

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

15th June 2018

Mr Petr Jezek
The Chair
Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance
European Parliament
Brussels

Subject: Public Hearing organised by the Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance (TAX3) on "Combating money-laundering in the EU banking system"

Dear Chair

Thank you for your letter which was dated 15th May 2018, received end May 2018.

The MFSA is strongly committed to working with European Institutions to advance the development of effective criteria and rigorous methodologies for assessing whether applicants meet the conditions for the granting of a banking licence and sustain them on an on-going basis, especially in the context of potential exposure to Money Laundering and Financing Terrorism (ML/FT) risks.

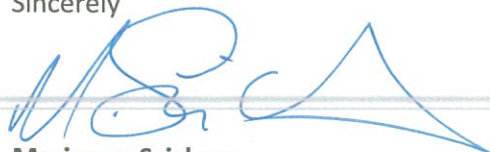
In this regard we welcomed the opportunity at the European Parliament to be able to present some of the lessons and conclusions we have drawn from our experiences. As stated at the Hearing there are a number of points in the authorisation and supervision process where we believe clearer criteria and strengthened practical guidelines could enable National Competent Authorities (NCAs) to enhance their ability to assess and monitor on-going ML/FT risk more effectively. We have already passed on these observations to the European Banking Authority.

There are also other aspects relevant to AML cases which are not in our opinion fully addressed by the European AML framework in a scenario where concerns related to potential money laundering exist.

With respect to the request for the disclosure of the name of the firm that carried out artificial intelligence works to assist MFSA in its due diligence process, due to confidentiality reasons I have to advise that we are not in a position to disclose the name thereof.

Lastly we look forward to a constructive discussions and contribution towards the strengthening of the AML framework within the European Union.

Sincerely



Marianne Scicluna
Director General