



## FRANS TIMMERMANS

First Vice-President

Brussels, 25. 10. 2018

*Thank you for your email of 12 June 2018 to President Juncker and the attached report on your visit to Malta with your fellow MEPs Mr Sven Giegold, and Mr David Casa, following the assassination of journalist Daphne Caruana Galizia. President Juncker has asked me to reply on his behalf.*

*The Commission has condemned this brutal assassination in the strongest terms possible and expects the Maltese authorities to continue the ongoing investigations until justice is served.*

*Commissioner Jourová visited Malta on 14 and 15 June 2018 and raised a number of the issues mentioned in your report in meetings with the Maltese authorities.*

*As regards the fight against money laundering, you will be aware that the Commission sent a letter to the European Banking Authority (EBA) in October 2017, asking it to ensure that the institutions responsible for supervision of the anti-money laundering framework established in Malta satisfy the requirements laid down in Union Anti-Money Laundering legislation. The EBA carried out a preliminary investigation, including a visit to the relevant Maltese institutions.*

*On 6 June 2018, the EBA decided to open a formal investigation into potential breaches of Union law by the Maltese Financial Intelligence Analysis Unit (FIAU). On 11 July 2018, the EBA decided that the Maltese FIAU is indeed in breach of Union law and adopted a formal recommendation to the authority. In line with the EBA Regulation, the Commission may issue a formal opinion requiring the FIAU to take the necessary action to comply with Union law. To that end, the Commission is closely monitoring the FIAU's compliance with the EBA recommendation.*

*The EBA also investigated the role of the Malta Financial Services Authority (MFSA) both in granting the licence to the Pilatus Bank and in not seeking its withdrawal at an earlier stage. While the EBA had significant concerns on the MFSA's authorisation and supervisory practices, it decided on 19 September 2018 to close its preliminary investigation, also given that the MFSA had in the meantime requested the European Central Bank to withdraw Pilatus bank's licence.*

*Moreover, the Commission is closely monitoring the transposition of the fourth Anti-Money Laundering Directive and has opened infringement proceedings against a number of Member States, including Malta.*

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As you will be aware, in the framework of the European Semester, the Council recommended on 13 July 2018 that Malta take action in 2018 and 2019, inter alia, to "strengthen the overall governance framework by enhancing the national supervision of internationally oriented financial businesses licensed in Malta, by ensuring the effective enforcement of the Anti-Money Laundering framework and by continuing to step up the fight against corruption."

Concerning whistleblower protection, the Commission proposed on 23 April 2018 a Directive on the protection of persons reporting on breaches of EU law, including in the area of anti-money laundering. The proposal, which establishes a high level of protection for whistleblowers, covers persons working in the private and public sector and protects whistleblowers against dismissal, demotion and other forms of retaliation by providing for a number of procedural actions when retaliation occurs. The Commission's proposal is currently under discussion in the Parliament and Council. The Commission has called on the co-legislators to adopt the Directive on the protection of whistleblowers as a matter of priority.

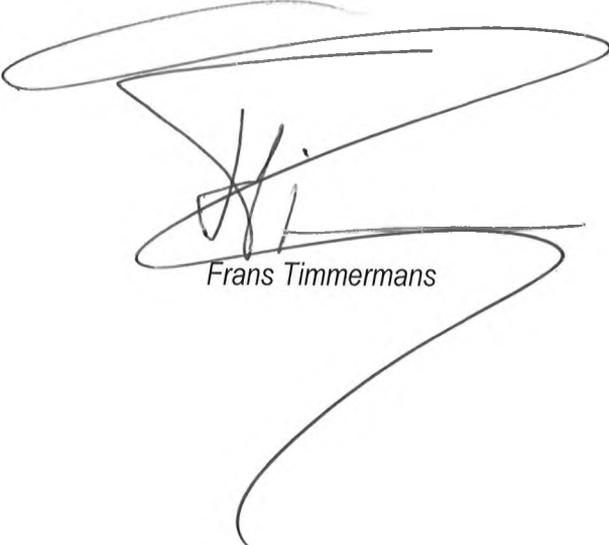
With respect to the "Individual Investor Programme", the Commission in its 2017 Citizenship Report set the priority of safeguarding the essence of EU citizenship and its inherent values. In light of this, it announced it would produce a report on national schemes granting EU citizenship to investors, describing the Commission's actions in this area, current national law and practices and providing some guidance for Member States. The Commission intends to issue the report before the end of 2018.

With reference to freedom of speech and libel laws, please note that while the Commission is determined to protect fundamental rights as provided under the Charter of Fundamental Rights of the EU, it can only do so when the issue falls within the remit of its competences. According to Article 51(1) of the Charter, its provisions are only addressed to Member States when they implement EU law. Libel laws do not relate to implementation of EU law and fall under the competence of Member States. Accordingly, it is for national authorities to ensure that fundamental rights are complied with in accordance with their constitution and obligations arising from international agreements, such as the European Convention of Human Rights.

As regards the rule of law in Malta, the Commission will continue to monitor relevant developments and will react to them as appropriate.

I can assure you that we are closely monitoring the situation and taking all steps available to us.

Yours



Frans Timmermans