based on domestic investigations.</p>	<p>SMB / FIAU / MPF / AGO / Customs</p>	<p>Ad hoc meetings increasing the flow of information to the SMB which can assist in potential listings.</p>
<p>Action 14</p> <p>Update JEFSI policies and procedures in line with risk assessment on TFS and PF.</p>	<p>SMB</p>	<p>Completion of the PF and TFS risk assessment.</p>

